501 Business English Tests

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Money accepted

Q1	I like to visit other countries but I find the **.....** of travel is too high.			
	(a) money	(b) cost	(c) expenses	(d) currency
Q2	She is very happy because she starts her new **.....** today.			
	(a) job	(b) work	(c) labour	(d) post
Q3	One day I hope I shall **.....** the lottery.			
	(a) gain	(b) collect	(c) reach	(d) win
Q4	He must have a lot of money because this summer he is going on a cruise **.....** the world.			
	(a) about	(b) around	(c) across	(d) through
Q5	Have you read that book **.....** the life of Van Gogh?			
	(a) about	(b) of	(c) over	(d) in
Q6	Do you want **.....** sugar in your coffee?			
	(a) some	(b) much	(c) any	(d) little
Q7	They do not **.....** cheques in that restaurant.			
	(a) accept	(b) agree	(c) allow	(d) admit
Q8	I cannot work today because I have very bad tooth**.....**.			
	(a) pain	(b) hurt	(c) damage	(d) ache
Q9	Children are not **.....** in that public house.			
	(a) aloud	(b) allowed	(c) accepted	(d) agreed
Q10	You can see the **.....** about the sale in the local paper.			
	(a) announcement	(b) warning	(c) notice	(d) advertisement

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Computers

Q1	How are you getting on **.....** your new computer?			
	(a) at	(b) with	(c) by	(d) for
Q2	Not too bad but sometimes I just can't get the **.....** of it.			
	(a) drop	(b) fall	(c) hang	(d) low
Q3	Do you mean it drives you up the **.....**?			
	(a) wall	(b) ceiling	(c) floor	(d) roof
Q4	Well, not that often but there are things that completely **.....** me.			
	(a) mysterious	(b) mystery	(c) mysteriously	(d) mystify
Q5	What sort of things do you have in **.....**?			
	(a) thought	(b) mind	(c) idea	(d) think
Q6	Well, take the times when everything **.....**.			
	(a) frozen	(b) freezing	(c) freezes	(d) frees
Q7	Yes, I know what you mean that's when you'd like to smash it to **.....**.			
	(a) pieces	(b) piece	(c) peace	(d) peaces
Q8	Never mind, most of the time it behaves like a little **.....**.			
	(a) angle	(b) angel	(c) angelic	(d) angles
Q9	And just think of all the **.....** you get from having one.			
	(a) beneficiaries	(b) benefit	(c) benefits	(d) benefited
Q10	Personally I'm looking forward to my holidays when I'll be **.....** of it for two weeks!			
	(a) free	(b) freer	(c) freedom	(d) freed

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Making an Appointment

Q1 Welcome back **.....** in this session — we're going to take a look at some of the vocabulary we used in session 2.

(a) somebody (b) everybody (c) anybody (d) nobody

Q2 To start with, can you **.....** what session 2 was all about?

(a) retain (b) remain (c) remind (d) remember

Q3 Yes, that's right. It was all about the job I do every day. I expect you recall that I work for a financial company **.....** a financial advisor.

(a) at (b) as (c) on (d) of

Q4 In other words I help people with **.....** their money.

(a) inviting (b) inventing (c) investing (d) involving

Q5 My clients contact our office via email or phone and then we **.....** an appointment.

(a) make (b) take (c) give (d) do

Q6 You arrange an appointment with another person because you want to **.....** or see them.

(a) encounter (b) greet (c) meet (d) talk

Q7 The two things that are important for an appointment are the time and the place. You say for example: Let's meet next Monday **.....** 10 o'clock.

(a) on (b) at (c) in (d) for

Q8 Another word that is very similar in meaning to appointment is the word date. A date is usually a private meeting with **.....** person.

(a) different (b) second (c) other (d) another

Q9 So, when you say: I've got a date with my boss, it means you **.....** see your boss privately.

(a) are going to (b) will not be (c) will be (d) would be

Q10 Possibly you also know the expression 'blind date', which is a rendezvous with a person you have never seen before and you are meeting them **.....** the first time.

(a) at (b) in (c) for (d) from

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Late Again

Q1	Do you know **.....** time it is?			
	(a) which	(b) when	(c) what	(d) how
Q2	No, I have **.....** idea.			
	(a) any	(b) no	(c) not	(d) some
Q3	It's time you got **.....**.			
	(a) on	(b) in	(c) over	(d) up
Q4	I don't believe you. You can't be **.....**.			
	(a) right	(b) accurate	(c) precise	(d) definite
Q5	I'm telling that you must **.....** up or ...			
	(a) haste	(b) hasten	(c) hurry	(d) quick
Q6	Or what? **.....** on, tell me.			
	(a) Get	(b) Come	(c) Take	(d) Put
Q7	Simply that you're going to be **.....** for work.			
	(a) late	(b) later	(c) lately	(d) latest
Q8	I think there's something you've **.....**.			
	(a) forgiven	(b) forbidden	(c) forsaken	(d) forgotten
Q9	Now, it's your **.....** to tell me.			
	(a) bend	(b) turn	(c) corner	(d) curve
Q10	Remember that there's no work today **.....** it's Sunday.			
	(a) for	(b) while	(c) because	(d) however

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Shopping

Q1	The trouble is I haven't made a **.....**.			
	(a) detail	(b) note	(c) sheet	(d) list
Q2	**.....** you must know what we need?			
	(a) Certainly	(b) Surely	(c) Definitely	(d) Absolutely
Q3	Well, yes I do have a **.....** good idea?			
	(a) pretty	(b) fine	(c) beautiful	(d) nice
Q4	Do we need any dairy **.....**?			
	(a) producers	(b) produced	(c) products	(d) producing
Q5	Yes, we've almost run out **.....** cheese, butter, milk.			
	(a) through	(b) of	(c) by	(d) with
Q6	Right, we'd **.....** get on with it.			
	(a) better	(b) sooner	(c) quicker	(d) faster
Q7	Oh and we'll also need some washing **.....**.			
	(a) dust	(b) flakes	(c) powder	(d) grains
Q8	I assume there's nothing **.....**. I said it would be quick. Oh dear.			
	(a) included	(b) excluded	(c) either	(d) else
Q9	What's the **.....**?			
	(a) thing	(b) matter	(c) material	(d) stuff
Q10	Just look at the size of those huge **.....** at the checkouts.			
	(a) tails	(b) lines	(c) queues	(d) rows

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On my Mobile

Q1	Hello — I'm just **.....** out my new mobile.			
	(a) testing	(b) probing	(c) finding	(d) trying
Q2	Oh yes. Are you **.....** away?			
	(a) distant	(b) long	(c) far	(d) quite
Q3	Not really. I'm quite **.....**.			
	(a) nearer	(b) near	(c) next	(d) nearly
Q4	You **.....** very clear.			
	(a) sound	(b) ring	(c) hear	(d) noise
Q5	Well, I did **.....** a lot of money on it.			
	(a) dispense	(b) pass	(c) spend	(d) dispose
Q6	Tell me, where are you at the **.....**?			
	(a) time	(b) second	(c) hour	(d) moment
Q7	I've already told you I'm in the **.....**.			
	(a) place	(b) area	(c) spot	(d) location
Q8	Well, this is very interesting but I am very **.....**.			
	(a) busy	(b) occupied	(c) hurried	(d) active
Q9	Don't **.....** — I'll see you very soon.			
	(a) concern	(b) care	(c) worry	(d) mind
Q10	Oh there goes the front door bell — oh it's you! I might have **.....**.			
	(a) thought	(b) believed	(c) considered	(d) guessed

Basic Business English

Q1	The water in the refrigerator should be **.....**.			
	(a) warm	(b) hot	(c) cold	(d) frozen
Q2	**.....** I will come home early.			
	(a) Today at night	(b) This night	(c) Tonight	(d) The night
Q3	Do you **.....** the bus to work?			
	(a) take	(b) drive	(c) bring	(d) walk
Q4	Have you **.....**?			
	(a) turned skinny	(b) lost weight	(c) no more fat	(d) weighted less
Q5	She is a member **.....** the gym.			
	(a) for	(b) from	(c) by	(d) of
Q6	He **.....** executive.			
	(a) is	(b) is an	(c) is a	(d) an
Q7	My friend likes **.....** work on extra projects.			
	(a) to	(b) of	(c) from	(d) the
Q8	Please **.....** a message on the answering machine.			
	(a) make	(b) do	(c) leave	(d) report
Q9	Yesterday they **.....** very well in their class.			
	(a) do	(b) does	(c) will do	(d) did
Q10	At work we get a 30-minute lunch **.....**			
	(a) rest	(b) break	(c) vacation	(d) holiday

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Answers Index

Business dialogue on the phone

Q1	Bob: Do you **.....** if I use your phone to call my wife?			
	(a) value	(b) worry	(c) mind	(d) allow
Q2	Bill: Sure. Would you **.....** use my cell phone or the one in my office?			
	(a) rather	(b) prefer	(c) like	(d) assume
Q3	Bob: The one in your office is fine. Do I need to **.....** anything special to get out of the building?			
	(a) tighten	(b) press	(c) compress	(d) dial
Q4	Bill: Yes. You **.....** dial 9 and then your number.			
	(a) should	(b) could	(c) would	(d) shall
Q5	Bob: If another call comes in while I'm on the phone, should I put my wife on **.....** and take it?			
	(a) wait	(b) hold	(c) hope	(d) the side
Q6	Bill: No, that's alright. If you don't answer, it will just go through to my **.....** and I can call them back later.			
	(a) answering machine	(b) voicemail	(c) voice-recorder	(d) e-mail
Q7	Bob picked up the **.....** and dialed 9 then his home number.			
	(a) handle	(b) cord	(c) thingamajig	(d) receiver
Q8	Bill straightened up the office, pretending not to listen to Bob's **.....** of the conversation with his wife.			
	(a) end	(b) part	(c) words	(d) half
Q9	Finally Bob **.....**.			
	(a) hanged up	(b) hang over	(c) hung up	(d) hung over
Q10	Bill: I couldn't help but **.....** you're having chicken for dinner tonight. Can I come over?			
	(a) overhear	(b) eavesdrop	(c) listen	(d) comprehend

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Chit Chat: At the garage

Q1	Customer: Have you had a chance to **.....** at my car yet?			
	(a) see	(b) examine	(c) view	(d) look
Q2	Mechanic: Yes, we've given it a **.....** examination.			
	(a) complete	(b) utter	(c) absolute	(d) actual
Q3	Customer: And what do you think is **.....** with it?			
	(a) incorrect	(b) wrong	(c) false	(d) faulty
Q4	Mechanic: That's a **.....** of a difficult answer to give in a few words.			
	(a) part	(b) lot	(c) bit	(d) section
Q5	Customer: Well, just give me the **.....** picture.			
	(a) casual	(b) general	(c) uncertain	(d) simple
Q6	Mechanic: To start **.....** It's losing a lot of oil.			
	(a) at	(b) for	(c) in	(d) with
Q7	Customer: I see. Anything **.....**?			
	(a) else	(b) ever	(c) over	(d) indeed
Q8	Mechanic: Well, there's a lot more. I mean the petrol tank has a **.....** in it.			
	(a) gap	(b) hole	(c) space	(d) opening
Q9	Customer: Why don't you tell me the **.....**. What should I do?			
	(a) picture	(b) scene	(c) truth	(d) rightness
Q10	Mechanic: Okay — I'll come straight to the **.....** — buy a new car!			
	(a) angle	(b) conclusion	(c) end	(d) point

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Renting a place

Q1 In order for you to buy a house in the United States, it is important that you have a good **.....** report.

(a) school (b) medical (c) credit (d) dental

Q2 If you have pets, it is often necessary to pay a pet **.....** when you rent an apartment.

(a) deposit (b) vaccination (c) leash (d) walker

Q3 When you are interested in buying or renting a place, you have to fill out **.....**, which is a type of written request for an apartment or house.

(a) a police report (b) an application (c) an IRS form (d) a parking ticket

Q4 Sometimes when you rent a studio apartment, it comes already **.....**.

(a) with pets (b) with a pool (c) with a backyard (d) furnished

Q5 The **.....** is the person who is renting the apartment or house.

(a) landlord (b) tenant (c) houseguest (d) host

Q6 The **.....** is the person who owns and runs an apartment building, a house or land.

(a) tenant (b) ranger (c) landlord (d) seller

Q7 If you wish to temporarily rent your apartment to someone else, you **.....** your apartment to that person.

(a) sublet (b) buy (c) employ (d) hire

Q8 It is always good to provide **.....** letter to the landlord to prove that you have a good character.

(a) an accredited (b) a touching (c) an anonymous (d) a reference

Q9 A **.....** is a contract that indicates how long you can stay at the place you are renting and how much you have to pay.

(a) document (b) lease (c) loan (d) license

Q10 Application fees are usually **.....**, which means you don't get your money back.

(a) restituted (b) reimbursed (c) non-refundable (d) inexpensive

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Applying for that Job

Q1	I would be very interested in **.....** for that job.			
	(a) entering	(b) working	(c) applying	(d) writing
Q2	Do you want to **.....** as a candidate in the local elections?			
	(a) stand	(b) sit	(c) go	(d) try
Q3	They are completely **.....** up with all the noise in the centre of town.			
	(a) tired	(b) fed	(c) sick	(d) ill
Q4	The reason there are no buses is because the drivers are on **.....**.			
	(a) hit	(b) stop	(c) strike	(d) leave
Q5	The government has changed its policy and had a complete change of **.....**.			
	(a) view	(b) opinion	(c) mind	(d) heart
Q6	This supermarket is trying to **.....** young shoppers by offering fashionable clothes.			
	(a) target	(b) persuade	(c) encourage	(d) trap
Q7	You should have **.....** those shares when they were cheap.			
	(a) taken out	(b) sold off	(c) bought up	(d) taken over
Q8	You must try and hurry up because my patience is **.....** out.			
	(a) running	(b) racing	(c) pacing	(d) turning
Q9	Have you ever tried your **.....** at running a business?			
	(a) arm	(b) finger	(c) hand	(d) leg
Q10	After all these years she has decided to take early **.....**.			
	(a) leave	(b) finishing	(c) departure	(d) retirement

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Accounts

Q1	In order to check all the telephone calls made during the month I want the account to be **.....**.			
	(a) detailed	(b) particular	(c) specialized	(d) itemized
Q2	All the representatives are allowed to spend money for entertaining with their **.....** account.			
	(a) expensive	(b) expending	(c) expense	(d) expenses
Q3	To spread the cost of spending on articles you buy many big departments let you open a **.....**.			
	(a) credible	(b) credit	(c) credited	(d) credulous
Q4	Once you are earning money and you want to keep it safe, you can always **.....** an account with a bank.			
	(a) open	(b) start	(c) begin	(d) commence
Q5	At the end of thirty days the company will ask you to **.....** the account.			
	(a) arrange	(b) finish	(c) end	(d) settle
Q6	The finance director is responsible for **.....** the accounts for the business.			
	(a) holding	(b) keeping	(c) taking	(d) finding
Q7	At the end of the financial year it is the responsibility of the chief finance officer to **.....** the accounts.			
	(a) print	(b) edit	(c) publish	(d) direct
Q8	Before they got married, they decided to open a **.....** account.			
	(a) united	(b) joint	(c) unified	(d) combined
Q9	If you have saved some money, it is a good idea to put the money into a **.....** account.			
	(a) heap	(b) pile	(c) lump	(d) deposit
Q10	However hard I try, I find it impossible to account **.....** this missing sum of money.			
	(a) with	(b) to	(c) for	(d) by

Letter Writing

Q1 I think it would be a good idea to **.....** in your letter that you have worked in that type of business previously.

(a) describe (b) mention (c) show (d) demonstrate

Q2 You need to improve the **.....** of this letter because one or two things are in the wrong place.

(a) description (b) indication (c) layout (d) picture

Q3 Before you put the letter in the envelope, make sure you **.....** it in the right way.

(a) fold (b) double (c) treble (d) hold

Q4 If you want this letter to reach the bank tomorrow, you have no choice but to send it by **.....** mail.

(a) speed (b) express (c) excess (d) fast

Q5 When you are going to write an important letter like that, it is absolutely essential that you **.....** all the facts first.

(a) connect (b) join (c) deliver (d) assemble

Q6 When you read something you've written on the computer screen, it often looks all right although you should always **.....** read it first.

(a) check (b) prove (c) proof (d) proven

Q7 I advise you to check **.....** with a letter or a phone call if you intend to pay them a visit in order to save a wasted journey.

(a) previously (b) prior (c) ante (d) beforehand

Q8 Since that package contains valuable items, you must send it by **.....** post.

(a) required (b) resigned (c) registered (d) repeated

Q9 Quite honestly I cannot trust this particular letter to be sent by post and so I am using the services of a **.....** to deliver it for me.

(a) courier (b) runner (c) traveller (d) carrier

Q10 I'm sure that computer program you use creates a very good letter design but it's far too **.....** for me.

(a) comprehensive (b) complicated (c) concentrated (d) composite

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Flying on a Plane

Q1	The worst thing about flying is when you take **.....**.			
	(a) up	(b) in	(c) off	(d) over
Q2	Landing is also a rather **.....** experience, too.			
	(a) frightening	(b) frightened	(c) frights	(d) frightful
Q3	Come to think of it the bit between leaving the ground and coming down again can also **.....** on the nerves.			
	(a) strike	(b) play	(c) hit	(d) fall
Q4	Of course during the flight the airline staff try to keep your mind **.....**.			
	(a) concentrated	(b) dedicated	(c) concerned	(d) occupied
Q5	They ask you if you want to buy things you don't in all **.....** want.			
	(a) truth	(b) honesty	(c) honestly	(d) truly
Q6	The captain, whose voice is so **.....** you feel as if you're sitting at home watching television, starts chatting to you.			
	(a) retired	(b) relaxed	(c) relapsed	(d) replete
Q7	He tries to give you the **.....** that you're out in your car watching the countryside roll by.			
	(a) opinion	(b) thought	(c) impression	(d) interpretation
Q8	Then you start to eat your meal and discover that the knives and forks are made of plastic and snap under **.....**.			
	(a) pushing	(b) pulling	(c) pressing	(d) pressure
Q9	As you've probably **.....**, I'm not really keen on flying.			
	(a) collected	(b) gathered	(c) assembled	(d) accumulated
Q10	Mind you, once you've landed and you're saying goodbye to the smiling hostess, it's great to know you've **.....**.			
	(a) survived	(b) surmounted	(c) surveyed	(d) surmised

Planning a Business

Q1 It is essential before starting a business to work on a plan to **.....** problems later on.

(a) escape (b) endure (c) avoid (d) enter

Q2 The biggest **.....** in business can be eliminated if you have sufficient capital to start with.

(a) scene (b) risk (c) encounter (d) harm

Q3 Even when the economic situation is **.....**, there is always present the need for planning in a new business.

(a) mighty (b) huge (c) hefty (d) strong

Q4 Whatever happens in the future there is absolutely no **.....** for good market research before you launch a new product.

(a) consideration (b) criterion (c) substitute (d) contemplation

Q5 Your **.....** concern is naturally the plan but don't forget your capital or your premises.

(a) firstly (b) primary (c) primarily (d) initially

Q6 When people are considering whether to loan your new business a substantial sum, they are going to **.....** your potential.

(a) encompass (b) evolve (c) evaluate (d) enquire

Q7 It is worthwhile **.....** as much market research information as possible before you work out your plan.

(a) including (b) snatching (c) grabbing (d) gathering

Q8 Her next task was to have a meeting with the bank manager to **.....** that she had a secure enough plan to warrant a loan.

(a) declare (b) demonstrate (c) state (d) announce

Q9 There are certain weaknesses in your plan that need to be **.....** urgently if you are to succeed.

(a) affixed (b) acquired (c) addressed (d) attended

Q10 Since the start of the business many new ideas have **.....** out of the original plan.

(a) developed (b) shown (c) gained (d) built

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Computers

Q1	My computer is not capable of saving material on a separate **.....** because it has no floppy drive.			
	(a) space	(b) compact	(c) disc	(d) place
Q2	I understand that I can make it possible for both my computers to share the same programs by means of **.....**.			
	(a) joining	(b) connecting	(c) linking	(d) networking
Q3	I had only had my computer for three weeks when I had to have the hard drive **.....**.			
	(a) replaced	(b) restored	(c) retaken	(d) revived
Q4	Laptop computers are becoming more and more **.....** in the business world.			
	(a) famous	(b) popular	(c) sought	(d) wished
Q5	You have to have a really **.....** mind in order to get your head round some of today's computing technology.			
	(a) acute	(b) cut	(c) razor	(d) sharp
Q6	The great advantage of having an external zip drive is that you can use it as an extra means of **.....**.			
	(a) hoarding	(b) keeping	(c) holding	(d) storage
Q7	They tried very hard to install the new components on the computer but the language in the manual was too **.....** for them to understand.			
	(a) technical	(b) technique	(c) technician	(d) technically
Q8	When you look at the modern office today you could compare the changes with those that took place in the industrial **.....** in the 19th century.			
	(a) revolt	(b) revolution	(c) revolting	(d) revolving
Q9	In order to **.....** the method by which staff pay is calculated the company has bought a new software package.			
	(a) facile	(b) facility	(c) factual	(d) facilitate
Q10	Obviously a computer can take all the hard work out of **.....** a large mass of data.			
	(a) proceeding	(b) procedure	(c) processing	(d) processes

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Business Expressions (1)

Q1	I heard of a new company today with which we should co-operate and **.....** business with.			
	(a) make	(b) create	(c) have	(d) do
Q2	Shortly after he was dismissed from the firm he decided to **.....** himself up in his own business.			
	(a) put	(b) set	(c) place	(d) hold
Q3	They went **.....** business shortly after their children had left home and got married.			
	(a) out	(b) in	(c) into	(d) on
Q4	As soon as they heard what had happened, they **.....** it their business to find out the truth.			
	(a) made	(b) tried	(c) managed	(d) called
Q5	I would ask you kindly not to interfere with what I'm doing as in all honesty it's **.....** of your business.			
	(a) no	(b) nothing	(c) none	(d) nor
Q6	Despite all the alterations that are taking place in the department store, the management wanted to explain it was business as **.....**.			
	(a) common	(b) practical	(c) frequent	(d) usual
Q7	She knew that there was some kind of **.....** business going on because strange things were happening.			
	(a) weird	(b) unusual	(c) funny	(d) stupid
Q8	We really can't delay any more with our plans and must **.....** down to business as soon as possible.			
	(a) set	(b) get	(c) cut	(d) find
Q9	When the bomb went off, most of the injured were just ordinary people going **.....** their business.			
	(a) about	(b) along	(c) across	(d) through
Q10	Although they had high hopes that they would be successful, they **.....** out of business within six months.			
	(a) turned	(b) came	(c) went	(d) fell

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Business Expressions (2)

Q1 I've warned you before that you shouldn't get involved in this matter and you have **.....** business discussing it.

(a) some (b) little (c) no (d) not

Q2 That's really not my concern at all and I'm certainly not **.....** the business of telling others what to do.

(a) in (b) out (c) of (d) by

Q3 She was very enthusiastic about her new job and was making rapid progress **.....** nobody's business.

(a) as (b) with (c) similar (d) like

Q4 I really wouldn't joke about it because these people are deadly serious and **.....** business.

(a) signify (b) mean (c) require (d) need

Q5 He didn't hesitate to tell me that I wasn't wanted and just told me to **.....** my own business.

(a) concern (b) look after (c) tend to (d) mind

Q6 I'm afraid it won't be possible to talk to the boss today because he's away **.....** business till Tuesday.

(a) off (b) on (c) for (d) to

Q7 He was very keen that we kept in touch and for that reason he handed me his business **.....**.

(a) ticket (b) paper (c) card (d) notice

Q8 This is the really important part of the machine and that's why we call it the business **.....**.

(a) centre (b) end (c) area (d) point

Q9 The whole site has nothing but offices and administration centres and that's why we call it a business **.....**.

(a) place (b) situation (c) field (d) park

Q10 All the famous film stars, actors, directors and writers were at the festival representing the world of **.....** business.

