

BUSINESS-ENVIRONMENT-AND- CONCEPTS^{Q&As}

Certified Public Accountant (Business Environment & Concept)

Pass Test Prep BUSINESS-ENVIRONMENT-AND- CONCEPTS Exam with 100% Guarantee

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.pass2lead.com/business-environment-and-concepts.html>

100% Passing Guarantee
100% Money Back Assurance

Following Questions and Answers are all new published by Test Prep
Official Exam Center

- ⚙️ **Instant Download** After Purchase
- ⚙️ **100% Money Back** Guarantee
- ⚙️ **365 Days** Free Update
- ⚙️ **800,000+** Satisfied Customers



QUESTION 1

Atlas Worldwide Industries conducts business in a number of different countries and is trying to evaluate its economic exposure to exchange rate risk. Which of the following statements is not correct?

- A. Atlas will suffer an economic loss in the event it has net cash outflows of a foreign currency and the foreign currency appreciates.
- B. Atlas will enjoy an economic gain in the event it has net cash outflows of a foreign currency and the foreign currency depreciates.
- C. Atlas will suffer an economic loss in the event it has net cash inflows of a foreign currency and the foreign currency appreciates.
- D. Atlas will suffer an economic loss in the event it has net cash inflows of a foreign currency and the foreign currency depreciates.

Correct Answer: C

<u>Domestic Currency</u> Appreciation Depreciation	<u>Foreign Currency</u> <u>Net inflows</u> Loss Gain	<u>Net outflows</u> Gain Loss
--	---	-------------------------------------

Choice "c" is correct. Atlas will benefit from an economic gain in the event that it has net cash inflows of a foreign currency and the foreign currency appreciates (the domestic currency depreciates). Atlas will collect a more valuable currency that can buy more of its domestic currency.

Choices "a", "b", and "d" are incorrect because they are correct statements.

QUESTION 2

Commercial paper:

- A. Has a maturity date greater than one year.
- B. Is generally sold only through investment banking dealers.
- C. Generally does not have an active secondary market.
- D. Has an interest rate lower than treasury bills.

Correct Answer: C

Choice "c" is correct. Although commercial paper has a secondary market available, it is generally not an

active secondary market. Commercial paper is usually sold to the money markets by highly creditworthy companies.

Choice "a" is incorrect. The maturity dates are generally less than 270 days.

Choice "b" is incorrect. Commercial paper can be sold to the money markets through a variety of intermediaries including brokers, dealers, investment brokers, etc. It can also be sold direct from one company to another. Choice "d" is incorrect. The interest rate on commercial paper is below the prime rate, but generally above the Treasury bill rate.

QUESTION 3

Heather, Erika, and Shelby are members in HES LLC. Heather works 40 hours per week and Erika and Shelby work 20 hours per week. Heather contributed \$30,000 to the LLC and Erika and Shelby contributed \$60,000 each. Erika and Shelby have each originated 45% of the LLC's business and Heather has originated the other 10%. Absent an agreement to the contrary among the owners, who controls the management of the HES LLC?

- A. Heather, because she works the most.
- B. Erika and Shelby equally because they contributed the most.
- C. Heather, Erika, and Shelby in proportion to their ownership interests.
- D. Erika and Shelby, because they originate most of the work.

Correct Answer: C

Choice "c" is correct.

Rule: Absent an agreement to the contrary, the members' voting strength is proportionate to their contributions.

Choices "a", "b", and "d" are incorrect, per the above rule.

QUESTION 4

If the U.S. dollar increases in value relative to the other major currencies, aggregate demand should:

- A. Increase as U.S. goods become more attractive overseas.
- B. Decrease as U.S. goods become less attractive overseas.
- C. Depends on supply of foreign goods.
- D. Not necessarily change.

Correct Answer: B

Choice "b" is correct. If the dollar gains in value, net exports will suffer as U.S. goods become more expensive overseas; hence aggregate demand will decrease. The supply of foreign goods domestically should increase as imports become cheaper.

Choice "a" is incorrect. Demand should decrease, not increase.

Choice "c" is incorrect. Irrelevant to the question.

Choice "d" is incorrect. Demand should decrease, not remain the same.

QUESTION 5

The partners of College Assoc., a general partnership, decided to dissolve the partnership and agreed that none of the partners would continue to use the partnership name. Under the Revised Uniform Partnership Act, which of the following events will occur on dissolution of the partnership?

	<i>Each partner's existing liability would be discharged</i>	<i>Each partner's apparent authority would continue</i>
A.	Yes	Yes
B.	Yes	No
C.	No	Yes
D.	No	No

A. Option A

B. Option B

C. Option C D. Option D

Correct Answer: C

Choice "c" is correct. "No - Yes."

Rule: Upon the dissolution of the partnership, each of the partners continues to have liability for partnership debts. Upon dissolution of the partnership each of the partners will continue to have apparent authority.

The apparent authority of a partner can only be negated upon proper notice to third parties.

Choices "a", "b", and "d" are incorrect, per the above rule.