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| **Unit 6 - 7 Study Guide** |
| Student |  |
| Class |  |
| Date |  |

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| **1.** | When businesses invest funds to expand, they are involved in the process of:  |
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| **A.** | selling.  |

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| **B.** | depreciation.  |

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| **C.** | finance.  |

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| **D.** | capitalism.  |

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| **2.** | Businesses use the information collected through the accounting process to prepare accurate:  |
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| **A.** | balance sheets.  |

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| **B.** | purchase orders.  |

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| **C.** | inventory forms.  |

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| **D.** | promissory notes.  |

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| **3.** | The role of finance in business often involves:  |
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| **A.** | monitoring expenses.  |

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| **B.** | paying employees.  |

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| **C.** | buying supplies.  |

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| **D.** | obtaining funds.  |

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| **4.** | Assets a company already owns and can use to finance a new venture are called:  |
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| **A.** | accounts payable.  |

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| **B.** | dividends.  |

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| **C.** | return on capital.  |

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| **D.** | equity.  |

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| **5.** | Businesses would not be able to determine if they are meeting their financial goals without accurate:  |
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| **A.** | production plans.  |

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| **B.** | marketing plans.  |

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| **C.** | accounting systems.  |

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| **D.** | distribution systems.  |

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| **6.** | What is one of the main reasons why businesses need to keep accurate accounting records?  |
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| **A.** | to follow procedures  |

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| **B.** | to control expenses  |

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| **C.** | to eliminate risks  |

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| **D.** | to regulate taxes  |

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| **7.** | According to the marketing concept, which option demonstrates customer orientation?  |
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| **A.** | finding out what a buyer wants  |

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| **B.** | researching a firm's competitors  |

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| **C.** | convincing a buyer to buy  |

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| **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?  |
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| **A.** | monthly  |

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| **B.** | weekly  |

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| **C.** | daily  |

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| **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?  |
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| **A.** | partnership  |

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| **B.** | cooperative  |

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| **C.** | corporation  |

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| **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:  |
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| **A.** | aggressive behavior.  |

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| **B.** | natural talent.  |

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| **C.** | creativity.  |

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| **D.** | technical skills.  |

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| **11.** | Which would probably result if a business reduced its marketing costs?  |
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| **A.** | increased costs of production  |

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| **B.** | decreased variety of consumer goods  |

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| **C.** | increased consumer awareness of goods and services  |

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| **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?  |
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| **A.** | hiring objectives  |

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| **B.** | job standards  |

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| **C.** | expense budgets  |

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| **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:  |
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| **A.** | manager.  |

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| **B.** | broker.  |

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| **C.** | cashier.  |

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| **D.** | bookkeeper.  |

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| **14.** | Which is a characteristic of human resources management?  |
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| **A.** | evaluating supervisors  |

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| **B.** | developing leaders  |

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| **C.** | scheduling the work  |

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| **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:  |
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| **A.** | creating jobs for the company.  |

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| **B.** | eliminating turnover.  |

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| **C.** | staffing the business.  |

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| **D.** | reducing compensation.  |

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| **16.** | A characteristic of a sole proprietorship is that the owner:  |
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| **A.** | has access to unlimited funds.  |

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| **B.** | receives all the profit.  |

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| **C.** | transfers all the risk.  |

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| **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:  |
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| **A.** | general partnership.  |

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| **B.** | limited partnership.  |

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| **C.** | sole proprietorship.  |

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| **D.** | service organization.  |

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