

## Choose the best word or phrase to complete each of these sentences.

- 1 CIMA, ACCA and ICAEW are all accounting .....  
a) professions   b) institutes   c) rules   d) policies
- 2 The Financial Services Authority is the financial ..... of all providers of financial services in the UK.  
a) institute   b) training centre   c) regulator   d) court
- 3 An ..... is something owned by a company which has the power to make money.  
a) asset   b) auditor   c) account   d) exposure
- 4 A ..... is an amount of money owed by a company to a lender or supplier.  
a) dividend   b) debtor   c) deposit   d) liability
- 5 ..... is the capital that a company has from shares rather than from loans.  
a) Securities   b) Equity   c) Retained profit   d) Earnings per share

- 6 A company's ..... profit is the profit relating to its normal activities of providing goods or services.  
a) paper b) pre-tax c) trading d) operating
- 7 Companies regularly publish performance forecasts or .....  
a) expectations b) guidance c) predictions d) considerations
- 8 A strong or ..... currency or stock performs well when others are doing badly.  
a) reliable b) powerful c) resilient d) solid
- 9 In response to the banking crisis, banks were allowed to change from the fair-value method to the ..... cost method for valuing certain assets.  
a) amortised b) advanced c) adapted d) actual
- 10 Another name for an industry regulator is a .....  
a) director b) supervisor c) council d) watchdog
- 11 When the value of stocks and shares is rising and falling without much warning, this is known as market .....  
a) instability b) volatility c) risk d) shakiness
- 12 When a company reduces the value of an asset on its balance sheet, it writes it .....  
a) off b) on c) down d) up

- 13 Good ..... management helps to protect a company from financial disaster.  
a) cost b) quality c) people d) risk
- 14 China has engaged in more ..... in recent years.  
a) financial speculation b) lending c) foreign investment d) borrowing
- 15 A new company is called a start-.....  
a) off b) out c) in d) up
- 16 Potential investors in a new company want to see a strong business .....  
a) project b) history c) account d) plan
- 17 When some of a company's managers take over part of the company and run it separately, this is known as a .....  
a) merger b) management buyout c) hostile takeover d) golden parachute
- 18 Options and futures are types of.....  
a) debts b) accounts c) derivatives d) strategies
- 19 The amount of money a lender has lent, which it could risk losing, is known as .....  
a) exposure b) credit c) collateral d) debt
- 20 If a company borrows money to fund the major part of an investment, the investment is said to be highly .....  
a) risky b) leveraged c) subsidised d) costly

# Answer keys

1 b 2 c 3 a 4 d 5 b 6 d 7 b 8 c 9 a 10 d 11 b 12 c 13 d 14 c 15 d 16 d  
17 b 18 c 19 a 20 b