

BA130 Module 6 Test

Choose the correct answer. Use the answer sheet to type your answers on it. Use capital letters. You must have your name on the test. Tests with no names will receive a zero.

1. ___B.____ is the recording, classifying, summarizing, and interpreting of financial events and transactions that affect and organization.
a. Bookkeeping (b. Accounting)
2. ___B.____ provides information and analyses to managers within the firm to assist them in decision making.
a. Financial accounting (b. Managerial accounting)
3. ___A.____ provides information and analyses to external users of data such as creditors & lenders.
a. (Financial accounting) b. Managerial accounting
4. ___A.____ is a part of accounting and includes the systematic recording of data.
a. (Bookkeeping) b. Accounting
5. A ___B.____ is an accountant that provides services for a fee to a variety of companies.
a. private accountant (b. public accountant)
6. A ___A.____ is an accountant that works for only one firm.
 (private accountant) b. public account
7. A(n) ___A.____ reports revenues, costs, and expenses for a specific period of time.
a. (income statement) b. balance sheet
8. A(n) ___B.____ reports the financial position of a firm on a particular day.
a. income statement (b. balance sheet)
9. The most common financial problems are undercapitalization, poor control over cash flow, and inadequate expense control. (a. true) b. false
10. ___B.____ managers plan, budget, control funds, obtain funds, collect funds, conduct audits, manage taxes, and advise top management on financial matters.
a. Marketing (b. Financial)
11. The three key budgets in a financial plan include the capital budget, cash budget, & operating budget.
a. (true) b. false
12. The two types of financing include debt financing and equity financing.
a. (true) b. false
13. The ___B.____ is a telecommunications network that links dealers across the nation so that they can buy and sell securities electronically rather than in person.
a. NYSE Euronext (b. NASDAQ)
14. Stock exchanges are not securities markets whose members are engaged in buying and selling securities such as stocks and bonds. a. true (b. false)
15. The criteria for selecting investments include risk, yield, duration, and tax consequences.

a. (true) b. false

16. Money is anything people generally accept as payment for goods and services.

a. (true) b. false

17. The Federal Reserve makes financial institutions keep funds in the Federal Reserve System (reserve requirement), buys and sells government securities (open market operations), and lends money to banks (the discount rate). To increase the money supply, the Fed can cut the reserve requirement, buy government bonds, and lower the discount rate.

a. (true) b. false

18. The institutions that make up the banking system include savings and loans, commercial banks, and credit unions.

(a. true) b. false

19. Nonbanks do not include life insurance companies that lend out their funds, pension funds that invest in stocks and bonds and make loans, brokerage firms that offer investments services and commercial finance companies.

a. true (b. false)

20. The agencies that insure the money you put into a bank, S&L, or credit union, include National Credit Union Administration (NCUA), the Federal Deposit Insurance Corporation (FDIC), the Saving Association Insurance Fund (SAIF), and the National Credit Union Administration (NCUA).

a. (true) b. false

Instruction.

Please use the answer sheet below. Make sure your name, class, and section are on it. Use the letters A or B. Anything else will result in 5-10 points deducted from your score. Do not modify the answer sheet.

BA130 MODULE 6 TEST ANSWER SHEET

Name: Miguel Bethea

Class: _ * _ BA130-01 ___BA130-02 ___BA130-03 ___BA130-04

Date: 10/8/20

Please complete this answer sheet and save it. Place a copy of the completed sheet in the dropbox for Module Test 6. Use A for true and B for false. Please type A or B by the number. Leave nothing blank. Do not modify this answer sheet.

1.B

2.B

3.A

4.A

5.B

6.A

7.A

8.B

9.A

10.B

11.A

12.A

13.B

14.B

15.A

16.A

17.A

18.A

19.B

20.A