(a) play (b) drama (c) show (d) performance

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How to agree

Q1	You can be absolutely sure I'm on your **.....**.			
	(a) road	(b) corner	(c) route	(d) side
Q2	You can **.....** on me for your support.			
	(a) show	(b) rely	(c) try	(d) test
Q3	Our views clearly **.....** at this point I'm pleased to say.			
	(a) convert	(b) concert	(c) conduct	(d) coincide
Q4	Fortunately the leader and all her members were singing from the same **.....** sheet.			
	(a) hymn	(b) prayer	(c) lyric	(d) sermon
Q5	It's good that we both have the same way of **.....** at things.			
	(a) seeing	(b) peeping	(c) looking	(d) viewing
Q6	I'm pleased to say that we speak on this matter with one **.....**.			
	(a) sound	(b) tone	(c) harmony	(d) voice
Q7	I certainly won't **.....** any objection when you make your proposal.			
	(a) rise	(b) raise	(c) lift	(d) arise
Q8	I'm **.....** you all the way as far as that's concerned.			
	(a) with	(b) by	(c) at	(d) across
Q9	I'm happy to **.....** those sentiments and wish you every success.			
	(a) encompass	(b) enthuse	(c) endorse	(d) endure
Q10	When it comes to the vote I'm willing to put my **.....** up and support you.			
	(a) head	(b) chin	(c) arm	(d) hand

How to apologize

Q1	Please **.....** me for interrupting you, I didn't realize you were busy with someone else.			
	(a) forget	(b) forfeit	(c) forbid	(d) forgive
Q2	I'm very **.....** that I'm late but there is a train strike on at the moment.			
	(a) sore	(b) sorry	(c) sorrow	(d) sorrowful
Q3	Please send my **.....** to the meeting as I shan't be able to attend.			
	(a) apologies	(b) apologize	(c) apologized	(d) apologizing
Q4	There's really no **.....** for my behaviour last night. I can only think that I'd had too much to drink.			
	(a) exception	(b) escape	(c) excuse	(d) exclusion
Q5	I know I shouldn't have made those remarks about your work and I hope you now know how deeply I **.....** what I said.			
	(a) review	(b) regret	(c) respect	(d) restore
Q6	I must **.....** your pardon, I mistook you for somebody else.			
	(a) bid	(b) bide	(c) beggar	(d) beg
Q7	If it helps to put things right, please let me take **.....** everything I said earlier.			
	(a) again	(b) back	(c) in	(d) across
Q8	Please accept this small present as my way of making **.....** for all the trouble I've caused.			
	(a) attempts	(b) attention	(c) amends	(d) arrears
Q9	All I can do now is simply beg your **.....** and hope that in time we can get back to where we used to be.			
	(a) interest	(b) interpretation	(c) inclination	(d) indulgence
Q10	In their religion as long as they **.....**, they will be forgiven their sins.			
	(a) repent	(b) restore	(c) repeat	(d) request

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How to ask the way

Q1	Am I going in the right **.....** for the post office?			
	(a) route	(b) way	(c) sign	(d) direction
Q2	Can you tell me please how I **.....** to the cinema from here?			
	(a) come	(b) get	(c) take	(d) fetch
Q3	Could you please **.....** me in the direction of the motorway?			
	(a) show	(b) indicate	(c) point	(d) deliver
Q4	I'm making for the M25 motorway — is this road the most **.....** route?			
	(a) straight	(b) clear	(c) obvious	(d) direct
Q5	Could you tell me please how **.....** I am from the town centre?			
	(a) near	(b) far	(c) close	(d) away
Q6	Can you help please because I've lost my way and **.....** to get to the shops before closing time?			
	(a) need	(b) require	(c) request	(d) must
Q7	I'm **.....** for the town hall — am I anywhere near?			
	(a) seeking	(b) making	(c) seeing	(d) trying
Q8	I took the wrong **.....** at the last road junction, can you tell me how I get back on the motorway?			
	(a) turn	(b) turner	(c) turned	(d) turning
Q9	**.....** to this map I should be near the church. Is it near?			
	(a) Following	(b) After	(c) According	(d) considering
Q10	Is this **.....** for the railway station?			
	(a) correct	(b) clear	(c) fine	(d) right

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How to complain

Q1	I'm really not satisfied with the way you have **.....** the situation.			
	(a) dealt	(b) handled	(c) done	(d) fingered
Q2	I've really had enough of all your excuses, what I want is some **.....**.			
	(a) action	(b) acting	(c) acted	(d) active
Q3	You've refused to help me now for six months and so I shall now have to take the matter **.....**.			
	(a) on	(b) longer	(c) far	(d) further
Q4	I must **.....** you do something immediately as I've been patient long enough.			
	(a) persist	(b) desist	(c) insist	(d) consist
Q5	I now want some kind of compensation for the total **.....** of service I've experienced.			
	(a) lack	(b) fail	(c) failing	(d) missing
Q6	I'm obviously not getting anywhere with my complaint, please let me talk to someone **.....** to you.			
	(a) older	(b) above	(c) over	(d) senior
Q7	I'm very unhappy with the way I've been **.....**. No one seems at all interested in my case.			
	(a) considered	(b) treated	(c) placed	(d) pushed
Q8	I believe I have very good **.....** for suing your company for negligence.			
	(a) lands	(b) terrains	(c) grounds	(d) areas
Q9	If you don't do something today, I shall be **.....** to take legal action.			
	(a) held	(b) ordered	(c) commanded	(d) forced
Q10	You're the tenth person I've been put through to and I'm on the point of losing my **.....**.			
	(a) mood	(b) temper	(c) state	(d) feeling

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How to criticize

Q1	Quite honestly I didn't think **.....** of the standard of acting in the play.			
	(a) lot	(b) few	(c) little	(d) much
Q2	If you want my **.....** opinion, I thought the food tasted revolting.			
	(a) honoured	(b) honourable	(c) honest	(d) honour
Q3	To come straight to the **.....** I think the management team needs replacing.			
	(a) summit	(b) top	(c) topic	(d) point
Q4	There are several matters on which I should like to take **.....** concerning your report.			
	(a) outcome	(b) outlook	(c) issue	(d) outing
Q5	There's really no virtue in me pussy**.....** around because I might as well tell you it's awful.			
	(a) treading	(b) footing	(c) walking	(d) tripping
Q6	I have a long **.....** of things I think are wrong, where shall I start?			
	(a) story	(b) description	(c) file	(d) list
Q7	I'm afraid to tell you that your standard of work has fallen well below what we think is **.....**.			
	(a) considerable	(b) believable	(c) acceptable	(d) available
Q8	In all honesty if I said that everything was all right, I'd simply be **.....**.			
	(a) lying	(b) laying	(c) loading	(d) letting
Q9	If you can't improve your level of work, I'm afraid you'll have to look **.....** for another job.			
	(a) anywhere	(b) elsewhere	(c) nowhere	(d) somewhere
Q10	I'm sick and **.....** of always having to put right your mistakes.			
	(a) weary	(b) exhausted	(c) fatigued	(d) tired

How to disagree

Q1	I'm sorry but I can't **.....** your opinion on that.			
	(a) take	(b) share	(c) give	(d) find
Q2	I very much regret that we must **.....** company on that issue.			
	(a) divide	(b) devise	(c) part	(d) leave
Q3	Let's be honest about it we'll never agree on that because our views are diametrically **.....**.			
	(a) apposed	(b) imposed	(c) supposed	(d) opposed
Q4	We'll never agree, that's clear so let's **.....** to differ.			
	(a) ask	(b) bid	(c) beg	(d) try
Q5	You can argue with me till the cows come **.....** but I can't accept that.			
	(a) away	(b) along	(c) back	(d) home
Q6	I really see no point in continuing this argument because we have no **.....** ground.			
	(a) basic	(b) own	(c) common	(d) similar
Q7	There's absolutely no way I can **.....** you on that matter.			
	(a) meet	(b) hold	(c) take	(d) find
Q8	Nothing in the world will ever make me change my **.....** on that subject.			
	(a) thought	(b) mind	(c) idea	(d) heart
Q9	I would love to meet you half way but I'm afraid I can't because with me it's a matter of **.....**.			
	(a) principal	(b) principles	(c) principally	(d) principle
Q10	Let's **.....** it, you and I will never see eye to eye on this.			
	(a) look	(b) take	(c) face	(d) see

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How to encourage

Q1	Well **.....**! This is a very good piece of work.			
	(a) made	(b) done	(c) finished	(d) taken
Q2	I must congratulate you on your efforts. **.....** it up!			
	(a) Continue	(b) Take	(c) Keep	(d) Hold
Q3	Don't give up whatever you do. I'm sure you'll **.....** it in the end.			
	(a) acquire	(b) get	(c) put	(d) make
Q4	I'll **.....** by you no matter what happens.			
	(a) stand	(b) keep	(c) lean	(d) support
Q5	I'm sure if you **.....**, you'll succeed.			
	(a) pursue	(b) proceed	(c) propel	(d) persevere
Q6	You've clearly got **.....** and it's obvious that you'll get to the top.			
	(a) control	(b) power	(c) talent	(d) strength
Q7	I've watched a lot of young people try to make a success of it, but you're the only one I really **.....** in.			
	(a) think	(b) trust	(c) hold	(d) believe
Q8	I see no **.....** why you shouldn't be accepted as an employee.			
	(a) cause	(b) sense	(c) reason	(d) doubt
Q9	Never **.....** up. That's a good philosophy.			
	(a) give	(b) do	(c) take	(d) try
Q10	You mustn't ever be **.....** off by a few setbacks.			
	(a) taken	(b) held	(c) put	(d) pushed

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Online Marketing Campaign

Q1 She was going to discuss the matter **.....** with her colleagues or her family.

(a) but (b) yet (c) neither (d) either

Q2 Our project team tried hard to think **.....** all the possible alternatives before making a decision.

(a) of (b) at (c) by (d) as

Q3 Timing can be **.....** crucial when you're considering launching a new online marketing campaign.

(a) strongly (b) greatly (c) extremely (d) already

Q4 Are you able to **.....** our conditions of delivery in line with our recent invoice?

(a) except (b) expect (c) accept (d) access

Q5 Fortunately for us we're finding our new internet division is showing an increased **.....**.

(a) prophet (b) profit (c) profitably (d) profits

Q6 Following some recent research our engineers **.....** that our index system has scope for fast improvement.

(a) fined (b) finding (c) found (d) finds

Q7 In our line of business it is vital to host our website on our own server **.....** of getting someone else to do it.

(a) except (b) but (c) besides (d) instead

Q8 Before you employ new staff you should carry out a **.....** examination of their personal qualities and professional experience.

(a) careful (b) caring (c) carefulness (d) carefully

Q9 Thanks to the high standards of service we offer our customers, we have been able to establish an excellent **.....**.

(a) repute (b) reputable (c) reputation (d) reputedly

Q10 An interactive website can save your organisation **.....** amounts of time and money that would otherwise be spent on correspondence.

(a) signify (b) significant (c) significance (d) signification

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Answers Index

Adverbially Speaking

Q1	They had to drive **.....** up the hill because the car was very old.			
	(a) easily	(b) intently	(c) slowly	(d) fairly
Q2	Please listen **.....** because this is important.			
	(a) quietly	(b) quickly	(c) nicely	(d) carefully
Q3	Sorry we're late but we got here as **.....** as we could.			
	(a) recently	(b) quickly	(c) well	(d) nearly
Q4	He mumbled throughout his speech so I could **.....** understand a single word.			
	(a) really	(b) fully	(c) hardly	(d) hard
Q5	I trust his judgement — he **.....** makes a mistake.			
	(a) never	(b) always	(c) quite	(d) simply
Q6	You've **.....** ruined my new carpet with your filthy shoes.			
	(a) rarely	(b) sometimes	(c) usually	(d) completely
Q7	You haven't **.....** written that letter, have you?			
	(a) clearly	(b) truly	(c) actually	(d) blankly
Q8	I have **.....** told her not to do that and yet she always does.			
	(a) admittedly	(b) repeatedly	(c) wholeheartedly	(d) frankly
Q9	It was a very long day but we **.....** arrived in time for tea.			
	(a) eventfully	(b) unusually	(c) dully	(d) eventually
Q10	He didn't want me to enter and **.....** disputed my reason for being there.			
	(a) hotly	(b) terribly	(c) horribly	(d) awfully

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Letter of Complaint (1)

Q1	I am writing this letter to you as a sort of last **.....** since all my attempts to phone you			
	(a) result	(b) return	(c) report	(d) resort
Q2	and to try and make an **.....** to meet you and discuss my problem with you have been unsuccessful.			
	(a) appoint	(b) appointee	(c) appointment	(d) appointing
Q3	I would like to tell you the story from the **.....** beginning.			
	(a) simple	(b) same	(c) extreme	(d) very
Q4	In January this year I bought a washing machine from you for which I paid **.....**			
	(a) cash	(b) money	(c) cheque	(d) pounds
Q5	and made **.....** for it to be delivered to my home in Southcote on the following Tuesday.			
	(a) instigations	(b) arrangements	(c) alterations	(d) confirmations
Q6	I stayed in all day on **.....** as you had informed me that you could not be sure at what time of day the washing machine would arrive.			
	(a) intention	(b) regard	(c) purpose	(d) plan
Q7	In the end nobody came that day. When I phoned, I was told it **.....** come the following Tuesday.			
	(a) will	(b) shall	(c) ought	(d) would
Q8	Again I stayed in all day in **.....** and there was no delivery.			
	(a) vain	(b) fault	(c) vanity	(d) error
Q9	After six more phone calls I **.....** succeeded in settling on a date			
	(a) eventfully	(b) event	(c) eventually	(d) events
Q10	and the machine came on Tuesday February 20th — almost 5 weeks after the **.....** delivery date.			
	(a) promising	(b) promised	(c) promises	(d) promise

Answers Index

Letter of Complaint (2)

Q1	I had the washing machine fitted by a **.....** plumber but he was unable to make the thing work.			
	(a) renowned	(b) remarkable	(c) reputable	(d) respectable
Q2	**.....** one of the components was faulty and he recommended that I got back to you so that a replacement could be fitted.			
	(a) Appearing	(b) Appearance	(c) Apparition	(d) Apparently
Q3	When I telephoned your store and explained the **.....** to your receptionist,			
	(a) criterion	(b) situation	(c) place	(d) happening
Q4	I was **.....** with the comment, 'Oh not you again'			
	(a) told	(b) remarked	(c) said	(d) greeted
Q5	which I found most **.....** especially since throughout the protracted period of waiting for the machine			
	(a) offended	(b) offending	(c) offensive	(d) offends
Q6	I remained calm although I believe I have every reason for **.....** up a fuss.			
	(a) hitting	(b) kicking	(c) knocking	(d) striking
Q7	I eventually got put **.....** to the technical department			
	(a) through	(b) over	(c) in	(d) across
Q8	who were most **.....** hand			
	(a) to	(b) in	(c) by	(d) off
Q9	and told me there was **.....** that could be done immediately			
	(a) less	(b) little	(c) least	(d) few
Q10	since there were a number of people **.....** sick.			
	(a) through	(b) for	(c) off	(d) under

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Letter of Complaint (3)

Q1	We now move on to late March when I imagine that the sick employees were fully **.....**			
	(a) restored	(b) returned	(c) retired	(d) recovered
Q2	and one of your technical staff came out to see me with the intention of replacing the **.....** part.			
	(a) defective	(b) deficient	(c) defining	(d) defeating
Q3	Unfortunately he had **.....** the wrong part with him			
	(a) delivered	(b) fetched	(c) brought	(d) picked
Q4	and was very **.....** as to when he would be able to find the right part and get it back to me.			
	(a) unable	(b) unsure	(c) unskilled	(d) untrained
Q5	Another visit took **.....** in late April but the engineer, although he had got the right part with him, was unable to make the washing machine work.			
	(a) position	(b) spot	(c) time	(d) place
Q6	It was at this stage that I was seriously considering getting **.....** of the machine			
	(a) rid	(b) riddance	(c) hold	(d) loose
Q7	and asking for a **.....**			
	(a) repeat	(b) refund	(c) replace	(d) return
Q8	When I **.....** this matter with one of your staff			
	(a) rose	(b) risen	(c) arose	(d) raised
Q9	I was informed that this was out of the **.....**			
	(a) problem	(b) concern	(c) question	(d) hand
Q10	and they would send someone in the '**.....** future'.			
	(a) near	(b) next	(c) soon	(d) coming

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Letter of Complaint (4)

Q1 At the beginning of May I decided that the only course of action was to **.....** a visit to your store

(a) charge (b) settle (c) pay (d) owe

Q2 and meet you face to face so that the matter could be settled once and for **.....**.

(a) everything (b) now (c) then (d) all

Q3 **.....** I should have checked first since when I reached the shop I was led to believe that you were out for the day.

(a) Admittedly (b) Admitting (c) Confessing (d) Allowing

Q4 Throughout this time of course I have been without the **.....** of a washing machine

(a) faculty (b) facility (c) ability (d) control

Q5 and have had to use the local **.....**.

(a) launder (b) laundering (c) launderette (d) launderer

Q6 From the end of May until August I have been away on business and was surprised that **.....** that period

(a) while (b) attending (c) from (d) during

Q7 no effort has been made to write to me and keep me **.....** to date.

(a) on (b) up (c) in (d) over

Q8 Since returning in September I have made at least a dozen phone calls and quite frankly I have reached the end of my **.....**.

(a) tether (b) line (c) string (d) cord

Q9 and must **.....** that you do something immediately to put the matter right.

(a) persist (b) resist (c) insist (d) desist

Q10 If I do not hear from you by the end of this week I shall be forced to **.....** legal advice.

(a) search (b) find (c) look (d) seek

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Retirement Plans

Q1	When Dad turned 50 we gave him a(n) **.....**-the-hill party.			
	(a) after	(b) top-of	(c) under	(d) over
Q2	Young workers should begin **.....** now in preparation for retirement.			
	(a) investing	(b) anticipating	(c) funding	(d) spending
Q3	**.....**, we have more than enough volunteers for the job.			
	(a) Serious	(b) Thankful	(c) Fortunately	(d) Scrumptiously
Q4	He threw away the yogurt because it was **.....** of date.			
	(a) past	(b) terrible	(c) more	(d) out
Q5	Talk to your insurance agency about the **.....** your plan provides.			
	(a) coverage	(b) information	(c) premium	(d) equity
Q6	Consumers are constantly **.....** with pleas to buy products that they 'can't live without'.			
	(a) bombed	(b) bombarded	(c) bombarding	(d) bombards
Q7	She is very **.....** in everything she does.			
	(a) cultivate	(b) engagement	(c) inspire	(d) meticulous
Q8	Gas prices are at an all-time **.....**.			
	(a) interest	(b) high	(c) expensive	(d) rise
Q9	Analysts said the acquisition would **.....** earnings.			
	(a) boost	(b) gain	(c) range	(d) rise
Q10	Fire code regulations **.....** that fire extinguishers be placed strategically throughout the building.			
	(a) renounce	(b) refrain	(c) recall	(d) require

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Daily Business Activities

Q1	My **.....** went very well. I think I will get the job.			
	(a) interview	(b) interstate	(c) invitation	(d) inspection
Q2	She likes your **.....** of writing.			
	(a) jester	(b) paper	(c) test	(d) style
Q3	There is a water **.....** in the hallway next to the bathroom.			
	(a) tube	(b) spout	(c) hole	(d) fountain
Q4	This report is **.....** next week.			
	(a) give	(b) due	(c) expect	(d) date
Q5	I cannot print the flyers because the **.....** is out of paper.			
	(a) printer	(b) impression	(c) vending	(d) impersonator
Q6	We normally serve five hundred **.....** every day.			
	(a) customs	(b) customers	(c) consumers	(d) commuters
Q7	At the annual picnic we will be **.....** hotdogs and chicken.			
	(a) serving	(b) picketing	(c) holding	(d) rendering
Q8	From time **.....** time the inspector comes to make sure that everything meets health standards.			
	(a) in	(b) and	(c) to	(d) for
Q9	The bigger they are the harder they **.....**.			
	(a) cry	(b) hit	(c) drop	(d) fall
Q10	Do you keep your files in your desk **.....**?			
	(a) envelope	(b) drawer	(c) pocket	(d) leg

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Faxes

Q1 Our fax machine is **.....**; could you please mail us a copy instead?

(a) under (b) over (c) down (d) downward

Q2 Did you receive the fax I **.....** you this morning?

(a) mailed (b) sent (c) e-mailed (d) gave

Q3 I did not receive your fax. Are you sure you **.....** the right number?

(a) typed (b) pushed (c) touched (d) dialed

Q4 The **.....** should note who the fax is to, who it is from, the fax number, the number of pages and what the fax is regarding.

(a) cover sheet (b) item page (c) message page (d) blank sheet

Q5 Load all documents to be faxed **.....** up in the fax tray.

(a) face (b) top (c) head (d) foot

Q6 Always write a short **.....** to explain what the fax is for and who it should go to.

(a) memory (b) memo (c) observation (d) announcement

Q7 I prefer e-mail **.....** fax machines because it is so much less complicated.

(a) instead (b) than (c) to (d) of

Q8 I would rather just send e-mails **.....** because it is easier.

(a) from now after (b) from now and forward
(c) from now and later (d) from now on

Q9 If you want to submit a document that contains a **.....**, a fax might be better than an e-mail.

(a) sign (b) signature (c) handwriting (d) signet

Q10 Push the start button to send the fax, then watch to make sure the paper **.....** through right and does not get crumpled up.

(a) slides (b) moves (c) feeds (d) passes

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Placing an order via phone

Q1	Receptionist 1: Thank you for calling ABC Inc., this is Mary. How may I **.....** your call?			
	(a) send	(b) drive	(c) pass	(d) direct
Q2	Phil: Could you **.....** to accounting, please?			
	(a) put me through	(b) put me on	(c) put me out	(d) put me in
Q3	Receptionist 1: One **.....**, please.			
	(a) instant	(b) jiffy	(c) flash	(d) moment
Q4	Receptionist 2: Thank you for calling Friendly Neighbors! **.....** can I help you today?			
	(a) Who	(b) Why	(c) What	(d) How
Q5	Fred: May I **.....** with the supervisor of international affairs please?			
	(a) talk	(b) speak	(c) chat	(d) holler
Q6	Receptionist 2: I'm sorry, sir, he's unavailable right now. Would you like me to **.....** you to his voicemail?			
	(a) shift	(b) relocate	(c) transfer	(d) pass
Q7	Fred: No thank you. I'll **.....** again later.			
	(a) be	(b) try	(c) come	(d) attempt
Q8	To-go specialist: Thank you for calling Motzeralla's 'To-go'. **.....** Amy. How can I help you?			
	(a) I am	(b) Here is	(c) My name is	(d) This is
Q9	Nick: I'd like to **.....** a to-go order.			
	(a) make	(b) do	(c) place	(d) deliver
Q10	To-go specialist: What can I **.....** for you today, sir?			
	(a) get	(b) buy	(c) make	(d) order

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'Will' and 'Living Will'

Q1 A **.....** will is a legal document that informs the doctor of what care you would like to receive in specific situations.

(a) legal (b) dying (c) living (d) final

Q2 A(n) **.....** is a legal declaration that states how people want their belongings to be disposed of after their death.

(a) will (b) living will (c) estate insurance (d) contract

Q3 Because there is always **.....** between "will" and "living will", many states have adopted the names "health care directive" or "advanced health care directive" for "living will".

(a) mistakes (b) confusion (c) tidiness (d) lucidity

Q4 **.....** planning is the general planning of an individual's wealth, along with the arrangements for his will and taxes after his death.

(a) Life (b) Will (c) State (d) Estate

Q5 Neither will or living will can be replaced by the other. A(n) **.....** estate plan will contain both of these documents.

(a) incomplete (b) thorough (c) deficient (d) inadequate

Q6 When people want secure health protection, they get **.....** insurance. This will assure them proper medical care when they need treatment for an illness or preservation of their mental or physical well-being.

(a) mortgage (b) obituary (c) health (d) retirement

Q7 If you don't have a will and you die, your estate will be **.....** according to a strict legal formula that may cause a troublesome dispute over your belongings.

(a) disposed (b) accumulated (c) displaced (d) disarranged

Q8 Although some do, it is not advisable for couples to write **.....** wills for two reasons: it is only effective after both spouses die, and it cannot be changed when one of them is dead.

(a) joint (b) separate (c) single (d) widowed

Q9 It is necessary for two witnesses who are not **.....** of the will to be present when an individual signs his will.

(a) relatives (b) donors (c) predecessors (d) beneficiaries

Q10 For a will to be properly **.....** it must be signed.

(a) unfulfilled (b) executed (c) sketchy (d) read

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Ways of commenting

Q1 If you want my honest opinion, I thought the play was **.....**.

(a) litter (b) dust (c) waste (d) rubbish

Q2 It was quite a good film but I thought the characters were a bit like **.....**.

(a) paper (b) cardboard (c) plastic (d) material

Q3 It's quite a nice car but there was not very much **.....** in the back.

(a) area (b) limit (c) room (d) fullness

Q4 She's pleasant enough but not very pretty. In fact I'd say she was rather **.....**.

(a) plain (b) straight (c) simple (d) casual

Q5 The first time you see the view you can't believe it. It almost takes your breath **.....**.

(a) out (b) over (c) under (d) away

Q6 I sat through the concert feeling really bored and sleepy and had to stop myself from **.....** several times.

(a) gaping (b) yawning (c) stretching (d) crying

Q7 It was one of the most embarrassing moments of my life and I just wanted the ground to **.....** up and swallow me.

(a) ease (b) throe (c) open (d) crack

Q8 In my opinion no one in their right mind would ever go and pay to see a play **.....** that.

(a) as (b) same (c) more (d) like

Q9 The room was good, the bed was comfortable and the service was excellent but the hotel food left a lot to be **.....**.

(a) required (b) desired (c) demanded (d) included

Q10 To be perfectly honest with you I think that this is the best test I've ever taken in my entire **.....**.

(a) life (b) days (c) duration (d) stay

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Ways of disapproving

Q1 There is no way that I can agree to you **.....** early today.

(a) submitting (b) renouncing (c) leaving (d) departing

Q2 I must object and make it clear that I am totally **.....** any measures that suggest changes to the original scheme.

(a) up (b) without (c) against (d) off

Q3 He has the **.....** of always rejecting any idea that will change the current arrangements.

(a) habit (b) custom (c) task (d) job

Q4 I cannot condone that sort of **.....** in my establishment and would ask you to remember that in future.

(a) routine (b) manners (c) going (d) behaviour

Q5 I have no choice really but to turn **.....** your recent proposal because it is completely unworkable.

(a) off (b) over (c) down (d) across

Q6 They can't possibly go **.....** with your suggestions because it will involve too much expenditure.

(a) over (b) along (c) in (d) above

Q7 Quite honestly I'd have to be out of my **.....** to sanction what is a crazy proposition.

(a) sense (b) balance (c) thought (d) mind

Q8 When her father discovered that his daughter wanted to marry a pop singer, he decided to put every **.....** in their way to prevent the marriage.

(a) obstacle (b) burden (c) impediment (d) problem

Q9 He told me there was definitely no **.....** that I would pass my examination until I did some work.

(a) occasion (b) chance (c) opportunity (d) time

Q10 You could tell by the **.....** he refused to smile that he didn't like the story.

