



Date: /01/2020

Attention the exam was in: 4 pages

Section (A) Choose the best answer for each of the following questions: (30 Marks)

- 1) Which one of the following is primarily interested in the liquidity of a company?
 - a. Federal government
 - b. Stockholders
 - c. Long-term creditors
 - d. Short-term creditors
- 2) Which one of the following is **not** a characteristic generally evaluated in analyzing financial statements?
 - a. Liquidity
 - b. Profitability
 - c. Marketability
 - d. Solvency
- 3) Short-term creditors are usually most interested in evaluating
 - a. solvency.
 - b. liquidity.
 - c. marketability.
 - d. profitability.
- 4) Long-term creditors are usually most interested in evaluating
 - a. liquidity and solvency.
 - b. solvency and marketability.
 - c. liquidity and profitability.
 - d. profitability and solvency.
- 5) Stockholders are most interested in evaluating
 - a. liquidity and solvency.
 - b. profitability and solvency.
 - c. liquidity and profitability.
 - d. marketability and solvency.
- 6) A technique for evaluating financial statements that expresses the relationship among selected items of financial statement data is
 - a. common size analysis.
 - b. horizontal analysis.
 - c. ratio analysis.
 - d. vertical analysis.
- 7) Which one of the following is **not** a tool in financial statement analysis?
 - a. Horizontal analysis
 - b. Circular analysis
 - c. Vertical analysis
 - d. Ratio analysis
- 8) Horizontal analysis is also called
 - a. linear analysis.
 - b. vertical analysis.
 - c. trend analysis.
 - d. common size analysis.
- 9) Vertical analysis is also known as
 - a. perpendicular analysis.
 - b. common size analysis.
 - c. trend analysis.
 - d. straight-line analysis.
- 10) In common size analysis,
 - a. a base amount is required.
 - b. a base amount is optional.



- c. the same base is used across all financial statements analyzed.
 - d. the results of the horizontal analysis are necessary inputs for performing the analysis.
- 11) In performing a vertical analysis, the base for sales revenues on the income statement is
- a. net sales.
 - b. sales.
 - c. net income.
 - d. cost of goods available for sale.
- 12) Each of the following is a liquidity ratio **except** the
- a. acid-test ratio.
 - b. current ratio.
 - c. debt to assets ratio.
 - d. inventory turnover.
- 13) A liquidity ratio measures the
- a. income or operating success of an enterprise over a period of time.
 - b. ability of the enterprise to survive over a long period of time.
 - c. short-term ability of the enterprise to pay its maturing obligations and to meet unexpected needs for cash.
 - d. number of times interest is earned.
- 14) The current ratio is
- a. calculated by dividing current liabilities by current assets.
 - b. used to evaluate a company's liquidity and short-term debt paying ability.
 - c. used to evaluate a company's solvency and long-term debt paying ability.
 - d. calculated by subtracting current liabilities from current assets.
- 15) The acid-test (quick) ratio
- a. is used to quickly determine a company's solvency and long-term debt paying ability.
 - b. relates cash, short-term investments, and net receivables to current liabilities.
 - c. is calculated by taking one item from the income statement and one item from the balance sheet.
 - d. is the same as the current ratio except it is rounded to the nearest whole percent.

Section (B) : solve the following problems (55 Marks)

1) Lepid Company has the following account balances at December 31, 2017. Notes payable (\$80,000 due after 12/31/18) \$200,000, unearned service revenue \$75,000, other long-term debt (\$30,000 due in 2018) \$150,000, salaries and wages payable \$22,000, other accrued expenses \$15,000, and accounts payable \$100,000. In addition, Lepid is involved in a lawsuit. Legal counsel feels it is probable Lepid will pay damages of \$38,000 in 2018.

- a. Prepare the current liabilities section of Lepid's December 31, 2017, balance sheet.
- b. Lepid's current assets are \$504,000. Compute Lepid's working capital and current ratio.

2) Giant Corporation issues \$200,000 of bonds for \$189,000. (a) Prepare the journal entry to record the issuance of the bonds, and (b) show how the bonds would be reported on the balance sheet at the date of issuance.

3) Gonzalez Company decides to lease new equipment. The lease period is four years; the economic life of the leased equipment is estimated to be five years. The present value of the lease payments is \$190,000, which is equal to the fair market value of the equipment. There is no transfer of ownership during the lease term, nor is there any bargain purchase option.

Required:

- a. What type of lease is this? Explain.
- b. Prepare the journal entry to record the lease.



4) The financial statements of Hainz Company appear below:

HAINZ COMPANY
Comparative Balance Sheet
December 31,

<u>Assets</u>	2017	2016
Cash	\$ 20,000	\$ 40,000
Short-term investments	20,000	60,000
Accounts receivable (net)	40,000	30,000
Inventory	60,000	70,000
Property, plant and equipment (net)	260,000	300,000
Total assets	<u>\$400,000</u>	<u>\$500,000</u>
<u>Liabilities and stockholders' equity</u>		
Accounts payable	\$ 20,000	\$ 30,000
Short-term notes payable	40,000	90,000
Bonds payable	80,000	160,000
Common stock	150,000	150,000
Retained earnings	110,000	70,000
Total liabilities and stockholders' equity	<u>\$400,000</u>	<u>\$500,000</u>

HAINZ COMPANY
Income Statement
For the Year Ended December 31, 2017

Net sales	\$400,000
Cost of goods sold	<u>250,000</u>
Gross profit	150,000
Expenses	
Operating expenses	\$42,000
Interest expense	<u>18,000</u>
Total expenses	<u>60,000</u>
Income before income taxes	90,000
Income tax expense	<u>27,000</u>
Net income	<u>\$ 63,000</u>

Additional information:

- a. Cash dividends of \$23,000 were declared and paid in 2017.
- b. Weighted-average number of shares of common stock outstanding during 2017 was 30,000 shares.
- c. Market value of common stock on December 31, 2017, was \$21 per share.

Kafrelsheikh University

Faculty Of Commerce

1st Semester exam 2019 /2020



Course: Accounting Studies

Grade: Second Year

85 Marks

Required:

Using the financial statements and additional information, compute the following ratios for Hainz Company for 2017. Show all computations.

