

TEST 2

Which of the following business events **does not** affect profit?

- a) Selling goods on credit
- b) Depreciating a fixed asset
- c) Repayment of a loan
- d) Selling goods on cash

Company A sells computers. At the end of the fiscal year the company has a final inventory of 100 computers. The production cost of each computer is 50€ while the market value of each computer is 40€. What is the value of the inventory of Company A to be included among the assets?

- a) 5000
- b) 4000
- c) 100
- d) 1000

According to the international accounting standards, the research costs:

- a) Must be capitalized
- b) Must be expensed in the income statement
- c) Can be capitalized only if they provide future benefits to the company
- d) Can be capitalized only if they provide future benefits and the company is able to conclude
- e) the research project

According to the international accounting standards, an intangible assets with an indefinite useful life:

- a) Must be amortized annually
- b) Is subject to periodic and systematic impairment test
- c) Is subject to annual impairment test
- d) Must be allocated to a CGU

What is the operating cash flow according to the following accounting information? Total Sales 3000; Decrease in Receivables (from clients) 500; Amortization 500; Cost of Goods Sold 1000; Increase in Payables (to suppliers) 200; Decrease in Financial long term debt 1000.

- a) 2300
- b) 1300
- c) 1700
- d) 2700

The EBIT margin is calculated as:

- a) Earnings before, interest and taxes
- b) Earnings before interest and total stocks
- c) Earnings before income retained and taxes
- d) Earnings before income retained and third costs

The ROI – *Return on Invested Capital* is calculated as follow:

- a) Net income/Shareholder equity
- b) Operating profit margin/(Financial debts + Equity)
- c) EBITDA/(Operating debts + Equity)
- d) EBIT/(Financial debts + Operating Debt + Equity)

An allowance for doubtful debts should be accounted as:

- a) Decrease in equity
- b) Long term assets
- c) Extraordinary costs
- d) **Operating costs**

Company's shareholders are:

- a) **Any person, company or institution that owns at least one share in the company**
- b) The most relevant individuals able to influence company's results
- c) Persons, groups or organizations that have interests or concerns in the company
- d) The holders of the most relevant stakes in the board of directors

Organizational culture is

- a) the set of shared values and norms that allows organization to reduce the external uncertainty
- b) **the set of shared values and norms that controls organizational member' interaction with each other**
- c) the set of personal relationship that develop over time in an organization
- d) the combination of shared values and formal tasks of an organization

When the level of coordination and mutual adjustment among functions is low, it is difficult for the organization to respond to customer and market demands. This is an example of

- a) **communication problem**
- b) measurement problem
- c) customer problem
- d) strategic problem

The role conflict is

- a) the state of difficulty that occur when two functions have very different goals
- b) the uncertainty that occurs for a person whose performance goal is not well defined
- c) **the state of opposition that occurs when two or more people have different views of what another person should do**
- d) the state of opposition that occurs when two or more people have different goals to reach

«It all depends! When you design the organizational structure, you have to consider the external forces affecting the strategy of the firm», states the

- a) resource dependence theory
- b) **contingency theory**
- c) bureaucratic theory
- d) taylorism

«The organization itself is very flat, having minimal hierarchical levels within each function and decentralized authority», said the CEO...because we adopt...

- a) **adhocracy**
- b) network structure
- c) functional structure
- d) divisional structure

Following Perrow's model, if the task variability is low and the task analyzability is low, the technology is named:

- a) **craftworks**
- b) nonroutine research

- c) routine manufacturing
- d) engineering production

In the operations of an hotel, which of the following resources can be classified as an input transforming resource:

- a) Staff who clean the hotel
- b) The customers who stay in the hotel
- c) The food that is used in the kitchen
- d) Information about customers that are recorded in the hotel central server

What is the visibility dimension of an operation

- a) How much the operation is exposed to its customers
- b) How much the products of the operation are visible
- c) How long the operation is available to be visited by customers
- d) How much customers understand about the operation

Which of the following is an example of a mass service?

