

**FINAL COMPREHENSIVE EXAM FOR 2017-2018**

FCE for three programs under Business Administration department will be done from 70 questions. Students will be provided with a pool of multiple-choice questions and the topics for the open questions. The exam will contain fields taken as compulsory courses during the education.



**PROGRAM OF BUSINESS ADMINISTRATION**

Profile	Number of questions in exam	Number of questions in pool
Management	17	85
Marketing	9	45
Accounting	17	85
Operations Management	9	45
Finance	7	35
Economics	7	35
Law	4	20
Total	70	<b>350</b>

**Management (Introduction to Business, Essentials of Organizational Behavior, Management and Organization, Human Resource Management)**

1. A complex problem is best dealt with by a team using a(n) \_\_\_\_\_ communication network.
  - a) all-channel
  - b) wheel
  - c) chain
  - d) linear
2. If a manager approaches problems in a rational and analytical way, trying to solve them in step-by step fashion. He or she is well described as a/an \_\_\_\_\_.
  - a. Systematic thinker
  - b. Intuitive thinker
  - c. Problem seeker

- d. Behavioral decision making.
3. The last step in the decision-making process is to\_\_\_\_\_.
- a. choose a preferred alternative
  - b. evaluate results
  - c. find and define the problem
  - d. generate alternatives
4. Costs, benefits, timeliness, and \_\_\_\_\_ are among the recommended criteria for evaluating alternative courses of action in the decision-making process.
- a. ethical soundness
  - b. past history
  - c. availability
  - d. simplicity
5. Planning is best described as the process \_\_\_\_\_of and \_\_\_\_\_
- a. developing premises about the future; evaluating them
  - b. measuring results; taking corrective action
  - c. measuring past performance; targeting future performance
  - d. setting objectives; deciding how to accomplish them
6. From a time management perspective, which manager is likely to be in best control of his or her time? One who
- a. tries to never say “no” to requests from others
  - b. works on the most important things first

- c. immediately responds to instant messages
  - d. always has “an open office door”
7. The benefits of planning should include
- a. improved focus
  - b. less need for controlling
  - c. more accurate forecasts
  - d. increased business profits
8. When a soccer coach tells her players at the end of a losing game, “You did well in staying with the game plan,” she is using a/an \_\_\_\_\_ as a measure of performance.
- a. input standard
  - b. output standard
  - c. historical comparison
  - d. relative comparison
9. When a supervisor working alongside of an employee corrects him or her when a mistake is made, this is an example of \_\_\_\_\_ control.
- a. feed forward
  - b. external
  - c. concurrent
  - d. preliminary
10. A total quality management program is most likely to be associated with \_\_\_\_\_.
- a. EOQ

- b. continuous improvement
  - c. return on equity
  - d. breakeven analysis
11. The functional chimneys problem occurs when people in different functions \_\_\_\_\_.
- a. fail to communicate with one another
  - b. try to help each other work with customers
  - c. spend too much time coordinating decisions
  - d. focus on products rather than functions
12. An organization chart is most useful for \_\_\_\_\_.
- a. mapping informal structures
  - b. eliminating functional chimneys
  - c. showing designated supervisory relationships
  - d. describing the shadow organization
13. A manufacturing business with a functional structure has recently acquired two other businesses with very different product lines. The president of the combined company might consider using a \_\_\_\_\_ structure to allow a better focus on the unique needs of each product area.
- a. virtual
  - b. team
  - c. divisional
  - d. network

14. Honesty, social responsibility, and customer service are examples of \_\_\_\_\_ that can become foundations for an organization's core culture.
- a. rites and rituals
  - b. values
  - c. subsystems
  - d. ideas
15. The Kindle e-reader by Amazon and the iPad by Apple are examples of \_\_\_\_\_ innovations.
- a. business model
  - b. social
  - c. product
  - d. process
16. A manager using a force-coercion strategy is most likely relying on the power of \_\_\_\_\_ to bring about planned change.
- a. expertise
  - b. reference
  - c. legitimacy
  - d. information
17. According to the concept of 'human resource management', human resources:
- a. are a natural resource available in abundance
  - b. have workable substitutes
  - c. are a necessary expense

- d. are not easily replaceable
18. A primary advantage of unstructured versus structured interviewing techniques is that:
- a. Unstructured interviews take less time.
  - b. In an unstructured interview, the interviewer can ask follow-up questions and pursue points of interest as they develop.
  - c. Unstructured interviews are in compliance with regulations, whereas structured interviews are not.
  - d. Unstructured interviews are more cost effective.
19. Planning for employment requirements requires forecasting:
- a. labor needs
  - b. supply of inside candidates
  - c. supply of outside candidates
  - d. all of the above
20. Which of the following would likely be the least effective method of recruiting internal job candidates?
- a. posting information on organizational bulletin boards
  - b. examining HR records of current employees
  - c. advertising in national newspapers and journals
  - d. consulting organizational skills banks
21. Which of the following is the main piece of legislation regulating employment relations in Albania?
- a. the Constitution
  - b. employment contracts
  - c. the Labor Code

d. internal regulations

22. A list of what a job entails is the job's:

- a. Job analysis
- b. Job description
- c. Job specifications
- d. Performance standards

23. All of the following are line managers' HRM duties, EXCEPT

- a. coordinating the performance management process at company level
- b. training employees for jobs that are new to them
- c. creating and maintaining department morale
- d. placing the right person on the right job

24. "Suppose you discovered an employee stealing company property. What would you do?" is an example of a \_\_\_\_\_ interview questions:

- a. Stress
- b. job-related
- c. situational
- d. behavioral

25. \_\_\_\_\_ is a training method in which a person with job experience and skill guides trainees in practicing job skills at the workplace.

- a. Presentation
- b. experiential training



- c. on-the-job training
  - d. behavioral modeling
26. Methods of determining employee training needs include all of the following EXCEPT:
- a. reviewing performance appraisals
  - b. analyzing customer complaints
  - c. interviewing employees and supervisors
  - d. examining compensation records
27. Which of the following is NOT an HR Department role in the performance appraisal process:
- a. serves as a policy-making and advising role
  - b. trains supervisors to improve their appraisal skills
  - c. perform the actual appraising for each employee
  - d. prepare forms and procedures
28. A collection of jobs grouped together by approximately equal difficulty levels is a:
- a. Pay grade
  - b. Pay for performance system
  - c. Compensation analysis factor
  - d. Responsibility level
29. Which of the following types of incentive pay refers to a wage based on the amount workers produce?
- a. Gain sharing
  - b. Merit pay

- c. Scanlon plan
  - d. Piecework rate
30. The purpose of \_\_\_\_\_ is to encourage employees to behave sensibly at work.
- a. Rules and regulations
  - b. Expectation clarity
  - c. Workplace monitoring
  - d. Discipline
31. A successful employee orientation should accomplish all the following EXCEPT:
- a. Make the employee feel welcome.
  - b. Understand the organization in a broad sense.
  - c. Constitute an employment contract.
  - d. Employee should be clear about what is expected in terms of work and behavior.
32. A salary plus incentive/commission compensation plan would be most appropriate for which of the following workers?
- a. a restaurant chef
  - b. an automobile salesperson
  - c. a nurse
  - d. an administrative assistant

33. In 2016, Microsoft announced that it would buy LinkedIn for \$26.2 billion, in an all cash deal, making it the 6th largest deal of its kind on record. This is an example of:
- a) a hostile takeover
  - b) an acquisition
  - c) a partnership
  - d) a licensing agreement
34. Partnerships have several advantages over sole proprietorships including:
- a) partners are provided with certain marketing materials and support including training.
  - b) the partners are not liable for business debts.
  - c) partnerships are significantly less likely to fail than sole proprietorships.
  - d) the partners bring diverse skills and perspectives.
35. Which of the following is a legal entity completely separate from the entities who own it?
- a) sole proprietorship
  - b) limited liability partnership
  - c) corporation
  - d) general partnership

36. A general partnership:

- a) assumes profit, liability and management duties are divided equally among partners.
- b) is similar to a corporation because the business has to pay corporate taxes.
- c) requires one partner to manage the business (a general manager) and other partners contribute skills and financing to support the business.
- d) a board of directors resolves disputes among the partners.

37. Which of these alternatives does not classify a company according to their function:

- a) Manufacturing companies
- b) Small and Medium Enterprises
- c) Service companies
- d) Marketing and Retail Companies

38. There are many ways that a business can reach the global market, the most intensive approach is through:

- a) Licensing Agreement.
- b) Franchise Agreement.
- c) exporting goods.
- d) Foreign Direct Investment.

39. In your country rubber trees are abundant and you can trade them very profitably for technology products, which you cannot produce profitably in your country. Your abundant rubber trees give you:

- a) absolute advantage.
- b) economies of scale.
- c) a stable economy.
- d) a comparative advantage

40. The point of a business cycle fluctuation during which growth slows, unemployment increases, and pricing pressures subside is called a(n):

- a) expansion.
- b) contraction
- c) peak.
- d) trough.

41. When more goods and services are imported than exported it is known as a:

- a) Trade surplus
- b) Balance of trade
- c) Trade Imbalance
- d) Trade deficit

42. What does Gross Domestic Product measure?

- a) Unemployment rate
- b) Budget surplus
- c) Value of goods and services produced by a country

d) Budget deficit

43. You are employed by an automaker specializing in electric cars. As a production line supervisor your technical management skills will include:

- a) understanding self-awareness.
- b) formulating strategies, objectives, and policies.
- c) developing relationships with your team members.
- d) understanding electricity storage in batteries.

44. What is one of the benefits of specialization in labor?

- a) Workers who specialize in certain tasks often learn to produce more quickly and with higher quality.
- b) It allows workers to understand the overall process of producing a product or service.
- c) Employees working on a variety of tasks will find that they are better at some than at others.
- d) Specialization in labor leads to lower employment costs.

45. In a functional structure, communication generally occurs within each functional department and is transmitted across departments through:

- a) the CEO.
- b) Chief Communication Officer.
- c) team leads.
- d) department heads.

46. An approach of open communication and collaborative decision making suggests which type of leadership?
- a) autocratic leadership
  - b) laissez-faire leadership
  - c) democratic leadership
  - d) delegative leadership
47. The first three steps in the controlling process include:
- a) comparing performance to standards; setting standards; taking corrective action.
  - b) measuring performance; taking corrective action; revising performance standards.
  - c) reviewing current processes, comparing processes to industry benchmarks, taking corrective action.
  - d) setting standards; measuring performance; comparing performance to standards.
48. The organizing function of managers involves:
- a) not allocating resources needed to perform assigned activities.
  - b) assigning activities identified in the planning process to some person, team or department.
  - c) determining strategic priorities for the organization as a whole.
  - d) determining how to most effectively utilize financial resources.