1. Current ratio
2. Return on common stockholders' equity
3. Price-earnings ratio
4. Acid-test ratio
5. Accounts receivable turnover
6. Times interest earned
7. Profit margin
8. Days in inventory
9. Payout ratio
10. Return on assets

Good luck (buona Fortuna)

PART I: Write T if the statement is true and F if the statement is false:
(Give justification): [25 grades] (30m)

1. Saving time and money are reasons to take a sample rather than do a census
2. In some situations, sampling may be the only option because the population is inaccessible.
3. A population list, map, directory, or other source used to represent the population from which a sample is taken is called the census.
4. In a random sampling technique, every unit of the population has a randomly varying chance or probability of being included in the sample.
5. Non-sampling error occurs when, due to chance, the sample is not representative of the population.
6. The standard deviation of a sampling distribution of the sample means is commonly called the standard error of the mean.
7. The central limit theorem states that if the sample size, n , is large enough ($n \geq 30$), the distribution of the sample means is uniformly distributed regardless of the shape of the population.
8. Increasing the sample size causes the numerical value of standard error of the mean to increase
9. If the population is normal and its standard deviation, σ , is known but the sample size is small, z-distribution values may not be used to determine interval estimates for the population mean.
10. In order to find values in the t distribution table, you must determine the appropriate degrees of freedom based on the sample sizes.
11. In determining the interval estimates for a population proportion using the sample proportion, it is appropriate to use the values from a t-distribution rather than the z-distribution.
12. The probability of committing a Type I error is called the power of the test.
13. When a true null hypothesis is rejected, the researcher has made a Type II error.
14. The rejection region for a hypothesis test becomes smaller if the level of significance is changed from 0.01 to 0.05.
15. If a 98% confidence interval for the difference in the two population means does not contain zero, then the null hypothesis of zero difference between the two population means cannot be rejected at a 0.02 level of significance.
16. If the populations are normally distributed but the population variances are unknown the t-statistic can be used as the basis for statistical inferences about the difference in two population means using two independent random samples.
17. Sets of matched samples are also referred to as independent samples.
18. In analysis of variance tests a t distribution forms the basis for making the decisions.
19. Determining the table value for the F distribution is smaller to finding values in the t distribution tables because the F table requires two values for degrees of freedom.

20. The statistical methods of analysis of variance assume that the populations are normally distributed.
21. The statistical methods of analysis of variance assume equal sample means.
22. If the correlation coefficient between two variables is -1, it means that the two variables are not related.
23. The difference between the actual y value and the predicted y value found using a regression equation is called the residual.
24. The proportion of variability of the dependent variable (y) accounted for or explained by the independent variable (x) is called the coefficient of correlation.
25. In the simple regression model, $y = 21 - 5x$, if the coefficient of determination is 0.81, we can say that the coefficient of correlation between y and x is 0.90.

PART II: Circle the correct answer: [60 grades] (75m)

1. Kristen Ashford purchased the subscribers list for Wind Surfing magazine. She plans to survey a sample of the subscribers before using the list in her mail order business. She chooses the first 100 of the 5,000 names. Her sample is
a) simple random sample
b) stratified sample
c) systematic sample
d) convenience sample
e) cluster sample
2. On Saturdays, cars arrive at David Zebda's Scrub and Shine Car Wash at the rate of 80 cars per hour during the ten-hour shift. David wants a sample of 40 Saturday customers to answer the long version of his quality service questionnaire. He randomly selects 9 as a starting point and instructs the crew to select the 9th customer and each customer at intervals of 20 (9, 29, 49, etc.). His sample is
a) convenience sample
b) simple random sample
c) unsystematic sample
d) stratified sample
e) systematic sample
3. A carload of palletized aluminum castings has arrived at Mansfield Motor Manufacturers. The car contains 1,000 pallets of 100 castings each. Mario Munoz, manager of Quality Assurance, directs the receiving crew to deliver the 127th and 869th pallets to his crew for 100% inspection. Mario randomly selected 127 and 869 from a table of random numbers. Mario's sample of 200 castings is
a) simple random sample
b) systematic sample
c) stratified sample
d) cluster sample
e) convenience sample
4. According to the central limit theorem, if a sample of size 100 is drawn from a population with a mean of 80, the mean of all sample means would equal
a) 0.80
b) 8
c) 80
d) 100
e) 120
5. According to the central limit theorem, if a sample of size 81 is drawn from a population with a standard deviation of 72, the standard deviation of the distribution of the sample means would equal
a) 8
b) 9
c) 7.2
d) 0.875
e) 128.00
6. According to the central limit theorem, if a sample of size 100 is drawn from a population with a standard deviation of 80, the variance of sample means would equal
a) 6.4
b) 64
c) 80
d) 800
e) 0.064
7. Increasing the sample size causes the sampling distribution of \bar{x} to
a) shift to the right
b) shift to the left
c) have more dispersion
d) have less dispersion
e) stay unchanged

- ❖ Suppose a population has a mean of 90 and a standard deviation of 28. If a random sample of size 49 is drawn from the population.
8. The probability of drawing a sample with a mean of more than 95 is
 - a) 0.1056
 - b) 0.3944
 - c) 0.4286
 - d) 0.8944
 - e) 1.0000
 9. The probability of drawing a sample with a mean of more than 84 is
 - a) 0.9332
 - b) 0.0668
 - c) 0.4332
 - d) 0.8664
 - e) 1.0000
 10. The probability of drawing a sample with a mean between 85 and 95 is
 - a) 0.1056
 - b) 0.3944
 - c) 0.7888
 - d) 0.2112
 - e) 0.5000
 11. The probability of drawing a sample with a mean between 80 and 100 is
 - a) 0.9876
 - b) 0.0124
 - c) 0.4938
 - d) 0.0062
 - e) 1.0000
 12. James Desreumaux, VP of Human Resources of American First Banks (AFB), is reviewing the employee training programs of AFB banks. His staff randomly selected personnel files for 100 tellers in the Southeast Region and determined that their mean training time was 25 hours. Assume that the population standard deviation is 5 hours. The 95% confidence interval for the population mean of training times is
 - a) 15.20 to 34.80
 - b) 24.18 to 25.82
 - c) 24.02 to 25.98
 - d) 16.78 to 33.23
 - e) 23.32 to 35.46
 13. A researcher wants to estimate the proportion of a population which possesses a given characteristic. A random sample of size 250 is taken and 40% of the sample possesses the characteristic. The 90% confidence interval to estimate the population proportion is
 - a) 0.35 to 0.45
 - b) 0.34 to 0.46
 - c) 0.39 to 0.41
 - d) 0.37 to 0.43
 - e) 0.40 to 0.45
 14. A researcher wants to determine the sample size necessary to adequately conduct a study to estimate the population mean to within 5 points. The range of population values is 80 and the researcher plans to use a 95% level of confidence. The sample size should be at least
 - a) 44
 - b) 62
 - c) 216
 - d) 692
 - e) 700
 15. A researcher wants to estimate the population proportion with a 95% level of confidence. He estimates from previous studies that the population proportion is no more than .30. The researcher wants the estimate to have an error of no more than .03. The necessary sample size is at least
 - a) 27
 - b) 188
 - c) 211
 - d) 897
 - e) 900
 16. A researcher is testing a hypothesis of a single mean. The critical z value for $\alpha = .05$ and a two tailed test is ± 1.96 . The observed z value from sample data is -2.11 . The decision made by the researcher based on this information is to _____ the null hypothesis.
 - a) reject
 - b) not reject
 - c) change the alternate hypothesis into
 - d) redefine
 - e) restate the null hypothesis
 17. The diameter of 3.5 inch diskettes is normally distributed. Periodically, quality control inspectors at Dallas Diskettes randomly select a sample of 16 diskettes. If the mean diameter of the diskettes is too large or too small the diskette-punch is shut down for adjustment; otherwise, the punching process continues. The last sample showed a mean and standard deviation of 3.56 and 0.08 inches, respectively. Using $\alpha = 0.05$, the appropriate decision is
 - a) reject the null hypothesis and shut down the punch
 - b) reject the null hypothesis and do not shut down the punch
 - c) do not reject the null hypothesis and shut down the punch
 - d) do not reject the null hypothesis and do not shut down the punch
 - e) do nothing