(a) method (b) plan (c) way (d) path

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Ways of greeting

Q1	Great to see you again. I haven't seen you **.....** ages.			
	(a) by	(b) from	(c) of	(d) for
Q2	Welcome to our house. Come in and make yourself **.....**.			
	(a) comfortable	(b) easy	(c) relaxing	(d) comforting
Q3	How do you do? I don't think we've met **.....**.			
	(a) after	(b) since	(c) then	(d) before
Q4	Hi Mary. Where have you been **.....** yourself all this time?			
	(a) discovering	(b) hiding	(c) finding	(d) looking
Q5	Good morning, sir. I hope you will have an enjoyable **.....** in our hotel.			
	(a) stay	(b) halt	(c) stop	(d) sojourn
Q6	Good evening to you all. Let me find you a(n) **.....** near the window.			
	(a) corner	(b) angle	(c) table	(d) part
Q7	How are you, David? I must **.....** you're looking very well.			
	(a) declare	(b) recite	(c) state	(d) admit
Q8	Hello there. I just don't believe it. You haven't changed a **.....** since we last met.			
	(a) bit	(b) piece	(c) little	(d) section
Q9	Ah, you must be Mary's husband. Do come in and **.....** everyone.			
	(a) see	(b) look	(c) find	(d) meet
Q10	Here you are at last! I hope your **.....** here wasn't too horrible.			
	(a) travel	(b) journey	(c) trip	(d) voyage

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Answers Index

Ways of saying goodbye

Q1	I'm afraid it's **.....** we left.			
	(a) occasion	(b) time	(c) opportunity	(d) hour
Q2	If you don't **.....**, I think we'll be cutting along.			
	(a) care	(b) think	(c) believe	(d) mind
Q3	I'll be seeing you then in due **.....**.			
	(a) path	(b) direction	(c) course	(d) route
Q4	Well, as they say all good things come to an **.....**.			
	(a) end	(b) conclusion	(c) finale	(d) finality
Q5	Thank you so much for **.....** us you must come to us next time.			
	(a) taking	(b) getting	(c) making	(d) having
Q6	Good bye then and **.....** me to all your family.			
	(a) remind	(b) remember	(c) recall	(d) repeat
Q7	If we don't leave now I'm afraid we'll **.....** the last train.			
	(a) forget	(b) fail	(c) miss	(d) turn
Q8	It's been great meeting up again and we mustn't **.....** it so long next time.			
	(a) leave	(b) take	(c) wait	(d) lose
Q9	Looks **.....** we ought to be going really as it's got so late.			
	(a) as	(b) like	(c) when	(d) for
Q10	Well, there's **.....** for it but simply to wish you well and say goodbye.			
	(a) something	(b) everything	(c) anything	(d) nothing

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Answers Index

Ways of approving

Q1	I'm quite happy to support you in your **.....** for a loan.			
	(a) subscription	(b) indication	(c) application	(d) abdication
Q2	I must admit I think your idea is well **.....** considering.			
	(a) valuable	(b) worthy	(c) value	(d) worth
Q3	I shall certainly recommend your **.....** for improving safety in the work place.			
	(a) proposal	(b) preference	(c) preferment	(d) proponent
Q4	You can **.....** on me for support when the next election comes up.			
	(a) number	(b) count	(c) account	(d) detail
Q5	I would **.....** like to endorse your scheme for saving water.			
	(a) full heartedly	(b) open heartedly	(c) wholeheartedly	(d) complete heartedly
Q6	The local council has approved the plans for **.....** their house.			
	(a) developing	(b) lengthening	(c) widening	(d) extending
Q7	You can **.....** on me to support you when the matter is discussed at the next meeting.			
	(a) rely	(b) trust	(c) believe	(d) follow
Q8	His choice of a new wife **.....** with his parents' approval.			
	(a) struck	(b) met	(c) hit	(d) fell
Q9	They all promised they would stand **.....** him when he put forward the idea of a strike.			
	(a) on	(b) to	(c) by	(d) through
Q10	The meeting unanimously supported the chairman when he suggested that they **.....** the meeting.			
	(a) shut	(b) finalise	(c) stop	(d) close

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Answers Index

Ways of showing pleasure

Q1	Now that's what I call absolutely **.....**.			
	(a) perfect	(b) finished	(c) completed	(d) ended
Q2	You couldn't have made that drink better if you'd **.....**.			
	(a) tested	(b) trailed	(c) required	(d) tried
Q3	What a delightful **.....** those flowers give off when you touch them.			
	(a) bloom	(b) colour	(c) scent	(d) smell
Q4	Words just **.....** me when I try to say how happy I am.			
	(a) fail	(b) miss	(c) pass	(d) fool
Q5	I can **.....** say that I don't think I've ever enjoyed myself so much before.			
	(a) surely	(b) safely	(c) clearly	(d) notably
Q6	There's really nothing like it, is there, when you find you've **.....** all the answers to the test right?			
	(a) found	(b) seen	(c) acquired	(d) got
Q7	The only problem with your cooking is that the more I eat, the more I want **.....** more.			
	(a) any	(b) all	(c) some	(d) no
Q8	I must be **.....** because it's all too good to be true.			
	(a) thinking	(b) dreaming	(c) sleeping	(d) dozing
Q9	Just let me try one more of your delicious chocolates and then I'll **.....** not to take any more.			
	(a) promise	(b) assure	(c) confirm	(d) affirm
Q10	It's absolute **.....** here. I think I'll stay at this hotel one more week.			
	(a) clarity	(b) certainty	(c) bliss	(d) fortune

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Answers Index

Ways of showing anger

Q1	I've had just as much as I can **.....** from you.			
	(a) find	(b) lean	(c) stomach	(d) point
Q2	You do that again and I'll **.....** your head off.			
	(a) consume	(b) devour	(c) munch	(d) bite
Q3	I'm sorry but I can't take any more. I'm afraid I've reached **.....** point.			
	(a) screaming	(b) crying	(c) howling	(d) shouting
Q4	You just **.....** touch that piece of paper and I'll kill you.			
	(a) attempt	(b) dare	(c) try	(d) endeavour
Q5	How many more times do I have to **.....** it to you, stupid?			
	(a) restrain	(b) render	(c) repeat	(d) resign
Q6	I know you find this highly amusing but to me it's no **.....** matter.			
	(a) chortling	(b) chuckling	(c) grinning	(d) laughing
Q7	I'm warning you. I can take just that much and **.....** more.			
	(a) any	(b) no	(c) some	(d) enough
Q8	Everybody just get **.....** of my way and leave me alone.			
	(a) out	(b) off	(c) with	(d) over
Q9	Not another word from either of you. That's **.....**.			
	(a) conclusive	(b) final	(c) ending	(d) concluded
Q10	Right. I'm leaving. You can do whatever you like. I couldn't care **.....**.			
	(a) more	(b) lesser	(c) least	(d) less

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Answers Index

Ways of thanking

Q1	Words can't possibly **.....** how grateful I am for what you have done.			
	(a) detail	(b) delineate	(c) underline	(d) express
Q2	Thank you so much for helping me. I really **.....** it.			
	(a) accept	(b) agree	(c) appreciate	(d) deserve
Q3	A thousand thanks for all your hard work. I shall never **.....** it.			
	(a) forego	(b) forget	(c) foretell	(d) forbid
Q4	They showed their great gratitude by sending us a large **.....** of money.			
	(a) sum	(b) packet	(c) box	(d) bundle
Q5	Thank you for all you've done from the **.....** of my heart.			
	(a) base	(b) foundation	(c) end	(d) bottom
Q6	I'm sending this bunch of flowers as a small **.....** of my thanks and appreciation.			
	(a) piece	(b) token	(c) counter	(d) emblem
Q7	How can I **.....** thank you enough for all you've done?			
	(a) entirely	(b) probably	(c) possibly	(d) exactly
Q8	On the watch they gave him were the words: **.....** gratitude for 40 years loyal service.			
	(a) at	(b) of	(c) by	(d) in
Q9	It's very difficult for children to **.....** their gratitude for what their parents have done for them.			
	(a) show	(b) initiate	(c) enclose	(d) refer
Q10	Look upon this as a **.....** of thank you present for all your endeavours on our behalf.			
	(a) type	(b) sort	(c) sign	(d) species

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Answers Index

Ways of threatening

Q1	If I've **.....** you once, I've done it a hundred times. Don't do it!			
	(a) spoken	(b) said	(c) told	(d) mentioned
Q2	I'll give you just one more **.....** and after that, you'll be in real trouble.			
	(a) go	(b) occasion	(c) time	(d) chance
Q3	I'm telling you loud and **.....** that you really must get it right this time.			
	(a) bright	(b) clear	(c) simple	(d) obvious
Q4	She told him that if his manners didn't **.....**, he would be sent home.			
	(a) approve	(b) disprove	(c) disapprove	(d) improve
Q5	He agreed because he said it was like having a gun held to his **.....**.			
	(a) nose	(b) eye	(c) head	(d) foot
Q6	I'll lend you money for the very last time because after that you're on your **.....**.			
	(a) own	(b) self	(c) side	(d) back
Q7	I can't tell you how lucky you've been this time but just **.....** till next time.			
	(a) attend	(b) wait	(c) expect	(d) delay
Q8	I'm prepared to **.....** your mistake on this occasion but I can't ever do it again.			
	(a) oversee	(b) overtake	(c) overhear	(d) overlook
Q9	If you leave me now, you don't **.....** to come back.			
	(a) need	(b) require	(c) demand	(d) order
Q10	Let me put it simply one more incident like that and you're out on your **.....**!			
	(a) eye	(b) nose	(c) ear	(d) head

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How to make exclamations

Q1	What a wonderful day to see the mountains **.....**!			
	(a) off	(b) by	(c) on	(d) in
Q2	How stupid can I get! I **.....** my keys in the door overnight.			
	(a) forgot	(b) deserted	(c) traced	(d) left
Q3	For goodness sake stop **.....** about the weather! It'll stop raining soon.			
	(a) criticizing	(b) telling	(c) complaining	(d) calling
Q4	What on earth are you talking about? I can't make head or **.....** of it.			
	(a) tail	(b) end	(c) finish	(d) part
Q5	How nice of you to come all this **.....** just to wish me a happy birthday.			
	(a) path	(b) journey	(c) route	(d) way
Q6	What a disaster! I don't believe anything else could go **.....** now.			
	(a) off	(b) wrong	(c) incorrect	(d) false
Q7	Wow! You've certainly made a good **.....** of decorating this room.			
	(a) job	(b) work	(c) task	(d) duty
Q8	Well blow me down! I just can't believe I've actually **.....** my exam.			
	(a) succeeded	(b) passed	(c) caught	(d) tackled
Q9	You could have knocked me down with a feather! You mean to say he's **.....** cleaned my car.			
	(a) certainly	(b) surely	(c) naturally	(d) actually
Q10	I'll go to the foot of my stairs! It must be at **.....** 20 years since we last met.			
	(a) last	(b) length	(c) least	(d) end

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Answers Index

Ways of agreeing

Q1	I'm certainly **.....** you on that.			
	(a) on	(b) with	(c) by	(d) to
Q2	I'm of a **.....** mind on that, too.			
	(a) same	(b) identical	(c) parallel	(d) like
Q3	Yes, we definitely see eye **.....** eye on that one.			
	(a) for	(b) over	(c) to	(d) of
Q4	In that respect we are of **.....** mind on that.			
	(a) one	(b) single	(c) target	(d) absolute
Q5	I can't **.....** with that.			
	(a) question	(b) talk	(c) speak	(d) argue
Q6	Let's **.....** on that.			
	(a) control	(b) shake	(c) handle	(d) wave
Q7	There's only one word I can use now to show my agreement and that's — **.....**.			
	(a) follow	(b) execute	(c) deal	(d) hold
Q8	I'll **.....** that in writing to show my acceptance.			
	(a) confirm	(b) establish	(c) ground	(d) found
Q9	There's absolutely no doubt **.....** that you're right.			
	(a) howsoever	(b) whatsoever	(c) whosoever	(d) whichever
Q10	The **.....** seem eminently suitable to me.			
	(a) tendencies	(b) actualities	(c) events	(d) terms

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Answers Index

Ways of disagreeing

Q1	I'll have to **.....** company with you there, I'm afraid.			
	(a) separate	(b) divide	(c) part	(d) leave
Q2	There's no way I can **.....** that.			
	(a) incline	(b) consume	(c) indicate	(d) accept
Q3	We'll have to agree to **.....** over that.			
	(a) differ	(b) differentiate	(c) deny	(d) decide
Q4	Don't even think about it! I can't possibly take that on **.....**.			
	(a) deck	(b) place	(c) board	(d) position
Q5	No matter how **.....** you are, I won't change my mind.			
	(a) perceptive	(b) perverse	(c) pernicious	(d) persuasive
Q6	You can't talk until the **.....** come home. I won't accept that scheme.			
	(a) dogs	(b) cows	(c) cats	(d) hens
Q7	Sorry the subject is now **.....**.			
	(a) closed	(b) locked	(c) done	(d) completed
Q8	I regret I have no choice but to reject the plan out of **.....**.			
	(a) power	(b) court	(c) hand	(d) grip
Q9	No matter how much you object, I am **.....** I am right and you're wrong.			
	(a) convicted	(b) convinced	(c) conduced	(d) concerned
Q10	You might as well admit it! You haven't a **.....** to stand on.			
	(a) foot	(b) arm	(c) hand	(d) leg

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Expressions and phrases about money

Q1	My grandfather keeps all his money in a **.....** under his bed.			
	(a) cash dispenser	(b) cash machine	(c) cash box	(d) cashier
Q2	What's the **.....** of India?			
	(a) coin	(b) cash	(c) currency	(d) money
Q3	The president stated in the press conference that the **.....** situation was very serious.			
	(a) economical	(b) economy	(c) economic	(d) economist
Q4	I like horse racing, but I never **.....** any money. I think gambling is stupid.			
	(a) bet	(b) win	(c) lose	(d) earn
Q5	There's a **.....** at the bank if you need some money.			
	(a) credit card	(b) cheque	(c) cash machine	(d) currency
Q6	Alan's parents must be **.....**. They've just bought him a new car.			
	(a) penniless	(b) wealthy	(c) millionaire	(d) bankrupt
Q7	As my uncle's a(n) **.....**, he helps me manage my finances.			
	(a) actuary	(b) underwriter	(c) accountant	(d) millionaire
Q8	When my grandfather died, I discovered that he had left me some money in his **.....**.			
	(a) savings	(b) credit card	(c) will	(d) cash machine
Q9	At the end of each month, my employer pays my **.....** into the bank.			
	(a) savings	(b) funds	(c) salary	(d) finances
Q10	I'm **.....** at the moment. Can you lend me ten pounds until the weekend?			
	(a) bankrupt	(b) broke	(c) ruined	(d) insolvent

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Poverty in the US: living standards expressions

Q1 Poverty is a relative measure that depends on prices, the standard of living, and the **.....** that others earn.

(a) amounts (b) incomes (c) monies (d) pays

Q2 Poverty is a major problem in America, and one that is extremely difficult to **.....**.

(a) decide (b) resolve (c) determine (d) restore

Q3 Families and individuals are defined as living in **.....** if their incomes fall below certain levels.

(a) poor (b) poverty (c) scarcity (d) dearth

Q4 Poverty in the United States is more **.....** than most people realize.

(a) wide (b) ample (c) broad (d) extensive

Q5 One reason for the continued high poverty numbers is the growing gap in the **.....** of income.

(a) distribution (b) exchange (c) transmission (d) movement

Q6 Weekly **.....** tend to be lower for people employed in service industries.

(a) pay cuts (b) paychecks (c) payoffs (d) paycards

Q7 During the 1990s, salaries for highly skilled employees **.....**, while wages for those who are less skilled remained about the same.

(a) soared (b) flew (c) skimmed (d) took to the air

Q8 The decline of unions means that lower skilled workers have to work **.....** for less pay.

(a) somewhere (b) everywhere (c) elsewhere (d) nowhere

Q9 The shift from two-parent families to single-parent families and other non-family arrangements tends to **.....** average family income.

(a) slighter (b) smaller (c) lesser (d) lower

Q10 According to recent **.....**, nearly 35 million Americans live in poverty.

(a) quantities (b) statistics (c) numerals (d) amounts

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Dressing expressions

Q1 We choose to wear different outfits for different occasions, putting on jumpers and scarves when it is cold and **.....** smartly for formal events.

(a) dressing down (b) dressing gown (c) dressing up (d) dressing room

Q2 To French people, the American idea of **.....** looks like a homeless person who just finished his annual trip to the laundromat.

(a) dressing down (b) dressing up (c) dressing gown (d) dressing room

Q3 The New York Islanders' **.....** sustained severe damage when a sewage pipe burst at Nassau Coliseum.

(a) dressing gown (b) dressing up (c) dressing table (d) dressing room

Q4 My mother put on her **.....** and made herself some coffee.

(a) dressing up (b) dressing down (c) dressing gown (d) dressing room

Q5 I've witnessed an employee screaming at her manager in a store, another worker stomping out of a restaurant, and a boss **.....** an employee in a public place.

(a) dressing up (b) dressing down (c) dressing gown (d) dressing room

Q6 The **.....** is approximately 4 feet wide by 6 feet deep, and has a full length mirror attached to the inside of the door.

(a) dressing gown (b) dressing table (c) dressing room (d) dressing down

Q7 The door opened a few inches to reveal a beautiful woman wearing a red **.....**.

(a) dressing room (b) dressing down (c) dressing gown (d) dressing up

Q8 **.....** for work doesn't make you more productive on the job — but it does make you look and act more professional, and it upgrades your image in the eyes of others.

(a) Dressing down (b) Dressing gown (c) Dressing up (d) Dressing room

Q9 The Intelligent Dressing **.....** can scan your measurements and display on a projection screen how a particular item of clothing will look on you.

(a) Room (b) Table (c) Gown (d) Down

Q10 The Presidential suite features a combined sleeping/living area with two king-sized beds, a wardrobe and **.....** , a bathroom with separate shower, and floor-to-ceiling doors that open onto a private balcony.

(a) dressing gown (b) dressing table (c) dressing up (d) dressing down

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Retail Sales Phrases

Q1 Which of the following persons does not work at a shop? **.....**.

(a) A cashier (b) A shop-assistant (c) A window shopper (d) A sales clerk

Q2 Which of the following phrases is not a good way to greet a customer? **.....**

(a) Hi, what's going on today?
(b) Good afternoon, sir. May I help you?
(c) Good morning. What would you like, ma'am?
(d) Good morning. What can I do for you, ma'am?

Q3 Customer: "Excuse me. Could you tell me where the coffee is?" Sales clerk: "Certainly, it's in the next aisle opposite **.....** the bread."

(a) at (b) to (c) from (d) (none)

Q4 Customer: "Good morning. I need some tissues." Sales clerk: "Of course, how **.....** packets would you like?"

(a) many (b) lots of (c) much (d) plenty of

Q5 If you think this is too big, we have a **.....** size too.

(a) lesser (b) bigger (c) smaller (d) larger

Q6 You will find meat and sausages **.....** next door.

(a) by the butcher's (b) at the butcher's (c) for the butcher's (d) in the baker's

Q7 Which of the following phrases should NOT be used to say that a product is not available at the moment? **.....**

(a) I'm afraid it's currently out of stock.
(b) We don't have this.
(c) We can re-order it for you.
(d) I'm sorry. It's not availabe right now.

Q8 Customer: "Excuse me. When do you close today?" Sales clerk: "We close **.....** 10 o'clock."

(a) for (b) to (c) at (d) on

Q9 Would you like to pay cash or **.....** credit card?

(a) by (b) on (c) to (d) for

Q10 Thank you, here is your change and your **.....**.

(a) recipe (b) receipt (c) recheck (d) recline

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Code of Practice

Q1	The company had its own code of **.....** in these matters.			
	(a) behaviour	(b) practice	(c) dealing	(d) attitude
Q2	This is a **.....** example of what not to do.			
	(a) critical	(b) pure	(c) simple	(d) prime
Q3	Plans have already been drawn **.....** to deal with such situations.			
	(a) over	(b) through	(c) up	(d) into
Q4	Thousands of **.....** are already signing up for this new telephone service.			
	(a) individuals	(b) subscribers	(c) applicants	(d) interviewees
Q5	Job losses are mainly in the **.....** sectors of the industry.			
	(a) blue-collar	(b) red-collar	(c) stiff-collar	(d) high-collar
Q6	The circular will contain **.....** financial information to help investors.			
	(a) key	(b) obvious	(c) intelligent	(d) noted
Q7	The report is **.....** to show better than expected results.			
	(a) necessary	(b) possibly	(c) clearly	(d) likely
Q8	So many of these animals have been shot over the years that they are now classed as **.....** species.			
	(a) dangerous	(b) endangered	(c) unwanted	(d) limited
Q9	Some people are **.....** to learn a foreign language.			
	(a) unaccustomed	(b) shy	(c) reluctant	(d) inhibited
Q10	It was a big **.....** for her to give up her acting career to look after her family.			
	(a) trial	(b) sacrifice	(c) endeavour	(d) test

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Spin Doctors

Q1	Most of the money **.....** was donated to charity.			
	(a) raised	(b) gathered	(c) risen	(d) found
Q2	They are showing a **.....** of a 1930's musical at the Theatre Royal.			
	(a) resurrection	(b) revival	(c) retake	(d) repeat
Q3	When they had both retired, they **.....** in a small village by the sea.			
	(a) stop	(b) trial	(c) stopped	(d) settled
Q4	The students at this university are **.....** in blocks of flats on the campus.			
	(a) housed	(b) domiciled	(c) resident	(d) placed
Q5	I have no wish to have any **.....** with a firm like that.			
	(a) openings	(b) handling	(c) dealings	(d) contacts
Q6	Voters find it difficult to believe politicians because the latter use so many **.....** doctors.			
	(a) twist	(b) spin	(c) turn	(d) spinning
Q7	We are told there will be little economic **.....** this year.			
	(a) progress	(b) forwards	(c) movements	(d) progression
Q8	Unfortunately she has been given an **.....** task.			
	(a) insurmountable	(b) undeveloped	(c) inoperable	(d) unsolved
Q9	It is essential to have air **.....** in your car when you drive in a hot climate.			
	(a) control	(b) blowing	(c) conditioning	(d) cooling
Q10	Manufacturers are bringing **.....** a new range of computers this year.			
	(a) up	(b) out	(c) through	(d) across

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Credit Card Holders

Q1	The stock market has hit new **.....** this year.			
	(a) lows	(b) bottoms	(c) depths	(d) ends
Q2	The government has decided to hold an **.....** into the latest financial scandal.			
	(a) examination	(b) enquiry	(c) evaluation	(d) interpretation
Q3	The animal rights organisation has **.....** a new campaign to make people aware of cruelty to animals.			
	(a) launched	(b) pursued	(c) offered	(d) ejected
Q4	I was totally **.....** of the increased taxes.			
	(a) unknowing	(b) unclear	(c) incredulous	(d) unaware
Q5	The price of petrol has **.....** again.			
	(a) raised	(b) risen	(c) escalated	(d) ascended
Q6	The ordinary person is again being asked to **.....** to pay for dental treatment.			
	(a) stump up	(b) throw up	(c) cheer up	(d) bring up
Q7	This car is intended for the **.....** market only.			
	(a) internal	(b) external	(c) export	(d) outside
Q8	Credit card holders struggle very hard to **.....** the amount they owe.			
	(a) reduce	(b) deduct	(c) curtail	(d) shorten
Q9	This charity was set up to **.....** money for the poor.			
	(a) collect	(b) gather	(c) assemble	(d) convene
Q10	Everything **.....** all right in the end.			
	(a) happened	(b) occurred	(c) turned up	(d) turned out

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Job Interview

Q1	Tell us something about your **.....** in the engineering industry?			
	(a) foreground	(b) background	(c) knowledge	(d) history
Q2	I see from your **.....** form that you have had three different jobs in the last 5 years.			
	(a) apply	(b) applying	(c) applied	(d) application
Q3	What sort of **.....** of time would you stay with us if we offered you the job?			
	(a) span	(b) duration	(c) period	(d) long
Q4	Describe how you would describe **.....** in five years' time.			
	(a) you	(b) your	(c) yours	(d) yourself
Q5	Give us some idea of what you believe are your **.....** and weaknesses.			
	(a) strength	(b) strengths	(c) force	(d) forces
Q6	As this is a managerial post, we must ask you how you deal with bad **.....** keeping or unpunctuality in an employee.			
	(a) house	(b) space	(c) time	(d) record
Q7	Imagine one of your staff loses her temper and shouts at you in front of others, how would you **.....** with this?			
	(a) take	(b) do	(c) handle	(d) deal
Q8	What would you say to a member of your staff who always **.....** his work in late?			
	(a) delivered	(b) handed	(c) produced	(d) completed
Q9	I should explain that we would naturally **.....** any previous holiday arrangements you have made.			
	(a) believe	(b) show	(c) decide	(d) honour
Q10	Finally now that we've asked you several questions, do you want to **.....** any to us?			
	(a) place	(b) put	(c) offer	(d) consider

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Business

Q1 I was pleased to receive your response to my proposal but there are one or two points that need **.....**.

(a) notification (b) certification (c) clarification (d) signification

Q2 A report has just been **.....** that gives details of the causes of this trend towards informality in the business sector.

(a) published (b) directed (c) opened (d) held

Q3 According to the **.....** in the report it is clear that employees under the age of 35 prefer to dress casually at work.

(a) seeking (b) searching (c) findings (d) probing

Q4 Thirty years ago this kind of informality would not have been **.....**.

(a) withheld (b) endured (c) suffered (d) tolerated

Q5 All employees are kindly requested to **.....** from smoking in the presence of customers.

(a) stop (b) restrain (c) refrain (d) restrict

Q6 The meeting went on for three hours and as a result there was no time left to discuss all the topics on the **.....**.

(a) list (b) index (c) contents (d) agenda

Q7 There's really no point in hoping to add important topics right at the end of the meeting under the heading of any other **.....**.

(a) business (b) work (c) activity (d) tasks

Q8 The chairman was obliged to bring the meeting to a **.....** because a fire broke out in the adjoining room.

(a) cessation (b) standstill (c) stopping (d) halt

Q9 It is absolutely essential that the clerk takes care to **.....** any decisions that have been reached during the meeting.

(a) time (b) minute (c) detail (d) measure

Q10 As so few members had turned up at the meeting, it was decided to **.....** it until further notice.

(a) delay (b) wait (c) postpone (d) hold

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Finance (1)

Q1 The one big fear of all world economies is that of **.....**.

(a) regression (b) repression (c) recession (d) receding

Q2 You are never too young to start **.....** some money in a savings account.

(a) inputting (b) interesting (c) infusing (d) investing

Q3 If ever you find you have an unexpected expense, you can always **.....** some money from your savings.

(a) extract (b) exit (c) withhold (d) withdraw

Q4 At certain times of the year your shares will **.....** a good profit but you must also be prepared for them to go down in value.

(a) yield (b) take up (c) increase (d) throw up

Q5 You can **.....** the cost of insuring your car if you keep it in a garage.

(a) refine (b) drop (c) cut (d) slice

Q6 We got a very good **.....** when we bought that three piece suite for half its usual price.

(a) deal (b) dealing (c) dealer (d) dealt

Q7 Now that the summer has started, big department stores are hoping that sales of holiday items will **.....**.

(a) take on (b) take up (c) take off (d) take to

Q8 The two companies have decided to **.....** because they believe that their combined resources will produce greater profits.

(a) merge (b) double (c) mix (d) blend

Q9 When someone dies and their **.....** reach a certain figure, their family has to pay an additional tax.

(a) profits (b) wealth (c) assets (d) products

Q10 The loan you have taken out is for a **.....** term, which in your case is 5 years.

(a) steady (b) fixed (c) long (d) exact

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Finance (2)

Q1	When you go to an auction and you want to buy a particular item, you can simply make a **.....** for it.			
	(a) try	(b) test	(c) go	(d) bid
Q2	The larger company did not really want to join with the smaller one because it was more interested in a **.....**.			
	(a) turn over	(b) turn up	(c) overtaker	(d) takeover
Q3	**.....** on the stockmarket just before Christmas is usually very slow.			
	(a) Working	(b) Trading	(c) Pricing	(d) Adding
Q4	This sport centre has largely been **.....** by money that has come from the national lottery.			
	(a) founded	(b) found	(c) fined	(d) funded
Q5	The reason for the **.....** in the economy is because there is a great deal of uncertainty at the moment.			
	(a) slowness	(b) slowly	(c) slowdown	(d) slow
Q6	The **.....** in the market was seen as a positive sign that the recession was over.			
	(a) upturn	(b) upstart	(c) uptake	(d) upward
Q7	The **.....** books for manufacturers of small cars are now full following the rise in petrol.			
	(a) exercise	(b) order	(c) place	(d) trade
Q8	The future of his job was at **.....** when he made the decision to invest in new machinery.			
	(a) steak	(b) state	(c) stake	(d) stress
Q9	After their house had been **.....**, they decided to sell it and buy a bigger one.			
	(a) valued	(b) priced	(c) cost	(d) prized
Q10	Fifty people were made **.....** when the company suffered a severe financial shock.			
	(a) useless	(b) unwanted	(c) unneeded	(d) redundant

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Finance (3)

Q1 If you cannot get a job and remain **.....** for a long period, you can claim some money from the state.

(a) unengaged (b) unattached (c) unemployed (d) unused

Q2 The great thing about this guarantee is that there is never any doubt and there is no **.....** about getting your money back.

(a) squabble (b) argument (c) quibble (d) quarrel

Q3 There is a substantial **.....** between the money you have available and the amount you need to spend.

(a) shortdrop (b) shortfall (c) shortdown (d) shortslide

Q4 When you retire, you should get a pension and a **.....** sum from your employers.

(a) lump (b) block (c) pile (d) heap

Q5 **.....** are people who put money into a business in the hope of making a profit.

(a) Spenders (b) Borrowers (c) Lenders (d) Investors

Q6 When you take out a large loan over many years, you don't start paying off the **.....** for some time.

(a) main (b) chief (c) capital (d) bulk

Q7 We will make no **.....** for the catalogue, which you can take with our compliments.

(a) cost (b) debt (c) charge (d) payment

Q8 It may seem a long way into the future but in the end you will get some **.....** from your investment.

(a) produce (b) benefit (c) products (d) price

Q9 There is still an outstanding **.....** on that account, which must be paid in 30 days.

