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| **Unit 6 - 7 Study Guide** | |
| Student |  |
| Class |  |
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| **1.** | When businesses invest funds to expand, they are involved in the process of: |
|  | |  |  | | --- | --- | | **A.** | selling. | |
|  | |  |  | | --- | --- | | **B.** | depreciation. | |
|  | |  |  | | --- | --- | | **C.** | finance. | |
|  | |  |  | | --- | --- | | **D.** | capitalism. | |
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| **2.** | Businesses use the information collected through the accounting process to prepare accurate: |
|  | |  |  | | --- | --- | | **A.** | balance sheets. | |
|  | |  |  | | --- | --- | | **B.** | purchase orders. | |
|  | |  |  | | --- | --- | | **C.** | inventory forms. | |
|  | |  |  | | --- | --- | | **D.** | promissory notes. | |
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| **3.** | The role of finance in business often involves: |
|  | |  |  | | --- | --- | | **A.** | monitoring expenses. | |
|  | |  |  | | --- | --- | | **B.** | paying employees. | |
|  | |  |  | | --- | --- | | **C.** | buying supplies. | |
|  | |  |  | | --- | --- | | **D.** | obtaining funds. | |
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| **4.** | Assets a company already owns and can use to finance a new venture are called: |
|  | |  |  | | --- | --- | | **A.** | accounts payable. | |
|  | |  |  | | --- | --- | | **B.** | dividends. | |
|  | |  |  | | --- | --- | | **C.** | return on capital. | |
|  | |  |  | | --- | --- | | **D.** | equity. | |
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| **5.** | Businesses would not be able to determine if they are meeting their financial goals without accurate: |
|  | |  |  | | --- | --- | | **A.** | production plans. | |
|  | |  |  | | --- | --- | | **B.** | marketing plans. | |
|  | |  |  | | --- | --- | | **C.** | accounting systems. | |
|  | |  |  | | --- | --- | | **D.** | distribution systems. | |
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| **6.** | What is one of the main reasons why businesses need to keep accurate accounting records? |
|  | |  |  | | --- | --- | | **A.** | to follow procedures | |
|  | |  |  | | --- | --- | | **B.** | to control expenses | |
|  | |  |  | | --- | --- | | **C.** | to eliminate risks | |
|  | |  |  | | --- | --- | | **D.** | to regulate taxes | |
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| **7.** | According to the marketing concept, which option demonstrates customer orientation? |
|  | |  |  | | --- | --- | | **A.** | finding out what a buyer wants | |
|  | |  |  | | --- | --- | | **B.** | researching a firm's competitors | |
|  | |  |  | | --- | --- | | **C.** | convincing a buyer to buy | |
|  | |  |  | | --- | --- | | **D.** | advertising the features of a product | |
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| **8.** | How frequently should the operations function, which consists mainly of activities, be performed? |
|  | |  |  | | --- | --- | | **A.** | monthly | |
|  | |  |  | | --- | --- | | **B.** | weekly | |
|  | |  |  | | --- | --- | | **C.** | daily | |
|  | |  |  | | --- | --- | | **D.** | yearly | |
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| **9.** | The Scott Company decided to sell stock to raise capital. Under what form of business organization does the company operate? |
|  | |  |  | | --- | --- | | **A.** | partnership | |
|  | |  |  | | --- | --- | | **B.** | cooperative | |
|  | |  |  | | --- | --- | | **C.** | corporation | |
|  | |  |  | | --- | --- | | **D.** | proprietorship | |
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| **10.** | A manager who helps an employee count the money in a cash drawer and prepare a bank deposit is demonstrating: |
|  | |  |  | | --- | --- | | **A.** | aggressive behavior. | |
|  | |  |  | | --- | --- | | **B.** | natural talent. | |
|  | |  |  | | --- | --- | | **C.** | creativity. | |
|  | |  |  | | --- | --- | | **D.** | technical skills. | |
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| **11.** | Which would probably result if a business reduced its marketing costs? |
|  | |  |  | | --- | --- | | **A.** | increased costs of production | |
|  | |  |  | | --- | --- | | **B.** | decreased variety of consumer goods | |
|  | |  |  | | --- | --- | | **C.** | increased consumer awareness of goods and services | |
|  | |  |  | | --- | --- | | **D.** | decreased need for customer contact with businesses | |
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| **12.** | Which do managers often set in order to control the work effort? |
|  | |  |  | | --- | --- | | **A.** | hiring objectives | |
|  | |  |  | | --- | --- | | **B.** | job standards | |
|  | |  |  | | --- | --- | | **C.** | expense budgets | |
|  | |  |  | | --- | --- | | **D.** | diversity quotas | |
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| **13.** | John says that his job duties include planning what will be done, organizing and directing workers, and solving problems related to worker productivity. His job can **best** be described as a: |
|  | |  |  | | --- | --- | | **A.** | manager. | |
|  | |  |  | | --- | --- | | **B.** | broker. | |
|  | |  |  | | --- | --- | | **C.** | cashier. | |
|  | |  |  | | --- | --- | | **D.** | bookkeeper. | |
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| **14.** | Which is a characteristic of human resources management? |
|  | |  |  | | --- | --- | | **A.** | evaluating supervisors | |
|  | |  |  | | --- | --- | | **B.** | developing leaders | |
|  | |  |  | | --- | --- | | **C.** | scheduling the work | |
|  | |  |  | | --- | --- | | **D.** | working with people | |
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| **15.** | One reason why human resources management is important to the success of a business is because this process is responsible for: |
|  | |  |  | | --- | --- | | **A.** | creating jobs for the company. | |
|  | |  |  | | --- | --- | | **B.** | eliminating turnover. | |
|  | |  |  | | --- | --- | | **C.** | staffing the business. | |
|  | |  |  | | --- | --- | | **D.** | reducing compensation. | |
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| **16.** | A characteristic of a sole proprietorship is that the owner: |
|  | |  |  | | --- | --- | | **A.** | has access to unlimited funds. | |
|  | |  |  | | --- | --- | | **B.** | receives all the profit. | |
|  | |  |  | | --- | --- | | **C.** | transfers all the risk. | |
|  | |  |  | | --- | --- | | **D.** | delegates all functions. | |
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| **17.** | A type of business ownership in which one or more of the owners does **not** have full liability is called a: |
|  | |  |  | | --- | --- | | **A.** | general partnership. | |
|  | |  |  | | --- | --- | | **B.** | limited partnership. | |
|  | |  |  | | --- | --- | | **C.** | sole proprietorship. | |
|  | |  |  | | --- | --- | | **D.** | service organization. | |
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