18. A statistician is being asked to test a new theory that the proportion of population A possessing a given characteristic is greater than the proportion of population B possessing the characteristic. A random sample of 600 from population A has been taken and it is determined that 480 possess the characteristic. A random sample of 700 taken from population B showed that 350 possess the characteristic. The observed z for this is
 - a) 0.300
 - b) 0.624
 - c) 0.638
 - d) 11.22
 - e) 13.42
- ❖ Data from a completely randomized design are shown in the following table.

The samples			
A	B	C	
7	6	7	
6	2	9	
3	1	7	
4	3	6	

19. For a one-way ANOVA, the Total Sum of Squares (SST) is
 - a) 36.17
 - b) 28.75
 - c) 64.92
 - d) 18.03
 - e) 28.04
20. For a one-way ANOVA, the Between Sum of Squares (SSC) is
 - a) 36.17
 - b) 28.75
 - c) 64.92
 - d) 18.03
 - e) 28.04
21. For a one-way ANOVA, the Error Sum of Squares (SSE) is
 - a) 36.17
 - b) 28.75
 - c) 64.92
 - d) 18.03
 - e) 28.04
22. For a one-way ANOVA using $\alpha = 0.05$, the observed F value is
 - a) 5.66
 - b) 3.19
 - c) 18.08
 - d) 4.34
 - e) 8.98

❖ The following data is to be used to construct a simple regression model:

$$n=10, \sum x=80, \sum y=100, \sum x^2=800, \sum y^2=1360, \sum xy=1024$$

23. The value of the slope is
 - a) 1.4
 - b) -1.2
 - c) 0.71
 - d) 0.87
 - e) 0.93
24. The intercept is
 - a) -1.2
 - b) -0.31
 - c) 1.4
 - d) 0.87
 - e) 0.93
25. The regression equation is
 - a) $y = -1.2 + 1.4x$
 - b) $y = 1.4 - 1.2x$
 - c) $y = -1.2 - 1.4x$
 - d) $y = 1.4 + 1.2x$
 - e) $y = 1.4 - 1.2x$
26. The variance of the estimated intercept is
 - a) 2.9
 - b) 1.71
 - c) 0.036
 - d) 0.19
 - e) 2.9
27. The variance of the estimated slope is
 - a) 0.036
 - b) 0.36
 - c) 0.06
 - d) 0.19
 - e) 2.9
28. The coefficient of determination for this regression would be
 - a) 0.87
 - b) -0.87
 - c) 0.93
 - d) -0.93
 - e) 0.84
29. The total sum of square is
 - a) 360
 - b) 313.6
 - c) 48.4
 - d) 160
 - e) 224
30. The sum of square due to regression is
 - a) 360
 - b) 313.6
 - c) 48.4
 - d) 160
 - e) 224

Some Normal Distribution values

α	0.005	0.01	0.025	0.05	0.1
Z	2.57	2.23	1.96	1.64	1.28

Some Normal Distribution probabilities

A	0.5	1.0	1.25	1.5	2.0	2.5
$P(0 < Z < A)$	0.1915	0.3413	0.3944	0.4332	0.4772	0.4938



11/11/18

Kafrelsheikh University

Faculty of Commerce

HUMAN RESOURCE MANAGEMENT

FULL SEMESTER (January, 2020): Total marks (85 marks)

(Year Two/ English Section)

(Duration: 2 hours)

Part 1: (75 marks assigned to this part): Shadow the right answers in your answer sheet

ظال الاختيار الصحيح في الجزء المخصص في ورقة الاختيار المتعدد بورقة الاجابة (التظليل لكامل المربع و باللون الازرق فقط) تظليل اكثر من اجابة يعرضك لإلغاء النقطه كامله و يسمح باستخدام الكوريكتور.

(الامتحان مكون من ثلاثة صفحات مختلفة)

- 1- The human resources refer to the qualities possessed by the workforce.
A-True B-False
- 2- HRM is viewed as a tool. It was a routine activity meant to hire new employees and to maintain personal records.
A-True B-False
- 3- PM was never considered as a strategic management of business.
A-True B-False
- 4- PM is the behavior of which could be manipulated for the benefit of the organization and replaced when it is worn out.
A-True B-False
- 5- HRM is a strategic and comprehensive approach for managing people and the workplace culture and environment
A-True B-False
- 6- All of the following are characteristics of the HRM except.....
A- inter- dependant parts B- proactive C- empowerment D- reactive E- comprehensive
- 7- HRM is monetary and reactive function.
A-True B-False
- 8- HRM is development oriented.
A-True B-False
- 9- The HRM is an independent function with independent sub-functions
A-True B-False
- 10- The higher order needs are the main motivators at HRM philosophy
A-True B-False
- 11- PM focus on empowering employees and using their full capabilities.
A-True B-False
- 12- Identifying approaches for improving employee performance is not under the umbrella of HRM
A-True B-False
- 13- Developing skilful employees is not under the umbrella of PM
A-True B-False
- 14- Dealing with the culture shock is one of the responsiveness challenges.
A-True B-False
- 15- Proactive change happened when managers take advantage of targeted opportunities.
A-True B-False
- 16- Relocating managers is one of thechallenges
A-Managing Change B-technology C- Globalization D- Human Capital E- Containing Costs
- 17- Outsourcing is one of thechallenges
A-Managing Change B-technology C- Globalization D- Human Capital E- Containing Costs

