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Question 1

Question Type: MultipleChoice

What stay the same in total as volume increases and per unit change inversely with volume?

Options:

A- Revenues

B- Variable costs

C- Quantity

D- Fixed costs

Answer:

B

Question 2

Question Type: MultipleChoice

A technique to analyze the relationship among revenues, costs and volume is called:

Options:

A- Break-even analysis

B- Trend analysis

C- Uniformity analysis

D- Consistency analysis

Answer:

A

Question 3

Question Type: **MultipleChoice**

An annuity for an infinite period of time is called:

Options:

A- Infinite annuity

B- Indefinite annuity

C- Perpetuity

D- Undefined annuity

Answer:

C

Question 4

Question Type: MultipleChoice

The formula to calculate perpetuity is:

Options:

A- Amount of perpetuity = initial investment * interest rate

B- Amount of perpetuity = initial investment - interest rate

C- Amount of perpetuity = initial investment + interest rate

D- Amount of perpetuity = initial investment / interest rate

Answer:

A

Question 5

Question Type: MultipleChoice

The more frequent the compounding for any given interest level and time period, the less

the future value.

Options:

A- True

B- False

Answer:

B

Question 6

Question Type: MultipleChoice

The future value formula to compound at intervals more frequent than annual is:

Options:

A- FV = PV + (1 + i/m) n*m

B- FV = PV * (1 + i/m) n-m

C- FV = PV - (1 + i*m) n/m

D- FV = PV * (1 + i/m) n*m

(Where i= annual interest rate, m=number of times /year that compounding occurs and n= number of years)

Answer:

D

Question 7

Question Type: MultipleChoice

The formula to calculate the formula to calculate the future value of an annuity due is:

Options:

A- FV annuity due = (FA i, n-1 + 1) * annuity

B- FV annuity due = (FVFA i, n-1 + 1) / annuity

C- FV annuity due = (FVFA i, n+1 - 1) * annuity

D- FV annuity due = (FA i, n+1 - 1) / annuity

Answer:

C

Explanation:

(Where FVFA is the Future value factor of an annuity, i is the interest rate and n is the number of time period of the investment)

Question 8

Question Type: MultipleChoice

A series of equal annuity payments made or received at the beginning of each period is called:

Options:

A- Annuity Date

B- Annuity Due

C- Annuity payments

D- Annuity period

Answer:

B

Question 9

Question Type: MultipleChoice

Whenever a series of payments is to be invested or received at the end of the year, an ordinary annuity table can be used to determine future value, rather than computing the future value of each year's cash flow.

Options:

A- True

B- False

Answer:

A