Unit 4 - Week 2

Week 2 Assignment 2

1. When a company fails to pay its debts on time, it is said to be ________.
   a. insolvent
   b. bankrupt
   c. liquidated
   d. all of the above

2. Which of the following is an example of a public good?
   a. National defense
   b. A private school
   c. A park
   d. All of the above

3. What are the key components of a budget?
   a. Income and expenses
   b. Income only
   c. Expenses only
   d. Neither income nor expenses

4. What is the primary purpose of a budget?
   a. To ensure financial stability
   b. To increase government revenue
   c. To reduce government spending
   d. To finance government operations

5. What are the rights granted to investors through a stock?
   a. Voting rights
   b. Right to receive dividends
   c. Right to vote on corporate matters
   d. All of the above

6. Following are examples of deposits:
   a. Checking account
   b. Savings account
   c. Money market account
   d. All of the above

7. What are essential elements for financial health?
   a. Financial goals
   b. Budgeting
   c. Saving
   d. All of the above

8. Financial statements are useful for:
   a. Assessing a company's financial health
   b. Making investment decisions
   c. Evaluating management performance
   d. All of the above

9. The accounting cycle consists of:
   a. Recording transactions
   b. Posting to the ledger
   c. Preparing financial statements
   d. All of the above

10. What is the primary goal of a dividend payment?
     a. To distribute profits to shareholders
     b. To reduce company debt
     c. To retain cash for future growth
     d. None of the above