- 18- (HRIS) is one of the impacts of globalization.
A-True B-False
- 19- "self-service" setting up systems, usually on the, to allow managers to access employee records for administrative purposes
A-internet B-intranet C- extranet D- global net
- 20- There are factors that must be evaluated when going automated.
A-4 B-5 C- 6 D- 7
- 21- Not establishing a sense of urgency and having leaders who lack a vision are of major reasons of failure in dealing with changes
A-True B-False
- 22- Creating a powerful coalition to guide the effort and removing obstacles to the new vision are of major reasons of failure in dealing with changes
A-True B-False
- 23- is the group of employees tends to have unique skills that are directly linked to the company's strategy and difficult to replace
A-Strategic Knowledge Workers B-Core Employees C- Supporting Labor Partners D-Alliance Partners E-B&C
- 24- Outsourcing simply means hiring someone outside the company to perform business processes that could be done within a firm
A-True B-False
- 25- Offshoring is a planned elimination of jobs.
A-True B-False
- 26- early retirement and sweetened voluntary separation programs are methods used when Offshoring employees
A-True B-False
- 27- (Providing an additional source of trainees) the previous statement describe therelationship.
A- training - Recruitment B- Recruitment-training C- Selection - training D- Appraisal - training E-none of the pervious
- 28- (A basis for assessing training needs and results) the previous statement describe therelationship.
A- training - Recruitment B- Recruitment-training C- Selection -training D- Appraisal -training E-none of the pervious
- 29- (Permitting hiring less-qualified applicants) the previous statement describe therelationship.
A- training - Recruitment B- Recruitment-training C- Selection - training D- Appraisal -training E-none of the pervious
- 30- (Helping in the achievement of performance) the previous statement describe therelationship.
A- Compensation - Recruitment B- Recruitment-training C- Selection - training D- Appraisal -training E-none of the pervious
- 31- (improving employees' relations) the previous statement describe therelationship.
A- Compensation - Recruitment B- Recruitment-training C- Selection - training D- Appraisal -training E-none of the pervious
- 32- Training oriented toward short-term performance concerns.
A-True B-False
- 33- Development oriented more toward increase an individual's skills for the future responsibilities.
A-True B-False
- 34- Organization analysis is an examination of the environment, strategies, and goals.
A-True B-False
- 35- Task analysis is part of phase of training process
A- 1 B- 2 C- 3 D- 4
- 36- Person analysis is part of phase of training process
A- 1 B- 2 C- 3 D- 4
- 37- Measuring the organizational extent of training is part of phase of training process
A- 1 B- 2 C- 3 D- 4
- 38- Determining how Learning transfer to job is part of phase of training process
A- 1 B- 2 C- 3 D- 4

- 39- (The training material should be arranged in a logical way), represent the principle of.....
 A- Modeling B- differences C-Goal setting D-Meaningfulness E- None of the previous
- 40- Job analysis identifies required individual for job success is known as
 A-Employee Selection B- Person-job fit C- Person-organization fit D- Selection Process E- None of the previous
- 41- is the group of individuals has skills that are unique, but frequently not directly related to a company's core strategy
 A-Strategic Knowledge B-Core Workers C- Supporting Employees D-Alliance Partners Labor E-B&D
- 42- Studies show that part learning is superior to whole learning.
 A-True B-False
- 43- The length of the training sessions will depend on the complexity of the material and the type of task to be learned.
 A-True B-False
- 44- (Behavior that is rewarded is repeated more frequently, whereas behavior that is penalized or unrewarded will decrease in frequency) can be used to modify trainee's behavior.
 A-True B-False
- 45- A training plateau can happen because of increase of motivation or a person gets encouraged when he done the job well
 A-True B-False
- 46- On-the-job training is one of the employee training methods
 A-True B-False
- 47- On-the-job training id characterized by The absence of well-defined job performance criteria
 A-True B-False
- 48- Classroom Instruction is a training program that combines practical on-the-job training with formal educational classes.
 A-True B-False
- 49- On-the-job training enables Blended" learning
 A-True B-False
- 50- Simulation allows employees to customize their own learning in their own time and space (just-in-time learning)
 A-True B-False
- 51- Simulation used when it is either practical or wise to train employees on the actual equipment used on the job.
 A-True B-False

Part Two: 10 marks assigned to this part

Answer the following question:

As a human recourse manager, you have been asked to describe the main human resource plan and practices that will help your organization to build a good workforce: At 3 pages as maximum write a report to deliver your plan and practices toward achieving this aim including the mission, vision, and goals, describing the steps needed to establish a good HRP and the procedures of recruiting and developing your human workforce.

With my best wishes

Dr, Sameh Matar

Kafrelsheikh University
Faculty of Commerce
Grade :Two
English Section



Exam 2019/2020
Subject: Managerial Accounting
Time Allowed: Two Hours
Date : 14 /01 /2020

Answer the following questions:

Question One: (15 Marks, 20 Minutes)

For each of the following statement, indicate whether it is True or false. Put your answer in a table of two columns, the first for the statement number and the second for the right sign (✓) or the wrong sign (x)

1. Selling and administrative expenses are product costs under generally accepted accounting principles.
2. When the level of activity increases, total variable cost will increase.
3. In any decision making situation, sunk costs are irrelevant and should be ignored.
4. Incremental analysis is an analytical approach that focuses only on those revenues and costs that will change as a result of a decision.
5. The break-even point in units can be obtained by dividing total fixed expenses by the contribution margin ratio.
6. At the break-even point: Sales - Variable expenses = Fixed expenses.
7. Fixed costs that are traceable to a segment may become common if the segment is divided into smaller units.
8. Segmented statements for internal use should be prepared in the contribution format.
9. Future costs that do not differ among the alternatives are not relevant in a decision.
10. Avoidable costs are also called relevant costs.

Question Two: (30 Marks, 60 Minutes)

Designate the best answer for each of the following questions. Put your answer in a table of two columns, the first for the statement number and the second for the Letter for the right answer.

1. Within the relevant range, variable cost per unit will:
 - A. increase as the level of activity increases.
 - B. remain constant.
 - C. decrease as the level of activity increases.
 - D. none of these.