(a) balance (b) scale (c) difference (d) cost

Q10 Interest **.....** are at their lowest level since the 1950's.

(a) figures (b) rates (c) numbers (d) standards

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Money

Q1	It's useful when you go to an auction if you're ready with cash in **.....**.			
	(a) pocket	(b) purse	(c) case	(d) hand
Q2	I prefer to deal in **.....** cash rather than cheques.			
	(a) solid	(b) hard	(c) real	(d) actual
Q3	Every office has a certain amount of **.....** cash to pay for things like tea, coffee or stamps.			
	(a) small	(b) little	(c) tiny	(d) petty
Q4	At the moment we are experiencing some cash **.....** problems because little money is coming in.			
	(a) fly	(b) stream	(c) flow	(d) run
Q5	At the casino you can cash **.....** your chips at the desk.			
	(a) off	(b) out	(c) up	(d) in
Q6	Whatever she does, she just can't help **.....** money.			
	(a) doing	(b) making	(c) massing	(d) creating
Q7	There doesn't seem to be anyone working really hard for the business and yet they all seem to earn **.....** money.			
	(a) facile	(b) simple	(c) easy	(d) quick
Q8	If you don't want to use a cheque or postal order, you can always use a money **.....**.			
	(a) order	(b) command	(c) instruction	(d) directive
Q9	That new invention has been very successful and has proved to be a money **.....** for its creator.			
	(a) driver	(b) worker	(c) spinner	(d) turner
Q10	This machine is obviously useless and if I were you I'd get your money **.....**.			
	(a) back	(b) again	(c) return	(d) up

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Advertising

Q1	In order to make a sensible **.....** among the different vacuum cleaners available, it is important to do some research.			
	(a) comparing	(b) comparison	(c) compares	(d) comparative
Q2	The local department store has to make a sustained effort at this time of the year to **.....** customer demand for summer clothing.			
	(a) satisfy	(b) satisfaction	(c) satisfies	(d) satisfying
Q3	A good team leader must be able to **.....** his colleagues to face the challenge of a downturn in business.			
	(a) inspiring	(b) inspiration	(c) inspires	(d) inspire
Q4	The **.....** trend in children's desire to wear designer label clothes should be exploited.			
	(a) currant	(b) current	(c) occuring	(d) occured
Q5	You have to **.....** the public that it is in their own interest to read the instructions on all our medicines.			
	(a) convict	(b) conviction	(c) convince	(d) convincing
Q6	In order to survive in this business you must adopt a **.....** stance.			
	(a) competition	(b) competing	(c) competitor	(d) competitive
Q7	The **.....** of alcohol is not allowed in any of the company's premises in order to present a clean image.			
	(a) consumer	(b) consumption	(c) consuming	(d) consumes
Q8	When you are setting out to **.....** new customers in an advertisement, choose the right words.			
	(a) attraction	(b) attractive	(c) attract	(d) attracts
Q9	The really effective television commercial is the one that **.....** you of its authenticity.			
	(a) persuades	(b) persuasion	(c) persuasive	(d) persuading
Q10	I can strongly recommend this **.....** as the best available on the market today.			
	(a) producer	(b) product	(c) production	(d) produce

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At the Shops

Q1 We got there early so that we could get the best **.....** in the sale before anyone else.

(a) objects (b) products (c) bargains (d) offerings

Q2 If you **.....** with me, I'll go and see whether we have that in your size.

(a) hold (b) stay (c) bear (d) wait

Q3 The trouble with these huge superstores is that they don't have enough **.....** to deal with customers at busy times.

(a) barriers (b) sales points (c) exits (d) checkouts

Q4 It started off as a small street corner shop over 30 years ago but it has now **.....** into a massive department store.

(a) expanded (b) extended (c) explored (d) enlarged

Q5 Take a good look at the receipt when you leave so that you can see that all the **.....** have been listed.

(a) proceeds (b) items (c) products (d) produce

Q6 Whenever I go to the old part of a city, I like to **.....** all the shops selling antiques.

(a) examine (b) search (c) check (d) explore

Q7 Are you aware of the latest **.....** in children's clothing?

(a) tendency (b) trend (c) custom (d) habit

Q8 They're quite **.....** in their policy of not giving refunds without a receipt in this store.

(a) severe (b) strong (c) strict (d) hard

Q9 They have a **.....** restriction in the shop with regard to the number of items of clothing that you can try on at one time.

(a) legal (b) reasonable (c) required (d) mandatory

Q10 The extent of the **.....** available in this one store is more than you can possibly imagine.

(a) merchandise (b) objects (c) produce (d) articles

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At the Computer

Q1 Without the right software I'm afraid you can't **.....** that particular program.

(a) reach (b) access (c) obtain (d) find

Q2 The aim of the office manager is to **.....** enough room on the building plans so that each employee can have space for a personal computer.

(a) arrange (b) accord (c) allocate (d) organize

Q3 Remember that before you leave your workstation, always **.....** your computer.

(a) shut out (b) shut up (c) shut in (d) shut down

Q4 It's quite easy if you want to find folders and files on the computer, all you do is click here and it immediately starts **.....**.

(a) seeking (b) searching (c) looking (d) checking

Q5 I have tried and tried again and again and no matter what I do it still shows "error" — I just can't **.....** what's wrong.

(a) look out (b) check out (c) figure out (d) bring out

Q6 I spent hours writing that report and checking all the information was correct and then without thinking I pressed the **.....** button.

(a) 'destroy' (b) 'delete' (c) 'deface' (d) 'deny'

Q7 It's a really clever piece of software because it enables you to **.....** on your screen all the information in columns.

(a) illustrate (b) depict (c) display (d) delineate

Q8 Unfortunately this program is not **.....** with the operating system on my computer.

(a) amicable (b) compatible (c) adaptable (d) amenable

Q9 When you see that particular symbol on the screen, you have to take that as a **.....** that something is wrong.

(a) indicating (b) checking (c) briefing (d) warning

Q10 With this program you can always check your spelling and grammar and if you don't want to accept what it shows, you simply press **.....**.

(a) 'ignore' (b) 'quit' (c) 'leave' (d) 'forget'

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Money Matters (1)

Q1 Even after their recent heavy expenses, they still found there was a healthy **.....** in their bank account.

(a) rest (b) remainder (c) balance (d) basis

Q2 As the builder wanted cash for the work he had done, she had to go to the bank personally to **.....** the money herself.

(a) take off (b) take out (c) take over (d) take in

Q3 It was considered a very good time to apply for a **.....** to buy the house because interest rates were very low.

(a) pledge (b) promise (c) mortgage (d) borrowing

Q4 Before they could borrow a large sum of money to buy the house, they had to make sure they had enough money to be able to make a **.....** payment.

(a) down (b) through (c) low (d) base

Q5 All the **.....** you make on your internet account are recorded so that you can check the details at any time.

(a) movements (b) deals (c) activities (d) transactions

Q6 I'm afraid this cheque will be of no value until you have put your **.....** on it.

(a) signature (b) signs (c) signing (d) signed

Q7 The bank refused to **.....** the money order because the customer had no proof of identity.

(a) receive (b) take (c) accept (d) enter

Q8 Under the rules laid down by the bank there is a **.....** on the amount of money you can get out from a cash machine in any one day.

(a) limiting (b) restriction (c) restricting (d) limitation

Q9 The bank clerk at the counter did not know the customer and in view of the large amount of money involved was naturally **.....** about paying out the sum on the cheque.

(a) concerned (b) careful (c) conscious (d) cautious

Q10 The bank will simply not let you **.....** any money unless you can prove that you have been in regular employment for at least three years.

(a) lend (b) loan (c) borrow (d) remove

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Money Matters (2)

Q1 Good **.....** procedures are very important if you want to run a business profitably and successfully.

(a) accounted (b) accounting (c) accounts (d) accountants

Q2 The company fell heavily into **.....** when it took on too many customers and offered them all cheap warranties.

(a) debt (b) debts (c) owing (d) owes

Q3 Once you have built up your company, you must remember to keep in touch with your original **.....**.

(a) people (b) contributors (c) clients (d) members

Q4 Each department within the organisation is given a **.....** within which it has to remain for the whole year.

(a) sum (b) money (c) dividend (d) budget

Q5 When the time came to close the business down, its entire **.....** had to be calculated so that the creditors could be paid off.

(a) earnings (b) assets (c) accumulation (d) asset

Q6 The manager called in her chief clerk because she could not **.....** the figures on the monthly spreadsheet.

(a) acquaint (b) resolve (c) reconcile (d) recognize

Q7 Every year the college finance officer did not look forward to the visit from the government official who came to **.....** the accounts.

(a) order (b) regulate (c) control (d) audit

Q8 It was a great relief to Charlie when he realized that he had come to the end of his agreement with the bank and there was only one **.....** payment left.

(a) extraordinary (b) upstanding (c) outstanding (d) standing

Q9 The building society sent a letter to all its savers and **.....** that there would be a reduction in the interest rate.

(a) lenders (b) borrowers (c) loans (d) takers

Q10 Shortly after the couple had bought their first house, they saw the number of bills **.....** rapidly.

(a) accentuate (b) aggravate (c) accumulate (d) access

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Money Matters (3)

Q1 The representative of the financial consultants assured her that the policy of the firm was that of complete **.....**.

(a) destiny (b) devotion (c) commitment (d) attention

Q2 There is no need to worry about the money side of the project because **.....** are available from the charity sponsoring us.

(a) foundations (b) funds (c) findings (d) finds

Q3 The present finance minister has adopted a very **.....** approach towards change and always follows a very cautious policy.

(a) concerned (b) considering (c) concerning (d) conservative

Q4 As all advisers always do, she stressed that investing in this particular market had to be considered as a **.....** commitment over at least 10 years.

(a) elongated (b) lengthy (c) long-term (d) longing

Q5 The best way to develop an income for the future is to invest in a series of companies and in that way to build up a **.....**.

(a) suitcase (b) portfolio (c) folder (d) briefcase

Q6 I strongly recommend investing in these shares because you will get a very good **.....** after only a few years.

(a) reward (b) reprise (c) return (d) response

Q7 The question is whether it is **.....** to sell up all your shares at this stage rather than wait to see how the market is next year.

(a) wisdom (b) wise (c) wisely (d) wisest

Q8 There is no question that the most important **.....** in that company is its youthful enthusiasm.

(a) resort (b) resorted (c) resource (d) resorting

Q9 If you want to make a good job of selling shares to the public, you must have an element of **.....** in your approach.

(a) attacking (b) aggression (c) fighting (d) invasion

Q10 It's a personal matter whether you choose stock from this company or from that because in the end it's an **.....** of mind.

(a) advance (b) approach (c) attitude (d) angle

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Answers Index

Money Matters (4)

Q1 There is one date you mustn't forget and that's the **.....** for sending in details of your earnings to the tax office.

(a) headline (b) deadline (c) mainline (d) offline

Q2 If you are self-employed, you must make sure that you **.....** the form indicating how much you have earned.

(a) fill up (b) fill through (c) fill out (d) fill on

Q3 If the department agrees that you have paid too much tax in the year, you will receive a **.....** in due course.

(a) return (b) reply (c) response (d) refund

Q4 Each month when you receive your pay, the employer **.....** a certain amount to pay towards your pension.

(a) withholds (b) withstands (c) withdraws (d) without

Q5 When you take out a loan, you have to pay interest on the amount you **.....**.

(a) own (b) lend (c) owe (d) take

Q6 In the tax office there will be a **.....** that holds all the documents and papers connected with you.

(a) file (b) box (c) book (d) container

Q7 There is quite a heavy financial **.....** attached to any action that involves late payment of taxes.

(a) punishment (b) pain (c) restriction (d) penalty

Q8 Under the new regulations you can agree yourself to **.....** the tax you have to pay on the income over the previous year.

(a) figure (b) calculate (c) add (d) amount

Q9 As the couple had a **.....** account, the money to pay the mortgage was taken from there.

(a) joint (b) united (c) unified (d) joined

Q10 You can decide, if you so wish, to **.....** your right to take your pension at an earlier date.

(a) give in (b) give up (c) give out (d) give off

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Quality Control

Q1 The reason why I always buy my clothes at this store is because all the **.....** they sell are of very high quality.

(a) types (b) species (c) brands (d) standards

Q2 Before these articles leave the factory to be forwarded to the retailer, each one is thoroughly **.....**.

(a) seen (b) looked at (c) appraised (d) inspected

Q3 The advantages of working for this company is that all employees **.....** themselves as a member of the team.

(a) believe (b) think (c) perceive (d) hold

Q4 If for any reason customers do not like the item they have bought, they always **.....** and get a refund.

(a) hold it back (b) take it back (c) keep it back (d) give it back

Q5 The great thing about this particular material is that however much you screw it up, it never **.....**.

(a) wrinkles (b) twists (c) turns (d) folds

Q6 The company insists that all their products are **.....** in respect of their quality, specification and look.

(a) actual (b) identity (c) typical (d) uniform

Q7 This is the department for children's clothes and each **.....** is marked with the recommended age range.

(a) cloth (b) garment (c) clothing (d) clothe

Q8 The sole purpose of this jacket is to **.....** water and if you wear it in the rain and still get wet, it's useless.

(a) reject (b) repulse (c) repel (d) return

Q9 The whole look of the shop front is **.....** by the introduction of bright colours.

(a) engrossed (b) enlarged (c) enveloped (d) enhanced

Q10 These pots are being sold as seconds because each one has a slight **.....** in the glaze.

(a) defect (b) mistake (c) error (d) faulting

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Product Improvement

Q1 Before the product is put on the market, the company must **.....** whether it complies with safety standards.

(a) ask (b) calculate (c) ascertain (d) argue

Q2 It is absolutely essential to do some thorough **.....** before you even think of putting a new product on the market.

(a) revision (b) research (c) repeat (d) return

Q3 You have a **.....** to the public to ensure your toy products are suitable for children to play with.

(a) responsibility (b) concern (c) attitude (d) behaviour

Q4 The company is busy trying to **.....** the problems arising from the sudden drop in sales of their cosmetic products.

(a) answer (b) solve (c) discover (d) dissolve

Q5 The job of the **.....** of this particular section is to train the members to deal politely with any complaints from the public.

(a) controller (b) organizer (c) supervisor (d) governor

Q6 Inspiration has its place in any form of product development but at the same time you also need to adopt some kind of **.....** approach.

(a) systematic (b) thematic (c) automatic (d) emblematic

Q7 A **.....** approach to new ideas is to be welcomed but you do need a strong element of imagination as well.

(a) physical (b) fundamental (c) judgmental (d) logical

Q8 Since 1993 or if you like within the last **.....**, there have been many products that have failed because of poor marketing.

(a) period (b) decade (c) scale (d) time

Q9 We would definitely like to **.....** the proposal you have presented to us with a view to including it in our current range of products.

(a) discover (b) uncover (c) examine (d) reflect

Q10 As we have enough money in our present budget, we are happy to launch this new product in the nature of an **.....**.

(a) enterprise (b) experiment (c) undertaking (d) exception

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Employment and Training

Q1 We're paying for a stand at the new industrial exhibition with a view to **.....** interest among potential employees in our company.

(a) generalizing (b) generating (c) germinating (d) gesticulating

Q2 For the first three months of your employment with the firm you will be under the care of a **.....**.

(a) minor (b) monitor (c) mender (d) mentor

Q3 Although she was very tempted to accept the job she was offered, she had to **.....** the offer because the salary would have been insufficient.

(a) return (b) reject (c) refuse (d) repeat

Q4 A university education is of course important but it is essential that all employees undergo a period of intensive **.....**.

(a) preparation (b) concentration (c) training (d) learning

Q5 A newsletter is sent out every ten days to all the staff so that they receive a regular **.....** on recent appointments.

(a) update (b) dating (c) dates (d) dated

Q6 Part of the ongoing training is to ensure that a regular time and place are **.....** for department heads to meet their staff.

(a) placed by (b) put on (c) set up (d) set off

Q7 The head of department acknowledged that the **.....** of the section was largely due to high quality support staff.

(a) success (b) progress (c) business (d) future

Q8 The pace of change in that industry is so fast that staff find it hard to **.....** the latest developments.

(a) hold on to (b) keep on to (c) hold up with (d) keep up with

Q9 It is the policy of the company to **.....** all interviews for new recruits with a member of the trade union present.

(a) control (b) conduct (c) convene (d) confirm

Q10 In view of the excessive workload you have at the moment I won't expect you to keep **.....** during the next few days.

(a) on line (b) on road (c) on track (d) on path

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Agreements

Q1 The contract was signed by the three partners who thus agreed to **.....** by terms and conditions contained in it.

(a) follow (b) adhere (c) abide (d) stick

Q2 There was nothing in the contract that **.....** who would be responsible in the event that one of the partners became seriously ill.

(a) pointed (b) specified (c) printed (d) developed

Q3 An independent adviser was called in after the collapse of the company to **.....** some of the issues that were not clear.

(a) result (b) retake (c) restrain (d) resolve

Q4 One of the **.....** mentioned in the original agreement has decided that she does not want to continue with the profit-sharing scheme.

(a) partakers (b) participants (c) particles (d) parties

Q5 In view of the serious problems associated with the takeover the newspaper company has decided to **.....** its offer of financial help.

(a) throw (b) reject (c) cancel (d) deter

Q6 The main problem was that the newly formed organisation was not attracting enough work and so they decided to **.....** the services of a public relations expert.

(a) call (b) engage (c) enter (d) register

Q7 That company has been in business for over 100 years and in fact was **.....** in 1899.

(a) grounded (b) established (c) found (d) invented

Q8 After the complaint had been received from the customer about poor service, she was given a written **.....** that the matter would be put right.

(a) paper (b) insurance (c) assurance (d) conviction

Q9 They were very careful to make sure in the original agreement that **.....** would be made to pay for staff redundancies.

(a) foresight (b) forecast (c) providing (d) provision

Q10 We decided to employ a solicitor who would be able to **.....** the extent of our liability in this matter.

(a) decipher (b) decide (c) defer (d) determine

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Super Supermarkets

Q1 If you ask someone for their **.....** on supermarkets as opposed to the small corner shop, you will get varying replies.

(a) standing (b) stand (c) stance (d) status

Q2 The first question you have to ask is who are the customers that they are each trying to **.....**.

(a) target (b) hit (c) aim (d) deliver

Q3 When you tell the inhabitants of a small village that the little local store is going to close, many will express **.....**.

(a) dispute (b) disdain (c) dislike (d) dismay

Q4 There will naturally be **.....** in the various sections of the community as to the benefits or disadvantages of losing the little store.

(a) cuts (b) splits (c) slices (d) pieces

Q5 Of course we all get **.....** with endless leaflets through the door telling us of bargains at the local supermarket.

(a) plagued (b) attacked (c) stormed (d) bothered

Q6 Big discussions take place in the area as to whether a supermarket will come to the area and waiting for the outcome can be quite **.....** for the small shop owner.

(a) nerve killing (b) nerve hurting (c) nerve racking (d) nerve splitting

Q7 Inquiries are held which seem to go on forever and you only wish that the procedure could be **.....**.

(a) speeded through (b) speeded along (c) speeded up (d) speeded in

Q8 Protest meetings are held but invariably they end in a **.....** because they are not organized properly.

(a) disgrace (b) shambles (c) chaos (d) fall

Q9 Then the final result is announced that there is to be a **.....** between EASISHOP and GOSHOP, which will then become a super supermarket.

(a) joiner (b) combine (c) link (d) merger

Q10 The confused customer is now in a terrible **.....** because in the old days there was just one brand of butter to buy and now there is a choice of 24.

(a) distress (b) disturb (c) dilemma (d) disturbance

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Are You in Debt?

Q1 Going on a spending **.....** with your credit card and no concern about how you pay back the money you borrow, is a growing habit these days.

(a) burst (b) spree (c) flight (d) day

Q2 There is a popular demand for the system that allows credit companies to offer unlimited credit to young people to be **.....**.

(a) overhauled (b) overseen (c) overlooked (d) overtaken

Q3 It has been **.....** by a government agency that the percentage of under 25 year olds owing large sums to companies is on the increase.

(a) distinguished (b) deciphered (c) dissolved (d) disclosed

Q4 One director of a major credit company has already been forced to **.....** because of the bad publicity his company has attracted.

(a) step over (b) step through (c) step down (d) step out

Q5 One solution that has been suggested to control credit is to **.....** the regulations to make it more difficult to get credit in the first place.

(a) step under (b) step up (c) step by (d) step across

Q6 The main problem is that a debt **.....** has developed recently believing that it is cool to owe large sums of money.

(a) cultivation (b) cult (c) cultivate (d) culture

Q7 Recent reports have **.....** that being in debt is not now looked upon as a disgrace but rather as an attractive way of life.

(a) revealed (b) restored (c) replied (d) responded

Q8 In reality it's a very long **.....** to get from owing to paying off all your debts.

(a) hail (b) halt (c) haul (d) help

Q9 There are frequently **.....** in the family home between parents and children about whether you should enter into credit agreements.

(a) collisions (b) clashes (c) claims (d) crashes

Q10 What concerns people most are the mounting **.....** among governments that it will take at least a generation for us to be rid of excessive debt.

(a) frights (b) fearful (c) fears (d) afraid

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Guarantees and Warranties

Q1 If you go to an unauthorized garage to have your car serviced, the **.....** is that your warranty will be invalid.

(a) consequence (b) conduct (c) convenience (d) consideration

Q2 The guarantee, as I understood it, **.....** that everything was covered.

(a) inferred (b) implied (c) imputed (d) involved

Q3 I regret to inform you that as your guarantee **.....** last week, we can't help you.

(a) died (b) deceased (c) expired (d) extinguished

Q4 A warranty is to be looked on as a sort of **.....** between the manufacturer and you.

(a) privilege (b) practice (c) printout (d) promise

Q5 Sometimes people don't bother about guarantees because the **.....** of the manufacturer is enough for them.

(a) repute (b) reputed (c) reputedly (d) reputation

Q6 Certain warranties **.....** the purchaser to have the item serviced at regular intervals.

(a) remand (b) repeat (c) require (d) retain

Q7 You will find that such warranties are not worth buying because the cover provided is **.....** not worth the extra expense.

(a) famously (b) frequently (c) fervently (d) freely

Q8 This kind of legislation is in existence to **.....** the customer from worthless warranties.

(a) provide (b) protect (c) please (d) pacify

Q9 You sometimes have to **.....** very seriously whether to buy a second hand car which has no guarantee.

(a) consider (b) contend (c) contain (d) convince

Q10 Sometimes you get a one year warranty, a two year one or even a six month one — they all **.....**.

(a) various (b) variable (c) variety (d) vary

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At the Office (1)

Q1 Concern was expressed by the office manager that the company would buy an **.....** financial package.

(a) agreeable (b) affordable (c) absolute (d) actual

Q2 The main **.....** of stationery for the office suddenly announced there would be an overall increase in their prices.

(a) provision (b) producer (c) provisional (d) provider

Q3 The chief administrative officer disliked lack of attention to detail and insisted that such mistakes should never **.....**.

(a) recur (b) repeat (c) retake (d) refer

Q4 Once again the company has had to make a **.....** in the number of office staff to try and recoup their losses.

(a) reducing (b) reduction (c) reduce (d) reduces

Q5 The **.....** of zip discs in the office is running dangerously low.

(a) share (b) state (c) stock (d) selection

Q6 If the managers want to stay employed, they will have to learn how to stay on **.....** of their jobs.

(a) summit (b) top (c) head (d) line

Q7 It's not worth paying for an annual service when you can simply call the supplier on an as-**.....** basis.

(a) needed (b) noted (c) called (d) told

Q8 The new office manager will be in **.....** of all the IT requirements that the company uses.

(a) use (b) mind (c) case (d) charge

Q9 Currently there is a shortage of clerical staff but it is hoped that by the end of the year they will be up to full **.....**.

(a) capability (b) capacity (c) control (d) capable

Q10 Staff are always encouraged to work by themselves and whenever they meet a problem, they should use their own **.....**.

(a) initiative (b) interest (c) involvement (d) initial

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At the Office (2)

Q1 On her retirement she was given a substantial cheque in **.....** of all the work she had done over the last 20 years.

(a) respect (b) thought (c) appreciation (d) belief

Q2 Having attended the office procedures course all employees were expected to **.....** what they had learned and introduce it into their daily routine.

(a) reinforce (b) respond (c) react (d) resource

Q3 Visiting clients had commented on the casual dress **.....** of most of the clerical staff.

(a) manner (b) method (c) feature (d) code

Q4 The **.....** of staff doing physical exercises before the start of the day is well established in Japanese companies.

(a) practical (b) practicality (c) practice (d) practically

Q5 There is a lengthy procedure used in this office for staff who have produced shoddy work and it begins with a **.....** warning.

(a) wordy (b) verbal (c) worded (d) verbose

Q6 There was no fixed agenda for that particular day as it was to be regarded simply as a **.....** meeting.

(a) possible (b) probable (c) unplanned (d) casual

Q7 At the interview all the candidates were shown round the building but could only really catch a **.....** of the sort of work being carried out.

(a) look (b) view (c) glimpse (d) picture

Q8 They really need to keep a check on the stationery supplies as they've run **.....** A4 paper once again.

(a) in to (b) up for (c) out of (d) up to

Q9 Managers prefer to select people who have been **.....** to many different types of office environments.

(a) devoted (b) exposed (c) opened (d) experienced

Q10 A troubleshooter was brought into the office from another firm to get rid of some very **.....** procedures.

(a) outdated (b) completed (c) finished (d) ended

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Legal Expressions

Q1 If you drive faster than the stated speed limit, you are simply **.....** the law.

(a) turning (b) snapping (c) holding (d) breaking

Q2 However angry you may get at what someone has done to you, the police always advise you not to take the law into your own **.....**.

(a) fingers (b) hands (c) mind (d) control

Q3 In London in any underground station it is **.....** the law to smoke.

(a) by (b) for (c) through (d) against

Q4 Even if you think you may have got away with a crime, in most cases the long **.....** of the law will catch you.

(a) arm (b) feel (c) stretch (d) reach

Q5 In that particular industry everyone has to look after themselves because the law of the **.....** rules.

(a) animals (b) zoo (c) jungle (d) forest

Q6 They have no respect for modern conventions and do exactly what they want — they are a law **.....** themselves.

(a) unto (b) into (c) outside (d) across

Q7 Her parents are very strict and frequently **.....** down the law about the way she behaves.

(a) lie (b) lies (c) lay (d) lays

Q8 Although technically his judgement was not according to the **.....** of the law, most people thought the judge was right to let the man go free.

(a) print (b) number (c) point (d) letter

Q9 I get the impression sometimes that she thinks she can never do anything wrong almost as if she is **.....** the law.

(a) above (b) over (c) superior (d) higher

Q10 All governments want people to live in peace and comfort and so they try to promote a sense of law and **.....**.

