

FINN1300
Online Quiz

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Zoe Dental Implements has gross property, plant and equipment totaling \$1.4 million, depreciation expense this year of \$200,000, and accumulated depreciation last year of \$550,000. What is Zoe's net property, plant and equipment?

Select one:

- a. \$550,000
- b. \$1.4 million
- c. \$650,000
- d. \$1.2 million

Ans: \$650,000

Retained earnings on the balance sheet represents the _____.

Select one:

- a. amount of proceeds in excess of the par value received from the original sale of common stock
- b. net profit after taxes
- c. cumulative total of all earnings reinvested in the firm
- d. net profit after taxes minus preferred dividends

Ans: c

A firm's year-end retained earnings balances are \$670,000 and \$560,000, for 2014 and 2015 respectively. The firm paid \$10,000 in dividends in 2015. The firm's net profit after taxes in 2015 was _____.

Select one:

- a. -\$100,000
- b. \$110,000
- c. -\$110,000
- d. \$100,000

Ans: a. -\$100,000

Earnings available for common stockholders is calculated as net profits _____.

Select one:

- a. after taxes minus common dividends
- b. after taxes minus preferred dividends
- c. before taxes minus common dividends
- d. before taxes minus preferred dividends

Ans: b

✓ Candy Corporation had pretax profits of \$1.2 million, an average tax rate of 34 percent, and it paid preferred stock dividends of \$50,000. There were 100,000 shares outstanding and no interest expense. What was Candy Corporation's earnings per share?

Select one:

- a. \$4.52
- b. \$7.59
- c. \$7.42
- d. \$3.91

Ans: \$7.42 per share

Dolan Corporation has Gross Profit of \$2.3 million, cost of sales of \$1.7 million, operating expenses of \$0.8 million, and "other" income of \$0.5 million. What is its EBIT?

Select one:

- a. \$2 million
- b. \$1 million
- c. \$0.6 million
- d. \$0.3 million

Ans:

- a. \$2 million

Nico Corporation has annual purchases of \$300,000 and accounts payable of \$30,000, then average purchases per day are _____ and the average payment period is _____.

Select one:

- a. 833.3; 36.0
- b. 36.5; 821.9
- c. 821.9; 36.5
- d. 36.0; 833.3

On the balance sheet, net fixed assets represent _____.

Select one:

- a. gross fixed assets at cost minus depreciation expense
- b. gross fixed assets at market value minus depreciation expense
- c. gross fixed assets at market value minus accumulated depreciation
- d. gross fixed assets at cost minus accumulated depreciation

If Moon Corporation's gross margin declined, which of the following is TRUE?

Select one:

- a. Its sales increased.
- b. Its cost of goods sold as a percent of sales increased.
- c. Its net profit margin was unaffected by the decline.
- d. Its cost of goods sold increased.

The firm's asset turnover measures:

Select one:

- a. the value of assets held per dollar of shareholder equity.
- b. how efficiently the firm is utilizing its assets to generate sales.
- c. the return the firm has earned on its past investments.
- d. the firm's ability to sell a product for more than the cost of producing it.

Gross profit is _____.

Select one:

- a. operating profits minus depreciation
- b. operating profits minus cost of goods sold
- c. sales revenue minus cost of goods sold
- d. sales revenue minus operating expenses

The _____ ratios are primarily used as measures of return.

Select one:

- a. liquidity
- b. activity
- c. debt
- d. profitability

_____ may indicate a firm is experiencing stockouts and lost sales.

Select one:

- a. Average payment period
- b. Inventory turnover ratio
- c. Quick
- d. Average collection period

Paid-in capital in excess of par represents the amount of proceeds _____.

Select one:

- a. in deficit of the par value from the original sale of common stock
- b. in excess of the par value from the current value of common stock
- c. in excess of the par value from the original sale of common stock
- d. in excess of the par value from the intrinsic value of common stock

Which of the following is a fixed asset?

Select one:

- a. accruals
- b. accounts payable
- c. land
- d. notes payable

Use the following information for ECE Incorporated: Assets \$200 million, Shareholder Equity \$100 million, Sales \$300 million, Net Income \$15 million, Interest Expense \$2 million. ECE's Return on Assets (ROA) is:

Select one:

- a. 5.0%
- b. 15.0%
- c. 8.5%
- d. 7.5%

A firm has a year-end retained earnings balance of \$220,000 for 2014. The firm reported net profits after taxes of \$50,000 and paid dividends of \$30,000 in 2015. The firm's retained earnings balance at 2015 year end is _____.

Select one:

a. \$250,000

b. \$240,000

c. \$270,000

d. \$300,000

[Clear my choice](#)