Fiene Sales, Inc., a merchandising company, reported sales of 2,200 units in June at a selling price of \$600 per unit. Cost of goods sold, which is a variable cost, was \$364 per unit. Variable selling expenses were \$23 per unit and variable administrative expenses were \$33 per unit. The total fixed selling expenses were \$30,500 and the total administrative expenses were \$55,300.

2. The contribution margin for June was:

- A. \$1,111,000
- B. \$396,000
- C. \$310,200
- D. \$519,200

3. The gross margin for June was:

- A. \$310,200
- B. \$1,234,200
- C. \$396,000
- D. \$519,200

4. The contribution margin ratio of Lime Corporation's only product is 75%. The company's monthly fixed expense is \$688,500 and the company's monthly target profit is \$20,000.

The dollar sales to attain that target profit is closest to:

- A. \$531,375
- B. \$944,667
- C. \$918,000
- D. \$516,375

5. Smith Company sells a single product at a selling price of \$30 per unit. Variable expenses are \$12 per unit and fixed expenses are \$41,400. Smith's break-even point is:

- A. 1,380 units
- B. 2,300 units
- C. 3,450 units
- D. 6,900 units

6. Olis Corporation sells a product for \$130 per unit. The product's current sales are 28,900 units and its break-even sales are 25,721 units. What is the margin of safety in dollars?

- A. \$413,270
- B. \$3,343,730
- C. \$2,504,667
- D. \$3,757,000

7. Net operating income reported under absorption costing will exceed net operating income reported under variable costing for a given period if:

- A. production equals sales for that period.
- B. production exceeds sales for that period.
- C. sales exceed production for that period.
- D. the variable manufacturing overhead exceeds the fixed manufacturing overhead.

Mennig Corporation produces a single product and has the following cost structure:

Number of units produced each year	8,000
Variable costs per unit:	
Direct materials	\$26
Direct labor	\$59
Variable manufacturing overhead	\$7
Variable selling and administrative expenses	\$2
Fixed costs per year:	
Fixed manufacturing overhead	\$720,000
Fixed selling and administrative expenses	\$352,000

8. The unit product cost under absorption costing is:

- A. \$92
- B. \$228
- C. \$182
- D. \$85

9. The unit product cost under variable costing is:

- A. \$182
- B. \$92
- C. \$87
- D. \$94

10. Lusk Company produces and sells 15,000 units of Product A each month. The selling price of Product A is \$20 per unit, and variable expenses are \$14 per unit. A study has been made concerning whether Product A should be discontinued. The study shows that \$70,000 of the \$100,000 in fixed expenses charged to Product A would continue even if the product was discontinued. These data indicate that if Product A is discontinued, the company's overall net operating income would:

- A. decrease by \$60,000 per month
- B. increase by \$10,000 per month
- C. increase by \$20,000 per month
- D. decrease by \$20,000 per month

Question Three: (20 Marks, 20 Minutes)

Lettman Corporation has provided the following partial listing of costs incurred during November:

Marketing salaries.....	\$45,000
Property taxes, factory.....	\$9,000
Administrative travel.....	\$98,000
Sales commissions.....	\$48,000
Indirect labor.....	\$38,000
Direct materials.....	\$165,000
Advertising.....	\$138,000
Depreciation of production equipment.....	\$39,000
Direct labor.....	\$87,000

Required:

- a. What is the total amount of product cost listed above? Show your work.
- b. What is the total amount of period cost listed above? Show your work.

Question Four: (20 Marks, 20 Minutes)

Engberg Company installs lawn sod in home yards. The company's most recent monthly contribution format income statement follows:

	Amount	Percent of sales
Sales.....	\$80,000	100%
Variable expenses.....	32,000	40%
Contribution margin.....	48,000	60%
Fixed expenses.....	38,000	
Net operating income.....	\$ 10,000	

Required:

- 1. Compute the company's degree of operating leverage.
- 2. Using the degree of operating leverage, estimate the impact on net operating income of a 5% increase in sales.

Best Wishes
Prof. Dr.Redha Saleh



1. Children need food but want a Big Mac and French fries is an example of
 - a. demand
 - b. wants
 - c. needs
 - d. all of the above
2. Wants need to be converted into needs to create demand
 - a. demand
 - b. customer value
 - c. customer value proposition
 - d. all of the above
3. is(are) the set of values and benefits it promise to deliver to customers to satisfy their needs
 - a. demand
 - b. customer value
 - c. customer value proposition
 - d. all of the above
4. Strategy should focus on large scale selling and promotion effort
 - a. product
 - b. selling
 - c. marketing
 - d. all of the above
5. Strategy leads to marketing myopia
 - a. product
 - b. selling
 - c. marketing
 - d. all of the above
6. In the production marketing orientation strategy marketer should focus on
 - a. improving production
 - b. distribution efficiency
 - c. affordable product
 - d. all of the above
7. Is (are) the customer's evaluation of the difference between all the benefits and all the costs of a marketing offering relative to those of competing offers.
 - a. customer differentiation
 - b. customer value proposition
 - c. customer perceived value
 - d. all of the above
8. Is(are) tendency of people to screen most of the information to which they are exposed
 - a. Selective distortion
 - b. selective attention
 - c. selective retention
 - d. all of the above
9.is (are) consumers only remember good points about a brand they favor and forget good points made about competing brands
 - a. Selective distortion
 - b. selective attention
 - c. selective retention
 - d. all of the above
10. Dissonance- reducing buying behavior is (are) characterized
 - a. few perceived differences
 - b. high involvement
 - c. after sale discomfort
 - d. all of the above
11. Consumers buying carpeting usually engage in behavior
 - a. complex buying
 - b. dissonance buying
 - c. Habitual buying
 - d. all of the above
12. When consumers engage in Behavior, they just depend on commercial ad to collect information about product or service
 - a. complex buying
 - b. dissonance buying
 - c. Habitual buying
 - d. all of the above

13. Usually consumers engage inbehavior do not have strong attitude toward a brand, they buy it because it is familiar

- a. complex buying b. dissonance buying c. Habitual buying d. all of the above

14. When consumers engage inbehavior, Marketers should focus on high repetition of short messages through TV

- a. complex buying b. dissonance buying c. Habitual buying d. all of the above

15. Variety seeking buying behavior is characterized by

- a. low consumer involvement b. brand differences c. brand switching d. all of the above

16. Marketers can gain habitual buying behavior through

- a. fully stocked selves b. Offering low prices c. frequent reminder ads d. all of the above