(a) ease (b) order (c) correct (d) structure

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Invoices

Q1	There is an additional **.....** added to the price of the product if you want to have it delivered to your house.			
	(a) figure	(b) charge	(c) number	(d) charging
Q2	You should have read the **.....** of payment as soon as you received the invoice for the goods.			
	(a) reasons	(b) types	(c) lists	(d) terms
Q3	In order to cut down the expenses of compiling and sending out the invoices, you need to employ an **.....** administrator.			
	(a) officious	(b) effecting	(c) efficient	(d) affected
Q4	It's always a good idea to get an **.....** of what the cost of the work will be before the invoice lands on your doormat.			
	(a) interest	(b) estimate	(c) esteem	(d) actual
Q5	I do like to get a **.....** reply to my letters especially when they are referring to the amount of money I'm supposed to be paying.			
	(a) prompt	(b) private	(c) promoted	(d) prominent
Q6	Just as we were about to leave the restaurant, the waiter came running up to apologize there had been a **.....** in the bill.			
	(a) error	(b) trip	(c) mistake	(d) damage
Q7	The company were very quick to point out it was their fault we had been sent the wrong invoice and they **.....** it immediately.			
	(a) correct	(b) rectified	(c) stamped	(d) righted
Q8	In view of our previous orders over the last year we were offered a 10% **.....** on any future dealings.			
	(a) discord	(b) dispute	(c) dislike	(d) discount
Q9	He appreciated the additional welcome and help he received from the department store staff as he had after all been a longstanding **.....**.			
	(a) customer	(b) courier	(c) courtier	(d) custom
Q10	She got quite angry about the size of the invoice until it was pointed out that it was the government who **.....** the value added tax.			
	(a) insisted	(b) imposed	(c) inserted	(d) indented

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Taxes

Q1 If you are self-employed, it is your responsibility to **.....** how much tax you should legally pay.

(a) consider (b) complete (c) correct (d) calculate

Q2 I had a letter from the office of the Collector of Taxes telling me that I had to pay back all the money I **.....** over the last 3 years.

(a) due (b) indebted (c) owed (d) owned

Q3 The arrangement they have is that all the money that has to be paid in tax out of their earnings comes from their **.....** account.

(a) joined (b) conjoined (c) joined up (d) joint

Q4 Under the current legislation if you are late in paying your taxes, then you have to face a financial **.....**.

(a) penalty (b) punishment (c) pain (d) penalize

Q5 He is in a terrible rush to complete his tax returns by Tuesday otherwise he won't be able to reach the **.....**.

(a) dead end (b) deadline (c) dead date (d) dead stop

Q6 It doesn't happen very often but I actually got some money from the tax office and with the **.....** I'm going to treat myself.

(a) remake (b) repeat (c) refund (d) respite

Q7 Before you can claim any money back on overpayment of tax, you have to **.....** an application form.

(a) fill for (b) fill out (c) fill through (d) fill with

Q8 You can elect, if you want, to transfer your tax free allowance to your **.....**.

(a) spouse (b) sponsor (c) spook (d) spokesperson

Q9 Until it's clearly established which tax group you are in, your employer will be asked to **.....** a certain amount of your pay.

(a) withstand (b) without (c) withhold (d) withal

Q10 There have been so many queries about his tax situation that there is now a huge **.....** containing the details in the office.

(a) full (b) filled (c) filling (d) file

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Finance

Q1	It's a gamble at the moment whether the company will make profit in its second year but that nevertheless is the **.....** aim.			
	(a) wanted	(b) wished	(c) desired	(d) needed
Q2	Each year the Chancellor of the Exchequer stands up in the House of Commons and gives a **.....** of what is seen as the economic outlook for the country.			
	(a) forecast	(b) foretell	(c) foresee	(d) forego
Q3	I think that your financial optimism is not really justified and you should adopt a more **.....** attitude.			
	(a) really	(b) realize	(c) reality	(d) realistic
Q4	If you want to increase sales of a particular product, you must be sure that you are **.....** the right customers.			
	(a) aiming	(b) directing	(c) targeting	(d) guiding
Q5	The idea caught on very quickly and people were queuing up to buy the goods so that year the company's investment **.....** substantial profits.			
	(a) confirmed	(b) yielded	(c) harvested	(d) maintained
Q6	**.....** it has not been a bad year as our costs are well down on last year's.			
	(a) Overall	(b) Largely	(c) Mainly	(d) Quite
Q7	Managers complained bitterly at the Annual General Meeting that **.....** of production had dropped to an all time low.			
	(a) signs	(b) indications	(c) types	(d) levels
Q8	You have to accept that this kind of expenditure is quite **.....** in an enterprise of this kind.			
	(a) general	(b) typical	(c) formal	(d) correct
Q9	The figures that have just been published by the company's accountants will give management some kind of **.....** on how sales are going.			
	(a) prospective	(b) perception	(c) perusal	(d) perspective
Q10	Whenever a member of staff makes a claim for travel expenses, they have to provide a **.....** account of their journeys.			
	(a) detailed	(b) dedicated	(c) descriptive	(d) described

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Interviews and Jobs

Q1 One of the most important qualities which the panel is looking for in a candidate is the **.....** to work with others.

(a) ease (b) case (c) power (d) ability

Q2 Once the applications have been looked at the usual procedure for the panel is to follow **.....** the references of those candidates who have been shortlisted.

(a) across (b) in (c) up (d) along

Q3 They were so impressed with the way she reacted to their questions that they didn't **.....** to offer her the job.

(a) delay (b) hesitate (c) waiver (d) dither

Q4 As this job was of a very specialist nature an **.....** was invited to join the interview panel.

(a) expert (b) exponent (c) exhibitor (d) expedient

Q5 After the interview one of the candidates **.....** phoned the office to see whether he had been successful.

(a) always (b) ever (c) constantly (d) competently

Q6 She was in such a state of extreme nervousness when she was **.....** for the interview that she burst into tears.

(a) called on (b) called in (c) called over (d) called off

Q7 From the point of view of relevant **.....** she was the ideal candidate at least on paper.

(a) reference (b) history (c) family (d) background

Q8 It is absolutely essential in an interview to give the impression at least that you are full of **.....**.

(a) concern (b) continuity (c) confidence (d) confirmation

Q9 One of the most popular questions asked of interviewees is to explain their strengths and **.....**.

(a) weaknesses (b) varieties (c) virtues (d) variables

Q10 Each candidate was asked to **.....** a short account of how they saw the future of the company.

(a) display (b) present (c) show (d) demonstrate

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Working Well

Q1	The boss was appointed in the hope that she would be able to **.....** results.			
	(a) find	(b) seek	(c) achieve	(d) manage
Q2	In the very beginning she had a meeting with all the staff, which turned out to be extremely **.....**.			
	(a) productive	(b) producing	(c) produced	(d) production
Q3	Although many people wanted to remain **.....** to her predecessor, they soon started to respect her style of managment.			
	(a) trusting	(b) believing	(c) attached	(d) loyal
Q4	At the first series of interviews the question was whether to appoint a newcomer or **.....** a current employee.			
	(a) project	(b) promote	(c) proffer	(d) protect
Q5	The decision was finally taken that appointments should be based purely and simply on **.....**.			
	(a) marvel	(b) mandate	(c) merit	(d) mastery
Q6	There was a new spirit in the company and for the first time in ages staff at last felt they were being **.....**.			
	(a) valued	(b) valuable	(c) valuing	(d) valid
Q7	Employees were beginning to receive **.....** for the hard work that they had been doing.			
	(a) respect	(b) referral	(c) recognized	(d) recognition
Q8	It soon became apparent that under the new management people were also starting to **.....** some of their free time to the company.			
	(a) donate	(b) deliver	(c) contribute	(d) convert
Q9	Some of the longest serving staff actually looked **.....** to coming into work.			
	(a) on	(b) about	(c) through	(d) forward
Q10	At the end of her first year it was **.....** to everyone that as the new boss she had been totally accepted.			
	(a) obvious	(b) granted	(c) taken	(d) thought

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Pay and Allowances

Q1 On the **.....** of her ten years' service she immediately qualified for the extended annual leave of six weeks.

(a) base (b) basis (c) ground (d) foundation

Q2 Although he knew it was a sensitive subject, his boss had to ask him the **.....** question about his drink problem.

(a) sincere (b) fragile (c) breakable (d) delicate

Q3 At the interview each applicant was able to **.....** the level of remuneration they would be expecting to receive.

(a) negotiate (b) demonstrate (c) apply (d) dispute

Q4 Under the new **.....** arrangements coming into force soon all employees can decide what time to start and when to finish.

(a) malleable (b) shaped (c) flexible (d) bending

Q5 According to the contract you are not **.....** for the new allowance until you have been with the company one year.

(a) allowed (b) illegible (c) selectable (d) eligible

Q6 The only way you can hope to **.....** the level of your pay is to take on greater responsibility.

(a) rise (b) raise (c) arise (d) raze

Q7 She is trying to get some form of **.....** to make up for the poor working conditions she had to put up with for all those years.

(a) cooperation (b) confirmation (c) compensation (d) consideration

Q8 Of course there is a little extra added to your salary because you will **.....** from the inner city allowance.

(a) increase (b) benefit (c) grow (d) develop

Q9 The hourly **.....** for all part time clerical assistants has gone up by 40% since 2000.

(a) wage (b) validity (c) recompense (d) value

Q10 Remember when you stop work and **.....**, you will be able to receive the company pension.

(a) return (b) retreat (c) respite (d) retire

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Internet Business (1)

Q1 One of the great advantages of using the Internet is that people can **.....** more quickly.

(a) interfere (b) interrupt (c) intervene (d) interact

Q2 It's no good spending a small fortune on new IT equipment as it's more cost **.....** to hire it.

(a) affective (b) addictive (c) effective (d) reductive

Q3 One of the fashionable ways of saying you've been sacked is to say that your company is **.....**sizing but you've still lost your job.

(a) down (b) cut (c) out (d) through

Q4 The important thing to realise is that your service is not a little island on its own because all the services in this company are **.....**connected.

(a) in (b) inter (c) out (d) across

Q5 Whereas ten years ago we only dealt with customers in this country nowadays we are truly **.....** with branches all over the world.

(a) worldly (b) mondial (c) globular (d) global

Q6 One of the most successful tools in your organisation is that of good **.....** because everybody knows what's going on.

(a) communication (b) concentration (c) contemplation (d) consideration

Q7 Let me just **.....** what we have agreed in the agenda so far if nobody minds me going over it all again.

(a) restore (b) retake (c) recap (d) redo

Q8 You have to realise that not all your clients can reach you online because they don't have **.....** to a computer.

(a) address (b) access (c) acceptance (d) approach

Q9 There are times when you have to force yourself to improve your performance and that's simply called self-**.....**.

(a) movement (b) mastery (c) manifestation (d) motivation

Q10 You must think big in this business and not just think short **.....** but what you hope to do in ten years' time.

(a) term (b) period (c) length (d) time

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Internet Business (2)

Q1 It's all very well having a dream or an idea but you must know where you're going and what your **.....** is.

(a) terminus (b) terminal (c) goal (d) tendency

Q2 Her job in the company was to sort out the relevant information thereby **.....** it so that only appropriate material was sent to her directors.

(a) draining (b) filtering (c) cleaning (d) dredging

Q3 She told him to stop wasting time by coming up with tried and tested ideas and in this way simply re-inventing the **.....**.

(a) circle (b) round (c) curve (d) wheel

Q4 The product had been on the market for some years and was selling well but somehow the image was in need of a face lift or **.....**.

(a) enhancement (b) enthusiasm (c) endeavour (d) enticement

Q5 In the hope of finding fresh ideas he used the internet to help him by using as many search **.....** as he could discover.

(a) gangways (b) portals (c) doorways (d) passages

Q6 You must increase the sale of this commodity by trying to interest a different age range and by **.....** into their society.

(a) dripping (b) floating (c) tapping (d) sailing

Q7 You'll never make any more money or **.....** new income if you keep using that unimaginative marketing logo.

(a) generate (b) generalize (c) germinate (d) engender

Q8 Now that you've explained the scope and **.....** of the market, we are very keen to inject some money into your project.

(a) measurement (b) distance (c) width (d) dimension

Q9 There is always a risk in any business **.....** when your scheme is based on an entirely new concept.

(a) venture (b) journey (c) adventure (d) voyage

Q10 Get in there first and don't hesitate to act as the boss and take the **.....**.

(a) place (b) lead (c) leading (d) leader

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Verbal Communication Skills

Q1 Remember that this happened first and was **.....** to the episode that happened afterwards.

(a) before (b) since (c) prior (d) previous

Q2 As the police saw the accident themselves, the driver avoided the **.....** of having to give a detailed report.

(a) need (b) requirement (c) indictment (d) necessity

Q3 It's a complete waste of time **.....** over who was to blame, the main thing we have to do is decide what to do next.

(a) arguing (b) discussing (c) repeating (d) considering

Q4 It was easy to realise why the machine had stopped working since it was a direct **.....** of his failure to maintain it.

(a) complement (b) concern (c) consequence (d) conviction

Q5 I am completely confused as to why she did it and so it's not **.....** to imagine why other people are mystified, too.

(a) definite (b) difficult (c) debatable (d) decided

Q6 If you want to try and influence that political party it's best to become a member yourself and then you can argue from the **.....**.

(a) entrance (b) beginning (c) side (d) inside

Q7 I have great **.....** for them at this time because I have had a similar experience.

(a) sincerity (b) sympathy (c) sorrow (d) sadness

Q8 Feel free to visit anything of interest to you in the exhibition and also you can **.....** of any of the refreshments available.

(a) retake (b) undertake (c) partake (d) intake

Q9 Many of the people in the crowd were visibly crying because they all **.....** with those who had lost relatives in the disaster.

(a) resented (b) regretted (c) rejoined (d) sympathized

Q10 I assure you that you will have no problem with the task because it's as easy **.....** can be.

(a) as (b) than (c) and (d) it

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Answers Index

Corporate Policy (1)

Q1	Since last year my workload has increased **.....**.			
	(a) considerable	(b) considerably	(c) considered	(d) consider
Q2	The ability to present your thoughts in an organized **.....** is critical.			
	(a) box	(b) time	(c) manner	(d) concentration
Q3	The company has **.....** several new policies recently.			
	(a) implemented	(b) driven	(c) overtaken	(d) understood
Q4	She provided the judge with **.....** evidence in support of the case.			
	(a) concrete	(b) wooden	(c) athletic	(d) doomed
Q5	He is paid a **.....** rather than by the hour.			
	(a) degree	(b) percent	(c) wage	(d) salary
Q6	The job **.....** seems to be improving.			
	(a) fence	(b) allowance	(c) market	(d) cruise
Q7	Your resume needs **.....** work.			
	(a) many	(b) lot	(c) a	(d) some
Q8	The operation is currently **.....** some vast changes.			
	(a) undergoing	(b) under coming	(c) over going	(d) overcome
Q9	Working as a team will better enable the company to **.....** its goals.			
	(a) stretch	(b) remove	(c) reach	(d) take
Q10	Who is in charge **.....** negotiations?			
	(a) from	(b) of	(c) to	(d) with

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Answers Index

Corporate Policy (2)

Q1	She is **.....** with having to do 2 people's jobs.			
	(a) tired	(b) tiring	(c) feel down	(d) fed up
Q2	Being a mother **.....** 3 and working full-time was too much.			
	(a) with	(b) at	(c) of	(d) for
Q3	He works 6 days **.....** week.			
	(a) a	(b) to	(c) of	(d) from
Q4	It's the **.....** of a lifetime.			
	(a) opportunity	(b) compensation	(c) immersion	(d) details
Q5	The left-overs each night are donated to a **.....** organization that feeds the homeless.			
	(a) no money	(b) unprofitable	(c) profitless	(d) nonprofit
Q6	It is very important that the review is turned **.....** by the deadline.			
	(a) over	(b) up	(c) in	(d) through
Q7	Beginning in October we will **.....** each employee's past performance.			
	(a) evaluate	(b) elevate	(c) educate	(d) integrate
Q8	People tend to gravitate **.....** others who are the most like themselves.			
	(a) over	(b) with	(c) toward	(d) like
Q9	The owners are discussing how they can cut costs without lowering salaries or **.....** off employees.			
	(a) cutting	(b) laying	(c) dumping	(d) firing
Q10	You are the **.....** helpful person I have met.			
	(a) greater	(b) better	(c) biggest	(d) most

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Answers Index

Corporate Policy (3)

Q1 A suck-up is someone who is **.....** their superior in an attempt to gain favor.

(a) willing to cheat (b) overly nice to (c) mean to (d) always avoiding

Q2 Another name similar to a suck-up is a **.....**-noser.

(a) stiff (b) big (c) brown (d) green

Q3 Our **.....** income is at least six-digits.

(a) annual (b) allocated (c) proverbial (d) year

Q4 You should solicit and utilize feedback on all of your **.....**.

(a) encasements (b) emulision (c) elation (d) endeavors

Q5 He must master an **.....** of technical skills.

(a) array (b) arrow (c) accord (d) aridity

Q6 It is crucial that we do not **.....** the momentum of the up-and-coming generation of workforce.

(a) strive (b) stifle (c) stockade (d) suture

Q7 Let your creative juices **.....**.

(a) run (b) collaborate (c) solidify (d) flow

Q8 You may need to **.....** some of your phrasing because some of these sentences are redundant.

(a) altar (b) alter (c) alternate (d) allocate

Q9 She implied her notable **.....** for her opponent by wrinkling her nose upon his arrival.

(a) un-tastiness (b) tastelessness (c) distaste (d) distress

Q10 The new supervisor has **.....** the company with some exceptionally enlightening new ways of thinking.

(a) furnished (b) attained (c) undergone (d) retired

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Behaviour Guidline

Q1	Your reputation **.....** you.			
	(a) processes	(b) precedes	(c) protrudes	(d) predicates
Q2	Their vast efforts were **.....** in the end.			
	(a) predilections	(b) penchant	(c) biased	(d) thwarted
Q3	The corporate disorganization was really only a **.....** of the director's indecisiveness.			
	(a) by-product	(b) anti-progression	(c) sensation	(d) co-operative
Q4	She strode **.....** through the crowd.			
	(a) chaotic	(b) hastily	(c) confusion	(d) bewilderment
Q5	The condescending manner in which he addresses his employees is incredibly **.....**.			
	(a) demonstrative	(b) disclaiming	(c) degrading	(d) demoting
Q6	If an employee's performance is not up to par and the same is either unable or unwilling to change, a **.....** change may be necessary.			
	(a) personnel	(b) personal	(c) personified	(d) person's
Q7	No one can **.....** liking her because she is so warm and pleasant.			
	(a) stand	(b) anticipate	(c) aid	(d) help
Q8	Engaging in gossip is a highly **.....** act.			
	(a) distasteful	(b) untasty	(c) tasteless	(d) bland
Q9	All loitering is strictly prohibited on the **.....**.			
	(a) possessions	(b) pertinence	(c) promises	(d) premises
Q10	We must start from 'ground **.....**'.			
	(a) 3	(b) 0	(c) 100	(d) 1

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How to assess employees

Q1	His **.....** was entirely ambiguous.			
	(a) dilapidation	(b) denoting	(c) depiction	(d) defamation
Q2	Giving extravagantly to causes in which you believe is remarkably **.....**.			
	(a) commending	(b) commendable	(c) convenient	(d) conventional
Q3	Diversity is **.....** as important as continuity.			
	(a) just	(b) equal	(c) like	(d) similar
Q4	Our office is a bustling **.....** of activity.			
	(a) hull	(b) hood	(c) hag	(d) hub
Q5	He gave us little to no indication **.....** his whereabouts.			
	(a) as of	(b) so as to	(c) as to	(d) as from
Q6	The athletic abilities of the circus performers was nothing short of **.....**.			
	(a) emphatic	(b) phenomenal	(c) exegetical	(d) documental
Q7	Virtually every assignment will require an **.....** of creativity.			
	(a) ailment	(b) element	(c) alignment	(d) eliminate
Q8	He was contemplating **.....** a new technique.			
	(a) devising	(b) deviding	(c) despising	(d) deviating
Q9	The industry is on the **.....** of a colossal expansion.			
	(a) verse	(b) vermin	(c) volition	(d) verge
Q10	While certain tasks may be somewhat **.....**, nevertheless the genuine exchange of information can occur.			
	(a) concocted	(b) conceived	(c) contrived	(d) conceeded

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Money Slang Expressions

Q1	Mary: Did you know there are **.....** of slang words for money, like bread for example?			
	(a) many	(b) piles	(c) loads	(d) buckets
Q2	John: I suppose there are when you **.....** to think about it — like dough, which is similar to your word bread.			
	(a) go	(b) follow	(c) take	(d) come
Q3	Mary: One of my **.....** is dosh. I like the sound of it.			
	(a) favourites	(b) collections	(c) favourable	(d) specials
Q4	John: Well if you're **.....** to sound. What about spondulicks?			
	(a) attending	(b) referring	(c) resorting	(d) trying
Q5	Mary: Yes, that's excellent. Another short sound that **.....** to me is brass.			
	(a) attracts	(b) adheres	(c) appeals	(d) attains
Q6	John: Another one that **.....** with jolly is the word lolly.			
	(a) sounds	(b) strikes	(c) hits	(d) rhymes
Q7	Mary: An expression which sounds very **.....** of course is filthy lucre.			
	(a) decadent	(b) down	(c) deep	(d) divisive
Q8	John: That's true and then there's that word that also has the same **.....** as something that's been stolen — loot.			
	(a) intention	(b) signification	(c) meaning	(d) sense
Q9	Mary: The one that sounds very grand because it in a way **.....** the fact that it means money and that's the wherewithal.			
	(a) protects	(b) hides	(c) places	(d) holds
Q10	John: Actually, I'm a little **.....** about this but I haven't any money to pay for the bus home. Do you think you could lend me some readies?			
	(a) awkward	(b) backward	(c) unused	(d) embarrassed

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Accounting terms

Q1 The customary manner in which a business analyzes and records its **.....** is by first entering them into a journal.

(a) transactions (b) communications (c) dealings (d) ventures

Q2 Journal entries are entered in **.....** order, meaning by date, with the earliest date first.

(a) sequential (b) numerical (c) chronological (d) successional

Q3 Once the transactions have been entered into the journal they are **.....** or transferred into their individual General Ledger accounts.

(a) noted (b) lifted (c) allocated (d) posted

Q4 All **.....** increase with a debit entry and decrease with a credit entry.

(a) advantages (b) associates (c) assets (d) assurances

Q5 Liabilities either have a credit or no **.....** at all.

(a) scale (b) balance (c) debit (d) debut

Q6 Capital accounts represent the owner's **.....** worth in the business.

(a) equity (b) value (c) hammock (d) net

Q7 **.....** accounts are accounts for your sources of business-generated income.

(a) liability (b) revenue (c) balance (d) drawing

Q8 The **.....** is the difference between what a business pays for an item wholesale and what the business sells it for retail.

(a) markup (b) makeup (c) makeshift (d) moreover

Q9 An accounts payable **.....** shows how much you owe each of your vendors.

(a) lecture (b) leeway (c) ledger (d) manual

Q10 Accounts **.....** shows how much money your customers owe you.

(a) incoming (b) receivable (c) obtainable (d) collectable

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Payroll policy in the USA

Q1 **.....** pay is what an employee earns before deductions.

(a) Net (b) Full (c) Gross (d) Complete

Q2 **.....** pay is what an employee actually receives after deductions.

(a) Net (b) Reduced (c) Final (d) Gross

Q3 An employee who is paid on **.....** receives the same pay each pay period no matter how many hours they work.

(a) commission (b) salary (c) overtime (d) wage

Q4 In the USA working over 40 hours per week is considered overtime. For each hour of overtime in the USA you receive your hourly **.....** multiplied time 1 1/2.

(a) money (b) dollars (c) wage (d) salary

Q5 The rates for overtime in the USA are generally known as **.....**.

(a) pay-plus-one-half (b) an hour and a half (c) hour plus half (d) time-and-a-half

Q6 Federal taxes and Social Security are both examples of standard **.....** from your paycheck.

(a) reduction (b) deductions (c) withdrawals (d) removals

Q7 In order to cash a check you must **.....** it, or in other words sign the back.

(a) endorse (b) stamp (c) write (d) balance

Q8 You record how much each of your employees should be paid in the **.....** account.

(a) employee pay (b) standard deductions (c) net pay (d) payroll

Q9 An **.....** check is one that you have written and deducted from your checkbook balance but has not yet cleared the bank.

(a) intermediate (b) overdue (c) outstanding (d) overdrawn

Q10 Books are all closed at the end of an accounting period. A more common term for an accounting period is a **.....** period.

(a) physical (b) fiscal (c) focal (d) foreclosed

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Job Interview Advice

Q1 When you go to a job interview, it is really important to dress **.....**.

(a) unequally (b) appropriately (c) sparingly (d) meagerly

Q2 When filling out an application, make sure you write your answers **.....**.

(a) mumbled (b) tongue-tied (c) intelligibly (d) hazily

Q3 Make sure you list your skills and experience that you believe will meet the **.....** of the employer.

(a) expectations (b) attention (c) carelessness (d) abstraction

Q4 In your job interview, don't complain about previous jobs or former **.....**.

(a) mayors (b) visitors (c) activists (d) employers

Q5 When answering questions to the employer, be confident and **.....** your words really well.

(a) stutter (b) articulate (c) dribble (d) mix up

Q6 Avoid **.....** clothing such as jeans, flip flops, sneakers, t-shirts, caps, etc.

(a) casual (b) dressy (c) formal (d) stylish

Q7 Bring as much information about yourself as you might need. On your **.....** make sure you include hobbies, volunteer work or anything that you've done that may pertain to that job.

(a) school transcript (b) college degree (c) resume (d) journal

Q8 It is usually really handy to have letters of **.....** from previous employers.

(a) demotion (b) recommendation (c) dismissal (d) declination

Q9 Hint: Fill out the job application first with a pencil then with a pen, so you don't have to use **.....**.

(a) white out (b) eraser (c) ruler (d) marker

Q10 If you don't remember some particular information about jobs you had in the past, feel free to ask the employer if you can take the application home so you can do some **.....**.

(a) synthesis (b) estimation (c) interpretation (d) research

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Dental Care Expressions

Q1 Most dentists are **.....** practitioners, which means they own their own business and work alone or with a small staff.

(a) lone (b) employed (c) solo (d) unemployed

Q2 Dentists sometimes perform corrective **.....** on gums and supporting bones to treat gum diseases.

(a) brushing (b) surgery (c) replacement (d) flossing

Q3 Dentists wear masks, gloves, and safety glasses to protect themselves and their patients from **.....**.

(a) infectious diseases (b) bad breath (c) bites (d) cavities

Q4 Orthodontists use braces or retainers to apply pressure to teeth in order **.....** them.

(a) to pluck (b) to misplace (c) to fill (d) to straighten

Q5 After finishing dental school, some people work together with established dentists as **.....** for a couple of years to build up experience and save money to equip an office of their own.

(a) receptionists (b) nurses (c) associates (d) members

Q6 As dental technology improves, dentists will be able to offer more **.....** treatment to their patients.

(a) destructive (b) effective (c) eruptive (d) affective

Q7 When dentists extract all of your teeth, they replace the missing teeth with **.....**.

(a) fillings (b) cavities (c) braces (d) dentures

Q8 Dentists use an assortment of **.....** like mouth mirrors, probes, forceps, brushes, and scalpels in their work.

(a) instruments (b) jumbles (c) retainers (d) performances

Q9 When decay or injuries **.....** the blood or nerve supply of your tooth, you need a Root Canal.