49. Humans need to feel a sense of belonging and acceptance, whether it comes from a large group or a small network of family and friends. Maslow labeled this as

- a) Social needs.
- b) Self-esteem needs
- c) Self-actualization.
- d) Safety needs.

50. When a need is met, Maslow argues that

- a) Self-esteem will become more important.
- b) Self-actualization will become more important.
- c) Social needs become more important.
- d) it will no longer serve a motivating function.

51. Involuntary termination is:

- a) resigning from your job—the employee quits the job.
- b) resigning from your job in order to start working a different job.
- c) being put on leave pending an internal or external investigation.
- d) losing your job—the employer fires the employee.

52. Today is Jerry's first day at his new job as a cashier at the local grocery store. When he arrives in the morning one of his new colleagues explains that Jerry will spend some time watching his colleague use the cash register while the colleague explains what he is doing. Then, after break time, it will be Jerry's turn to start acting as cashier, with his colleague right next to him to



show him how to use the machine properly and conduct transactions with customers. Once he feels confident and learns this new skill, Jerry will be able to operate the cash register on his own. This is an example of:

- a) on-the-job training.
- b) off-the-job training.
- c) professional development.
- d) personal development.

53. \_\_\_\_\_ is the process of identifying suitable candidates and encouraging them to apply for job openings in the organization.

- a) Firing
- b) Recruiting
- c) Training
- d) Hiring

54. The \_\_\_\_\_ is a system of organizations, people, activities, information, and resources involved in moving a product or service from supplier to customer.

- a) retail channel
- b) wholesale channel
- c) supply chain
- d) distribution channel

55. An airplane manufacturer assembles a plane in one location and the workers and equipment go to the airplane when they need to work on it. This is an example of a \_\_\_\_\_.

- a) cellular layout

- b) product layout
- c) process layout
- d) fixed-position layout

56. \_\_\_\_\_ is an inventory strategy that companies employ to increase efficiency and decrease waste by receiving goods only when they are needed in the production process.

- a) Just-in-time (JIT) inventory control
- b) Material-requirements planning (MRP)
- c) Product layout
- d) Economic order quantity (EOQ)

57. Mass-produced products generally are:

- a) Prepaid, unique projects
- b) Produced only after ordered
- c) Semi-produced and completed upon order
- d) Held in inventory until sold

58. During the \_\_\_\_\_ of the product life cycle, companies need to devote a significant marketing budget to create broad awareness and educate the public about the new product.

- a) introduction stage
- b) growth stage
- c) maturity stage
- d) decline stage

59. \_\_\_\_\_ play an important role as intermediaries acting as a link in the distribution process to help move goods between producers and retailers.

- a) Agents
- b) Retailers
- c) Direct distributors
- d) Wholesalers

60. When consumers purchase products from amazon.com or a bakery, it is an example of \_\_\_\_\_.

- a) agent channel
- b) direct channel
- c) retail channel
- d) indirect channel

61. Which of the following is not part of the marketing mix ?

- a) Price
- b) Promotion
- c) Popularity
- d) Place

62. Accounting allows businesses to communicate information about a company's financial performance to the following groups of users:

- a) internal users, external users, and suppliers
- b) consumers, suppliers, and the government
- c) internal users, the government, and suppliers
- d) internal users, external users, and the government

63. Financial accountants:

provide information to external entities that allows them to evaluate business performance.

- a) have a primary focus on providing managers within the organization with reports to make good business decisions.
- b) summarize the company's production activities in a way that allows managers to make decisions.
- c) work with government lobbyists to push for more favorable accounting regulations.

64. The \_\_\_\_\_ provides a snapshot of the company's financial position at a specific point in time.

- a) income statement
- b) statement of cash flows
- c) profit and loss statement
- d) balance sheet

65. Alia, the manager of a pet store, notices that most of the goods that come to her store are packed in high-quality cardboard boxes which are later discarded. She comes up with a plan and instructs her employees to use the cardboard boxes for making scratching boards for cats. She then sells the scratching boards at a price much lower than the other branded versions available in the market. Which of the following describes Alia's planning?

- a) Action oriented
- b) Priority oriented
- c) Advantage oriented

d) Change oriented

66. Tim places an online order for a smartphone. Instead, he is shipped a dishwashing liquid from a brand named Bling by the seller. Tim posts this incident on a social networking site and it is soon picked up by the media. Richard, the sales manager of Bling, hears about this incident and plans to use it as an opportunity for creating brand awareness of Bling products. Accordingly, he makes arrangement to send Tim the smartphone that he had originally ordered along with two more bottles of Bling dishwashing liquid. When this news reaches the media, people applaud Bling's gesture and Richard achieves his goal of creating brand awareness. Which of the following plans did Richard use in the scenario?

- a) Financial plan
- b) Facilities plan
- c) Tactical plan
- d) Production plan

67. Sally, a manager at Purple Inc., has just been told that the funds which were left unused in the previous year's budget will not carry over into the current year. Thus, Sally will most likely have to use a \_\_\_\_\_.

- a) project budget
- b) flexible budget
- c) fixed budget
- d) zero-based budget

68. At Home Décor Inc., the production manager demands zero defects on all raw materials received from its vendors. Which of the following concepts does this scenario illustrate?

- a) Output standard
- b) Feedback control
- c) Input standard
- d) Historical standard

69. UPS carefully measures the routes and routines of its drivers to establish the time expected for each delivery. When a delivery manifest is scanned as completed, the driver's time is registered in an electronic performance log that is closely monitored by supervisors. In this scenario, UPS uses \_\_\_\_\_.

- a) historical comparisons
- b) engineering comparisons
- c) local comparisons
- d) relative comparisons

70. Which of the following scenarios illustrates concurrent control?

- a) Susan, the customer care manager in an amusement park, actively seeks feedback from visiting tourists.
- b) Jean, the manager in a restaurant, ensures that the vegetables used in cooking are organic.
- c) Rebecca, the supervisor in a toy factory, gives suggestions to workers when they look for new designs.
- d) Joshua, the stock manager in a steel factory, checks every evening whether adequate stocks are available for the next day's operations.

71. Your roommate wants to learn about organization charts. You can tell her that an organization chart can tell you all of the following about an organization EXCEPT its:

- a) division of work.
- b) formal structure.
- c) reporting relationships.
- d) control mechanisms.

72. At Ink Pens Manufacturing (IPM), there are departments for marketing, engineering, and manufacturing. Which of the following structures does IPM exemplify?

- a) A matrix structure
- b) A cross-functional structure
- c) An informal structure
- d) A functional structure

73. Big Money Bank has several branches that are headed by branch managers. The loan manager, investments manager, operations manager, and trust manager in each branch report directly to the branch manager. This scenario is an example of a \_\_\_\_\_.

- a) dysfunctional structure
- b) matrix structure
- c) network structure
- d) product structure

74. Community Bank Inc. currently operates with a functional structure. A lack of communication across functional departments has affected the performance of the employees. This scenario illustrates the concept of:

- a) matrix structure.
- b) top-down structure.
- c) functional chimneys.
- d) cross-functional team.

75. Maria, the vice-president of operations at Choco Candy, Inc. (CCI), plans to create new divisions of CCI in China, India, and Malaysia. In this scenario, Maria develops a \_\_\_\_\_ for CCI.

- a) product structure
- b) geographical structure
- c) team structure
- d) service structure

76. ABC Inc. uses information technology to connect with outside suppliers and service contractors. In this scenario, which of the following structures does ABC Inc. use?

- a) A cross-functional structure
- b) A matrix structure
- c) A network structure
- d) A horizontal structure

77. ABC and XYZ, two organizations in the same industry, have come together to pursue areas of mutual interest. This scenario exemplifies a(n):

- a) unethical venture.
- b) acquisition.
- c) corporate takeover.
- d) strategic alliance.



78. Remote Servicing Inc. (RSI) has a flat organizational structure. In this scenario, managers at RSI would have a \_\_\_\_\_ span of control.

- a) tall
- b) flat
- c) wide
- d) narrow

79. A manager from LMT Corporation allows her employees to do their jobs as they see fit. This scenario illustrates the concept of:

- a) span of control.
- b) centralization.
- c) empowerment.
- d) organizational design.

80. At AZN Media Inc., each job is split between at least two people. This scenario illustrates:

- a) job enlargement.
- b) job enrichment.
- c) job sharing.
- d) teamwork.

**81. (Open Question) Understanding Organizational Politics**

**82. (Open Question) Expectancy Theory of Motivation**

**83. (Open Question) Improving Team Decisions**

**84. (Open Question) Diversity**

**85. (Open Question) Job Design, Job Enrichment**

**Marketing (Marketing 1, Marketing 2)**

1. The five-stage model of the consumer buying process includes all of the following stages EXCEPT...
  - a) problem recognition
  - b) information search
  - c) social interaction
  - d) purchase decision
2. If performance meets consumer expectations, the consumer is \_\_\_\_\_.
  - a) delighted
  - b) satisfied
  - c) disappointed
  - d) surprised
3. Which one of the following statements by a company chairman BEST reflects the selling marketing concept?
  - a) We have organized our business to satisfy the customer needs
  - b) We believe that marketing department must organize the activities in order to make individuals buy what we produce
  - c) We try to produce only high quality, technically efficient products
  - d) We try to encourage company growth in the market

4. The factors such as the buyer's age, life-cycle stage, occupation, economic situation, lifestyle, personality and self-concept that influences buyer's decisions refers to which one of the following characteristic?
  - a) Personal characteristics
  - b) Psychological characteristics
  - c) Behavioral characteristics
  - d) Demographical characteristics
5. One traditional depiction of marketing activities is in terms of the marketing mix or four Ps. The four Ps are characterized as being \_\_\_\_\_.
  - a) product, positioning, place, and price
  - b) product, price, promotion, and place
  - c) promotion, place, positioning, and price
  - d) place, promotion, production, and positioning
6. Marketing strategies are often designed to influence \_\_\_\_\_ and lead to profitable exchanges.
  - a) Consumer decision making
  - b) Sales strategies
  - c) Advertising strategies
  - d) Export strategies

7. The controllable variables a company puts together to satisfy a target group is called the \_\_\_\_\_.
- a) Marketing strategy
  - b) Marketing mix
  - c) Strategic planning
  - d) Marketing concept
8. The way in which the product is delivered to meet the customers' needs refers to:
- a) New product concepts and improvements.
  - b) Selling.
  - c) Advertising and promotion activities.
  - d) Place or distribution activities.
9. Newsletters, catalogues, and invitations to organization-sponsored events are most closely associated with the marketing mix activity of:
- a) Pricing
  - b) Distribution
  - c) Product development
  - d) Promotion

10. Price is the only element in the marketing mix that produces:

- a) Fixed cost
- b) Customer satisfaction
- c) Variable cost
- d) Revenue

11. The consumer's estimate of the product's overall capacity to satisfy his or her needs is called:

- a) Product Cost
- b) Product Value
- c) Product need
- d) Product Satisfaction

12. During which step of the marketing segmentation, targeting, and positioning process does the firm —develop a marketing mix for each segment?