17. In habitual buying behavior usually consumers buy product because of

- a. brand familiarity b. strong brand attitude c. brand convection d. all of the above

18. For behavior visual symbols and imagery to be associated easily with brand

- a. complex buying b. dissonance buying c. Habitual buying d. all of the above

19. For behavior, marketers should differentiate their brand by describing their benefits

- a. complex buying b. dissonance buying c. Habitual buying d. all of the above

20. Johnson select brand personality

- a. Excitement b. Sincerity c. competency d. all of the above

22. Culture is (are) the set of

- a. values b. perception c. wants d. all of the above

23. Subculture can depend on

- a. nationalities b. religion c. geographical d. all of the above

24. Creating brand representation is usually refereed by

- a. social marketing b. buzz marketing c. customer relationship marketing d. all of the above

26. In recession time, marketers can take step to

- a. redesign products b. reposition products c. repair products d. all of the above

27. is (are) is the unique psychological characteristics that lead to relatively consistent and lasting response to one's own environment.

- a. perception b. motivation c. personality d. all of the above

8. Is (are) discomfort caused by post purchase conflict thinking about losing the benefits of the not purchased brands

a. post purchase b. cognitive dissonance c. post purchase evaluation d. all of the above

9. ad or a discussion with a friend is (are) example

a. external stimuli b. internal stimuli c. motivation d. all of the above

10. High involvement products is characterized by being

a. expensive b. risky c. requires purchase effort d. all of the above

11. Mother's Day and Father's Day, were originally promoted partly to increase the sale of candy, this is an example of segmentation

a. life style b. income c. occasions d. all of the above

12. Throughmarketing firm achieves a strong market position because of its greater knowledge of consumer needs in the niches it serves

a. concentrated b. differentiated c. undifferentiated d. all of the above

13. The process of evaluating each market segment's attractiveness and selecting one or more segments to enter

a. segmentation b. targeting c. differentiation d. all of the above

14. Target affluent consumers with luxury goods and convenience services are an example of segmentation

a. benefit b. income c. occasions d. all of the above

15. Champion athletic wear segments its markets according to what different consumers seek from their active wear, this is an example of segmentation

a. benefit b. income c. occasions d. all of the above

16. Effective Segmentation should be

a. measurable b. accessible c. Substantial d. all of the above

17. Automobile manufacturer who develop cars especially for people whose height is greater than seven feet aims to develop effective segmentation due to

a. measurability b. accessibility c. sustainability d. all of the above

18. Symbols, such as the McDonald's golden arches or the red Travelers umbrella are examples of differentiation

a. product b. brand c. image d. all of the above

19. Product differentiation is worth establishing to the extent that it satisfies the following

a. Distinctive b. preemptive c. highly valued d. all of the above

The University of Kaferelsheikh
Faculty of Commerce
1st Semester Exam (2019-2020)
Date: 31/12/19



Course: Money and Banking
Grade: 2
85 Marks
Duration: 2 hours

Choose as appropriate

1. The statement "risk requires compensation" implies that people:
 - a. Do not take risk
 - b. Only accept risk when they absolutely have to
 - c. Will only accept risk when they are rewarded for doing so
 - d. Avoid risk at all cost
2. Banks usually offer higher rates of interest to people willing to keep their funds in the bank longer because:
 - a. These depositors are the banks' best customers
 - b. Banks really do not want a lot of people coming into the bank
 - c. Bankers realize time has value and people need to be compensated if they are to keep their money in the bank longer
 - d. These depositors are very wealthy and so have other options about what to do with their funds
3. Which of the following would *not* be considered a characteristic of money?
 - a. It is a store of value
 - b. It is a means of payment
 - c. It must have intrinsic value
 - d. It is a unit of account
4. When an individual obtains a car loan and makes all of the regular monthly payments, the sum of the payments made will exceed the purchase price of the car. This is due primarily to the core principle:
 - a. Risk requires compensation
 - b. Information is the basis for decisions
 - c. Markets determine prices and allocate resources
 - d. Time has value
5. Identify which of the following is *not* one of the five core principles of money and banking.
 - a. Risk requires compensation
 - b. Time has value
 - c. Information is the basis for decisions
 - d. Stability creates risk

6. Suppose that in a barter economy Tom bakes bread and Hans produces chocolates. Tom wants chocolates but Hans doesn't like bread, so Hans is unwilling to trade with Tom. Tom's problem is an example of which problem associated with a barter system?
 - a. Too much specialization
 - b. Not enough prices
 - c. The law of diminishing returns
 - d. The double coincidence of wants problem
7. An advantage that money has over other assets is that it:
 - a. Increases in value over time
 - b. Has lower transaction costs to use as a means of payment than other assets
 - c. Provides a higher return to the owner
 - d. Is a safer asset to hold during times of inflation?
8. Checks are:
 - a. Not a means of payment
 - b. Not money
 - c. Not a promise of any kind
 - d. Not acceptable by the U.S. Government for payment of taxes
9. To say an asset is *liquid* implies that:
 - a. We are focusing on a category of assets that are in a physically liquid form, like oil
 - b. We are considering assets that may be readily converted into a means of payment
 - c. We are considering any asset that can be sold
 - d. We are only considering U.S. currency
10. The value of fiat money:
 - a. Comes from its intrinsic value
 - b. Is worth more as a commodity than its value as money
 - c. Comes from government decree
 - d. Means that it is more desirable than currency
11. Comparing checks and currency, we can say:
 - a. Both are money but only currency is legal tender
 - b. Only checks are both money and legal tender
 - c. A check isn't money but currency is
 - d. Both are money and legal tender
12. The unit of account characteristic of money:
 - a. Makes it difficult to compare the relative prices of goods and services
 - b. Refers to how we use money to transfer purchasing power over time
 - c. Means all prices are expressed in terms of money
 - d. Means that money finalizes payments
13. A share of common stock represents:
 - a. A claim from a lender against a borrower
 - b. A share in the company's debts
 - c. A share of ownership of the company
 - d. An unlimited liability to the owner of the stock

