

## FIN 571 Week 1 WileyPLUS Assignment Practice Quiz

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#### Multiple Choice Question 42

Which of the following business organizational forms subjects the owner(s) to unlimited liability?

- a) sole proprietorship
- b) partnership
- c) corporation
- d) a and b

#### Multiple Choice Question 44

Which of the following business organizational forms is easiest to raise capital?

- a) sole proprietorship
- b) partnership
- c) corporation
- d) a and b

**Multiple Choice Question 50**

Which organizational form best enables the owners of the firm to monitor the actions of other owners of the same firm?

private corporation

sole proprietorship

partnership

public corporation

**Multiple Choice Question 81**

Which of the following factors or activities can be controlled by the management of the firm?

Stock market conditions.

Capital budgeting.

The level of economic activity.

The level of interest rates.

**Multiple Choice Question 82**

The legal system and market forces impose substantial costs on individuals and institutions that engage in unethical behavior. Which of the following would not be an example of the above?

Agency conflicts.

Jail time.

Financial losses.

Legal fines.

**Multiple Choice Question 48**

The most common reason that corporate firms use the futures and options markets is

to make deposits.

none of these.

to hedge risk.

to take risk.

**Multiple Choice Question 55**

Galan Associates prepared its financial statement for 2008 based on the information given here. The company had cash worth \$1,234, inventory worth \$13,480, and accounts receivables of \$7,789. The company's net fixed assets are \$42,331, and other assets are \$1,822. It had accounts payables of \$9,558, notes payables of \$2,756, common stock of \$22,000, and retained earnings of \$14,008. How much long-term debt does the firm have?

\$76,342

\$18,334

\$54,342

\$12,314

**Multiple Choice Question 59**

Tre-Bien Bakeries generated net income of \$233,412 this year. At year end, the company had accounts receivables of \$47,199, inventory of \$63,781, and cash of \$21,461. It also had accounts payables of \$51,369, short-term notes payables of \$11,417, and accrued taxes of \$6,145. The net working capital of the firm is

None of these

\$68,931

\$63,510

\$69,655

**Multiple Choice Question 81**

Which of the following best represents cash flows to investors?

Net income, minus dividends paid to preferred stockholders.

Earnings before interest and taxes times 1 minus the firm's tax rate.

Cash flow from operating activity, plus cash flow generated from net working capital.

Cash flow from operating activity, minus cash flow invested in net working capital, minus cash flow invested in long-term assets.