- a) market segmentation
- b) market targeting
- c) market positioning
- d) The firm does not go through the development during any of the above steps.

13. A products position is located in the minds of \_\_\_\_\_.

- a) Advertiser
- b) salesman
- c) consumer
- d) all of these

14. Narrowly focused markets that are defined by some special interest are termed as \_\_\_\_\_.

- a) Target markets
- b) mass markets
- c) niche markets
- d) Undifferentiated markets.

15. \_\_\_\_\_ is the process of evaluating each market segments attractiveness and selecting one or more segments to enter.

- a) Mass marketing
- b) Market segmentation
- c) Market targeting
- d) Market positioning

16. It is a fact that there are 32.5 million left-handed people in the India. However, most marketers do not attempt to appeal to or design products for this group because there is little in the way of census data about this group. Therefore, this group fails in one of the requirements for effective segmentation. Which of the following is most likely to apply in this case?

- a) actionable
- b) substantial
- c) differentiable
- d) measurable

17. Micromarketing includes:

- a) Segment marketing and niche marketing.
- b) Mass marketing and demographic marketing.
- c) Local marketing and individual marketing.
- d) Individual marketing and self-marketing.

18. Readiness stage and attitude towards product are major segmentation variable in which category?

- a) Geographic
- b) Behavioral
- c) Demographic
- d) Psychographic

19. All of the following would be considered to be in a company's microenvironment EXCEPT:

- a) Marketing channel firms.
- b) Political forces.
- c) Publics.
- d) Customer markets.

20. \_\_\_\_\_ help the company to promote, sell, and distribute its goods to final buyers.

- a) Marketing intermediaries
- b) Competitor networks
- c) Suppliers
- d) Service representatives

21. A \_\_\_\_\_ is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives.

- a) competitive set
- b) marketing intermediary
- c) supplier
- d) public



22. The clothing retailer Top Shop tries to appeal to the style-conscious, independent girl- ie. the "fashion junkie" who goes shopping every week in pursuit of the latest hot fashions. What kind of market segmentation is being used by Top Shop?

- a) socio-economic segmentation
- b) psychographic segmentation
- c) religious segmentation
- d) demographic segmentation

23. In order to carry out a SWOT analysis, a company must \_\_\_\_\_.

- a) Identify the main threats in the external environment
- b) Identify the company's main internal weaknesses
- c) Identify the main opportunities in the external environment
- d) All of the above

24. What does SBU stand for?

- a) Single business unit
- b) Strategic business unit
- c) Sales business unit
- d) Strategic buying unit

25. \_\_\_\_ marketing is responsible for ensuring that product in distributor and reseller locations gets sold out.
- a. channel
  - b. Tele
  - c. online
  - d. POS
26. A channel marketing manager is typically responsible for the \_\_\_\_ function.
- a. sell in
  - b. Sell-through
  - c. sales budgeting
  - d. sales control
27. Any party which exerts significant influence over the purchase decision is known as
- a. End customers
  - b. Key influencers
  - c. Suppliers
  - d. Marketing channels
28. \_\_\_\_\_ emphasize(s) that profitable marketing begins with the discovery and understanding of consumer needs and then develops a marketing mix to satisfy these needs.
- a. The marketing concept
  - b. The strategic plan
  - c. The product influences
  - d. The price influences.

29. Which of the following is NOT a part of marketing communication mix?

- a. Telemarketing
- b. Public relations
- c. Sales promotion
- d. Advertising

30. Which of these steps is related with selection of research design?

- a. Specifying research objectives and confirm the information value
- b. Interpreting data to create knowledge
- c. Developing the sampling design and sample size
- d. Collecting and preparing data

31. During which step of the marketing segmentation, targeting, and positioning process does the firm —develop a marketing mix for each segment?

- a. market segmentation
- b. market targeting
- c. market positioning
- d. The firm does not go through the development during any of the above steps.

32. Which factor given below is not the reason for quitting marketing research project?

- a. Research knowledge of staff
- b. Costs outweigh the value

- c. Insufficient time frames
- d. Inadequate resources

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- a. segment marketing and niche marketing.
- b. mass marketing and demographic marketing.
- c. local marketing and individual marketing.
- d. individual marketing and self-marketing.

35. Which are the types of marketing research firm?

- a. Positioned, Online
- b. Syndicated, Nonsyndicated
- c. Customized, Standardized
- d. Targeted, Segmented

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- c. Publics.
- d. Customer markets.

37. \_\_\_\_\_ help the company to promote, sell, and distribute its goods to final buyers.

- a. Marketing intermediaries
- b. Competitor networks
- c. Suppliers
- d. Service representatives

38. Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched?

- a. demographic
- b. psychographic
- c. economic
- d. geographic

39. Marketing Environment analysis helps to –

- a. Avoid costly mistakes of reacting too slowly
- b. Identify tomorrow's opportunities
- c. Both A and B
- d. None of the above

40. What is a company's marketing environment?

- a. The climate and nature
- b. Actors and forces outside of a company and the marketing functions that affect marketing management
- b. The marketing department within a company
- c. The land area around a company's headquarters

41. Which part of the marketing plan presents the approach that will be used to meet the plan's objectives?

- a. Action programs
- b. Marketing strategy
- b. SWOT and issue analysis
- c. Current marketing situation

42. Which of the main stages of Marketing Strategy perceptual maps directly linked with?

- a. Segmentation
- b. Targeting
- c. Positioning
- d. Differentiation

**43. (Open Question) Promotional Mix.**

**44. (Open Question) Marketing Mix.**

**45. Consumer markets and Business markets?**

**Accounting (Introduction to Accounting, Cost Accounting,  
Managerial Accounting, Financial Accounting I and II)**

1. Experience has shown that 50% of the Karaskiewicz Company's sales are for cash. The rest are on credit with 70% of the credit sales are collected in the month of sale, 20% in the month following sale, and 5% in the second month following sale. The remaining credit sales are expected to be uncollectible. The company's sales budget for the year included budgeted sales of \$140,000 in January, \$120,000 in February, and \$160,000 in March. Total cash receipts in March would be budgeted to be:
  - a. \$56,000.
  - b. \$136,000.
  - c. \$151,500
  - d. \$167,000.
2. The budget or schedule that provides the required data for the preparation of the direct materials budget is the:
  - a. schedule of cash collections
  - b. Raw materials purchases budget.
  - c. Production budget.
  - d. Cash budget.
3. Vertovec Company makes and sells a single product. Each unit of product requires 5.2 hours of labor at a labor rate of \$9.10 per hour. The company needs to prepare a Direct Labor

Budget for the second quarter of next year. The budgeted direct labor cost per unit of product would be:

- a. \$28.00.
- b. \$37.40.
- c. \$41.60.
- d. \$47.32.

4. A master budget consists of

- a. an interrelated long-term plan and operating budgets
- b. financial budgets and a long-term plan
- c. interrelated financial budgets and operating budgets a
- d. all the accounting journals and ledgers used by a company

5. What is the proper preparation sequencing of the following budgets? 1. Budgeted Balance Sheet 2. Sales Budget 3. Selling and Administrative Budget 4. Budgeted Income Statement

- a. 1, 2, 3, 4
- b. 2, 3, 1, 4
- c. 2, 3, 4, 1
- d. 2, 4, 1, 3

6. Jack Company produces hand tools. Budgeted sales for March are 12,000 units. Beginning finished goods inventory in March is budgeted to be 1,200 units, and ending finished goods inventory is budgeted to be 1,400 units. How many units will be produced in March?



- a. 10,900
  - b. 11,800
  - c. 12,200
  - d. 14,600
7. A major weakness of the static planning budget is that:
- a. It is geared only to a single level of activity.
  - b. It cannot be used to assess whether variable costs are under control.
  - c. It forces the manager to compare actual costs at one level of activity to budgeted costs at a different level of activity.
  - d. All of the above.
8. An activity variance is the difference between:
- a. A revenue or cost item in the static planning budget and the same item in the flexible budget.
  - b. How much the revenue should have been, given the actual level of activity, and the actual revenue for the period?
  - c. How much a cost should have been, given the actual level of activity, and the actual amount of the cost?
  - d. None of the above.
9. If the actual cost incurred is greater than what the cost should have been as set forth in the flexible budget, the variance is:
- a. Labeled as favorable.
  - b. Labeled as unfavorable.
  - c. Cannot be labeled as favorable or unfavorable without obtaining an explanation.

- d. An activity variance.
- 
- 10. What is the primary difference between a static budget and a flexible budget?
    - a. The static budget contains only fixed costs, while the flexible budget contains only variable costs.
    - b. The static budget is adjusted for different activity levels, while a flexible budget is prepared for a single level of activity.
    - c. The static budget is prepared for a single level of activity, while a flexible budget is adjusted for different activity levels.
    - d. Both the static budget and the flexible budget are adjusted for different activity levels
  - 11. The difference between the actual price and the standard price, multiplied by the actual quantity of materials purchased is the
    - a. direct materials spending variance
    - b. direct materials volume variance
    - c. direct materials price variance
    - d. direct materials quantity variance
  - 12. The difference between the actual quantity used in production and the standard quantity allowed for actual output, multiplied by the standard price is the
    - a. direct materials spending variance
    - b. direct materials volume variance
    - c. direct materials price variance

- d. direct materials quantity variance
13. A segment of a business responsible for both revenues and expenses would be referred to as:
- a. A cost center.
  - b. An investment center.
  - c. A profit center.
  - d. Residual income.
14. Assuming that sales and net income remain the same, a company's return on investment will:
- a. Increase if its operating assets increase.
  - b. Decrease if its operating assets decrease.
  - c. Decrease if its turnover decreases.
  - d. Decrease if its turnover increases.
15. A study has been conducted to determine if one of the product lines of Kalamazoo Company should be discontinued. This product line generates a contribution margin of \$300,000 per year. Fixed expenses allocated to the product line are \$390,000 per year. It is estimated that \$240,000 of these fixed expenses could be eliminated if the product line is discontinued. These data indicate that if the product line is discontinued, the company's overall net operating income would:
- a. Decrease by \$60,000 per year.
  - b. Increase by \$60,000 per year.
  - c. Decrease by \$150,000 per year.