- a) Restaurant
- b) Consulting firm
- c) TV station
- d) Shop selling tailor-made suits

Which of the following sentences is NOT true:

- a) A reduction in the dependability of the operations gives time savings
- b) A reduction in the dependability of the operations increases costs due to an inefficient use of time
- c) An increase in the dependability of the operations allows to improve the level of service to the customer
- d) An increase in the dependability of the operations allows to improve the stability of the operations

A consumer who participates in the product development process is defined as a

- a) Producer
- b) Innovator
- c) Prosumer
- d) User

Which of the following is NOT a sampling method?

- a) Simple random sample
- b) Stratified random sample
- c) Cheap sample
- d) Convenience sample

Which of the following is NOT a product life cycle stage?

- a) Introduction
- b) Advertising
- c) Growth
- d) Maturity

In order to activate a CRM strategy, it is necessary to:

- a) Gain as much information as possible on the customers
- b) Give as much information as possible to the customers

- c) Reach the customer anytime everywhere
- d) None of the above

Which of the following is NOT one of the Porter's five forces?

- a) The competitive rivalry within the industry
- b) The threat of new entrants
- c) The bargaining power of suppliers
- d) The bargaining power of labor unions

What is the legal minimum number of directors for a private limited company?

- a) 1
- b) 3
- c) 5
- d) 7

Which one of the following is not a right of a shareholder?

- a) To receive a dividend declared by the company
- b) To manage company affairs
- c) To attend and vote a meetings
- d) To receive the company's accounts

What are redeemable shares?

- a) Shares kept by a company to be sold at a later date
- b) Shares that carry rights in preference to other shares
- c) Shares which when issued carry the right by the company to buy them back
- d) Shares that cannot be, in any case, transferred on the stock market

In order to maximise its profit, a price taking firm produces a quantity of output y where its marginal

cost MC exceeds its average cost AC . If p is the output price, what is the firm's marginal profit?

- a) $p - MC$
- b) $p \cdot y - AC$
- c) $(p - MC)y$
- d) $(p - AC) \cdot y$

In a monopoly, the demand for capital is given by

- a) Rate of interest = marginal productivity of capital
- b) Wages > marginal product of labour
- c) Rate of interest < marginal product of capital
- d) Wages = marginal product of labour

A monopolist's marginal cost is constant and equal to MC . The demand function the monopolist faces is $p = 10 - 2y$ where y is production and p is output price. To maximise its profit the monopolist sets:

- a) $p = MC$
- b) $MR = 10 - 4y = MC$, where MR is marginal revenue
- c) MC = minimum average cost
- d) $p = MR$ where MR is for marginal revenue

The shares of a firm trade on the stock market at a total of \$1.4 million, and its debt trades at \$800 million. What is the enterprise value of the firm?

- a) 1.400 million
- b) 2.200 million
- c) 800 million
- d) 600 million

The partial derivative of the function $f(x,y,z) = x^2 y^3 z$ with respect to the variable y is

- a) $3 y^2$
- b) $3 x^2 y^2 z$
- c) $6 x y^2$
- d) 0

The domain of the function $f(x) = \ln(1/x^2)$ is

- a) $(-\infty, +\infty)$
- b) $(-\infty, 0) \cup (0, +\infty)$
- c) $(0, +\infty)$
- d) $(-\infty, 0)$

The median of a variable X is:

- a) An index of variability of X
- b) The frequency of the category in the middle of the distribution of X
- c) The category that divides in two equal part the ordered distribution of X
- d) The sum of the all the values of X divided by the number of observations

Given a sample of $N=32$ observations, we estimate the mean obtaining a value of 1.4. The second order sample moment is 5.96. The variance of the sample mean equals

- a) 0.125
- b) 0.282
- c) 0.155
- d) 0.044

Given a sample of $N=32$ observations, we estimate the mean obtaining a value of 1.4. The second order sample moment is 5.96. You want to test the null hypothesis that the sample mean is zero.

Given the available information

- a) Cannot compute the test statistics
- b) The test statistic is about 4 and leads to a clear rejection of the null hypothesis
- c) The test statistic is larger than 30 and leads to a clear rejection of the null hypothesis
- d) The test statistic suggest that the mean is zero