

Final Exam

1. Which business entity type is the simplest to set up and operate?
 - a. Limited partnership
 - b. Sole proprietorship
 - c. General partnership
 - d. Professional corporation

2. There are two principal accounting methods used in business. They are known as the:
 - a. Ordinary method and extraordinary method
 - b. Single-entry method and double-entry method
 - c. Credit basis and debit basis
 - d. Cash basis and accrual basis

3. "Net 30 days" and "Due upon receipt" are examples of:
 - a. Accounts receivable
 - b. Collection periods
 - c. Contractual obligations
 - d. Payment terms

4. What is the threshold number of full-time employees necessary to cause the Family and Medical Leave Act to be in effect?
 - a. 25
 - b. 50
 - c. 75
 - d. 100

5. Which of the following is not a test for determining the question of exempt vs. non-exempt employees?
 - a. Duties test
 - b. Professional test
 - c. Salary basis test
 - d. Salary level test

6. Which of these insurance policies protects your business against claims arising from accidents which are not the result of your company's work?
 - a. Disability insurance
 - b. General liability insurance
 - c. Homeowners insurance
 - d. Errors and Omissions insurance

7. A life insurance policy held by a company on one of its shareholders is known as a _____ policy.
- Key man
 - Accidental death
 - Executive
 - Income replacement
8. Which of these is a benefit of purchasing equipment compared to leasing equipment?
- Irregular cash flow
 - Maintenance costs
 - Tax deductible depreciation
 - Obsolescence
9. Obligations and debts owed by a business are called:
- Liabilities
 - Bills
 - Debits
 - Operational costs
10. This report lists all your unpaid invoices along with how long each invoice has been outstanding:
- Accounts receivable aging report
 - Cash flow projection
 - Uncollectible accounts report
 - Work in progress report