- d. Increase by \$150,000 per year.
16. The managers of a firm are in the process of deciding whether to accept or reject a special order for one of its products. A cost that is not relevant to their decision is the:
- a. Common fixed overhead that will continue if the special offer is not accepted.
  - b. Direct materials.
  - c. Fixed overhead that will be avoided if the special offer is accepted.
  - d. Variable overhead.
17. Marion Company sells its product for \$126 per unit. The company's unit product cost based on the full capacity of 300,000 units is as follows.

Direct materials	\$24
Direct labor	30
Manufacturing overhead	<u>36</u>
Unit product cost	<u>\$90</u>

A special order offering to buy 120,000 units has been received from a foreign distributor. The only selling costs that would be incurred on this order would be \$18 per unit for shipping. The company has sufficient idle capacity to manufacture the additional units. Two-thirds of the manufacturing overhead is fixed and would not be affected by this order. In negotiating a price for the special order, what should the minimum acceptable selling price per unit be?

- a. \$84
  - b. \$90.
  - c. \$96
  - d. \$108
18. Which of the following lists correctly first four steps of accounting cycle which are given randomly below;  
Prepare a trial balance, Journalize (record) transactions,  
Making end-of-period adjustments, Post journal entries  
to ledger accounts.
- a. Making end-of-period adjustments; Prepare a trial  
balance; Post journal entries to ledger accounts;  
Journalize transactions;
  - b. Prepare a trial balance; Making end-of-period  
adjustments; Journalize transactions; Post journal  
entries to ledger accounts
  - c. Journalize transactions; Post journal entries to ledger  
accounts; Prepare a trial balance; Making end-of-period  
adjustments
  - d. Journalize transactions; Post journal entries to ledger  
accounts; Making end-of-period adjustments; Prepare a  
trial balance
19. Vision Furniture sold five tables on account to Tough  
Wood Corp. at price of \$100 each. Which of the  
following journal entry should be made by Vision  
Furniture?

a) /  
Cash 500

Sales Revenue 500

b) /  
Accounts Receivable 500

Sales Revenue 500

c) /  
Sales Revenue 500

Accounts Receivable 500

d) /  
Accounts Receivable 500

Cash 500

20. According to transaction is given in question 2, which of the following journal entry should be made by Tough Wood Corp?

a) /  
M. Inventory 500

Sales Revenue 500

b) /  
M. Inventory 500

Accounts Receivable 500

	_____	_____
c)	/	
	Accounts Payable	500
	M. Inventory	500
	_____	_____

	_____	_____
d)	/	
	M. Inventory	500
	Accounts Payable	500
	_____	_____

21. On 22 August 2010 Express Organization Company received \$30,000 advance from Epoka University, for organization of an accounting conference. The conference will be held on 4 October 2010. Which of following journal entry should be made by Express Organization on 22 August 2010?

a)	/	_____	_____
	Cash	30.000	
	Sales Revenue		30.000
		_____	_____

b)	/	_____	_____
	Accounts Receivable	30.000	
	Unearned Revenue		30.000
		_____	_____

c)	/	_____	_____
	Cash	30.000	

Unearned Revenue    30.000

d)        /        \_\_\_\_\_        \_\_\_\_\_  
           Cash                      30.000  
                                     Service Revenue            30.000

22. After the successfully organized conference, on 5 October 2010 Express Organization refunds unused portion of the advance is \$5000 and sends the invoice amounted \$25.000 to Epoka University. Which of following journal entry should be made by Express Organization on 5 October 2010?

a)        /        \_\_\_\_\_        \_\_\_\_\_  
           Unearned Revenue        30.000  
                                     Cash                      5.000  
                                     Service Revenue        25.000

b)        /        \_\_\_\_\_        \_\_\_\_\_  
           Accounts Receivable    35.000  
                                     Service Revenue        30.000  
                                     Cash                      5.000

c)        /        \_\_\_\_\_        \_\_\_\_\_  
           Unearned Revenue        30.000



Cash	25.000
Service Revenue	5.000

d) /

Accounts Receivable	30.000
Service Revenue	25.000
Cash	5.000

23. CBA supermarket uses periodic inventory system and some information about the company such as:

- a. Inventory on hand on 1 January 2010 is \$20.000
- b. During 2010, purchases of merchandise is \$40.000
- c. Inventory on hand on 31 December 2010 is \$15.000

Which of the following gives amount of CBA's Cost of Goods sold for 2010?

- a. 40.000
- b. 45.000
- c. 55.000
- d. 15.000
- e. 60.000

24. According to adjusted trial balance of CBA Corporation some expense and revenue accounts' balances such as;  
Sales Revenue: \$35.000 Rent Revenue: \$5000 Interest Revenue: \$1000 Cost of Goods Sold: \$12.000  
Advertising Expense: \$5000 Interest Expense: \$3000

After preparing of closing journal entries, which of following entry shows transfer of profit to balance sheet?

- a.
- |                |        |        |
|----------------|--------|--------|
| Cash           | 21.000 |        |
| Income Summary |        | 21.000 |
- b.
- |                |        |        |
|----------------|--------|--------|
| Income Summary | 21.000 |        |
| Sales Revenue  |        | 21.000 |
- c.
- |                   |        |  |
|-------------------|--------|--|
| Income Summary    | 21.000 |  |
| Retained Earnings | 21.000 |  |
- d.
- |                   |        |        |
|-------------------|--------|--------|
| Retained Earnings | 21.000 |        |
| Income Summary    |        | 21.000 |

25. IBM sold 20 computers on account to Saturn Technology which unit sale price of computer is \$1000. Both companies use perpetual inventory system and unit cost of computers is \$500. Which of the following journal entry belongs to recognition of revenue for IBM?

- a)      /      \_\_\_\_\_      \_\_\_\_\_
- Cash                      20.000
- M. Inventory                      20.000

b)        /        \_\_\_\_\_        \_\_\_\_\_  
              Cash                                20.000  
                  Sales Revenue                                20.000  
                  \_\_\_\_\_        \_\_\_\_\_

c)        /        \_\_\_\_\_        \_\_\_\_\_  
              Accounts Receivable 20.000  
                  M. Inventory                                20.000  
                  \_\_\_\_\_        \_\_\_\_\_

d)        /        \_\_\_\_\_        \_\_\_\_\_  
                  Accounts Receivable 20.000  
                  Sales Revenue                                20.000  
                  \_\_\_\_\_        \_\_\_\_\_

26. According to transaction given in question 8, which of the following journal entry belongs to recognition of cost and decrease in inventory for IBM?

a)        /        \_\_\_\_\_        \_\_\_\_\_  
              COGS                                10.000  
                  M. Inventory                                10.000  
                  \_\_\_\_\_        \_\_\_\_\_

b)        /        \_\_\_\_\_        \_\_\_\_\_  
              COGS                                20.000  
                  M. Inventory                                20.000  
                  \_\_\_\_\_        \_\_\_\_\_

c)        /        \_\_\_\_\_        \_\_\_\_\_

M. Inventory	10.000
COGS	10.000
_____	_____

d) / \_\_\_\_\_

M. Inventory	10.000
COGS	10.000
_____	_____

27. According to transaction given in question 8, sometimes later, Saturn Technology returned 5 computers due to some defects in these computers. Both companies use perpetual inventory system. Relating to return, which of the following belongs to the first journal entry should be made by IBM?

a) / \_\_\_\_\_

Accounts Receivable	5.000
M. Inventory	5.000
_____	_____

b) / \_\_\_\_\_

Sales Returns	5.000
Accounts Receivable	5.000
_____	_____

c) / \_\_\_\_\_

Sales Returns	2.500
Accounts Receivable	2.500
_____	_____

d) /

M. Inventory	5.000
Sales Revenue	5.000

28. Relating to return, which of the following belongs to the second journal entry should be made by IBM?

a) /

M. Inventory	5.000
COGS	5.000

b) /

M. Inventory	2.500
COGS	2.500

c) /

M. Inventory	2.500
Accounts Receivable	2.500

d) /

M. Inventory	2.500
Sales Revenue	2.500

29. In connection with transaction given in question 8, which of the following journal entry should be made by Saturn Technology relating to return of five defected computers?

- a)        /        \_\_\_\_\_        \_\_\_\_\_  
             Accounts Receivable 5.000  
             M. Inventory                5.000  
             \_\_\_\_\_        \_\_\_\_\_
- b)        /        \_\_\_\_\_        \_\_\_\_\_  
             Sales Returns                5.000  
             M. Inventory                5.000  
             \_\_\_\_\_        \_\_\_\_\_
- c)        /        \_\_\_\_\_        \_\_\_\_\_  
             Accounts Payable                5.000  
             M. Inventory                5.000  
             \_\_\_\_\_        \_\_\_\_\_
- d)        /        \_\_\_\_\_        \_\_\_\_\_  
                         M. Inventory                5.000  
             Accounts Payable 5.000  
             \_\_\_\_\_        \_\_\_\_\_

30. On November 1, Blue Corp. purchased a six months insurance policy from Green Insurance Corp. for \$ 6000. On November 30, Blue Corp. recorded this expenditure on November 1 as Unexpired Insurance.

Which of the following journal entry belongs to adjusting entry should be made on November 30 by Blue Corp.?

a)        /        \_\_\_\_\_        \_\_\_\_\_  
           Insurance Expense        1.000  
                   Unexpired Insurance        1.000  
                   \_\_\_\_\_        \_\_\_\_\_

b)        /        \_\_\_\_\_        \_\_\_\_\_  
           Insurance Expense        6.000  
                   Unexpired Insurance        6.000  
                   \_\_\_\_\_        \_\_\_\_\_

c)        /        \_\_\_\_\_        \_\_\_\_\_  
           Accounts Payable        1.000  
                   Cash        1.000  
                   \_\_\_\_\_        \_\_\_\_\_

d)        /        \_\_\_\_\_        \_\_\_\_\_  
                           Insurance Expense        1.000  
           Cash        5.000  
                   \_\_\_\_\_        \_\_\_\_\_

31. Starlight, a broadways media firm, uses the balance sheet approach to estimate uncollectible accounts expense. At year-end and aging of the accounts receivable produced the following five groups, and Allowance for Doubtful Accounts credit balance is \$32.000: Which of the following shows the correct amount of the doubtful accounts at the end of year?