(a) brake (b) infect (c) sterilize (d) purify

Q10 Wisdom teeth are always the last to **.....**. They commonly appear around the ages 17 to 25.

(a) be born (b) increase (c) develop (d) conglomerate

Answers Index

Insurance Policy Vocabulary

Q1	I took out a life insurance **.....** with State Ranch Insurance Company last week.			
	(a) contract	(b) policy	(c) agreement	(d) deal
Q2	My insurance **.....** are only $70 per month.			
	(a) receipts	(b) fees	(c) premiums	(d) payings
Q3	In the event of my death, the **.....** will be my widow.			
	(a) recipient	(b) widow	(c) donor	(d) beneficiary
Q4	My insurance does not **.....** me if I commit suicide.			
	(a) collect	(b) cover	(c) console	(d) contribute
Q5	The amount of money that my wife will get has already been calculated by State Ranch's **.....**.			
	(a) manager	(b) archivist	(c) actuary	(d) agent
Q6	If I decide that I no longer need my insurance, I can cash it in for the amount of its **.....** value.			
	(a) rebate	(b) surrender	(c) discount	(d) return
Q7	Before I got the insurance, I had to receive a complete physical **.....**.			
	(a) investigation	(b) injection	(c) therapy	(d) examination
Q8	I am feeling great, because the doctor told me that I have a life **.....** of 82 years!			
	(a) length	(b) line	(c) expectancy	(d) experience
Q9	Even if I am late in paying, the insurance remains in effect for a **.....** period of 30 days.			
	(a) grace	(b) satisfaction	(c) long	(d) latent
Q10	The insurance is pretty expensive though: I am a policeman, so there are a lot of occupational **.....**.			
	(a) troubles	(b) involvements	(c) hazards	(d) duties

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Contracts and agreements

Q1 A contract is a **.....** agreement that is reached between two individuals or parties.

(a) bound (b) bounded (c) binding (d) boundary

Q2 A contract between an individual and his or her employer is for the services s/he will provide in exchange for getting **.....**.

(a) paid (b) serviced (c) employed (d) accrued

Q3 **.....** a rental agreement to live in an apartment for one year is a kind of contract.

(a) Writing (b) Sketching (c) Signing (d) Stamping

Q4 The tenant promises to pay a **.....** amount of rent, and in return, the realty agent promises to supply the accommodation.

(a) large (b) certain (c) sum (d) leased

Q5 A customer **.....** into a contract each time s/he makes a purchase.

(a) goes (b) joins (c) becomes (d) enters

Q6 A contract is initiated when a person makes an offer to buy something and the seller **.....** his or her offer.

(a) agrees (b) includes (c) accepts (d) signs

Q7 In order for a contract to be completed, something of **.....** needs to be exchanged.

(a) worth (b) value (c) goods (d) interest

Q8 A contract has been created when both the buyer and the seller have agreed that there will be some kind of **.....**.

(a) consideration (b) service (c) application (d) business

Q9 Any contract that is made to buy or sell something that is **.....** is not enforceable under law.

(a) illogical (b) illegible (c) illegal (d) illegitimate

Q10 A contract is required to be made by those who are legally capable, a condition called **.....**.

(a) capaciousness (b) capacity (c) credence (d) credibility

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The Business Plan

Q1	The initial responsibility of a business plan is to help to develop a **.....** business strategy.			
	(a) strict	(b) hidden	(c) regional	(d) solid
Q2	First, you should describe your products and services and discuss the market that you are **.....**.			
	(a) goaling	(b) aiming	(c) targeting	(d) goading
Q3	If you wish to interest investors, you need to emphasize the company's profit **.....**.			
	(a) potential	(b) chance	(c) taking	(d) deal
Q4	You should be particularly careful to adequately **.....** the risks in the business.			
	(a) launch	(b) bare	(c) disclose	(d) unleash
Q5	You should examine customer **.....** and the benefits of your products and services.			
	(a) pockets	(b) files	(c) needs	(d) returns
Q6	**.....** the strong and weak points of any firms in competition with yours and look for marketplace opportunities.			
	(a) Equate	(b) Evaluate	(c) Erase	(d) Eliminate
Q7	If you can find a particular market **.....** to focus on, you should investigate this further.			
	(a) location	(b) corner	(c) industry	(d) niche
Q8	It may also be possible for you to **.....** your products differently in the marketplace to attract new customers.			
	(a) position	(b) set	(c) spread	(d) situate
Q9	It is not a good idea to exaggerate sales projections, and it is just as poor an idea to **.....** operating costs.			
	(a) overtake	(b) undertake	(c) overestimate	(d) underestimate
Q10	If you forecast conservatively, you will be more likely to maintain an extra **.....** of cash.			
	(a) pillow	(b) comforter	(c) pillar	(d) cushion

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Conference Advice

Q1 Being a delegate at conferences and other gatherings is a valuable opportunity whether or not you present a **.....**.

(a) gift (b) negotiation (c) paper (d) presentation

Q2 At such events, you will get an accurate **.....** of the current direction of the industry.

(a) opinion (b) rationale (c) sense (d) thought

Q3 And if you are scheduled to give a talk, you will gain increased **.....**.

(a) action (b) activity (c) honorarium (d) visibility

Q4 Actually, it is not very important for you to attend any of the **.....** exhibitions.

(a) vended (b) vending (c) vendor (d) vent

Q5 In order for you to be **.....** into your industry and its market, it is important for you to go to such events.

(a) plugged (b) posted (c) presented (d) proven

Q6 The importance of conferences is not the seminars or workshops, but the refreshment breaks and chatting at the bar after the day is **.....**.

(a) accumulated (b) cancelled (c) discussed (d) done

Q7 The key feature of a conference is the chance to meet those whom you would not **.....** have met.

(a) elsewhere (b) ever (c) otherwise (d) outside

Q8 Be sure to carry your business cards, and do not hesitate to **.....** cards with anyone you meet.

(a) change (b) charge (c) except (d) exchange

Q9 And finally: do not forget to enjoy your host city: conference information packages often **.....** nearby attractions and sightseeing opportunities.

(a) delight (b) enlighten (c) limelight (d) spotlight

Q10 Well ahead of time, however, you should plan a balance of scheduled conference activities and events that **.....** your needs.

(a) align (b) extend (c) measure (d) suit

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Computer Health

Q1 Computer advisors recommend that you consider correct workstation **.....** and personal posture in order to minimize the chances of an injury.

(a) layout (b) outsourcing (c) overreach (d) pullover

Q2 The symptoms of such injuries may include **.....** in the fingers, painful hands or wrists, or eye problems.

(a) dampness (b) dumbells (c) dumbness (d) numbness

Q3 A(n) **.....** workstation permits you to work in a natural position while minimizing the strain on your arms, back and eyes.

(a) allowed (b) ideal (c) imaginary (d) luxurious

Q4 On the other hand, a poorly designed workstation will force you into uncomfortable postures like **.....** over.

(a) bunching (b) hunching (c) lunching (d) punching

Q5 Experienced computer operators know that a good chair **.....** to their bodies.

(a) adapts (b) adepts (c) adheres (d) adopts

Q6 Use a chair that has a backrest supporting the **.....** of your back.

(a) carapace (b) carpals (c) curb (d) curves

Q7 Ensure that you have enough **.....** below the table top to fit your knees comfortably.

(a) inches (b) location (c) room (d) volume

Q8 Select a mouse that fits your hand; be sure that it is as flat as possible in order to minimize wrist **.....**.

(a) position (b) strain (c) tendons (d) watch

Q9 The computer monitor needs to be separate from the keyboard, and it should be **.....** directly in front of you.

(a) centered (b) concentrated (c) focussed (d) gathered

Q10 A person's body is not intended to remain motionless, even in a comfortable position, for long **.....** of time; so get up and stretch!

(a) hours (b) lengths (c) periods (d) sections

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Marketing Strategies

Q1 The first step most managers **.....** to grow their business is to increase the number of customers.

(a) climb (b) do (c) take (d) plant

Q2 Losses are usually suffered if inexperienced sales staff are given the task of **.....** a marketing scheme.

(a) engineering (b) exaggerating (c) implementing (d) tooling

Q3 Fundamental marketing strategy is to create prospective customers who are ready, **.....** and able to buy.

(a) flocking (b) steady (c) wealthy (d) willing

Q4 The primary goal of a such a strategy is to present sales staff with prospects to **.....** into paying customers.

(a) connect (b) connive (c) convert (d) convey

Q5 One thing that managers can do to increase their business is to reward existing customers for **.....** new ones.

(a) referring (b) renewing (c) replying (d) returning

Q6 Established customers are seldom asked whether they are interested in more or new products or services; they are all too often taken for **.....**.

(a) gifts (b) granite (c) given (d) granted

Q7 It can be the **.....** of a business to expect regular customers to purchase standard quantities without being solicited to buy more.

(a) undersizing (b) undoing (c) unravelling (d) untying

Q8 Sharing news, information and offers with customers increases their **.....** of repurchase.

(a) affiliation (b) frequency (c) notification (d) number

Q9 Customers should be offered more value through complementary products and services at the **.....** of sale.

(a) area (b) bill (c) counter (d) point

Q10 **.....** business is gained by the company that gives the customer what s/he wants.

(a) Reform (b) Regard (c) Repeat (d) Replacement

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Warranties

Q1 One definition of a warranty is that it is a promise of **.....** which is given by the seller or the manufacturer to the purchaser.

(a) qualification (b) quality (c) quantification (d) quantity

Q2 The purchaser must be given the **.....** to see the warranty before s/he makes the purchase.

(a) invoice (b) opportunity (c) paper (d) return

Q3 Unfortunately, shoppers do not usually pay attention to the **.....** until a problem with the purchase arises.

(a) coverage (b) damage (c) leverage (d) overage

Q4 Many retailers view warranties as a **.....** technique.

(a) preferable (b) procedural (c) professional (d) promotional

Q5 The use of warranties gradually developed as part of the **.....** process between sellers and customers.

(a) bargaining (b) gaining (c) ingratiating (d) regaining

Q6 An implied warranty is legally in effect even if it is not in **.....** form.

(a) outline (b) spoken (c) stated (d) written

Q7 Any respectable manufacturer will **.....** an implied warranty.

(a) discard (b) honor (c) receive (d) suspect

Q8 Clear **.....** is an affirmation that the product has not been stolen and is not otherwise illegal.

(a) byline (b) caption (c) headline (d) title

Q9 A warranty of **.....** for purpose assures the purchaser that the item will perform properly the function for which it was designed.

(a) ability (b) design (c) fitness (d) strength

Q10 Merchantability warrants that the item will **.....** up to reasonable expectations of the purchaser.

(a) grow (b) level (c) live (d) seem

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Office Technology Problems

Q1 The **.....** of technology in the office increases the average work day in the US by over an hour and a half.

(a) disuse (b) misuse (c) overuse (d) reuse

Q2 One research project revealed that phone and email habits can actually reduce **.....** rather than improve it.

(a) procedure (b) processing (c) productivity (d) progress

Q3 At work, male employees are the greater time wasters when it **.....** to surreptitious non-work activities.

(a) comes (b) evaluates (c) generates (d) reverts

Q4 Improperly dealing with phone calls and emails hinders workers from getting their jobs done, creates poor working habits, and **.....** the work day.

(a) brightens (b) broadens (c) lengthens (d) lightens

Q5 Too much reliance on voice mail when making or **.....** phone calls was also spotlighted in the study.

(a) cancelling (b) dialing (c) returning (d) unmaking

Q6 The delay that is caused by the necessity of waiting for critical responses to emails was another problem that caused time **.....** every day.

(a) cartage (b) garbage (c) passage (d) wastage

Q7 The average total time lost at work every day was over two hours, of which an hour and a half was because communication technology was not used to good **.....**.

(a) condition (b) effect (c) management (d) timing

Q8 On average, thirty minutes were wasted managing telephone communications, while ten more minutes were wasted attempting to locate **.....**.

(a) coffee (b) collations (c) colleagues (d) cosmetics

Q9 The communications **.....** that once were an important contribution to efficiency have now begun to become a detriment to it.

(a) instruments (b) pieces (c) tools (d) utensils

Q10 One basic cause of lost efficiency is that employees are often unaware of another worker's location, whether it be in a meeting, at a different desk, or away **.....**.

(a) offsite (b) outdoors (c) overboard (d) sightseeing

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Secretarial Office Procedures

Q1 Modern technology continues to proliferate in offices everywhere, and the secretary's role has greatly **.....**.

(a) evolved (b) mutated (c) transmogrified (d) transposed

Q2 Operational restructuring and automated procedures have presented secretaries with a broad range of new responsibilities formerly **.....** for managerial levels.

(a) assigned (b) maintained (c) reserved (d) restricted

Q3 Nevertheless, amid these changes their **.....** duties have remained almost unchanged.

(a) center (b) core (c) interior (d) special

Q4 A secretary is responsible for a range of administrative and **.....** duties that are essential to the efficient operation of a business.

(a) clerical (b) equitable (c) menial (d) stationary

Q5 A secretary serves as an information **.....** for an office, organizes and maintains hard copy and electronic files, and generates correspondence.

(a) clearinghouse (b) household (c) outhouse (d) warehouse

Q6 Many secretaries also **.....** travel arrangements and contact clients.

(a) apportion (b) craft (c) handle (d) manipulate

Q7 A large part of a secretary's day is involved with negotiating meeting times, which is a(n) **.....** job, especially if many are to attend.

(a) administrative (b) cumbersome (c) thankless (d) unmanageable

Q8 Today, more and more secretarial staff use PCs to run database management, **.....** publishing, and computer graphics software.

(a) desktop (b) keyboard (c) virtual (d) workstation

Q9 Secretaries nowadays are often **.....** from old-fashioned typing and dictation; therefore, they can now support more than one executive staff member.

(a) eliminated (b) fired (c) relieved (d) retired

Q10 **.....** secretaries are responsible for fewer clerical duties than lower-level secretarial staff.

(a) Corporate (b) Executive (c) Professional (d) Section

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Basic Electronics

Q1 Electronics is the study and utilization of systems that function by guiding electron flow in **.....** such as semiconductors.

(a) contrivances (b) devices (c) pieces (d) servers

Q2 Designing and building electronic circuits to solve **.....** problems is the mandate of electronics engineering.

(a) parallel (b) practical (c) partial (d) production

Q3 Research into innovative semiconductor technology and applications is considered a **.....** of physics.

(a) branch (b) responsibility (c) segment (d) subsidiary

Q4 Electronic circuits are mainly used to control, process and distribute information, and for the **.....** and distribution of electric power.

(a) commutation (b) contamination (c) conversation (d) conversion

Q5 These two purposes rely on the creation and detection of electromagnetic **.....** and electrical currents.

(a) fields (b) floors (c) grounds (d) surfaces

Q6 The rapid modern advancement of electronics began in **.....** with the introduction of the radio.

(a) earnest (b) enthusiasm (c) secret (d) sincerity

Q7 There are three divisions to an electronics system, an example of which is a television **.....**.

(a) box (b) case (c) kit (d) set

Q8 First, the input is a broadcast signal either received by its antenna or **.....** in through a cable.

(a) cued (b) fed (c) led (d) sped

Q9 Second, processing circuits inside the TV **.....** the brightness, colour and audio data from this signal.

(a) contract (b) detract (c) extract (d) retract

Q10 Third and last, its output apparatus, a cathode ray tube, changes the electronic signals into a **.....** image on its screen.

(a) vague (b) valuable (c) viable (d) visible

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Business Letter Basics

Q1 The first goal in writing a business letter is to get the recipient's **.....**.

(a) address (b) attention (c) services (d) trade

Q2 One fundamental **.....** of effective writing is to put the key information at the beginning.

(a) case (b) example (c) principle (d) situation

Q3 Avoid **.....** down the beginning of the letter with abundant information of which the reader is already aware, however.

(a) gearing (b) setting (c) weighing (d) writing

Q4 Effective writing is **.....** reading that makes the recipient want to read further.

(a) affected (b) effortless (c) effusive (d) offensive

Q5 In writing commercial correspondence, it is important to employ a friendly yet efficient **.....**.

(a) feeling (b) mood (c) tense (d) tone

Q6 Try to aim for a **.....** style, but without employing bad grammar, slang, or otherwise questionable English.

(a) controversial (b) convenient (c) conventional (d) conversational

Q7 Be merciless in eliminating the **.....** that most people put into letters: it wastes the recipient's time and tries his or her patience.

(a) backing (b) clouding (c) complaining (d) padding

Q8 A good business letter is simple and straightforward without being simplistic or **.....**.

(a) panoramic (b) paternal (c) patriotic (d) patronizing

Q9 The conclusion or ending paragraph should bring the communication to a polite and **.....** close.

(a) businesslike (b) interminable (c) measurable (d) subtle

Q10 Unfortunately, the ending paragraphs in much commercial correspondence employ wordy and overused phrases that detract from the letter's **.....**.

(a) contact (b) contract (c) extract (d) impact

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Annual Report

Q1	Our annual report was **.....** to the shareholders on 31 March.			
	(a) submerged	(b) submitted	(c) subordinated	(d) subtracted
Q2	Turnover remained constant through the **.....** year.			
	(a) annual	(b) fiscal	(c) physical	(d) revenue
Q3	Profits declined sharply with the devaluation of the **.....**.			
	(a) banknotes	(b) change	(c) currency	(d) money
Q4	Sales fell gradually in the first two quarters, but **.....** in the second half of the year.			
	(a) realigned	(b) recalled	(c) recovered	(d) resisted
Q5	Costs reached **.....** in April.			
	(a) an acme	(b) an apex	(c) a climax	(d) a peak
Q6	Demand rose sharply after our major competitor went into **.....**.			
	(a) bankruptcy	(b) export	(c) receiver	(d) difficulty
Q7	Overhead levelled off when utility charges were **.....** by the government.			
	(a) cancelled	(b) frozen	(c) given	(d) tapped
Q8	Prices were raised with the introduction of our new **.....** of widgets.			
	(a) batch	(b) line	(c) manager	(d) team
Q9	Output **.....** up with demand.			
	(a) followed	(b) kept	(c) made	(d) put
Q10	Although the company's overall **.....** was weak, its bottom line was still in the black.			
	(a) action	(b) activity	(c) performance	(d) progress

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The Importation Process

Q1	In the first step of the importation process, the purchaser makes his selection from the supplier's **.....** of hair dryers.			
	(a) atlas	(b) catalogue	(c) directory	(d) encyclopedia
Q2	Next, he sends an email to check the availability of **.....**.			
	(a) wares	(b) selection	(c) stock	(d) suppliers
Q3	Thereupon, he **.....** the hair dryers.			
	(a) commands	(b) demands	(c) orders	(d) requires
Q4	Soon, he receives a **.....** of the order from the supplier.			
	(a) confirmation	(b) delegate	(c) message	(d) waybill
Q5	Afterward, he receives a pro **.....** invoice.			
	(a) active	(b) bono	(c) forma	(d) tempore
Q6	Subsequently, his bank issues a **.....** of credit for the amount of the invoice.			
	(a) debit	(b) letter	(c) missive	(d) receipt
Q7	Then, he receives the supplier's invoice for the hair dryers FOB **.....** of departure.			
	(a) date	(b) dock	(c) point	(d) wharf
Q8	After that, he receives the **.....** of lading from the transporter.			
	(a) bill	(b) fee	(c) form	(d) list
Q9	Thereafter, he pays the transporter for **.....** costs.			
	(a) boxing	(b) buying	(c) carrying	(d) shipping
Q10	Finally, he receives the hair dryers with a **.....** declaration form.			
	(a) costume	(b) customary	(c) customer	(d) customs

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Cellular Telephones

Q1	All **.....** the world, cellular telephones are being used more and more.			
	(a) about	(b) around	(c) in	(d) past
Q2	Cell phones are hand- **.....** devices; they are also called wireless or mobile phones.			
	(a) carried	(b) crafted	(c) held	(d) made
Q3	Cell phones are **.....** with users because they are small, light and easily transported.			
	(a) common	(b) famous	(c) popular	(d) well-liked
Q4	Cellular telephones are actually little different than two- **.....** radios.			
	(a) channel	(b) party	(c) path	(d) way
Q5	A caller speaks into a cell phone, and it picks **.....** his or her voice, transforming the sound into radio waves.			
	(a) at	(b) out	(c) over	(d) up
Q6	Then these radio waves are transmitted through the atmosphere until they meet a **.....** base station.			
	(a) near	(b) nearby	(c) nearly	(d) neighborhood
Q7	The station sends your phone call **.....** the standard telephone network, where it eventually reaches the receiver.			
	(a) among	(b) around	(c) at	(d) through
Q8	Cell phones provide a vast array of **.....** these days, and new ones are being added all the time.			
	(a) buttons	(b) customers	(c) duties	(d) functions
Q9	When someone calls you, your cell phone receiver **.....** radio waves sent out by the base station.			
	(a) collects	(b) detects	(c) elects	(d) selects
Q10	Inside your cell phone, these waves are converted **.....** into the sound of the caller's voice.			
	(a) back	(b) backward	(c) forth	(d) forward

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Job Advertising

Q1	Industry-**.....**, or niche, employment websites are proliferating as places for companies to locate qualified personnel.			
	(a) controlled	(b) only	(c) particular	(d) specific
Q2	Niche sites present a large **.....** of qualified job-seekers.			
	(a) pane	(b) pod	(c) pool	(d) porch
Q3	The internet, in comparison to other advertising media, gives its users a broader **.....**.			
	(a) reach	(b) reaction	(c) reality	(d) reason
Q4	The internet produces results faster and more cheaply than other **.....** advertising media.			
	(a) aging	(b) old-fashioned	(c) redundant	(d) traditional
Q5	Companies these days look at internet job advertising as an **.....** part of their staffing efforts.			
	(a) innate	(b) insignificant	(c) integral	(d) intelligent
Q6	Advertising positions on employment websites can generate a lot of **.....** from potential candidates.			
	(a) electricity	(b) practice	(c) static	(d) traffic
Q7	But general sites often produce an insufficient number of qualified applicants, making the process relatively time **.....** for the results seen.			
	(a) consuming	(b) devoting	(c) devouring	(d) wasting
Q8	Niche site marketing targets executives and professionals of the industry **.....**.			
	(a) desired	(b) employed	(c) presented	(d) served
Q9	Advertisements both on niche sites and using more conventional methods are a part of a well- **.....** staffing campaign.			
	(a) centered	(b) loaded	(c) rounded	(d) stated
Q10	Niche sites often include job postings, comparative salary scales, curriculum vitae databases, and **.....**.			
	(a) all	(b) other	(c) forth	(d) more

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Job Applications

Q1	The application form is used by companies as a means of **.....** basic information from all applicants.			
	(a) acquiring	(b) distributing	(c) manipulating	(d) standardizing
Q2	The application is a key marketing tool for the applicant in the job-**.....** process.			
	(a) advertising	(b) gathering	(c) seeking	(d) wanted
Q3	Companies utilize the application as a **.....** for deciding whether to interview the applicant.			
	(a) background	(b) basis	(c) blueline	(d) bottomline
Q4	The application form should be considered the applicant's first test in **.....** directions.			
	(a) examining	(b) following	(c) indicating	(d) reading
Q5	The application form should be filled out as **.....** as possible; it reflects the applicant's nature.			
	(a) cleanly	(b) freshly	(c) neatly	(d) nicely
Q6	On the form, answers should be **.....** to the specific position for which the person is applying.			
	(a) measured	(b) modified	(c) presented	(d) tailored
Q7	No **.....** should be left on the form; for questions that are irrelevant, write "not applicable" ("n/a").			
	(a) answers	(b) blanks	(c) empties	(d) notes
Q8	The goal of the application is to obtain a personal interview, so do not provide any **.....** information.			
	(a) affirmative	(b) negative	(c) objective	(d) positive
Q9	Questions should be answered **.....**, but complete answers need not necessarily be given.			
	(a) briefly	(b) comprehensively	(c) earnestly	(d) truthfully
Q10	Specific salary limits should never be indicated on the application; just write "open" or " **.....** ".			
	(a) negative	(b) negotiable	(c) undecided	(d) unknown

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Job Interviews

Q1 The first interview for the candidate is the **.....** interview, which is used to ascertain whether s/he matches the position's minimum qualifications.

(a) initializing (b) reviewing (c) screening (d) standing

Q2 The interviewer(s) will have the applicant's resume in **.....** and attempt to confirm the information it contains.

(a) control (b) hand (c) office (d) person

Q3 The selection interview is worrisome for most candidates: although they may have the requisite skills, the company now determines whether they have the personality to **.....** into the group.

(a) fit (b) join (c) match (d) work

Q4 A candidate who does not interact positively with supervisors and co-workers may **.....** the operations of a whole section.

(a) corrupt (b) disrupt (c) erupt (d) interrupt

Q5 A group interview is one in which the interviewer(s) attempt to distinguish the **.....** from the followers.

(a) bosses (b) chiefs (c) heads (d) leaders

Q6 When a panel interview is **.....**, the candidate is interviewed by several people at the same time.

(a) established (b) held (c) positioned (d) thrown

Q7 The candidate should make eye **.....** with each member of the panel as s/he answers the panelist's question.

(a) arrows (b) avoidance (c) contact (d) sight

Q8 One technique the applicant should be aware of is the stress interview, which is occasionally used to **.....** out those who are unable to deal with adverse situations.

(a) cast (b) toss (c) weed (d) wrench

Q9 Stress may be introduced into this kind of interview by asking strange questions or by reacting to the candidate's responses with **.....**.

(a) queries (b) quietness (c) silence (d) snores

Q10 In a stress interview, the candidate has only two choices: play **.....** or refuse such bad treatment by terminating the interview.

(a) along (b) anyway (c) games (d) ignorant

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Hiring the Right Person

Q1 In order to take on the right candidate, the employer must examine both abilities and personality, although not necessarily in that **.....**.

(a) interview (b) order (c) resume (d) time

Q2 The first step to hiring **.....** is being aware of the abilities that the ideal candidate should have.

(a) congress (b) process (c) progress (d) success

Q3 Before proceeding to advertisement and interviews, create a list of skills needed for the job and assign a **.....** to each skill.

(a) rate (b) rating (c) time (d) timing

Q4 Placing a **.....** on education and experience is only common sense in the hiring process.

(a) premier (b) premium (c) preview (d) prime

Q5 If the applicant seems to be over-qualified for the position, you have found either a diamond in the **.....** or someone very adept at interviews.

(a) coal (b) mine (c) rough (d) shop

Q6 If this applicant does not have extensive practical experience in a similar position, you may rest **.....** that s/he is the latter.

(a) assured (b) ensured (c) insured (d) secured

Q7 Nevertheless, occasionally a talented candidate is found who is willing to accept a position and pay **.....** for which he or she is overqualified.

(a) back (b) cheque (c) envelope (d) scale

Q8 How successful the candidate will be is determined in the end by the team **.....** of the group s/he becomes a part of.

(a) biology (b) chemistry (c) physics (d) sociology

Q9 The manager's goal is to employ individuals who are technically **.....** and also have personalities that suit their team.

(a) decent (b) deficient (c) proficient (d) prolific

Q10 Should questions remain concerning the candidate following the traditional interview, it is then time to consult his or her **.....**.

(a) references (b) relatives (c) remarks (d) research

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Training New Staff

Q1 Well before beginning a training program, the trainer should sit down and prepare a lesson **.....** for each day.

