

# QUIZ



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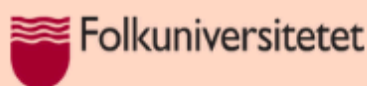
# BOSS

*WOMEN IN FAMILY BUSINESSES*



TRAINING PROGRAMME FOR LEADER WOMEN  
IN EUROPE FAMILY BUSINESSES  
MODULE 3 FINANCE AND ACCOUNTING  
**PRACTICAL PART**

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## QUIZ

1. What is an asset in accounting and finance?

- a) An obligation or debt owed by an entity
- b) A resource with economic value that is expected to provide a future benefit
- c) A measure of profitability relative to total assets
- d) A medium of exchange used in economic transactions

2. What is the primary purpose of calculating assets for a small business owner?

- a) To determine the company's overall health and profitability
- b) To evaluate the efficiency of asset utilization
- c) To assess the company's risk of insolvency
- d) To identify potential investment opportunities

3. Which type of asset is derived from a contractual claim or ownership right and can be traded in financial markets?

- a) Current assets
- b) Fixed assets
- c) Intangible assets
- d) Financial assets

4. What is the debt-to-asset ratio used for?

- a) Determining the company's overall financial health
- b) Assessing the efficiency of asset utilization
- c) Evaluating the level of leverage or indebtedness of a company
- d) Calculating the company's profitability

5. Which type of cost cannot be easily traced to a specific product, department, or project?

- a) Variable cost
- b) Direct cost
- c) Indirect cost
- d) Fixed cost

6. What does ROA stand for in finance?

- a) Return on Assets
- b) Rate of Accumulation
- c) Ratio of Allocation
- d) Revenue on Assets

7. What is the relationship between equity and ownership in a company?

- a) Equity represents ownership in a company.
- b) Equity and ownership are unrelated concepts.
- c) Ownership represents debt obligations.
- d) Ownership is measured by the company's liabilities.

8. What does a positive shareholder equity indicate?

- a) The company has sufficient assets to cover its liabilities.
- b) The company is at risk of bankruptcy.
- c) The company's liabilities exceed its assets.
- d) The company's debts have been settled.

9. What is the primary purpose of revenue in a business?

- a) To cover fixed costs
- b) To increase expenses
- c) To generate profits
- d) To reduce liabilities

10. What does the term "breakeven" refer to in relation to cost and revenue?

- a) When revenue exceeds total costs
- b) When revenue is equal to total costs
- c) When revenue is zero
- d) When revenue is less than total costs

11. What is the fundamental accounting equation that represents the relationship between assets, liabilities, and shareholders' equity?

- a) Assets = Liabilities
- b) Liabilities = Shareholders' Equity
- c) Assets + Liabilities = Shareholders' Equity
- d) Assets = Liabilities + Shareholders' Equity

12. Which financial statement provides a snapshot of a company's financial position at a specific point in time by summarizing its assets, liabilities, and shareholders' equity?

- a) Income Statement
- b) Cash Flow Statement
- c) Balance Sheet
- d) Equity Statement

13. What does the income statement primarily summarize?

- a) Revenue and expenses
- b) Assets and liabilities
- c) Liabilities and equity
- d) Net income and total assets

14. What is the main reason entrepreneurs are willing to take risks in their business ventures?

- a) To achieve guaranteed profits
- b) To avoid uncertainty
- c) To maintain a stable income
- d) To pursue innovation and opportunities

15. What is the purpose of risk reduction strategies in risk management?

- a) To eliminate all risks completely
- b) To transfer all risks to another party
- c) To minimize the likelihood or severity of potential risks
- d) To ignore potential risks and focus on opportunities

**Answer key:**

1.b 2.b 3.d 4. c 5.c 6. a 7.a 8.a 9.c 10.b 11.d 12.c 13.a 14.d 15.c