Yet Due	\$500,000	1%
0 Days past Due	\$110,000	3%
60 Days past Due	\$50,000	10%
90 Days past Due	\$30,000	20%
Over 90 Days past Due	\$60,000	50%
Total	\$750,000	

- a) 35.000
- b) 39.300
- c) 17.300
- d) 49.300

32. Which of the following is a cost flow assumption in the calculation of COGS for inventories?

- a) Net Cost Method
- b) LIFO
- c) Periodic Inventory
- d) Specific Identification

33. Which of the following valuation principle is applied to 'Accounts Receivable'?

- a) Current Market Value
- b) Face Amount
- c) Collectible Amount
- d) LCM



34. If there is a difference between in the balance of Marketable Securities and their current market value, which account should be used for adjustment?
- a) Gain/Loss from write-downs
  - b) Unrealized Holding gain/loss of investments
  - c) Gain/Loss from sale of investments
  - d) None of them
35. Which of the following valuation principle is applied to 'Inventories'?
- a) Current Market Value
  - b) Par Value
  - c) Net Realizable Value
  - d) LCM
36. On 1 November 2009 EPK Company borrows 100.000 Euros from a bank by the issuing a note for a period of 6 months at an annual interest rate of %12. Which of the following journal entry shows the borrowing for EPK Company?

- a.
- |               |         |         |
|---------------|---------|---------|
| Cash          | 100.000 |         |
| Notes Payable |         | 100.000 |
- b.
- |                  |         |         |
|------------------|---------|---------|
| Cash             | 100.000 |         |
| Accounts Payable |         | 100.000 |

c.

	<u>          </u>	<u>          </u>
	/	
Cash		100.000
Notes Receivable		100.000

d.

	<u>          </u>	<u>          </u>
	/	
Cash		106.000
Notes Payable		106.00

37. According to transaction given in question 19, which of following journal entry belongs to settlement of borrowing by Company?

a)

	<u>          </u>	<u>          </u>
	/	
Notes Payable		100.000
Cash		100.000

b)

	<u>          </u>	<u>          </u>
	/	
Notes Payable		100.000
Interest Expense		6.000
Cash		106.000

c)

	<u>          </u>	<u>          </u>
	/	
Notes Payable		100.000
Interest Expense		4.000
Interest Payable		2.000
Cash		106.000

d)	/		
Notes Payable		100.000	
Interest Expense			2.000
Interest Payable		4.000	
Cash		106.000	

38. On 31 March 2010 ABC Company was established by Mr. A, Mr. B and Mrs. C. On that day, each partner committed to pay 100.000 Euros in 2010. On 1 July 2010 all the partners paid their commitments in cash. Which of following journal entry belongs to 31 March 2010?

a)	/		
Unpaid Capital		300.000	
Capital Stock			300.000

b)	/		
Cash		300.000	
Capital Stock			300.000

c)	/		
Unpaid Capital		100.000	
Capital Stock			100.000

d) /

Capital Stock	300.000
Unpaid Capital	300.000

39. According to transaction given in question 21, which of following journal entry belongs to 1 July 2010?

a) /

Unpaid Capital	300.000
Cash	300.000

b) /

Cash	300.000
Unpaid Capital	300.000

c) /

Unpaid Capital	300.000
Capital Stock	300.000

d) /

Cash	300.000
Capital Stock	300.000

40. Mercury Corp. decides to issue 500.000 shares of \$10 par value each on 26 July 2010. On 22 August 2010, underwriter sent a memo explaining that shares were sold for \$11 each and money transferred.

Which of the following accounting treatment is correct regarding this transaction?

- a. Cash accounts is debit \$5M on 26 July.
  - b. Share Premiums account is credit \$500K
  - c. Cash account is debit \$5M on 22 August
  - d. Unpaid Capital account is credit \$5,5M
41. On June 1 Aspen Corp. has outstanding 200.000 shares of \$1 par value of common stock with a market value of \$5 per share. On this date company declared and distributed a 5% stock dividend. Which of the following accounting treatment is correct regarding this transaction?
- a. Cash accounts is debit \$50K.
  - b. Capital Stock is debit \$50K
  - c. Retained Earnings is debit \$10K.
  - d. Retained Earnings is debit \$50K.
42. CBA Corp. has 100.000 outstanding shares par value \$1 and 50.000 preferred shares par value \$10, additional paid-in capital 250.000\$, legal reserves \$200.000. Total assets of company \$1.400.000 and total liabilities are \$300.000. According to this information, how much retained earnings CBA has?
- a. \$350.000
  - b. \$150.000
  - c. \$50.000
  - d. \$250.000

43. According to information given in question 25, what is the total of shareholder's equity section in the balance sheet?
- a. \$1.100.000
  - b. \$1.400.000
  - c. \$250.000
  - d. \$100.000
44. According to income statement and balance sheet of April Corp in 2010. Net sales are \$200.000 and Accounts Receivable is \$90.000 in 2010 and \$10.000 in 2009. How much cash collected from customers in 2010?
- a) \$80.000
  - b) \$120.000
  - c) \$200.000
  - d) \$100.000
45. Which of the following is used as starting item in preparation of the cash flows statement by indirect method
- a) Net Income
  - b) Net Sales
  - c) Operating Income
  - d) COGS
46. Which of the following is not a section in Cash Flows Statement
- a) Operating Activities
  - b) Financing Activities
  - c) Investing Activities

d) Selling Activities

47. Company has a vehicle which has \$30.000 acquisition cost, ten years useful life and \$2000 residual value. According to straight method depreciation; how much depreciation expense should be recognized for each year?

- a) \$6000
- b) \$1400
- c) \$2800
- d) \$3.000

48. Which of the following ratio is used to measure liquidity of a company?

- a) Debt ratio
- b) Current ratio
- c) Operating Income ratio
- d) Dividend yield ratio

49. Operating Income/Average Total Assets is used to measure

- a) Productivity of the equity investment
- b) Productivity of the assets of company
- c) Productivity of sales
- d) Effectiveness of assets of the company

50. Net Income/Average shares of outstanding capital gives following;

- a) Earnings per share
- b) Return on Equity

- c) Return on Asset
- d) Dividend yield

51. Which of the following statements about users of accounting information is incorrect?

- a) Management is an internal user.
- b) Taxing authorities are external users.
- c) Present creditors are external users.
- d) Regulatory authorities are internal users.

52. Liabilities of a company would not include

- a) accounts receivable.
- b) accounts payable
- c) notes payable
- d) salaries and wages payable

53. All of the financial statements are for a period of time except the

- a) income statement.
- b) statement of financial position.
- c) statement of cash flows.
- d) retained earnings statement.

54. The financial statement that reports assets, liabilities, and equity is the:

- a) income statement.
- b) retained earnings statement.
- c) statement of financial position.



d) statement of cash flows.

55. As of December 31, 2014, Stoneland Company has assets of €3,500 and equity of €2,000. What are the liabilities for Stoneland Company as of December 31, 2014?

- a) €1,500
- b) €1,000
- c) €2,500
- d) €2,000

56. Credits

- a) increase both assets and liabilities.
- b) decrease both assets and share capital.
- c) increase liabilities and decrease assets.
- d) decrease both assets and liabilities.

57. Accounts that normally have debit balances are:

- a) assets, expenses, and revenues.
- b) assets, expenses, and share capital—ordinary.
- c) assets, liabilities, and dividends.
- d) assets, dividends, and expenses.

58. Which of the following statements about a journal is false?

- a) It is not a book of original entry.
- b) It provides a chronological record of transactions.
- c) It helps to locate errors because the debit and credit amounts for each entry can be readily compared.
- d) It discloses in one place the complete effect of a transaction.

59. A ledger:

- a) contains only asset and liability accounts.
- b) should show accounts in alphabetical order.
- c) is a collection of the entire group of accounts maintained by a company.
- d) is a book of original entry.

60. The purchase of supplies on account should result in:

- a) a debit to Supplies Expense and a credit to Cash.
- b) a debit to Supplies Expense and a credit to Supplies.
- c) a debit to Supplies and a credit to Accounts Payable.
- d) a debit to Supplies and a credit to Accounts Receivable.

61. Posting:

- a) normally occurs before journalizing.
- b) transfers ledger transaction data to the journal.
- c) is an optional step in the recording process.
- d) transfers journal entries to ledger accounts.

62. Before posting a payment of €5,000, the Accounts Payable of Senator Company had a normal balance of €16,000. The balance after posting this transaction was:

- a) €21,000.
- b) €5,000.
- c) €11,000.
- d) Cannot be determined.

63. The trial balance of Clooney Corporation had accounts with the following normal balances: Cash \$5,000, Service Revenue \$85,000, Salaries and Wages Payable \$4,000, Salaries and Wages Expense \$40,000, Rent Expense \$10,000, Share Capital—Ordinary \$42,000, Dividends \$15,000, and Equipment \$61,000. In preparing a trial balance, the total in the debit column is:
- a) \$131,000.
  - b) \$216,000.
  - c) \$91,000.
  - d) \$116,000.
64. The revenue recognition principle states that:
- a) revenue should be recognized in the accounting period in which a performance obligation is satisfied.
  - b) expenses should be matched with revenues.
  - c) the economic life of a business can be divided into artificial time periods.
  - d) the fiscal year should correspond with the calendar year.
65. Adjusting entries are made to ensure that:
- a) expenses are recognized in the period in which they are incurred.
  - b) revenues are recorded in the period in which services are provided.
  - c) statement of financial position and income statement accounts have correct balances at the end of an accounting period.
  - d) All the responses above are correct.