(a) itinerary (b) plan (c) plot (d) scale

Q2 The course needs to be well prepared in advance so that all important points will be **.....**.

(a) covered (b) exercised (c) plotted (d) protected

Q3 Before or during the first class, it is important, if possible, to take time to **.....** to know the individual students.

(a) get (b) have (c) learn (d) study

Q4 An effective trainer knows his or her **.....**.

(a) audience (b) directions (c) spectators (d) teachers

Q5 Put questions to the trainees and encourage them to **.....** in return.

(a) follow (b) listen (c) question (d) quote

Q6 Early on, the trainer should **.....** what his or her students already know, what previous experience they have, and what difficulties they have encountered.

(a) declare (b) demand (c) depict (d) determine

Q7 In this way, the trainer discovers where to **.....** emphasis and where to move more quickly through the information.

(a) bring (b) list (c) place (d) strike

Q8 Training is a dynamic, two-way process; it should always be a **.....** rather than a speech or presentation.

(a) catalogue (b) dialogue (c) monologue (d) travelogue

Q9 The trainer should not forget to cover the minor tasks that are familiar to a longer-term employee; these could well be **.....** to a recent hiree.

(a) exciting (b) foreign (c) impossible (d) lost

Q10 One important training tool is the list; remember that this may be the only **.....** that remains with your trainee after the training session has finished.

(a) memory (b) remnant (c) souvenir (d) thing

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Company Benefits

Q1 Company benefits are often a significant portion of the employee's compensation **.....**.

(a) package (b) parcel (c) salary (d) set

Q2 When considering an offer, the candidate should examine any benefits offered by the **.....** employer.

(a) preferred (b) prescriptive (c) progressive (d) prospective

Q3 Generous benefits can contribute up to 35 or 40 percent to the **.....** compensation for a job.

(a) overage (b) overall (c) overpaid (d) overseen

Q4 Health insurance is an important benefit; it is less expensive through the employer at **.....** rates than when taking it out on one's own.

(a) department (b) division (c) group (d) team

Q5 Should the employee become ill or have an accident, his or her medical **.....** is adequately covered.

(a) bandage (b) injury (c) repair (d) treatment

Q6 Many US employers now help cover the expense of **.....** facilities in their communities.

(a) childcare (b) childhood (c) childish (d) childlike

Q7 Another important benefit now often offered is flextime, which allows the employee to vary his or her working hours, within **.....**, each day.

(a) hours (b) limits (c) ranges (d) reasons

Q8 On the other hand, fewer companies are offering pension plans that guarantee a fixed monthly sum to **.....**.

(a) employees (b) layoffs (c) retirees (d) seniors

Q9 Another benefit, the stock ownership plan, permits the employee to buy **.....** of the company's stock at subsidized prices.

(a) sections (b) segments (c) shares (d) slices

Q10 **.....** is a work plan that permits the employee to work from his or her home.

(a) Telecommunicating (b) Telecommuting (c) Teleconferring (d) Telejobbing

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Answers Index

Starting Salary Expectations

Q1 If a well-qualified person is assiduous in his or her job search, s/he may receive more than one job **.....**.

(a) advertisement (b) chance (c) offer (d) site

Q2 Location and cost of living play a big **.....** in determining salary.

(a) part (b) percentage (c) place (d) portion

Q3 Both salary and cost of living vary among urban, suburban, and **.....** areas.

(a) countryside (b) hamlet (c) rural (d) wilderness

Q4 Salaries in an urban area will likely be higher than in the suburbs, while the purchasing **.....** of each salary may be similar.

(a) amount (b) power (c) rate (d) result

Q5 The costs of living in a **.....** of geographical locations can be compared by using salary calculators available on the internet.

(a) center (b) number (c) percent (d) quantity

Q6 **.....** and demand are big factors in the starting salary a company may offer.

(a) Offer (b) Plea (c) Request (d) Supply

Q7 In a field with a large number of candidates, there will be lower salaries and **.....** competition.

(a) some (b) steep (c) stiff (d) stout

Q8 Contrariwise, other fields need workers so badly that the candidate will have his or her choice of employers, many of whom will offer **.....** dollar.

(a) maximum (b) multiple (c) silver (d) top

Q9 Even so, within fields a range of salaries is offered, and industry and specific employer usually **.....** salary.

(a) affect (b) effect (c) infect (d) reflect

Q10 Finally, each candidate is one-of-a-kind: his or her specific qualifications and abilities will play a major role in attracting employers and **.....** a salary.

(a) demanding (b) garnishing (c) negotiating (d) settling

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Job Promotion

Q1 Employees with ambition are often eager to **.....** into management.

(a) climb (b) level up (c) move (d) raise

Q2 **.....** is the ability to make decisions that will affect the company's future in a non-emotional way.

(a) Magnitude (b) Majority (c) Maturity (d) Modesty

Q3 Such employees will have formed friendships in the company, and co-workers will be expecting them to make decisions **.....** on these relationships.

(a) affected (b) based (c) centered (d) controlled

Q4 An employee's ability to come up with **.....** ideas is a benefit to a company, and the employee will be noticed for it.

(a) sound (b) stable (c) strict (d) subtle

Q5 A manager knows what s/he needs to get done each day, and usually knows this at the end of the previous day, so s/he should get a **.....** plan thought out ahead of time.

(a) drawn (b) form (c) game (d) morning

Q6 Promotions go to the employees who are the most help to their bosses; when the boss is asked for a recommendation, those helpful employees will **.....**.

(a) come to mind (b) know their place (c) step right up (d) wait it out

Q7 Management hopefuls should watch what their boss does and gain some **.....** into the responsibilities of the position.

(a) foresight (b) hindsight (c) insight (d) oversight

Q8 The proverb "familiarity **.....** contempt" is quite applicable to working in a position of authority.

(a) breeds (b) exceeds (c) needs (d) precedes

Q9 A manager cannot make close friends at the office; s/he should make **.....** instead.

(a) acquaintances (b) allies (c) employees (d) enemies

Q10 Good managers know how to remain friendly but **.....**.

(a) impersonal (b) standoffish (c) stern (d) stolid

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The Balance Sheet

Q1 A balance sheet shows the financial **.....** that a company has at a point in time and where they came from.

(a) records (b) resources (c) returns (d) revenues

Q2 It is an instant photograph that displays the company's financial **.....** at the end of a business month, quarter or year.

(a) explanation (b) position (c) publication (d) station

Q3 The organization of a balance sheet reflects this basic **.....**: assets equal debts plus equity.

(a) arrangement (b) assessment (c) equation (d) question

Q4 The **.....** of accounts is a listing of the accounts that are reflected in the financial statements.

(a) book (b) chart (c) table (d) outline

Q5 Assets are often listed in the order of their **.....** — which means how easy it would be to convert each asset into cash.

(a) complexity (b) liquidity (c) security (d) simplicity

Q6 Assets are divided into three categories: Current Assets, Fixed Assets, and **.....** Assets.

(a) Current fixed (b) Different (c) Fixed current (d) Other

Q7 Current assets will likely be turned into cash or converted into a(n) **.....** within a year.

(a) bonus (b) expense (c) option (d) stock

Q8 Fixed assets are saleable, but are not expected to be converted to cash in the **.....** course of business.

(a) average (b) equal (c) final (d) normal

Q9 Liabilities are debts or **.....** stemming from goods or services received by the company.

(a) obligations (b) others (c) outstandings (d) owed

Q10 If the assets of a company are greater than its liabilities, then the equity of the business is the positive **.....** between the two numbers.

(a) calculation (b) difference (c) dividend (d) sum

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Income Statements

Q1 The statement of income and expenses reports the company's income and expenses for the time period: it is also called a **.....**-and-loss statement.

(a) earnings (b) gain (c) profit (d) win

Q2 The first item on the statement is the total amount of sales of products or services; this is often referred to as **.....** sales.

(a) gross (b) mass (c) overall (d) whole

Q3 The main deduction from this revenue is called **.....** of sales, the amount of money the company spent to produce the same goods or services.

(a) cost (b) discount (c) expense (d) reduction

Q4 The next deduction is **.....** expenses — for example, administrative salaries and research costs, which do not vary directly with production.

(a) fixed (b) operating (c) standard (d) unproductive

Q5 Depreciation expenses the wear and **.....** on assets like machinery, equipment and furnishings.

(a) age (b) change (c) repair (d) tear

Q6 The depreciation charge for using these assets during the accounting period is a **.....** of their original cost.

(a) foundation (b) fractile (c) fragment (d) function

Q7 **.....** income is the money that the company earns by keeping its cash in savings accounts, term deposits, etc.

(a) Illicit (b) Inactive (c) Interest (d) Internal

Q8 Finally, **.....** tax is deducted.

(a) business (b) commercial (c) income (d) value-added

Q9 The final entry is the **.....** line, which represents net earnings of the company during the accounting period.

(a) balance (b) base (c) black (d) bottom

Q10 Additionally, **.....** indicates how much shareholders would receive if the company distributed all of its net earnings as dividends.

(a) EPS (b) GDP (c) GNP (d) VAT

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Cost Accounting

Q1 **.....** or cost accounting systems are part of a company's information system and are used for tracking costs and allocations to judge operational efficiency.

(a) Corporate (b) Domestic (c) Management (d) Monitoring

Q2 This is an **.....** accounting system, rather than one for outside reporting.

(a) inner (b) inside (c) interior (d) internal

Q3 There are no **.....** rules governing how a company should keep track of cash flows for cost accounting purposes.

(a) amended (b) fixed (c) required (d) restricted

Q4 **.....** budgeting is a form of forecasted cost accounting for long-term projects or expenditures.

(a) Capital (b) Major (c) Overhead (d) Terminal

Q5 Cost accounting applications are major financial **.....** in everyday corporate decision-making.

(a) distractors (b) drivers (c) fetters (d) operators

Q6 Cost accounting is important for estimating the **.....** of current and future activities.

(a) foreseeability (b) profitability (c) sensibility (d) variability

Q7 When good cost accounting procedures are **.....**, the company may find out that they have been producing a non-profitable product or service.

(a) contracted (b) discarded (c) implemented (d) suggested

Q8 Cost accounting **.....** managers toward company goals.

(a) aggravates (b) gravitates (c) insulates (d) motivates

Q9 It also measures the **.....** of managers and departments in the company.

(a) acceleration (b) doings (c) performance (d) seniority

Q10 **.....** costs change in proportion to the level of production activity, while fixed costs remain unchanged.

(a) Varicose (b) Various (c) Variable (d) Versatile

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Auditing

Q1 The purpose of an audit is to gather and evaluate evidence in order to form an opinion on the **.....** of a company's financial statements.

(a) rationality (b) realization (c) reliability (d) responsibility

Q2 The audit **.....** is usually no more than a page in length and is attached to the financial statements.

(a) report (b) response (c) result (d) review

Q3 Auditors are not responsible for the **.....** of the financial statements of an company.

(a) evaluation (b) examination (c) position (d) preparation

Q4 In the financial statements, the company implicitly states that all items, account balances and transactions are **.....** valid, complete and accurate.

(a) essentially (b) generally (c) materially (d) precisely

Q5 An error in **.....** is committed when the financial statements include an item that should not be included.

(a) accuracy (b) auditing (c) completeness (d) validity

Q6 An error in **.....** is committed when the financial statements do not include an item which should be included.

(a) accuracy (b) auditing (c) completeness (d) validity

Q7 An error in **.....** is committed when the financial statements include incorrect information about an item that should be included.

(a) accuracy (b) auditing (c) completeness (d) validity

Q8 One of the principal goals of the auditor is to add **.....** to this assertion.

(a) credentials (b) credibility (c) creditworthiness (d) credulity

Q9 Audit risk is the risk that the auditor expresses an inappropriate audit opinion when the financial statements are significantly **.....**.

(a) misstated (b) overstated (c) restated (d) understated

Q10 In addition to the financial statements, the auditor also examines the company's internal **.....** procedures for effectiveness.

(a) coherence (b) command (c) control (d) correspondence

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Budgeting

Q1 Budgeting is a combination of mathematics and guesswork: some **.....** are precisely known, while others are less clear.

(a) factions (b) factors (c) fallacies (d) fractions

Q2 Every company should prepare a complete budget and constantly **.....** its performance against that budget.

(a) match (b) merge (c) mirror (d) monitor

Q3 Any variation from a budget should be investigated and explained, and **.....** action should be taken to correct any problems.

(a) planned (b) potential (c) practiced (d) prompt

Q4 When you have set a budget, you should **.....** to it as much as possible, but revise it when necessary.

(a) stand (b) start (c) stick (d) stretch

Q5 Budgeting itself can help a company reduce costs, because every item in it must be **.....** beforehand.

(a) certified (b) justified (c) ratified (d) rectified

Q6 The wrong way to prepare a budget is to simply include everything at last year's level plus annual **.....**.

(a) accrual (b) increment (c) inflation (d) investment

Q7 Focus first on the largest costs, since they should have the greatest **.....** for reduction.

(a) potency (b) potential (c) prediction (d) projection

Q8 Do not overestimate the **.....** sales for the budget period.

(a) conjectural (b) considered (c) determined (d) projected

Q9 Creating a(n) **.....** forecast requires estimating the expected monthly expenditures and matching those against the likely monthly income.

(a) cash flow (b) current account (c) operating (d) turnover

Q10 Many companies maintain a **.....** budget, so that they are continually budgeting for this time next year.

(a) floating (b) moving (c) rolling (d) shifting

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Depreciation

Q1 The idea of depreciation is quite straightforward; for instance, a forklift is an operational asset for a company's business, and each year it loses a certain amount of value until at last it is **.....** and has no value for the company.

(a) irreparable (b) irreplaceable (c) unrecognizable (d) unreliable

Q2 Calculating and **.....** for this loss in value of such an asset is called depreciation.

(a) accounting (b) applying (c) disposing (d) subtracting

Q3 Almost all companies invest in vehicles, furniture, machinery or buildings, and those that will be used for more than one year are considered **.....** assets.

(a) capital (b) durable (c) permanent (d) sizeable

Q4 However, the entire cost of such an asset cannot be **.....** in the year it is acquired.

(a) deduced (b) deducted (c) reduced (d) remaindered

Q5 If a business reduced a single year's income by the total cost of such an asset, it would result in a profit understatement in that year and a profit overstatement during the **.....** years.

(a) consequent (b) continuous (c) previous (d) succeeding

Q6 For assets that have a useful life of more than one year, the cost must be **.....** off over at least two years.

(a) carried (b) reduced (c) stated (d) written

Q7 The yearly depreciation for an asset is calculated using its **.....** cost and the number of years that it will presumably retain some value.

(a) formal (b) gross (c) initial (d) list

Q8 At the end of each year, the annual depreciation is subtracted from the asset's cost; this determines its **.....** value, which presumably is the same as its market value.

(a) account (b) actual (c) book (d) operational

Q9 Straight **.....** depreciation, the most common method of depreciating assets, simply divides the initial cost of an asset by the number of years that it will presumably be of use.

(a) ahead (b) forward (c) line (d) measure

Q10 The **.....** balance method presumes that the asset depreciates more when it is newer and less as it ages and wears.

(a) declining (b) depleting (c) descending (d) discarding

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Inventories

Q1 Inventory accounting starts with the inventory on **.....**.

(a) deck (b) hand (c) record (d) stock

Q2 Inventories cannot be **.....** until sold, and meanwhile they are considered an asset.

(a) depleted (b) eliminated (c) expensed (d) recorded

Q3 There are four generally accepted approaches to inventory valuation based on **.....** cost.

(a) basic (b) historical (c) physical (d) presumed

Q4 The **.....** identification method records actual cost flow: each individual item and its cost must be accounted for.

(a) positive (b) product (c) specific (d) total

Q5 The **.....** average method divides the total cost of inventory items by their total number at the end of any accounting period.

(a) adjustable (b) overall (c) standard (d) weighted

Q6 The moving average method uses an average cost for inventory items that is calculated and **.....** at the time of each sale.

(a) added (b) applied (c) decided (d) depicted

Q7 The **.....** method of inventory evaluation is based on the presumption that most companies normally sell the oldest items in their inventory before they sell the newer ones.

(a) FEFO (b) FIFO (c) LIFO (d) FILO

Q8 The **.....** method is based on the presumption that the most recent stock items purchased will be the initial items sold.

(a) FEFO (b) FIFO (c) LIFO (d) FILO

Q9 The **.....** method presumes that the company will continue to keep their oldest items in inventory.

(a) FEFO (b) FIFO (c) LIFO (d) FILO

Q10 The **.....** method attempts to ensure that perishable products are sold while they are still in good condition.

(a) FEFO (b) FIFO (c) LIFO (d) FILO

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GAAP

Q1 Generally Accepted Accounting Principles are a set of accounting **.....** approved by the professional accounting industry.

(a) standards (b) suggestions (c) syllabuses (d) systems

Q2 GAAP are a combination of **.....** rules set by policy boards and the commonly accepted ways of recording and reporting financial information.

(a) authoritative (b) guideline (c) optional (d) overriding

Q3 They can become accepted either as a result of due **.....** or as a result of long term practice.

(a) placement (b) polling (c) procedure (d) process

Q4 Accountants cannot express the opinion that financial statements are "in conformity with generally accepted accounting principles" if such information includes any **.....** from these principles.

(a) departures (b) duplications (c) projections (d) quotations

Q5 After the Stock Market **.....** of 1929, the American Institute of Accountants introduced five broad principles of accounting which have won fairly general acceptance.

(a) Bubble (b) Bust (c) Crash (d) Plunge

Q6 It is relatively unimportant to investors what reporting method is used by a company, so long as they are assured that it is followed **.....** every year.

(a) conclusively (b) consistently (c) constantly (d) cooperatively

Q7 In 1934, the U.S. Congress created the Securities and **.....** Commission (SEC), giving it the authority to prescribe the methods used in preparing financial statements.

(a) Earnings (b) Economic (c) Evaluation (d) Exchange

Q8 In 1938, Congress permitted companies to use a new **.....** method, lifo, for income tax purposes.

(a) inclusive (b) introductory (c) inventory (d) investment

Q9 In 1939, the AIA recommended the phrasing, "present fairly in conformity with generally accepted accounting principles" in the standard form of the **.....** report.

(a) auditor's (b) financial (c) management (d) stockholders'

Q10 The P & L monograph of 1940 promulgated the "**.....** principle", which places primary emphasis on the correspondence of costs with the revenues that they produce.

(a) alignment (b) approximation (c) concord (d) matching

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Accountants

Q1 Most accounting positions require a bachelor's degree in accounting or a related field or **.....** combination of education and experience.

(a) an attained (b) a calculated (c) a curricular (d) an equivalent

Q2 Many companies want graduates with a master's degree in accounting, or a master's degree in business administration with **.....** in accounting.

(a) a concentration (b) an expertise (c) a focus (d) a specialty

Q3 Some schools offer students a chance for hands-on experience with part-time **.....** programs in accounting or commercial firms.

(a) internship (b) practice (c) study (d) tutorial

Q4 Accountants help make sure that a firm is run efficiently, that its records are maintained accurately, and that its taxes are paid properly and in a **.....** manner.

(a) controlled (b) courteous (c) formal (d) timely

Q5 Nowadays, accountants are **.....** the services they offer with budget analysis, investment planning, and IT consulting.

(a) broadening (b) lengthening (c) opening (d) reformatting

Q6 **.....** accountants, many of whom are CPAs, generally have their own companies or work for major accounting firms.

(a) Graduate (b) Professional (c) Public (d) Senior

Q7 Some accountants specialize in **.....** accounting — investigating white-collar crimes such as securities fraud and embezzlement.

(a) criminal (b) forensic (c) police (d) undercover

Q8 Many work closely with law enforcement officers and lawyers during investigations and often appear as **.....** witnesses during trials.

(a) expected (b) expert (c) known (d) respected

Q9 **.....** accountants record and analyze the financial information of the firms in which they are employed.

(a) Business (b) Internal (c) Licensed (d) Management

Q10 Government accountants work in the public **.....**, maintaining and monitoring the recordkeeping of government departments and agencies.

(a) arena (b) domain (c) quarter (d) sector

Retirement and Pensions

Q1 The relationship between worker pensions and retirement is of **.....** interest to management and economists.

(a) considerable (b) enough (c) plentiful (d) sufficient

Q2 The reduction in retirement age since World War II is usually **.....** to greater pension benefits, both governmental and private.

(a) aligned (b) alleged (c) assigned (d) attributed

Q3 The anticipated difficulties in financing current public pensions could be **.....** by changes that delayed worker retirement.

(a) instigated (b) investigated (c) mitigated (d) relegated

Q4 Private pensions **.....** a large percentage of individual wealth in most of the developed nations.

(a) compare (b) compile (c) compost (d) comprise

Q5 As a worker ages, both his productivity and the **.....** of working another wage period will change.

(a) difficulty (b) disability (c) disinterest (d) disutility

Q6 In a perfect labor market, employers, who always pay workers the value of their **.....** at any one time, will be indifferent to the age of retirement.

(a) contract (b) output (c) pension (d) salary

Q7 The most obvious reason for the existence of pensions is the tax advantage, since pension **.....** are permitted to accumulate untaxed until retirement.

(a) benefits (b) calculations (c) contributions (d) payouts

Q8 Both employers and employees benefit from a payment **.....** where workers receive less than the actual value of their work when they are young and more than the actual value of their work when old.

(a) avenue (b) envelope (c) gap (d) stream

Q9 This system reduces worker incentives for **.....** and cheating and thereby raises their lifetime wealth.

(a) kiting (b) lurking (c) lying (d) shirking

Q10 General economic conditions also help determine actual retirement age: higher inflation and greater unemployment at the end of his career causes the worker to **.....** his retirement.

(a) defray (b) delay (c) deny (d) detract

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Start Your Own Bank

Q1 The goal of the state of California is to maintain a sound banking system without **.....** limiting the entry of new banks.

(a) unduly (b) unreally (c) unruly (d) unusually

Q2 A competitive financial environment provides **.....** choice to the public and stimulates economic development and efficiency.

(a) critical (b) optimal (c) maximal (d) radical

Q3 The state chartering agency makes sure that a new bank possesses the needed capital and management **.....** to serve the public's needs.

(a) expertise (b) labour (c) practices (d) recruitment

Q4 This agency is the bank's primary **.....**, with the duty to protect the public from questionable banking practices.

(a) administrator (b) moderator (c) originator (d) regulator

Q5 The term "dual banking system" means that both the California and the US governments **.....** bank charters.

(a) certify (b) issue (c) license (d) publish

Q6 The word "State" or "National" as part of a bank's name has nothing **.....** where it operates; this refers to the type of charter it has.

(a) in common with (b) in comparison to (c) to do with (d) to understand by

Q7 Joining the Federal Reserve System is required for national banks, but **.....** for state banks.

(a) obligated (b) obvious (c) optimal (d) optional

Q8 The FRS lends money to banks at a discount rate to help meet their short-term cash requirements, and is known as the lender of last **.....** for banks suffering liquidity crises.

(a) chance (b) legs (c) request (d) resort

Q9 The minimum amount of **.....** capital for a newly chartered bank should total at least $2,500,000 in capital stock.

(a) collected (b) direct (c) fixed (d) startup

Q10 California wishes to encourage a broad and **.....** shareholder base for new banks, although the organizers may desire to limit this number due to tax or other considerations.

(a) based (b) diversified (c) lengthy (d) shallow

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Internet Investing

Q1 The Internet **.....** an excellent tool for both investors and fraudsters.

(a) becomes (b) equals (c) has (d) makes

Q2 **.....** online newsletters can certainly help investors gather valuable information.

(a) Legal (b) Legible (c) Legitimate (d) Literary

Q3 However, some companies pay online newsletters to **.....** their stocks.

(a) tally (b) tongue (c) tout (d) treat

Q4 These newsletters will profit **.....** if they convince investors to buy specific stocks.

(a) attractively (b) beautifully (c) handsomely (d) prettily

Q5 The most egregious scalp the stocks they hype, **.....** the price with recommendations and then selling their own holdings at an inordinate profit.

(a) clinging to (b) driving up (c) nailing down (d) standing by

Q6 Internet bulletin boards **.....** threads made up of numerous messages on investment opportunities.

(a) capture (b) censure (c) feature (d) stature

Q7 A single individual can mimic widespread interest in an unknown stock with a series of posts under various **.....**.

(a) actors (b) addresses (c) aliases (d) antonyms

Q8 Because spam is so easy and cheap to produce, fraudsters frequently use it to find investors for **.....** investment deals.

(a) bogus (b) bonus (c) sub rosa (d) surplus

Q9 Many investment programs are just an internet version of the classic **.....** scheme in which participants attempt to make money simply by recruiting new participants.

(a) escalation (b) hierarchy (c) level up (d) pyramid

Q10 Never make an investment based **.....** on what you read in emails or on the internet.

(a) lightly (b) lonely (c) singly (d) solely

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Evolution of the Stock Exchange

Q1 Paul Arlman, Secretary General of the Federation of European Securities Exchanges, warned in the following excerpted speech that he would not be able to answer this question **.....** him: "What is an Exchange?"

(a) asked to (b) put to (c) said to (d) set to

Q2 The New York Stock Exchange was originally formed to **.....** exchange rooms for the convenient transaction of their business by its members.

(a) furnish (b) reform (c) refurbish (d) renovate

Q3 The oldest Stock Exchange in the world, the Amsterdam Exchange, started in a Post Office in 1598 where incoming and **.....** letters from ships were registered.

(a) backdated (b) outgoing (c) outstanding (d) overseas

Q4 But is was only in 1611, nine years after they started trading the first tradable share of the Vereenigde Oost-indische Compagnie (VOC) that they really got their own Exchange in the **.....** of a building.

(a) facade (b) nature (c) sense (d) stead

Q5 "Confusion de Confusiones", by Joseph de la Vega, published in 1688, shows us quite precisely what an Exchange is: a den of **.....** unless moderated by regulation.

(a) lions (b) scouts (c) thieves (d) wolves

Q6 Through most of its history an Exchange was a meeting place in a physical sense, and only in the last century did we introduce electricity and telephones, which on many floors of the Exchanges were restricted or **.....**.

(a) forbidden (b) foregone (c) forestalled (d) forgotten

Q7 In order to define what a Stock Exchange is today, you have to understand the unstoppable progress, or **.....**, of technology.

(a) barrage (b) bombardment (c) juggernaut (d) ramrod

Q8 When the computer did away with the physical limitation of the Exchange within one single city or region, the technology lost its uniqueness, and it gave rise to **.....**.

(a) competition (b) correlation (c) jurisdiction (d) justification

Q9 Another factor for change has been international equity investors, who have shown a ferocious appetite for both domestic and foreign equity investment, even **.....** the dot com bubble.

(a) aboveboard (b) nevertheless (c) notwithstanding (d) thereabouts

Q10 The fourth factor is the information availability explosion that gave all investors nearly **.....** access to nearly free data.

(a) uncontrolled (b) unlimited (c) unmanageable (d) untenable

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Corporate Taxation

Q1 Rob Norton, of eCompany Now and Fortune magazines, notes in the article quoted below that corporate taxes are among the least efficient and least **.....** of taxes.

(a) avoidable (b) defeatable (c) defensible (d) reprehensible

Q2 The tax is popular with the man **.....**, who believes, incorrectly, that it is paid by corporations.