14. Consider the effect of business cycles on bondholders versus stockholders. We expect that business cycles will affect:
 - a. Bondholders and stockholders about the same
 - b. Bondholders more since the amount they receive depends on profits
 - c. Stockholders more since they are residual claimants
 - d. Bondholders more since they do not have any claim to property
15. The Dow Jones Industrial Average is:
 - a. An index made up of the stock prices of the 100 largest corporations in the U.S
 - b. An index that measures the value of purchasing 100 shares in each of the corporations that make up the index
 - c. The average price of stock in 30 of the largest companies in the U.S
 - d. The broadest measure of stock market performance
16. A zero-coupon bond refers to a bond which:
 - a. Does not pay any coupon payments because the issuer is in default
 - b. Promises a single future payment
 - c. Pays coupons only once a year
 - d. Pays coupons only if the bond price is above face value
17. The most common form of zero-coupon bonds found in the United States is:
 - a. AAA rated corporate bonds
 - b. U.S. Treasury bills
 - c. 30-year U.S. Treasury bonds
 - d. Municipal bonds
18. Which of the following makes fixed payments indefinitely?
 - a. Amortized loan
 - b. Consol
 - c. Coupon bond
 - d. Zero-coupon bond
19. Which of the following best expresses the formula for determining the price of a U.S. Treasury bill that matures n periods from now per \$100 of face value when the interest rate is i ?
 - a. $\$100/(1 + i)^n$
 - b. $\$100(1 + i)$
 - c. $\$100/(1 + i)$
 - d. $1 + \$100/(1 + i)^n$
20. The bond demand curve slopes downward because:
 - a. At lower prices the reward for holding the bond increases
 - b. As bond prices fall so do yields
 - c. As bond prices fall bonds are less attractive
 - d. As bond prices rise yields increase
21. As general business conditions deteriorate, all other factors constant:
 - a. The bond supply curve will shift left
 - b. There will be a movement down the existing bond supply curve
 - c. The bond demand curve shifts left
 - d. The price of bonds will decrease

22. The most broadly based stock index in use is:
 - a. The Nasdaq Composite Index
 - b. The Wilshire 5000
 - c. The Dow Jones Industrial Average
 - d. The Standard and Poor's 500 Index
23. The dividends that stockholders receive:
 - a. Are fixed by contract and paid annually
 - b. Are distributions from profits
 - c. Are paid before all other obligations of the company are met
 - d. Are always equal to the average amount of interest paid to a bond holder, adjusting for the value of the holdings
24. The Dow Jones Industrial Average is:
 - a. A simple average
 - b. A price-weighted index
 - c. A value-weighted index
 - d. A total-value index
25. Voting rights in a corporation are held by:
 - a. The board of directors
 - b. The preferred stockholders
 - c. The corporate bondholders
 - d. The common stockholders
26. Which of the following statements is *not* true?
 - a. A value-weighted index is a better index to use to reflect changes in the economy's overall wealth
 - b. A price-weighted index is a better index to use to reflect the average change in the price of a typical share of stock
 - c. The Dow Jones Industrial Average is a price-weighted index
 - d. The S & P 500 is a price-weighted index
27. Suppose that general business conditions improve, and at the same time, wealth increases. Based on this information, we know that:
 - a. Bond prices increase
 - b. Yield to maturity decreases
 - c. The real interest rate increases
 - d. The quantity of bonds increases
28. Which of the following statements about the result of a deterioration in business conditions that also causes a decrease in a nation's wealth is *false*?
 - a. The impact on bond prices will be ambiguous since both the bond demand and supply curves shift left
 - b. The price of bonds will increase if bond supply decreases more than bond demand
 - c. Interest rates will increase if bond demand decreases more than bond supply
 - d. Neither bond demand nor bond supply will shift

-
29. When expected inflation increases, for any given nominal interest rate:
- a. The cost of borrowing increases and the desire to borrow decreases
 - b. The real interest rate increases
 - c. The bond supply curve shifts to the left
 - d. The cost of borrowing decreases and the desire to borrow increases
30. If the annual interest rate is 5% (.05), the price of a one-year Treasury bill per \$100 of face value would be:
- a. \$95.00
 - b. \$97.50
 - c. \$95.24
 - d. \$96.10
31. The relationship between the price and the interest rate for a zero coupon bond is best described as:
- a. Volatile:
 - b. Fluctuating
 - c. Inverse
 - d. Non-existent
32. The bond supply curve slopes upward because:
- a. As bond prices rise people holding bonds are more tempted to hold them
 - b. As bond prices rise yields increase
 - c. For companies seeking financing, the higher the price of bonds the more attractive it is to sell bonds
 - d. As bond prices rise yields decrease
33. The fundamental characteristics influencing the value of a financial instrument: include each of the following *except*:
- a. The size of the payment promised
 - b. When the promised payment will be made
 - c. Where the instrument is traded
 - d. The likelihood of payment
34. Considering the value of a financial instrument, the bigger the size of the promised payment:
- a. The less valuable the financial instrument because risk must be greater
 - b. The longer an investor has to wait for the payment
 - c. The more valuable the financial instrument
 - d. The greater the risk
35. Well-run financial markets:
- a. Keep transactions costs high to benefit brokers
 - b. Prevent the widespread pooling of information
 - c. Ensure that resources are allocated efficiently
 - d. Are usually the result of little or no government regulation
36. Equity markets:
- a. Are markets of U.S. Treasury bonds
 - b. Are markets for AAA rated bonds
 - c. Are markets for stocks
 - d. Are markets for either stocks or bonds

37. All of the following are depository institutions, *except*:
- a. Commercial banks
 - b. Credit unions
 - c. Insurance companies
 - d. Savings banks
38. A derivative instrument:
- a. Comes into existence after the underlying instrument is in default
 - b. Is a low-risk financial instrument used by highly risk-averse savers?
 - c. Gets its value and payoff from the performance of the underlying instrument
 - d. Should be purchased prior to purchasing the underlying security
39. A share of Microsoft stock would best be described as which of the following?
- a. A derivative instrument
 - b. A means of payment
 - c. An underlying instrument
 - d. A debt instrument
40. Financial instruments are different from money because:
- a. They can act as a store of value and money cannot
 - b. They can't be a means of payment but money can
 - c. They can allow for the transfer of risk
 - d. They have greater liquidity
41. The central bank of the United States is:
- a. The Bank of America
 - b. The Federal Reserve System
 - c. The U.S. Treasury
 - d. Citibank
42. The amount of information an individual would seek before making a decision:
- a. Is about the same across all individuals
 - b. Varies directly with the importance of the decision
 - c. Is the same across all decisions but varies across individuals
 - d. Depends on how much time it will take to get the information regardless of the decision
43. How do financial institutions evaluate the creditworthiness of potential borrowers?
- a. They offer high interest rates because only the best borrowers will be able to afford them
 - b. They gather information regarding the borrowers' finances
 - c. They do not evaluate creditworthiness because everyone is treated the same
 - d. They do not evaluate the creditworthiness because they know the borrower will honor his/her obligation to repay the loan
44. Mary purchases a U.S. Treasury bond; the bond is:
- a. An asset of the U.S. government as well as an asset for Mary
 - b. A liability of the U.S. government and an asset for Mary
 - c. An asset for Mary but not a liability of the U.S. Government
 - d. An asset for the government but a liability for Mary