66. The trial balance shows Supplies \$1,500 and Supplies Expense \$0. If \$800 of supplies are on hand at the end of the period, the adjusting entry is:
- a) Debit Supplies \$800 and credit Supplies Expense \$800.
  - b) Debit Supplies Expense \$800 and credit Supplies \$800.
  - c) Debit Supplies \$700 and credit Supplies Expense \$700.
  - d) Debit Supplies Expense \$700 and credit Supplies \$700.
67. Two common subsidiary ledgers are:
- a. accounts receivable and cash receipts.
  - b. accounts payable and cash payments.
  - c. accounts receivable and accounts payable.
  - d. sales and cost of goods sold.
68. Assets total \$40,000 and Liabilities total \$10,000. The equity of the business must total
- a. \$4,000
  - b. \$40,000
  - c. \$400
  - d. \$30,000
69. Pizzeria Harburg trades in its old motorbike with new one and pays \$3,000. Old motorbike's acquisition cost is \$7,000 and accumulated depreciation on the trading day is \$5,000. The list price of the new motorbike is \$8,000. How much trade allowance was granted to Harburg ?
- a-\$5,000
  - b-\$4,000

c-\$3,000

d-2,000

70. Which of the following is correct regarding the retirement of plant assets?

a. Accumulated Depreciation is credit

b. Plant Asset is credit

c. Plant Asset is debit

d. Cash is debit

71. A company buys a medical equipment from abroad. List price is \$4,000; duty tax; \$200 installation \$100 and Value Added Tax (VAT) \$500 What is the acquisition cost of equipment?

a.\$4,800

b.\$4,700

c.\$4,000

d.\$4,300

72. Company acquires a vehicle at \$80,000 and estimate to use it in next ten years, after ten years the vehicle's value estimated as \$2,000. According to straight line method depreciation expense for per year will be:

a.\$8,000

b.\$7,800

c.\$8,200

d.\$7,500

73. Which of the following is a correct statement about liabilities?

- a. A debt falls in due 15 months later is a short term debt.
- b. Unearned revenue is liability as deferred expense.
- c. All liabilities bear interest in settlement date.
- d. While all liabilities require a settlement, the equity does not.

74. In the payroll accounting; When Salary Payable debit and Cash credit is showing that;

- a. Accruing of unpaid salaries.
- b. Accruing of paid salaries.
- c. Making payment of salaries accrued before.
- d. Making payment of salaries did not accrue before.

75. Which of the following statement is incorrect about installment notes payable?

- a. To compute periodic payments an amortization table is used.
- b. At the beginning of period, fixed payments contain more interest than fixed payments in the end.
- c. At the end of period, fixed payments contain more interest.
- d. Installment notes payable is shown in the right side of balance sheet.

76. On October 1, Dalton Corp. borrows \$100,000 from National Bank, signing a six-month note payable for that amount, plus interest to be computed at a rate of 9 percent per annum. How much should be paid in maturity?

- a. \$9,000

b.\$109,000

c.\$104,500

d.\$4,500

77. When company buys some supplies from a vendor on account, company credits the following account:

a. Notes Receivable

b. Accounts Payable

c. Notes Payable

d. Accounts Receivable

78. On April 1, 2010, Sanders Construction paid \$10,000 for equipment with an estimated useful life of 10 years and a residual value of \$2,000. The company uses the double declining-balance method of depreciation and applies the half-year convention to fractional periods. In 2011, the amount of depreciation expense to be recognized on this equipment is:

a. \$2000

b. \$1800

c. \$1000

d. \$900

79. Ladd Company sold a plant asset that originally cost \$50,000 for \$22,000 cash. If Ladd correctly reports a \$5,000 gain on this sale, the accumulated depreciation on the asset at the date of sale must have been:

a. \$28,000

b. \$23,000

- c. \$33,000
- d. \$45,000

80. (Open Question) Cost flow methods?

81. (Open Question) **Cost of Goods available for sale**

82. (Open Question) **Compute journal entries**

83. (Open Question) **Asset/Liability/Equity accounts**

84. (Open Question) **Journalize transactions by using the given account names.**

85. (Open Question) **Prepare the Income Statement, Retained Earnings Statement and Statement of Financial Position.**



**Operations Management (Operations Management)**

1. Operations Management is about:
  - a. Provision on a proper way of goods and services
  - b. The set of activities that provides value in the form of goods and services by transforming inputs into outputs
  - c. Marketing, production, financing, forecasting etc.
  - d. All of the above.
2. Which one of the below mentioned function is not a basic function of Operations Management?
  - a. Planning
  - b. Controlling
  - c. Financing
  - d. All of the above
3. Which one is part of the 10 strategic decisions of Operations Management?
  - a. Location Strategy
  - b. Layout Strategy
  - c. Supply Chain Management
  - d. All of the above
4. Distinguish the difference between goods and services:
  - a. Products are tangible while services are not.
  - b. Products are offered on a daily basis while services are not.
  - c. Products have a high customer interaction while services have not.

- d. Products cannot be inventoried while services can be inventoried.
- 5. What is value-added?
  - a. A good needed to complement another good.
  - b. The difference between the cost of inputs and the value or price of outputs.
  - c. The feedback that you get out of your service.
  - d. The measurement of process improvement.
- 6. Which one is the formula of productivity?
  - a.  $\text{Input} \times \text{Output}$
  - b.  $\text{Input} / \text{Output}$
  - c.  $\text{Output} / \text{Input}$
  - d.  $\text{Efficiency} \times \text{Input}$
- 7. Which one is not part of the input factors to measure productivity?
  - a. Labor
  - b. Capital
  - c. Material
  - d. Books
- 8. Efficiency, in capacity terms, is the ratio of:
  - a. Actual output to effective capacity.
  - b. Actual output to design capacity.
  - c. Effective capacity to actual output.
  - d. Design capacity to effective capacity.

9. The efficiency ratio must be larger than the utilization ratio because:
  - a. Effective capacity is larger than design capacity.
  - b. Actual output is larger than effective capacity.
  - c. Design capacity is larger than effective capacity.
  - d. Actual output is larger than design capacity.
10. A precedence diagram:
  - a. Contain all the tasks.
  - b. Shows the sequences in which tasks are performed.
  - c. Shows all of the paths from the beginning to end of completion of the product.
  - d. All of the above.
11. Which one of the following will always lead to an increase in productivity?
  - a. Increase inputs and increase outputs
  - b. Increase outputs and hold inputs constant
  - c. Decrease both inputs and outputs
  - d. Decrease outputs and hold inputs constant.
12. The critical path of a network is the:
  - a. Path with the fewest activities.
  - b. Shortest time path through the network.
  - c. Path with the most activities.

- d. Longest time path through the network.
- 
- 13. Which one is not an inventory management cost?
    - a. Holding cost
    - b. Setup cost
    - c. Ordering cost
    - d. Marketing cost
- 
- 14. Which one is not a layout design consideration?
    - a. Higher utilization of space, equipment, and people.
    - b. Improved flow of information.
    - c. Improve working conditions.
    - d. Distinguish consumer preferences.
- 
- 15. Low-volume, high-variety production is best suited for which of the following process strategies?
    - a. Product focus
    - b. Process focus
    - c. Mass customization
    - d. Repetitive focus
- 
- 16. A large quantity and large variety of products are produced in:
    - a. Mass customization
    - b. Process focus
    - c. Repetitive focus
    - d. Product focus

17. Quantitative methods of forecasting include:
  - a. Consumer market survey
  - b. Sales force composite
  - c. Jury of executive opinion
  - d. Exponential smoothing
18. What is the major difference in focus between location decision in the service sector and in the manufacturing center?
  - a. The focus in manufacturing is revenue maximization, while the focus in service is cost.
  - b. The focus in service is revenue maximization, while the focus in manufacturing is cost minimization.
  - c. The focus in manufacturing is on labor, while the focus in service is on raw materials.
  - d. There is no difference in focus.
19. In the service sector, aggregate planning for the production of high-volume intangible output is directed toward:
  - a. Attempting to manage demand to keep equipment and employees working.
  - b. Finding the size of the workforce to be employed.
  - c. Smoothing the production rate.
  - d. Planning for human resource requirements and managing demand.
20. Activities A and B are both 6 days long and the only immediate predecessors to activity C. Activity A has  $ES=8$

and  $LS=8$  and activity B has  $ES=7$  and  $LS=10$ . What is the ES of activity C?

- a. 15
- b. 14
- c. 13
- d. 16

21. A company wishes to determine the EOQ for an item that has an annual demand of 2,000 units, a cost per order of \$75, and annual carrying cost of \$7.50 per unit. What is the EOQ?

- a. 40'000 units
- b. 200 units
- c. 100
- d. 73

22. Using the tasks, task times in minutes and required predecessors shown in the table, what is the cycle time necessary to achieve maximum output?

Task	Time	Predecessor
A	2.0	--
B	1.0	A
C	2.0	A
D	1.5	B,C
E	1.5	D
F	1.5	D

- a. 9.5 minutes
- b. 4.0 minutes
- c. 1.0 minutes

d. 2.0 minutes

23. Champion Cooling Company is locating a warehouse that will provide service to four store location: Seattle, with an annual volume of 1'000 units; Fargo, with an annual volume of 2'000 units; Miami, with an annual volume of 6'000; and Las Vegas, with an annual volume of 6'500 units. Las Vegas is located at (1,1); Miami is located at (10,1); Seattle is located at (1,6), and Fargo is located at (5,6). What is the best location for the new warehouse?

- a. (2,2)
- b. (5,5)
- c. (2,5)
- d. (5,2)

24. The U.S. Navy is considering four ports for their submarine squid proofing operations: San Diego, Bremerton, Virginia Beach, and Tulsa. The fixed costs at each location are \$500,000, \$700,000, \$1,000,000, and \$250,000 respectively and the variable costs are \$300,000, \$200,000, \$100,000, and \$1,000,000. Which location can most economically service the 4 submarines per year that need this valuable service performed?

- a. Virginia Beach
- b. Tulsa
- c. Bremerton
- d. San Diego

25. If demand is 106 during January, 120 in February, 134 in March, and 142 in April, what is the 3-month simple moving average for May?

- a. 132
- b. 126
- c. 142
- d. 138

26. A product-oriented layout would be MOST appropriate for which one of the following businesses?(3points)

- a. fast food
- b. steel making
- c. insurance sales
- d. clothing alterations

27. Process A has fixed costs of \$1000 and variable costs of \$5 per unit. Process B has fixed costs of \$500 and variable costs of \$15 per unit. What is the crossover point between process A and process B?

- a. 50 units
- b. 200 units
- c. \$2,500
- d. \$5,000

28. Which of the following companies uses a mass customization approach?

- a. Dell



- b. Harley Davidson
- c. Frito-Lay
- d. Arnold Palmer hospital

29. Break-even is the number of units at which:

- a. total revenue equals price times quantity.
- b. total revenue equals total cost.
- c. total revenue equals total fixed cost.
- d. total profit equals total cost.

30. A full-service restaurant is considering opening a new facility in one of two new cities. The table below shows its ratings of four factors at each of two potential sites.

Factor	Weight	Gary Mall	Belt Line
Affluence of local population	.20	30	30
Traffic flow	.40	50	20
Parking availability	.20	30	40
Growth potential	.20	10	30

The score for Gary Mall is \_\_\_\_\_

- a. 120
- b. 22
- c. 18
- d. 34

31. A fleet repair facility has the capacity to repair 800 trucks per month. However, due to scheduled maintenance of their equipment, management feels that they can repair no more than 600 trucks per month. Last month, two of the employees were absent several days each, and only 400 trucks were repaired.

