

FBQ1: Finance plays a very important role in any ----- activities

Answer: Business

FBQ2: A business is a concern, an enterprise, or organization set up by an individual or group of individuals for the purpose of making ----- from operations of the concern.

Answer: Profit

FBQ3: Finance may be defined as the provision of money at the time it is-----

Answer: Required

FBQ4: The ----- are expected to be arranged in such a way that fund (money) is always available to make necessary payments as they arise.

Answer: Inflows

FBQ5: Oyekanmi (2003) defined finance as money affairs or money -----

Answer: Matters

FBQ6: According to Hornby (2001), finance is the money need or needed to----- an activity, project, programme etc. and or the management of money.

Answer: Support

FBQ7: ----- evolved from economics as its branch in the early part of the 20th century

Answer: Finance

FBQ8: Money is the common ----- for the full range of activities performed in the business.

Answer: Denominator

FBQ9: ----- is the medium of exchange in business

Answer: Money

FBQ10: A ----- generates whatever capital it needs and utilizes it in activities which generate returns on invested capital

Answer: Firm

FBQ11: Internal finance is also known to as ----- fund/finance

Answer: Equity

FBQ12: External finance is also known to as ----- fund/finance

Answer: Borrowed

FBQ13: The equity fund/finance is solely owned by -----

Answer: Shareholders

FBQ14: Buyers of shares are called -----

Answer: Shareholders

FBQ15: Shareholders invest their money in the shares of a company in the expectation of a return on their invested ----- .

Answer: Capital

FBQ16: The return for shareholders consists of ----- and capital gain.

Answer: Dividend

FBQ17: In a financial system, the Household are also referred to as \_\_\_\_\_

Answer: Consumers.

FBQ18: ----- represent ownership rights of their holders

Answer: Shares

FBQ19: Shareholders can be of two types that is, preference and -----

Answer: Ordinary

FBQ20: There are two kinds of markets, namely real assets and -----

Answer: Financial

FBQ21: ----- markets are for physical or tangible assets such as plant, machinery, wheat, office, gold, buildings etc.

Answer: Real

FBQ22: Intangible ----- include copyrights, patent, technical know-how.

Answer: Assets

FBQ23: Financial market trades on ----- assets

Answer: Financial

FBQ24: ----- shareholders receive dividend at a fixed rate and they enjoy a priority over ordinary shareholders.

Answer: Preference

FBQ25: A ----- can also obtain equity funds by retaining earnings available for shareholders.

Answer: company

FBQ26: ----- shareholders they enjoy a priority over ordinary shareholders.

Answer: Preference

FBQ27: A ----- is a certificate stating the amount of money lent by a holder to the company.

Answer: Bond

FBQ28: A business organization performs ----- functions simultaneously and continuously in the normal course of its activities.

Answer: Finance

FBQ29: ----- decisions involve capital expenditures which are referred to as capital budgeting decision.

Answer: Investment

FBQ30: Capital structure is the mix of equity and -----  
Answer: Debt

FBQ31: The capital structure is said to be optimum when the market value of shares is -  
-----.  
Answer: Maximized

FBQ32: The ----- of profits distributed as dividend is called the dividend-payout ratio.  
Answer: Proportion

FBQ33: The ----- ratio is the retained portion of profits.  
Answer: Retention

FBQ34: The ----- policy is determined by its impact on the shareholder's value.  
Answer: Dividend

FBQ35: Liquidity and ----- affect investment in current assets in business organizations.  
Answer: Profitability

FBQ36: ----- of an enterprise is affected by the level of management of current asset.  
Answer: Liquidity

FBQ37: Risk of illiquidity (lack of liquidity), in extreme situations, can lead to a business -----  
Answer: Insolvency

FBQ38: ----- assets if properly/efficiently managed would safeguard the business organization against risk of illiquidity.  
Answer: Current

FBQ39: ----- risks are risks that some accident may destroy or spoil some physical goods created by the work financed.  
Answer: Physical

FBQ40: ----- risks are those risks that arise from the fact that the producer's skill or that of the subordinates may not be up to the expected level for the plan, hence it may fall short of achieving the intention  
Answer: Technical

FBQ41: The simplest form of finance is where the whole of finance required by a particular enterprise is provided by an -----.  
Answer: Entrepreneur

FBQ42: Partnership and Limited Liability Company are two main ----- forms under which people join together on equal terms to provide the finance needed for an

enterprise, sharing fully in both risks and profits.

Answer: Institutional

FBQ43: ----- and Limited Liability Company are two main institutional forms under which people join together on equal terms to provide the finance needed for an enterprise, sharing fully in both risks and profits.

Answer: Partnership

FBQ44: The ----- oversees or manages the enterprise's liquid assets, liabilities, payroll and cashier activities, credits and collections, forecasting, capital budgeting and investment and financing.

Answer: Treasurer

FBQ45: The Treasurer is an active participant in long-range financial -----

Answer: Planning

FBQ46: In ----- economy of a country, prices of goods and services are determined by the forces of demand and supply.

