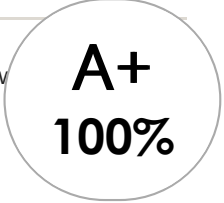


20 Multiple choice questions



A+
100%

1. funds contributed by owners or partners to establish and build the business
 - a. interest rates
 - b. equity
 - c. **CORRECT: owners' equity**
 - d. unsecured note

2. markets that deal with the purchase and sale of existing securities
 - a. interest rates
 - b. debentures
 - c. primary markets
 - d. **CORRECT: secondary markets**

3. a type of bill of exchange (loan) issued by non-bank institutions
 - a. **CORRECT: commercial bills**
 - b. internal finance
 - c. external finance
 - d. interest rates

4. a facility that allows a business or individual to overdraw their account up to an agreed limit for a specified time
 - a. mortgage
 - b. **CORRECT: bank overdraft**
 - c. bill of exchange
 - d. factoring

5. the ease with which a business can access funds (for borrowing) on the international financial markets
 - a. interest rates
 - b. bill of exchange
 - c. primary markets
 - d. **CORRECT: availability of funds**

6. financial products issued by a company for a fixed rate of interest for a fixed period of time
 - a. interest rates
 - b. equity
 - c. **CORRECT: debentures**
 - d. mortgage

7. funds provided by the owners of the business (finance) or from the outcomes of business activities (retained earnings)
 - a. **CORRECT: internal finance**
 - b. interest rates
 - c. external finance
 - d. commercial bills

8. the primary stock exchange group in Australia
 - a. financial decision making
 - b. unsecured note
 - c. **CORRECT: Australian Securities Exchange (ASX)**
 - d. bill of exchange

9. a distribution of the profits of a company to shareholders
 - a. leasing
 - b. **CORRECT: dividend**
 - c. factoring
 - d. equity

10. a long-term source of borrowing for businesses involving the payment of money for the use of equipment that is owned by another party
 - a. factoring
 - b. **CORRECT: leasing**
 - c. equity
 - d. dividend

11. funds provided by sources outside the business, including banks, government, suppliers or financial intermediaries
 - a. leasing
 - b. internal finance
 - c. **CORRECT: external finance**
 - d. interest rates

12. markets that deal with the issue of debt instruments by the borrower of funds
 - a. **CORRECT: primary markets**
 - b. mortgage
 - c. interest rates
 - d. secondary markets

13. a loan for a set period of time that is not backed by any collateral or assets
 - a. equity
 - b. **CORRECT: unsecured note**
 - c. debentures
 - d. interest rates

14. a loan secured by the property of the borrower
 - a. **CORRECT: mortgage**
 - b. equity
 - c. dividend
 - d. leasing

15. the cost of borrowing money
 - a. **CORRECT: interest rates**
 - b. debentures
 - c. unsecured note
 - d. internal finance

16. the projected changes to the level of economic growth throughout the world
 - a. factoring
 - b. **CORRECT: global economic outlook**
 - c. unsecured note
 - d. secondary markets

17. a process that requires relevant information to be identified, collected and analysed to determine an appropriate course of action
- a. **CORRECT: financial decision making**
 - b. internal finance
 - c. leasing
 - d. factoring
18. the finance (cash) raised by a company by issuing shares
- a. **CORRECT: equity**
 - b. leasing
 - c. mortgage
 - d. dividend
19. the selling of accounts receivable for a discounted price to a finance company
- a. mortgage
 - b. dividend
 - c. leasing
 - d. **CORRECT: factoring**
20. a document ordering payment of a certain amount of money at some fixed future date
- a. leasing
 - b. bank overdraft
 - c. **CORRECT: bill of exchange**
 - d. mortgage