What is the utilization of the repair shop?

- a. 86.4%
- b. 95%
- c. 80%
- d. 50%

32. A product-focused process is commonly used to produce:

- a. high-volume, high-variety products.
- b. low-volume, high-variety products.
- c. high-volume, low-variety products.
- d. high-volume products of either high- or low-variety.

33. Frito-Lay is to \_\_\_\_\_ focus as Harley Davidson is to \_\_\_\_\_ focus.

- a. process; repetitive
- b. product; repetitive
- c. repetitive; product
- d. process; product

34. Which of the statements below best describes office layout?

- a. positions workers, their equipment, and spaces/offices to provide for movement of information

- b. addresses the layout requirements of large, bulky projects such as ships and buildings
- c. seeks the best personnel and machine utilization in repetitive or continuous production
- d. allocates shelf space and responds to customer behavior

35. Which of the following statements regarding fixed costs is TRUE?

- a. Fixed costs rise by a constant amount for every added unit of volume.
- b. While fixed costs are ordinarily constant with respect to volume, they can "step" upward if volume increases result in additional fixed costs.
- c. Fixed costs are those costs associated with direct labor and materials.
- d. Fixed costs equal variable costs at the break-even point.

36. A product has a demand of 4000 units per year. Ordering cost is \$20, and holding cost is \$4 per unit per year. Find the cost-minimizing solution for this product is to order.

- a. 200
- b. 190
- c. 210
- d. 400

37. For a given product demand, the time-series trend equation is  $53 + 4x$ . The positive sign on the slope of the equation:

- a. is an indication that product demand is increasing

- b. is an indication that the forecast is biased, with forecast values lower than actual values.
  - c. is an indication that product demand is declining.
  - d. implies that the coefficient of determination will also be negative.
38. Standardization is an appropriate strategy in which stage of the product life cycle?
- a. introduction
  - b. growth
  - c. maturity
  - d. decline
39. Process X has fixed costs of \$10,000 and variable costs of \$2.40 per unit. Process Y has fixed costs of \$9,000 and variable costs of \$2.25 per unit. Which of the following statements is TRUE?
- a. The crossover point is approximately 6667 units.
  - b. It is impossible for one process to have both of its costs lower than those of another process.
  - c. Process Y is cheaper than process X at all volumes.
  - d. Process X should be selected for very large production volumes.
40. The forecasting technique that pools the opinions of a group of experts or managers is known as:
- a. the expert judgment model.
  - b. multiple regression.

- c. jury of executive opinion.
- d. market survey.

41. Reasons to study operations management include learning about:

- a. how people organize themselves for productive enterprise.
- b. how goods and services are produced.
- c. how to manage a costly part of business more efficiently
- d. All of the above

42. East Texas Seasonings is preparing to build one processing center to serve its four sources of seasonings. The four source locations are at coordinates shown below. Also, the volume from each source is provided. What is the center of gravity?

	X-coordinate	Y-coordinate	Volume
Athens, Texas	30	30	150
Beaumont, Texas	20	10	350
Carthage, Texas	10	70	100
Denton, Texas	50	50	200

- a.  $X = 28.125$ ;  $Y = 31.25$
- b.  $X = 22000$ ;  $Y = 24000$
- c.  $X = 27.5$ ;  $Y = 40$
- d.  $X = 25$ ;  $Y = 40$

### **43. Strategic decisions of operations managers**

### **44. Labor Productivity**

### **45. Cause-and-effect diagram**

### **Finance (Corporate Finance, Financial Management)**

1. The tuition fees that Epoka receives from the students, are component of its:
  - a) Operating Cash Flow
  - b) Net Capital Spending
  - c) Liabilities
  - d) None of them
2. Which of the following does not affect the sustainable growth rate:
  - a) Retention ratio
  - b) ROE
  - c) EM
  - d) Current Ratio
3. Zero-coupon bonds method of payment is similar to:
  - a. Pure-Discount loans
  - b. Interest only loans
  - c. Amortized loans
  - d. None of them

4. Which of the following is not a stock component:
  - a. Dividend (D)
  - b. Growth rate (g)
  - c. Required Return (R)
  - d. Yield to Maturity (YTM)
5. For a bond selling at face value, the following is always true:
  - a.  $YTM > Cr$
  - b.  $YTM = Cr$
  - c.  $YTM < Cr$
  - d. None of them
6. The receivables turnover is 10 times; accounts receivable is \$24,000; costs are \$80,000, and Earnings before Taxes (EBT) is -\$20,000. The Operating Cash Flow for this company are:
  - a. \$140,000
  - b. \$160,000
  - c. \$180,000
  - d. \$200,000
7. If Current Ratio is 1.5 and Net Working Capital is \$5,000; then Current Assets are:
  - a. \$5,000
  - b. \$10,000
  - c. \$15,000
  - d. \$20,000

8. If Total Debt Ratio is 0.6; then the Equity Multiplier is:

- a. 1.5
- b. 2.5
- c. 3.5
- d. 4.5

9. What is your tax bill if you have a wage of 250,000 leke:

able Income (leke)	Tax Rate
0-30,000	0%
30,000-130,000	13%
Above 130,000	23%

- a. 13,000
- b. 27,600
- c. 40,600
- d. 50,600

10. You deposit \$5,000 in Raiffeisen Bank. The bank pays you 8% simple interest. How much will you have after 15 years:

- a. \$3,000
- b. \$6,000
- c. \$9,000
- d. \$11,000



11. You want to get a loan worth \$200,000. In order to get this loan, the bank requires you to have 20% of the loan's value in deposits. If, you currently have only 35,000\$ in an account that pays 10% interest, in how many years you can get the loan?
  - a. 0.4 years
  - b. 1.4 years
  - c. 2.4 years
  - d. 3.4 years
12. You deposit \$2,000 in BKT. If your account pays 6% for the first year, 7% for the next year, and 8% for all consecutive years, how much will you have after 10 years?
  - a. \$2,198.65
  - b. \$3,198.65
  - c. \$4,198.65
  - d. \$8,587.05
13. You will receive \$1,000 in four years, \$2,000 in five years and \$3,000 in six years. With an interest rate of 10%, what is the present value of these cashflows (their value at year 0)?
  - a. \$3,618.28
  - b. \$4,618.28
  - c. \$6,000
  - d. \$6,618.28

14. Which of the following is the best investment option as a depositor:
- a. 12 % compounded monthly
  - b. 12.3% compounded quarterly
  - c. 12.5 % compounded annually
15. The present value of a perpetuity making monthly payments of \$500 with an interest rate of 6% compounded monthly is:
- a. \$8,333
  - b. \$10,000
  - c. \$83,333
  - d. \$100,000
16. The current price of a zero-coupon bond with a YTM of 7% and 10 years to maturity is:
- a. \$499
  - b. \$508
  - c. \$614
  - d. \$1082
17. If the coupon rate on a bond is 8%, and the current yield is 9%, then this bonds price is:
- a. \$780
  - b. \$800
  - c. \$888
  - d. \$1012

18. The risk that influences a large number of assets is known as
- Systematic risk
  - Market risk
  - b&c
  - a&c
19. Which of the following is not a component of CAPM
- RFR
  - Expected Market Return
  - Standard Deviation
  - Beta
20. Considering no taxes, raising debt value, will cause which of the following
- raise WACC
  - lower WACC
  - no change in WACC
  - none of them
21. If the record date is on Tuesday (7 June), which of the dates is ex dividend date?
- 6 June (Monday)
  - 5 June (Sunday)
  - 4 June (Saturday)
  - 3 June (Friday)

22. What happens when a stock split is undertaken?
- a. nr shares rises
  - b. price drops
  - c. value of equity drops
  - d. a&b
23. An asset, with an Initial Cost of \$300,000 (useful for 3 years), depreciates with straight line method. The depreciation each year is:
- a. \$50,000
  - b. \$100,000
  - c. \$150,000
  - d. \$200,000
24. An 8% coupon bonds price last year was \$950. If it currently sells for \$895 how much is the cash return for the year for this bond:
- a. 12.5%
  - b. 15%
  - c. \$25
  - d. \$135
25. The arithmetic mean of returns for Stock X for last 5 years is 12%. For these 5 years the returns would be increasing by 2 units each year. What is the return at year 3?
- a. 8%
  - b. 10%
  - c. 12%

- d. 14%
26. If  $E(R_X) = 12\%$ ;  $E(R_M) = 10\%$  and  $MRP = 6\%$ , what is the beta of stock x?
- a. 0.8
  - b. 1
  - c. 1.22
  - d. 1.33
27. Assuming constant dividend growth model, if current dividend is \$5 ( $D_0$ ), growth rate is 6% and current price is \$90, how much is the cost of equity?
- a. 10.88%
  - b. 11.88%
  - c. 12.88%
  - d. 13.88%
28. Cost of equity is 14%; cost of debt is 8% and corporate tax rate = 20%. Given a debt/equity ratio ( $D/E$ ) of 0.5 what is the value of WACC?
- a. 9.46%
  - b. 10.46%
  - c. 11.46%
  - d. 12.46%

29. Under plan 1 there are 20,000 shares outstanding and no debt. Under plan 2 there are 15,000 shares outstanding and a debt issue of \$500,000 with  $i_r = 10\%$ . What is break even EBIT?
- a. 200,000
  - b. 300,000
  - c. 400,000
  - d. 500,000
30. The WACC for a firm holding no debt is 12% ( $R_u$ ); the company can borrow at 8%. If the company converts to a debt/equity ratio of 1, what will be the cost of equity when debt is added in the company? Ignore taxes.
- a. 8%
  - b. 12%
  - c. 14%
  - d. 16%
31. The value of company X without debt ( $V_u$ ) is \$5,000,000. If the company decides to issue debt of \$2,000,000 and the corporate tax rate is 30%, what is the value of company with debt ( $V_L$ )?
- a. 5,000,000
  - b. 5,200,000
  - c. 5,600,000
  - d. 7,000,000

32. Currently in Adidas AG there are 200,000 shares and the price per share is \$50. If company declares a 4/5 reverse stock split, how will these values change?
- a. Nr shares: 160,000; Price: \$40
  - b. Nr shares: 160,000; Price: \$62.5
  - c. Nr shares: 250,000; Price: \$40
  - d. Nr shares: 250,000; Price: \$62,5
33. The equity value in AT&T Incorporation is currently \$500,000 and there are 20,000 shares. If company declares a 20% stock dividend what will be the new price of this company?
- a. New price = \$15
  - b. New price = \$20
  - c. New price = \$20.83
  - d. New Price = \$22.83
34. The current price per share of company X is \$95 per share. If tomorrow is the ex-dividend date and the company has declared a dividend payment of \$4, how much will be the price tomorrow?
- a. \$91
  - b. \$92
  - c. \$95
  - d. \$99