Answer: market

FBQ47: ----- mechanism (system) is a vital organ of a market economy, showing the goods and services required in the community.

Answer: Price

FBQ48: The ----- price is where demand and supply match.

Answer: Equilibrium

FBQ49: ----- is the expected variability of the income flow.

Answer: Risk

FBQ50: Business firms are frequently profit oriented with maximization of profit as the proper -----

Answer: Objective

MCQ1: ----- defined finance as money affairs or money matters.

Answer: Oyekanmi (2003)

MCQ2: ----- is an example of external finance

Answer: Loan

MCQ3: The return to shareholders consists of ----- and capital gain

Answer: dividend

MCQ4: Money is the common denominator for the full range of activities performed in the business.

Answer: true

MCQ5: According to Anao (1993), which one of the following is an example of money

or near-money?

Answer: Certificate of deposits

MCQ6: Which of the following is not a product of financial market?

Answer: Patent

MCQ7: Finance evolved from accounting

Answer: false

MCQ8: Undistributed profits is also known as -----

Answer: Retained earnings

MCQ9: The capital structure of a firm could be defined as -----

Answer: The mix of equity and debt

MCQ10: ----- are risks of losses because of unforeseen intervention by governments.

Answer: Political risks

MCQ11: Economic risks are risks that arise from the fact that the producer's skill or that of the subordinates may not be up to the expected level for the plan

Answer: false

MCQ12: Shareholders can be of two types, namely preference and -----

Answer: Ordinary

MCQ13: Financial decisions is concerned with the acquisition and not disposal of assets through commitment or recommitment of funds on a continuous basis.

Answer: False

MCQ14: Finance manager's duties include

Answer: Selecting and evaluating projects

MCQ15: Product pricing/costing policy are jointly determined by the -----

Answer: marketing/sales department and financial planning staff.

MCQ16: The Treasurer is an active participant in long-range financial planning.

Answer: True

MCQ17: The accounting and control function for the finance manager include

Answer: Tax matters

MCQ18: Price mechanism is a vital organ of a -----, showing the goods and services required in the community.

Answer: market economy

MCQ19: Which one is not a limitation of profit maximization according to Pandey (2005) ?

Answer: It is certain

MCQ20: Profit maximization objective is not always clear to stakeholders of the firm.  
Answer: True

MCQ21: The account manager is responsible for performing finance functions in a firm  
Answer: false

MCQ22: Which of the following was not always a major events in the life the firm for raising funds  
Answer: Annual general meeting

MCQ23: Which one of the following is the regulator of the capital market in Nigeria  
Answer: The Nigerian Securities and ExchangeCommission

MCQ24: ----- is the meeting point for investors and firms  
Answer: Capital market

MCQ25: ----- is an example of fixed asset  
Answer: furniture and fittings

MCQ26: ----- is a book in which receipts and payment of money are recorded  
Answer: Cash book

MCQ27: Which one is not an example of current liability?  
Answer: Trade debtors

MCQ28: Profit after tax is ----- item  
Answer: An income statement

MCQ29: The balance sheet is more important than other financial statements to report the activities and performance of the firm  
Answer: false

MCQ30: Profit planning is not related to considering -----  
Answer: Depreciation

MCQ32: Cash flow element include -----  
Answer: Investing Activities

MCQ33: ----- refers to the management of current assets and liabilities  
Answer: Working capital management

MCQ34: The aim of cash management is not to maintain adequate control over cash position to be able to keep the enterprise sufficiently liquid and to use excess cash in some profitable way.  
Answer: False

MCQ35: Components of short-term asset are the following except

Answer: Creditors

MCQ36: Business need to hold cash to achieve the ----- motive

Answer: speculative

MCQ37: A ----- have the legal right to enter into a contract, sue and be sued in its name.

Answer: limited liability company

MCQ38: Operators of companies are by law to register with -----

Answer: Corporate Affairs Commission

MCQ39: The promoters of a limited liability company must apply for registration with -----.

Answer: Memorandum and Articles of Association

MCQ40: Long-term sources of funds represent

Answer: Debenture

MCQ41: Debenture stocks are normally issued under a firm's seal

Answer: True

MCQ42: ----- are the preference shares that allow for dividend payment to be deferred if a firm does not make adequate profit to pay such dividend

Answer: Cumulative preference shares

MCQ43: Which one is not an example of lease financing?

Answer: Debenture lease

MCQ44: ----- convey upon the holders the right to convert these shares into equity shares in accordance with the terms of issues.

Answer: Convertible preference shares

MCQ45: Budgeting helps to identify the ----- desired

Answer: Output

MCQ46: Planning helps to identify the ----- required.

Answer: Inputs

MCQ47: A financial plan is a budget that interprets some elements of a plan in financial terms.

Answer: False

MCQ48: ----- is the financing decisions and practices of individual households, businesses and non-business

Answer: micro finance

MCQ49: Debenture stocks is also known as -----

Answer: Corporate bonds

MCQ50: ----- is a creditor to the firm.

Answer: A debenture stock holder

MCQ31: An enterprise's long-term projected plan should reflect its long-term pricing policy.

Answer: True