

Financial Terms

Circle the correct response

#	Question	Answer A	Answer B	Answer C	Answer D	Answer E
1	The term "profit" means...	The money received for sold goods or services	The excess of money received over money spent	The cash in the owner's possession at any specific time	All of the above	None of the above
2	Which of the following would be considered an "asset"?	Money owed to you by customers	Cash in the bank	A US patent for a new piece of equipment	All of the above	None of the above
3	Which would be considered a long-term liability?	A mortgage on a business' building and land	Money you've advanced an employee before payday	The company's Accounts Payable	All of the above	None of the above
4	Which of the following is NOT money owed by your business?	Accounts Receivable	Accounts Payable	A bank loan on equipment that's been purchased	All of the above	None of the above
5	A business has \$225,000 in assets and owes \$22,500 to its creditors. What is the value of the owner's equity?	\$247,500	\$225,000	\$202,500	All of the above	None of the above

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Section 3 Quiz Answers:

1. B – The excess of money received over money spent
2. D – All of the above
3. A – A mortgage on a business' building and land
4. A – Accounts Receivable
5. C – \$202,500