**ACC501 Quiz # 01** **November 2014**

**Q No 1 Which of the following refers to the cash flows that result from the firm’s day-to-day activities of producing and selling?**

**Operating Cash Flows  Correct**

Investing CAsh Flow

Financing Cash Flow

**Q No 2  Double taxation of earning is the major disadvantage of which of the following form of business?**

corpration  **Correct**

**Q NO 3  The most important item that can be extracted from financial statements is the actual \_\_\_\_\_\_\_\_\_\_ of the firm.**

**Networking CApital     Correct**

CAsh Flow

Net Present Value

None is correct

**Q No 4 In corporate form of business, which of the following is the primary objective of shareholders?**  
Maximize current year income  
Delay in payment to supplier

Reduce the expenditure on inventory maintenance  
**Maximization of shareholder wealth  Correct**

**Q No 5 Business Finance addresses which of the following?**Capital budgeting  
Capital structure

Working Capital management

**All are correct     Correct**

**Q NO 6 Which of the following item(s) is(are) not included while calculating Operating Cash Flows?**  
Depreciation

Interest

**all is correct  Correct**

**Q No 7  Mr. Y and Mr. Z are planning to share their capital to run a business. They are going to employ which of the following type of business?**

**Partnership Correct**

**Q No 8 Which of the following equation is known as Cash Flow (CF) identity?**  
: CF from Assets = CF to Creditors – CF to Stockholder  
CF from Assets = CF to Stockholders – CF to Creditors  
: CF to Stockholders = CF to Creditors + CF from Assets  
**CF from Assets = CF to Creditors + CF to Stockholder  Correct**

**Q No 9  Mr. A has just recently started a business by investing a capital of Rs. 500,000. He will be the only owner of the business and also enjoy all the profits of the business. Which type of business is being employed by Mr. A?**

**Solo Partnership Correct**

**Q No 10 The most common application of term “Finance” involves raising money to acquire\_\_\_\_\_\_\_\_\_.**

Current Assect

Fix Assect

Intigible

all are correct