45. Sue has a checking account at the First National Bank; her checking account:
- a. Is an asset to the bank and a liability to Sue.
 - b. Is an asset to Sue and a liability to the bank.
 - c. Is an asset to Sue but actually a liability to the Federal Reserve.
 - d. Is a liability to Sue until she spends the funds.
46. The primary use of derivative contracts is:
- a. For IRA and other pension plans since they only have value well into the future
 - b. To shift risk among investors
 - c. For investors seeking a greater return by taking greater risk
 - d. To add to the profits an investor obtains through information asymmetry
47. The New York Stock Exchange (NYSE) is:
- a. A decentralized electronic market made up of dealers all over the world
 - b. An example of a centralized exchange
 - c. A financial market where nearly 100 million shares of stock are traded every business day
 - d. The only centralized stock exchange in the world
48. Secondary financial markets:
- a. Are financial markets for all financial instruments rated less than investment grade
 - b. Are financial markets where existing securities are bought and sold
 - c. Eliminate the transaction costs for buyers and sellers
 - d. Are only for stock
49. Financial instruments used primarily as stores of value include each of the following, *except*:
- a. Bonds
 - b. Futures contracts
 - c. Stocks
 - d. Home mortgages
50. The value of a financial instrument rises as:
- a. The size of the payment promised decreases
 - b. The promised payment is made sooner rather than later
 - c. It is less likely the payment will be made
 - d. The payments are made when the prospective investor needs them least
51. Which of the following is an example of a financial market?
- a. A local coffeehouse where people regularly buy and sell financial instruments
 - b. A bank that only accepts deposits and issues loans
 - c. An electronic network used for buying and selling textbooks
 - d. A central bank used for raising taxes and borrowing on behalf of the government
52. Which *best* describes money as a means of payment?
- a. Money provides an immediate double coincidence of wants
 - b. Money makes sure a double coincidence of wants never occurs
 - c. Money requires at least two transactions to obtain the double coincidence of wants
 - d. To obtain a double coincidence of wants without money is impossible

53. Financial instruments are used to channel funds from:
 - a. Savers to borrowers in financial markets and via financial institutions
 - b. Savers to borrowers in financial markets but not through financial institutions
 - c. Borrowers to savers in financial markets but not through financial institutions
 - d. Borrowers to savers through financial institutions, but not in financial markets
54. Kate buys a share of Google. Google uses the funds raised from selling its stock to expand its operations into Asia. This is an example of:
 - a. Direct finance
 - b. Indirect finance
 - c. Use of a financial institution
 - d. A loan
55. Financial instruments and money share which of the following characteristics?
 - a. Both can function as a means of payment and a store of value
 - b. Both can function as a store of value and allow for trading of risk
 - c. Both can function by acting as a means of payment and allow for trading of risk
 - d. Both can function as a store of value even though they do not allow for trading of risk
56. Juan purchases automobile insurance; the insurance contract is:
 - a. A financial instrument
 - b. A form of money
 - c. A transfer of risk from the insurance company to Juan
 - d. A financial intermediary
57. A futures contract is an example of:
 - a. A derivative instrument
 - b. An instrument used solely by financial institutions
 - c. A high-risk security that will only have value if certain events occur
 - d. A contract that is traded but is not a financial instrument
58. The fact that common stockholders are *residual claimants* means.
 - a. The stockholders have a claim against the revenue that remains after everyone else is paid
 - b. The stockholders receive their dividends before any other residuals are paid
 - c. The stockholders are paid any past due dividends before other claims are paid
 - d. The stockholders are paid before the bondholders but after any taxes are paid
59. Which of the following is *not* a feature of common stock?
 - a. Stockholders receive regular fixed payments on their shares
 - b. Stockholders have limited liability
 - c. Stock holders are residual claimants
 - d. Stockholders have voting rights
60. Which of the following is *not* one of fundamental characteristics that influence the value of a financial instrument?
 - a. The current income tax rates
 - b. The size of the promised payment to be made
 - c. The likelihood that the payment will be made
 - d. When the promised payment is to be made

BEST WISHES

Question Three: (20 Marks)

The balance sheet of Roger, Susan, and Tom, who share partnership profits 30 percent, 30 percent, and 40 percent, respectively, included the following balances on January 1, 2011, the date of dissolution: Cash \$ 20,000 ; Other assets 130,000 ; Loan to Susan 10,000 ; Liabilities \$ 40,100 ; Loan from Roger 5,000 ; Roger capital 9,900 ; Susan capital 45,000 ; Tom capital 60,000.

During January 2011, part of the firm's assets are sold for \$40,000. In February the remaining assets are sold for \$21,000. Assume that available cash is distributed to the proper parties at the end of January and at the end of February.

REQUIRED:

1. Prepare a statement of partnership liquidation with supporting safe payments schedules for each cash distribution. (It will not be possible to determine the actual gains and losses in January.)
2. Prepare a statement of Cash distribution Plan.

Question Four: (25 Marks) True or False questions with justification in case of false only.

1. One of the advantages of general partnerships Unlimited liability
2. The partners in a general partnership have limited liability.
3. At least two of the partners in a limited partnership must be general partners.
4. Partners in an LLP are not responsible for their own actions.
5. Lump-sum liquidations take place over an extended period of time.
6. Lump-sum liquidations can only take place when the partnership has two partners.
7. Lump-sum liquidations relate mainly to corporations.
8. In liquidation, cash distributions to partners are determined based on Who has the highest capital balance.
9. In liquidation, cash distributions to partners are determined based on How profits and losses are shared.
10. In liquidation, cash distributions to partners are determined based on Partners' capital balances.
11. Cash distribution plans are prepared multiple times during the liquidation as cash comes in.
12. Schedules of safe payments are prepared multiple times during the liquidation as cash comes in.
13. The allocation of cash to partners is the same under the cash distribution plan and schedule of safe payments.
14. Lump-sum liquidations take place all at once or over a short period of time .
15. A withdrawal would result in a reduction to a partner's capital account.
16. Disassociation relates to the withdrawal of a partner and dissolution relates to the winding up of a partnership.

End of the Exam with Best wishes &