35. Equity X has an expected return of 16%. A risk-free asset currently earns 6%. What is the expected return on a portfolio that is equally invested in the two assets?
- a. 9%
  - b. 11%
  - c. 12%
  - d. 13%

**Economics (Introduction to Economics 1& 2, Macroeconomics)**

- 1. The central problem *in economics* is that of
  - a. comparing the success of command versus market economies
  - b. guaranteeing that production occurs in the most efficient manner
  - c. guaranteeing a minimum level of income for every citizen
  - d. allocating scarce resources in such a manner that society's unlimited needs or wants are satisfied as well as possible
- 2. In a free-market economy *the allocation of resources* is determined by
  - a. votes taken by consumers
  - b. a central planning authority
  - c. By consumer preferences
  - d. the level of profits of firms



3. What are the *three problems* of societies have to solve?
  - a. What, how and where is produced?
  - b. What, how and for you is produced?
  - c. Why, what and how is produced?
  - d. What, how is produced and for whom it will be produced?
4. Which of the following shows the relationship between the price of a good and the amount of that good that consumers want at that price?
  - a. supply curve
  - b. demand curve
  - c. supply schedule
  - d. production possibilities frontier
5. Which of the following is not a determinant of demand for good X:
  - a. Average income.
  - b. input prices
  - c. Tastes and preferences.
  - d. Price of good X
6. Which of the following factors will cause the supply curve to shift:
  - e. Changes in technology.
  - f. Changes in input prices.
  - g. Changes in the prices of related goods.
  - h. All

7. Other things held equal, if demand increases, equilibrium price will \_\_\_\_\_ and equilibrium quantity will \_\_\_\_\_. However, if supply increases, equilibrium price will \_\_\_\_\_ and equilibrium quantity will \_\_\_\_\_, other things held equal.
- a. decrease; decrease; increase; increase
  - b. increase; increase; decrease; increase
  - c. decrease; decrease; increase; decrease
  - d. increase; increase; decrease; decrease
8. Which of the following situations leads to a lower equilibrium price?
- a. A decrease in demand accompanied by an increase in supply
  - b. A decrease in supply accompanied by an increase in demand
  - c. A decrease in supply, without a change in demand
  - d. An increase in demand, without a change in supply
9. When the percentage change in quantity demanded is greater than the percentage change in price:
- a. There is little responsiveness in quantity demanded to changes in price.
  - b. There are few substitutes for the good in question.
  - c. The demand curve is relatively steep.
  - d. The value of demand elasticity is greater than one.
  - e. All of the above.

10. We get fewer and fewer additional units as we add more and more units of the inputs to production process. We call this fact the:
  - a. Law of diminishing marginal utility.
  - b. Law of diminishing returns.
  - c. Law of supply.
  - d. Law of demand.
11. Which of the following fits the definition of GDP?
  - a. The value of all final goods and services produced within a given period.
  - b. The market value of a country's output.
  - c. The value of output produced by factors of production located within a country.
  - d. The market value of all final goods and services produced within a given period in a country.
12. An increase of 10% in nominal GDP indicates that:
  - a. Both real GDP and the price level could have contributed to that increase.
  - b. The aggregate price level has increased by 10%.
  - c. Real output and the aggregate price level have increased by 5% each.
  - d. Real output has increased by 10%.

13. Which of the following is a measure of the overall price level?
- a. Nominal GDP.
  - b. The GDP deflator.
  - c. The inflation rate.
  - d. Real GDP.
14. In 2003, the consumer price index (CPI) was 184.0. In 2004, the CPI rose to 188.9. Using these CPI figures, what was the rate of inflation between these two years?
- a. 188.9%.
  - b. 2.66%.
  - c. 2.59%.
  - d. 4.9%.
15.  $GDP =$
- a.  $C + I + G$
  - b.  $C + G + X$
  - c.  $C + I + G + X$
  - d. none of the above
16. Perfect competition is found when:
- a. A large number of firms produce slightly differentiated products.
  - b. A single firm produces the entire output of an industry
  - c. No firm is large enough to affect the market price.
  - d. An industry is dominated by few firms.

17. The zero-profit point will occur where:
- a.  $MC=P$
  - b.  $MC=MU$
  - c.  $AC=P$
  - d.  $AC=MP$
18. In monopolistic competition there is/are:
- a. Many sellers who each face a downward, sloping demand curve.
  - b. A few sellers who each face a downward, sloping demand curve.
  - c. Only one seller who faces a downward, sloping demand curve.
  - d. Many sellers who each face a perfectly elastic demand curve.
19. If a perfectly competitive firm cannot avoid economic losses, it should continue to operate in the short run as long as
- a. price exceeds average variable cost
  - b. price exceeds average total cost
  - c. the market price exceeds average total cost
  - d. marginal revenue exceeds average fixed cost
20. Suppose, in 2010, you purchased a house built in 2003. Which of the following would be included in the gross domestic product for 2010?
- a. the value of the house in 2010
  - b. the value of the house in 2003
  - c. the value of the house in 2010 minus depreciation

- d. the value of the services of the real estate agent

**Law (Introduction to Law, Business Law)**

1. Which of the following differentiates “law” from the other rules that exist in the society?
  - a) compulsory nature
  - b) enforcement by state authorities
  - c) legal consequences in case of non-compliance
  - d) all of them
2. Which of the following is not a formal source of law in Albania?
  - a) laws approved by the parliament
  - b) international agreements ratified by the parliament
  - c) “Leke Dukagjini” Canon
  - d) normative acts of the Council of Ministers
3. Which of the following is not true about courts?
  - a) their function is conflict resolution
  - b) they are part of the judicial system
  - c) they enjoy independency from other powers
  - d) they approve laws

4. In Albania, if the law does not provide otherwise, the law enters into force:
  - a) 15 days after the approval in the Parliament
  - b) 20 days after the publication in the Official Gazette
  - c) 15 days after the publication in the Official Gazette
  - d) 30 days after publication in the Official Gazette
5. The main organs of the judicial power in Albania are:
  - a) the first instance court, higher court, constitutional court
  - b) the first instance court, appellate court, higher court
  - c) first instance court, appeal court, higher court, European Court of Human Rights
  - d) first instance, appeal, higher court, High Council of Justice, Constitutional Court
6. The limitation of the rights and freedoms recognized in the Constitution of the Republic of Albania is not valid when established:
  - a) for a public interest
  - b) by a decision of the Council of Ministers
  - c) for the protection of the rights of others
  - d) in proportion with the situation that has dictated it
7. Which of the following does not have the right to propose laws in the Parliament in Albania?
  - a) Council of Ministers
  - b) Every deputy
  - c) Judicial Power

- d) 20 000 people with the right to vote
8. Which one is not true about the principles of the Constitution in the Republic of Albania?
- a) It is the fundamental law
  - b) Separation of judicial power, legislative power and executive power
  - c) The principle of respecting the dignity of the citizen
  - d) Albania is a semi-presidential system
9. Which one is not true about the capacity to act?
- a) It is the ability of an individual to exercise rights and obligations
  - b) At the age of 18 the person has full capacity to act
  - c) The capacity to act can be limited by a court decision because of mental disease
  - d) The capacity to act can be limited by a court decision because of physical disability
10. Which of the following is the mode of acquisition of ownership?
- a) Through contract
  - b) Through inheritance
  - c) Through objects found
  - d) All of them



11. Which is one of the main documents served for the establishment of the commercial company?
  - a) The Prospect
  - b) Financial Statement
  - c) The Statute
  - d) The Competition's Authority Report
12. Which of the following constitutes the right feature of the Limited Liability Company?
  - a) Partner's death leads to the breach of company
  - b) It has unlimited liability to the creditors
  - c) Its required registered capital is ALL 5 million
  - d) The law permits the company to run the business even with only one partner
13. Which of the following is not true about the features of the registered capital in commercial companies?
  - a) The whole contributions brought by partners to establish a joint-venture organized as a company
  - b) The participation part in the registered capital prevent the partners to exercise rights and duties in the company
  - c) Fundamental capital is divided into some basic units with equal value
  - d) The capital is considered as a guarantee for the creditors of the company
14. Which of the following is not correct about the features of commercial company?

- a) Commercial company has a contractual nature
  - b) It has independent and personal wealth
  - c) Companies are divided into unlimited and limited companies
  - d) The company gains its juridical personality before its registration in the Business Registration Center
15. Which of the following constitutes the right feature of the Joint-Stock Company with public offer?
- a) The invitations to sign securities are addressed to an unspecified number of investors
  - b) The legal requirement for the registered capital is ALL 100 lek
  - c) This type of company operates with limited and unlimited partners
  - d) The company contributes unlimited
16. Which of the following is considered a mixed company?
- a) General Partnership
  - b) Joint Stock Company
  - c) Limited Liability Company
  - d) Limited Company

17. Which of the following constitutes the wrong statement about the effect of the control group existence?
- a) The parent company is obliged to cover annual losses of the controlled company
  - b) Creditors of the controlled company have the right to ask anytime to the parent company to provide sufficient guarantees for their credits
  - c) Partners or shareholders of the controlled company has the right to ask to the parent company anytime to purchase their quotes, stocks or liabilities owned by them in the company
  - d) The controlled company is responsible for the results and consequences of the parent company's trade activity
18. Which of the following refers to the case when the commercial company does not have criminal liability?
- a) Criminal offence is committed by its bodies or its legal representatives
  - b) The criminal offence is committed neither on behalf of the company and nor in favor of it
  - c) Criminal offence is committed by a person that is under the authority of the person that represents, administrates and manages the company
  - d) Criminal offence is committed because of lack of control or omission of supervisory body
19. Why is it necessary to protect the Intellectual Property?
- a) To grant the license of your creation
  - b) To avoid the attempts of the others to make similar or identical products as yours

- c) To maintain it as a value asset of the business
  - d) All of the above
20. Find the correct alternative regarding the characteristic of the public procurement system.
- a) It is not a public competition procedure
  - b) The contract should be signed among the Contracting Authority and Economic Operators
  - c) Payment does not derive from public funds
  - d) It is not obligatory to sign any declaration in terms of conflict of interest by the organs of the public procurement system