

BUS 100

Final Exam Study Guide

True/False

1. Henry Ford's introduction of the assembly line occurred during the production era.
2. When B2B marketers divide the market based on the characteristics of customers, they are using customer-based market segmentation.
3. Many products combine elements of both goods and services.
4. The U.S. has experienced a significant increase in its balance of trade surplus over the past decade.
5. Frictional unemployment results from layoffs during recessionary periods.
6. Sustainable development is doing business to meet the needs of this generation without harming the ability of future generations to meet their needs.
7. The benefit of using memos and reports to deliver information is that they each have high levels of channel richness.
8. A partnership is a voluntary agreement in which two or more people act as co-owners of a business.
9. Members of the board of directors of a company are individuals who are elected by stockholders of a corporation to represent their interest.
10. A disadvantage of a sole proprietorship is that it is relatively expensive and complex to form.
11. Small businesses with less than 20 employees spend a larger amount money per employee in order to comply with federal government regulations than businesses with 500 or more employees.
12. Venture capitalist firms provide financing to new companies in exchange for a share of ownership in those companies.
13. U.S. securities laws require every public company in the United States to have an independent CPA firm perform an annual external audit of its financial statements.
14. Warren owns shares in Johnston Building Products, and wants to know if the company earned a profit last year. This information would be available in the company's income statement.
15. Liabilities are resources owned by a firm.
16. The accounting equation tells us that a dollar received today is worth more than a dollar received in the future.
17. A person can be both the principal and the agent in an agency relationship.
18. A minor cannot be the principal in an agency relationship.
19. In general, an advertisement is an offer to sell.
20. Contracts are based in statutory law.

Multiple Choice

1. Net _____ is the difference between a firm's current assets and current liabilities.
2. B. Says, Inc., a chain of home improvement stores located in Florida, has 10,000 shares of outstanding common stock and has not issued any preferred stock. Net income is \$30,000. What would be the earnings per share calculation?
3. The main purpose of a(n) _____ is to identify projected sales and production goals and the various costs the firm will incur in order to meet these goals.
4. Which of the following is the best example of capital as a factor of production?
5. Both businesses and nonprofits rely on _____ to achieve their objectives.
6. A _____ is a bond that gives its holder the right to exchange it for a stated number of shares of common stock at some specified time period.
7. _____ pool money from large numbers of individual investors and invest these funds in a variety of stocks, bonds, government securities, and other assets. Each individual investor shares in the earnings in proportion to the amount that investor has contributed.
8. Key players in NASDAQ's market are dealers known as _____. These investment companies specialize in buying and selling specific stocks traded on NASDAQ.
9. During the _____ businesses focused on producing large quantities of goods as efficiently as possible.
10. Customer _____ occurs when a customer's perception of a good or service is that it delivers value above and beyond expectation.
11. What do a mattress, mustard for a hotdog, and a baseball cap all have in common?
12. During the product development process, ideas that do not meet the company's mission or are too expensive to develop would be eliminated in the _____ phase.
13. During the second half of the 20th century the economies of many European nations became more socialistic, especially when compared to the economy of the United States. This suggests that these European countries had _____ than the United States.
14. Which of the following occurs when a country imports more goods and services than it exports?
15. _____ involve two or more companies joining forces -- sharing resources, risks, and profits, but not merging companies -- to pursue specific opportunities.
16. _____ goes a long way in explaining why France produces wine and China produces athletic shoes.
17. What best represents the goal of universal ethical standards?
18. Which of the following occurs when a behavior results in a choice among alternatives, each of which has negative consequences?
19. _____ is language used only by specific groups.
20. Any interference that causes the message sent to be different from the message your audience understands is referred to as what?
21. In a _____, all partners have the right to actively participate in the management of the firm and to share in any profits or losses incurred by the business.
22. In a _____, the franchisor makes a product and grants another a license to sell the product.
23. Small business provides jobs for _____ of the nation's private workforce.
24. Who is the principal in a public company?
25. The Supreme Court case Marbury v. Madison established what?