

Name:*****	Group:*** **	Code:*****
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Exercise 01: Complete the text with the following words: investing, financing, operations. (10pts)

(1) means making money by selling goods and services. (2) is spending cash, for the business's future growth, including cash acquired by selling assets. (3) involves raising money by issuing stocks and bonds (and also paying dividends and interest and repaying bonds). It is better for the company if it can pay for future growth out of money from (4), without having to use (5) So a 'healthy' cash flow means that the amount of cash provided by (6) is greater than the cash used for (7)

1-operations...02pts. 2- investing...02pts. 3- financing...02 pts. 4- operations...01pt.

5- financing...01pt. 6- operations...01pt. 7- investing...01pt.

Exercise 01: Are the following statements (sentences) **true** or **false**? **Correct the false statements..**

01- Commercial banks can choose which percentage of their deposits they keep in their reserves.

False: This percentage is imposed by the central bank.....01pt

02- The objectivity principle of accounting says that accounts should be based on personal feelings and opinions.

False: It is based on facts and truth.01pt

03- When people want to set up or start a company, they need money, called profit.

False:called capital.01pt

04- A balance sheet shows how much money a company has spent or received during a year.

False: It shows the assets and liabilities of the company.01pt

05- Intangible assets include things that we can touch such as buildings and equipments.

False:that we can not touch.01pt

06- Shareholders equity consists of the money paid for shares and retained earnings.

True.....01pt

07- An internal audit is carried out by auditors who are not employees of the company.

False:who are employees of the company.01pt

08- The revenue of the company in the past year is shown on the balance sheet.

False: It is shown on the profit and loss account.01pt

09- Liabilities are amounts of money that a company owns.

False:that a company owes.01pt

10- Tax is money paid to finance government spending...**True...01pt**