

Intro to financial management flashcard



**ASSIGN
BUSTER**

Quiz's for Intro to financial management Chapter 1 (Quiz 1) * Question 1 2 out of 2 points | | | A firm created as a separate and distinct legal entity that may be owned by one or more individuals or entities is called a: Answer| | |

| Correct Answer:| corporation. | | | | * Question 2 2 out of 2 points | | |

Paul is the owner of Paul's Cabinets, which is a sole proprietorship. The firm cannot pay its bills because a large customer defaulted on payment. Which one of the following statements is correct given this situation?

Answer| | | | Correct Answer:| Paul is personally liable for the entire debt of Paul's Cabinets. | | | | * Question 3 2 out of 2 points | | | A sole

proprietorship is defined as a business: Answer| | | | Correct Answer:| owned by a single individual. | | | | * Question 4 2 out of 2 points | | | What is

the goal of financial management for a sole proprietorship? Answer| | | |

Correct Answer:| maximize the market value of the equity| | | | * Question 5 2 out of 2 points | | | Capital structure refers to the: Answer| | | | Correct

Answer:| mixture of debt and equity a firm uses to finance its operations. |

| | | | * Question 6 2 out of 2 points | | | A firm's current assets and current liabilities are referred to as the firm's: Answer| | | | Correct Answer:|

working capital. | | | | * Question 7 2 out of 2 points | | | Which one of the

following functions should be assigned to the controller rather than the treasurer? Answer| | | | Correct Answer:| tax management| | | | *

Question 8 2 out of 2 points | | The process of managing a firm's long-term investments is called: Answer| | | | Correct Answer:| capital budgeting. | | |

| | * Question 9 2 out of 2 points | | | Evaluating the potential risks and

rewards of investing in financial assets, such as domestic stocks, is part of which one of the following financial areas? Answer| | | | Correct Answer:|

investments| | | | * Question 10 2 out of 2 points | | | Anyone other than a firm's stockholders or creditors who potentially has a claim on the cash flows of a firm is called a: Answer| | | | Correct Answer:| stakeholder. | | | |