(a) in the shop (b) in the street (c) on the block (d) on the job

Q3 The federal corporate income tax applies only to some businesses — those chartered as corporations — and not to partnerships or **.....** proprietorships.

(a) simple (b) single (c) sole (d) strict

Q4 The federal tax is levied at three different rates on different **.....** of income: 15 percent on taxable income under $50,000; 25 percent on income between $50,000 and $75,000; and 34 percent on income above that.

(a) brackets (b) components (c) portions (d) segments

Q5 A good reason that state and local corporate income taxes remain low is that corporations could easily **.....** out of states that imposed unusually high taxes.

(a) reinstate (b) relegate (c) relocate (d) replace

Q6 Except for emergency taxes in wartime, corporate profits were first taxed in 1909, when Congress **.....** a 1 percent tax on corporation income.

(a) decided (b) enacted (c) proscribed (d) retracted

Q7 The Tax Reform Act of 1986 was designed to increase the share of federal revenues collected via the corporate income tax and to decrease the share from the **.....** income tax.

(a) individual (b) personnel (c) private (d) single

Q8 While the top corporate tax rate was cut, deductions for capital expenditures were severely **.....**, and as a result the effective tax rate for many corporations rose.

(a) amended (b) curtailed (c) examined (d) extended

Q9 The central problem with the corporate income tax from an economic point of view is that, ultimately, only **.....** can pay taxes.

(a) entities (b) companies (c) people (d) some

Q10 As early as the 17th century, Sir William Petty, one of the **.....** of modern economics, argued that a tax on the production and sale of commodities would eventually be shifted by producers to consumers, who would pay it in the form of higher prices.

(a) planners (b) precursors (c) predecessors (d) progenitors

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Commercial Property

Q1 According to NAREIT (Yungmann and Taube, 2001), property insurance coverage should be based on fair value, i.e., valuing assets at their current market values — actual, if available, or **.....**, if not.

(a) comparative (b) previous (c) projected (d) theoretical

Q2 Much of the fair value debate has had a technical focus on how to place fair values on assets for which no market values **.....**.

(a) apply (b) compare (c) exist (d) obtain

Q3 While the technical issues are important, the real driver should be improving **.....** for users of financial statements.

(a) opacity (b) redundancy (c) translucency (d) transparency

Q4 A single global standard will increase the **.....** of financial presentations, which currently vary considerably.

(a) completeness (b) comprehension (c) consistency (d) control

Q5 A comprehensive standard **.....** comparability across all types of financial institutions.

(a) correlates (b) facilitates (c) initiates (d) legislates

Q6 When accounting values for assets **.....** from their underlying market values, some managements take uneconomic actions to protect accounting performance measures.

(a) detract (b) distract (c) diverge (d) divide

Q7 For example, during the U.S. savings and loan crisis in the 1980s, many institutions **.....** assets with market values above book and continued to hold assets with book values above market.

(a) sold off (b) sold out (c) underwrote (d) wrote off

Q8 In hindsight, users of their financial statements were not well served by the accounting system **.....** at the time.

(a) at hand (b) in place (c) on hold (d) underway

Q9 Fair value **.....** argue that measuring financial assets as close as possible to their true underlying economic values removes these perverse incentives.

(a) presentations (b) proponents (c) propositions (d) protocols

Q10 Users would also benefit from a clearer picture of the economic **.....** of the enterprise.

(a) breath (b) health (c) heart (d) scene

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Quality Control at Ford

Q1 Writing of Ford's quality control problems, Tom Murphy of Ward's Auto World magazine mentions internal data suggesting suppliers were more culpable than the auto maker as recalls and warranty claims seemed to be **.....** out of control.

(a) exploding (b) rising (c) rolling (d) spinning

Q2 The Firestone tire **.....** got the most attention, but in many respects it was merely a symptom of a much broader ailment afflicting the No. 2 auto maker.

(a) debacle (b) debut (c) detachment (d) deterrent

Q3 A Ford executive contended that suppliers deserved a trip to the **.....** for a number of costly, boneheaded mistakes.

(a) dentist (b) market (c) outhouse (d) woodshed

Q4 By last fall, however, the tone had softened; instead of berating parts makers, Ford was openly **.....**.

(a) conciliatory (b) congratulatory (c) consolatory (d) convivial

Q5 Caught up in the industry-wide trend toward **.....**, Ford may have relied too heavily on suppliers for engineering.

(a) outsiders (b) outsourcing (c) overhead (d) oversight

Q6 This demonstrates that OEMs run the risk of becoming **.....** to the technical capabilities — or liabilities — of their suppliers if they merely purchase, rather than engineer.

(a) subcontracted (b) subjected (c) subordinate (d) subservient

Q7 To **.....** the problem, Ford reclaimed some engineering responsibility.

(a) ramify (b) realign (c) rectify (d) register

Q8 The **.....** effect of the new philosophy will be felt for years to come by many of the 2,000 production suppliers Ford taps for parts every day.

(a) rapid (b) ripple (c) side (d) special

Q9 Many suppliers are reserving judgment until the strategy is fully implemented over the next two years, but most are cautiously **.....**.

(a) optical (b) optimal (c) optimistic (d) optional

Q10 It is humbling for the company that pioneered mass production of the automobile to admit nearly 100 years later that it took its eye **.....**, that it sacrificed engineering prowess in what ironically was an attempt to make itself more efficient.

(a) for an eye (b) off the ball (c) out of the socket (d) to the grindstone

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Product Development (1)

Q1 This white paper by the American Productivity & Quality Center explains that the most successful new product development teams are **.....**, with representation from a core group of areas such as finance, marketing, manufacturing, design, engineering, and research.

(a) bilateral (b) cosmopolitan (c) metropolitan (d) multifunctional

Q2 An open communication environment enables team members to **.....** ideas around the group, receive feedback more quickly, and facilitate brainstorming sessions.

(a) balance (b) better (c) bounce (d) bring

Q3 Team membership is vital to the success of the group; **.....** program managers to select those individuals they determine to be of the greatest value is a critical step.

(a) demanding (b) empowering (c) inducting (d) suggesting

Q4 In addition, teams are being given greater authority and held more **.....** for the success or failure of the project.

(a) accessible (b) accountable (c) actionable (d) advisable

Q5 The use of various team reward and recognition structures is mixed, with a trend toward more recognition as opposed to monetary **.....**.

(a) conceptions (b) considerations (c) incentives (d) incitements

Q6 Several best-practice companies have specific companywide awards for work "**.....** the call of duty".

(a) above and beyond (b) inside and outside (c) through and through (d) up to and including

Q7 In addition, the NPD process needs a "champion", who is **.....** with monitoring and adjusting the process as new experiences, good or bad, present themselves.

(a) assigned (b) chored (c) lumbered (d) tasked

Q8 The NPD process can be **.....** into four general categories: idea generation, concept development, product and process design, and production and delivery.

(a) broken down (b) cut up (c) gathered up (d) sorted out

Q9 One organization stores all ideas in a database and revisits them until they are **.....** useless.

(a) deemed (b) deleted (c) determined (d) discarded

Q10 Once viable ideas are chosen, they must be further developed, examined, and **.....** before the select few concepts proceed to full design.

(a) itemized (b) prioritized (c) realized (d) scrutinized

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Product Development (2)

Q1 The American Productivity & Quality Center study identified specific sources that tend to be good idea **.....** for new product development, including market research, focus groups, third-party/inventor input, and brainstorming.

(a) constructors (b) containers (c) generators (d) guarantors

Q2 The concept development phase requires a more formal review and planning process that ensures the concepts are technically feasible, will make a **.....** product, and will allow the organization to make a profit.

(a) fashionable (b) reasonable (c) seasonable (d) sustainable

Q3 At this point, an executive review generally approves the product for design and additional resource **.....**.

(a) acquisition (b) advisement (c) allocation (d) attachment

Q4 The product and process design stage involves turning the concept into a tangible product design and transforming that design into **.....** prototype or pilot.

(a) an active (b) an actual (c) a working (d) a solid

Q5 Prototypes or pilots allow the designers to test and **.....** the ability of the product or service to perform as originally expected.

(a) approve (b) guarantee (c) satisfy (d) verify

Q6 At this stage, to change the original product **.....**, some form of approval is required.

(a) classification (b) generation (c) identification (d) specification

Q7 This approval can range from upper management review to individual functional area review to team **.....**.

(a) ballot (b) consensus (c) hindsight (d) poll

Q8 Once the final design is finalized and approved, the product is **.....** into production.

(a) admitted (b) advanced (c) launched (d) projected

Q9 A **.....**-up period normally is required before full production can begin.

(a) level (b) round (c) scale (d) speed

Q10 A quality assurance group within each business unit is responsible for verifying that the product and each manufacturing site meets the required **.....**.

(a) addenda (b) agenda (c) criteria (d) quota

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Auto Leasing

Q1 LeaseGuide.com author Al Hearn explains that automobile leasing is based entirely on the **.....** that you pay for the amount by which a vehicle's value depreciates during the time you're driving it.

(a) concept (b) design (c) image (d) observation

Q2 Depreciation is the difference between a vehicle's original value and its value at lease-end (**.....** value), and is the primary factor that determines the cost of leasing.

(a) remnant (b) reserve (c) residual (d) retained

Q3 Generally, European and Japanese automobile **.....** have lower depreciation than American brands.

(a) cars (b) logos (c) makes (d) trademarks

Q4 Manufacturer's **.....** Retail Price (MSRP) is the full price for a vehicle as displayed on its window sticker, including optional packages and destination charges.

(a) Sales (b) Standard (c) Stated (d) Suggested

Q5 When you and your dealer sit down and agree on a lease price for a car, this becomes the **.....** cost, or "cap cost".

(a) capitalized (b) car and package (c) cash projected (d) contract approved

Q6 Cap cost can be reduced by rebates, factory-to-dealer incentives, trade-in credit, or a cash **.....** payment; these are known as cap cost reductions.

(a) down (b) first (c) key (d) prior

Q7 When you lease, you're **.....** the leasing company's money while you're driving their car and they rightfully expect you to pay interest on that money, the same as with a loan.

(a) binding over (b) nailing down (c) running through (d) tying up

Q8 This interest is expressed as a money factor, sometimes called lease factor, and is specified as a small **.....** number such as.00297.

(a) decimal (b) denominator (c) percentile (d) unrounded

Q9 A good rule of **.....**: Lease money factors, converted to an annual interest rate, should be comparable to, if not lower than local new-car loan interest rates.

(a) calculation (b) law (c) measure (d) thumb

Q10 However, you may not qualify for great money factors unless if you have **.....** credit rating.

(a) a guaranteed (b) a relevant (c) a spotless (d) an unremarkable

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Essential Advertising

Q1 Stephen Whyte, CEO of Leo Burnett, observes that Marshall McLuhan may have had his **.....** when uttering his much-quoted statement, "Advertising is the greatest art form of the 20th Century".

(a) foot in his mouth
(b) hat on backwards
(c) nose to the grindstone
(d) tongue in his cheek

Q2 You can dispute whether or not advertising is art, but there is no **.....** that advertising is big business.

(a) betting (b) denying (c) discussing (d) speculating

Q3 Advertising's global landscape is changing constantly, as agencies and holding companies consolidate to achieve international clout and economies of **.....**.

(a) scale (b) size (c) state (d) success

Q4 Media, telecommunications and electronics are converging to become one giant industry, illustrated by powerful **.....**, such as the merger between AOL and Time Warner.

(a) alliances (b) antagonists (c) competitors (d) cooperatives

Q5 Media expansion causes problems for advertisers, but it also presents new opportunities by increasing the possibilities for effectively targeting individuals, rather than taking a **.....** approach.

(a) broadside (b) bulletproof (c) scattergun (d) sharpshooter

Q6 Of the three central roles — account manager, planner and creative — only the account handlers manage the relationship with the client on a **.....** basis.

(a) day-in-and-day-out (b) day-to-day (c) from-time-to-time (d) time-after-time

Q7 The account manager is the **.....** of the wheel — someone who organises the agency team of account managers, planners and creatives.

(a) axle (b) hub (c) rim (d) spoke

Q8 The planner's role is to find the most **.....** communication strategy and develop a real insight into the relationship between the brand and the consumer.

(a) compelling (b) complementary (c) convenient (d) convivial

Q9 The creatives are the brilliant executional thinkers, working in teams made up of a copywriter and an art director to develop the planners' ideas and think up ads which will give brands a strong competitive **.....**.

(a) ability (b) advantage (c) ambience (d) assonance

Q10 We develop relationships with possible future clients, even though sometimes it is years down the line before something **.....** it.

(a) banks on (b) comes of (c) happens to (d) reacts from

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Asset Classes

Q1 Cathy Smart and the investment analysts at 401k Forum help you get down to the **.....** with this article about the different asset classes.

(a) baseline (b) basement (c) basics (d) basis

Q2 Asset classes are the categories that your different investments **.....** into — such as cash, bonds, large-cap stocks, small-cap stocks, and international stocks.

(a) fall (b) fan (c) sift (d) sort

Q3 Studies have shown that the key to successful investing is to **.....** your wealth among different asset classes.

(a) diverge (b) expand (c) range (d) spread

Q4 Market capitalization (market cap) is a measure of the size and value of a company; to determine this, you simply multiply the number of the company's **.....** shares of stock by the market price of one share.

(a) corporate (b) individual (c) open market (d) outstanding

Q5 Market capitalization is important because history has shown us that the stocks of companies with different market caps **.....** differently in terms of return and risk.

(a) behave (b) comply (c) gain (d) operate

Q6 Cap-size shift: mid-cap stocks may have once been defined as large cap, but fell out of **.....** with investors.

(a) concern (b) favor (c) line (d) satisfaction

Q7 Mid-cap stock performance usually falls somewhere in between the returns of their large- and small-cap **.....**.

(a) companions (b) counterparts (c) replicas (d) surrogates

Q8 However, mid- and small-cap stock returns tend to be more **.....** than the returns of large-cap stocks.

(a) vaporous (b) volatile (c) voluminous (d) voracious

Q9 If a smaller company loses a few key executives, or if the economy takes a **.....** for the worse, it only takes a few nervous investors to cause the stock to drop drastically.

(a) dive (b) path (c) step (d) turn

Q10 **.....** can reduce your risk and help protect your investment: if one asset class in your portfolio is performing poorly, there's a chance that another asset class within your portfolio will be performing well.

(a) Departmentalization (b) Differentiation (c) Distribution (d) Diversification

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Business Law

Q1 The Commission on European Contract Law recognizes that throughout Europe there is great interest in developing a common European **.....** and commercial law.

(a) civil (b) corporate (c) individual (d) personal

Q2 The efforts and money which it will cost to unify the private law will be **.....** repaid when it is there.

(a) amply (b) annually (c) entirely (d) mainly

Q3 In 1997, the Third Commission began to prepare rules on subjects which are common to contracts, torts and unjust enrichment, such as plurality of creditors and debtors, and **.....** of debts and claims.

(a) advisement (b) alignment (c) arrangement (d) assignment

Q4 With a few exceptions the members of the Commission of European Contract Law have been academics, but many of the academics are also **.....** lawyers.

(a) practical (b) practiced (c) practicing (d) practicum

Q5 The Members have not been representatives of specific political or governmental **.....**, and they have all pursued the same objective, to draft the most appropriate contract rules for Europe.

(a) interests (b) liaisons (c) platforms (d) wings

Q6 The Principles may be compared with the American Restatement of the Law of Contract, which consists of non-binding rules, or "**.....**".

(a) by law (b) false law (c) near law (d) soft law

Q7 Some of the Principles of European Contract Law reflect ideas which have not yet **.....** in the law of any state.

(a) adopted (b) approached (c) materialised (d) realised

Q8 The Commission has made an effort to deal with those issues in contract which face business life of today and which may **.....** the trade.

(a) adhere (b) advance (c) advertise (d) advise

Q9 The Council and the Commission of the EU have been invited to prepare new procedural legislation in **.....** border cases, in particular on those elements which are instrumental to a smooth judicial co-operation.

(a) beyond (b) both (c) cross (d) over

Q10 It is envisaged that the general principles of the law of contracts provided in the PECL will be **.....** in what may eventually become a European Civil Code.

(a) imagined (b) instigated (c) integrated (d) investigated

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Email Do's and Don't's

Q1 Joan Lloyd, of Joan Lloyd & Associates, writes that email is a medium of communication **.....** for sheer convenience.

(a) uncompared (b) undivided (c) unequal (d) unparalleled

Q2 However, she warns that it also carries many **.....** and even dangers in the office environment.

(a) deadfalls (b) freefalls (c) pitfalls (d) pratfalls

Q3 Delivering a negative message is difficult, even when it is spoken face-to-face; **.....** is almost guaranteed when it's received by email.

(a) decisiveness (b) defensiveness (c) derisiveness (d) discursiveness

Q4 What's worse, email can be printed and saved: both parties will often haul out their "documentation" to prove how the other party has **.....** them.

(a) decried (b) missed (c) reviled (d) wronged

Q5 If you receive an email that **.....** you off, and your first reaction is to counterattack, don't; close it and wait 24 hours before you respond.

(a) checks (b) fires (c) seizes (d) ticks

Q6 Because the tone and **.....** are missing, it is more important to use friendly language, descriptive adjectives and carefully chosen words.

(a) inflection (b) intention (c) reflection (d) retraction

Q7 If you don't consider how it will sound on the other end and take steps to shape the delivery so the meaning is understood, you could be doing **.....** control later.

(a) communication (b) courtesy (c) damage (d) passion

Q8 When I get a sloppy email, with poor punctuation, misspelled words or in lower case letters, it tells me the person just doesn't realize that what and how they write **.....** their credibility to others.

(a) denies (b) exaggerates (c) telegraphs (d) underlines

Q9 Email feels private, but it's anything **.....**.

(a) at all (b) available (c) but (d) public

Q10 Write every email for your boss's eyes: it's a great way to keep you honest and **.....** sensitive.

(a) politically (b) positively (c) practically (d) probably

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Organizing a Business

Q1 According to Ron Kurtus of School for Champions, some companies may be **.....** successful, but they could be even more profitable if they paid attention to the basics of organization.

(a) casually (b) mildly (c) scarcely (d) willfully

Q2 Good organization results in reducing losses due to **.....** work or unclear objectives.

(a) duplicate (b) little (c) over (d) unplanned

Q3 All personnel do better work, because they know what they should be doing and what their place is in the **.....** of things.

(a) host (b) plan (c) process (d) scheme

Q4 In order to improve, you must have a vision or goal of where you want to end **.....**.

(a) it (b) result (c) point (d) up

Q5 The primary purpose or reason to start a business **.....** is to earn profits for its owners or stockholders.

(a) energy (b) entity (c) strategy (d) synergy

Q6 For the **.....** of public relations, such a stated purpose is kept private.

(a) cause (b) comfort (c) matter (d) sake

Q7 You should also be aware of your core **.....**: what are you good at?

(a) comparisons (b) competencies (c) competitors (d) complements

Q8 Often companies become diluted and start to get into a field that they think is **.....**, but in which they cannot compete.

(a) lucent (b) lucrative (c) ludicrous (d) lugubrious

Q9 A good **.....** statement accurately explains why your company exists and what it hopes to achieve in the future.

(a) corporate (b) foundation (c) mission (d) public

Q10 A very good way to organize your business is by following the **.....** 9000 standards; you do not necessarily have to become certified, but you can still use them as a guide in how to effectively operate your business.

(a) BBB (b) ISO (c) POP (d) QC

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SKUs and Pricing

Q1 Sales derive from a product's stock-keeping Units (SKU), the **.....** combination of the specific quality, price, container size, colour, model, etc, and the product name.

(a) deviant (b) discreet (c) peculiar (d) unique

Q2 SKUs are what manufacturers produce, what retailers sell, and what consumers buy; **.....** are what are advertised.

(a) brands (b) images (c) items (d) wares

Q3 A large **.....** of SKUs for consumer products has led to myriad choices for customers.

(a) prepackaging (b) preponderance (c) proliferation (d) proportion

Q4 This has led to complicated supply and demand logistics, **.....** of brand loyalty and more pressure on profit margins.

(a) eradication (b) erasure (c) erosion (d) eruption

Q5 Buyers have become much more **.....** in recent years, forcing retailers to respond more quickly and efficiently.

(a) decrying (b) demanding (c) dismaying (d) distracting

Q6 Many stores use a psychological pricing strategy called odd pricing, **.....** prices end in odd numbers, such as $19.95.

(a) whenever (b) whereby (c) while (d) whither

Q7 Presumably, customers see odd prices as being **.....** below even prices, and consequently a bargain.

(a) seriously (b) slimly (c) substantially (d) surprisingly

Q8 On the other hand, luxury boutiques, to project a **.....** image for their products, use even pricing such as $10.00 or $50.00.

(a) preponderant (b) prepossessive (c) prestigious (d) prodigious

Q9 Multiple unit pricing is a strategy in which the customer perceives **.....** buying as involving more savings.

(a) frequent (b) quantity (c) repetitive (d) wholesale

Q10 Multiple unit pricing is usually effective in increasing **.....** sales of a product, but it may not increase the rate of consumption.

(a) customer (b) immediate (c) overall (d) retail

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Managerial Decisions

Q1 Dr. Said Atri, Professor of Economics at SUNY, explains that most managerial decisions involve making a choice from among **.....** courses of action or options in order to achieve a certain objective.

(a) alternate (b) alternative (c) opposing (d) opposite

Q2 **.....** is the process by which a desired outcome is achieved through the most efficient course of action.

(a) Operations (b) Opportunism (c) Optimism (d) Optimization

Q3 In consumption, a consumer with a **.....** amount of income purchases the mix of goods that provides him or her with the greatest level of satisfaction or utility.

(a) given (b) limited (c) predetermined (d) standard

Q4 Often managerial decisions have to be made subject to some **.....**.

(a) considerations (b) constraints (c) constrictions (d) contradictions

Q5 For instance, a manager that is trying to cut his labor costs may be under a union **.....** limiting his ability to lay off workers.

(a) contract (b) house (c) strike (d) negotiation

Q6 A farmer who wants to take advantage of good market conditions and increase the size of his **.....** is limited by the amount of land that he has available.

(a) crop (b) cultivar (c) field (d) produce

Q7 Managerial decisions are not made in a **.....**: economic and market conditions constantly change and managers must decide in accordance with the dynamics of the business environment.

(a) committee (b) hermitage (c) rush (d) vacuum

Q8 As complex as managerial problems may appear, often their various elements can be fitted into microeconomic models; that is why managerial economics is also called "**.....**".

(a) applied microeconomics (b) objective microeconomics
(c) theoretical microeconomics (d) virtual microeconomics

Q9 The manager's internal environment is made up of those factors over which he has at least some **.....** of control.

(a) angle (b) degree (c) measurement (d) power

Q10 Macroeconomics is **.....** to managers, as managers are often interested in knowing the state of the economy and the direction of macroeconomic measures such as interest rates and inflation.

(a) related (b) relegated (c) relevant (d) requisite

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Operations Management

Q1 Some claim that management should exist only to support employees' efforts to be fully productive members of the organization — therefore, any form of control is completely **.....** to management and employees, says Carter McNamara of Authenticity Consulting, LLC.

(a) conducive (b) congenial (c) copacetic (d) counterproductive

Q2 The phrase "management control" itself can have a negative connotation, e.g. it can sound dominating, coercive and **.....**-handed.

(a) double (b) heavy (c) rough (d) under

Q3 Organizations often use **.....** documents to ensure complete and consistent information is gathered.

(a) photocopied (b) prefabricated (c) standardized (d) stored

Q4 Documents include titles and dates to detect different **.....** of the document.

(a) copies (b) signatories (c) sources (d) versions

Q5 Organizations typically require a wide range of reports, e.g. financial reports, status reports, project reports, etc, to **.....** what's being done, by when and how.

(a) administer (b) archive (c) mandate (d) monitor

Q6 Computers have **.....** administrative controls through use of integrated management information systems, project management software, human resource information systems, office automation software, etc.

(a) categorized (b) evolved (c) instituted (d) revolutionized

Q7 Delegation is an approach to getting things done in **.....** with other employees.

(a) concordance (b) conjunction (c) preparation (d) proposition

Q8 Delegation generally includes assigning responsibility to an employee to complete a task, granting the employee authority to gain the resources to do the task and letting the employee decide how that task will be carried
......

(a) off (b) on (c) out (d) over

Q9 Typically, the person assigning the task shares **.....** with the employee for ensuring the task is completed.

(a) accountability (b) advisability (c) compensation (d) satisfaction

Q10 **.....** is carefully collecting and analyzing information in order to make managerial decisions.

(a) Estimation (b) Evaluation (c) Reconnaissance (d) Restitution

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Human Resources Management

Q1 Dr. John Sullivan, Head and Professor of Human Resource Management at San Francisco State University stresses the necessity of establishing a set of assessment tools that will let you know in advance where **.....** count and overhead costs are excessive.

(a) body (b) hand (c) head (d) nose

Q2 In this changing world, it is not uncommon for new markets to open (and close) rapidly, so companies need to have a strategy to move people and resources rapidly from areas of low to areas of a higher **.....**.

(a) competition (b) impact (c) return (d) traffic

Q3 Developing HR systems and metrics known as "**.....**" that indicate potential problems gives us sufficient time to develop plans and strategies to either avoid the problem or minimize its impact.

(a) fire detectors (b) fog detectors (c) lie detectors (d) smoke detectors

Q4 A **.....** strength or back-fill plan differs from succession planning in that it only covers replacing key jobs within a single department; individual managers are held responsible for developing at least one individual to fill every key job.

(a) bench (b) desk (c) full (d) industrial

Q5 One of the primary reasons employees leave their jobs is due to a lack of challenge, but HR can dramatically increase **.....** rates if it gets managers to develop individual "Challenge Plans" for each worker.

(a) recidivism (b) remaining (c) retention (d) return

Q6 Because most companies have eliminated many management positions, there are fewer opportunities for promotion to stimulate workers, so they need to develop **.....** transfer and job rotation plans to ensure the continued development of skills.

(a) holiday (b) horizontal (c) subsidiary (d) supervised

Q7 New hires, as well as our current workers, are demanding an increasing array of benefits and work life **.....** options like job sharing and sabbaticals.

(a) balance (b) equality (c) offset (d) release

Q8 In order to rapidly **.....** resources and fill unexpected vacancies HR must develop computerized skill or competency inventories.

(a) reaffirm (b) redeploy (c) redesign (d) redress

Q9 One of the primary reasons that employees quit their jobs are the bad management **.....** of their direct supervisor.

(a) activities (b) exercises (c) habits (d) practices

Q10 A strong economy **.....** with large swings in the health of world economies makes predicting the supply of labor increasingly difficult.

(a) compared (b) contrasted (c) coordinated (d) coupled

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Entrepreneurship

Q1 Millions of new enterprises are begun each year in spite of a more than 50% **.....** rate.

(a) failure (b) initial (c) interest (d) return

Q2 There is increasing research on the subject, more and more courses in entrepreneurship, and heightened **.....** by the media.

(a) coverage (b) distribution (c) journalism (d) publication

Q3 Initiating a new business involves considerable risk, as well as an effort to overcome all the **.....** against innovative ideas.

(a) attitude (b) inertia (c) pressure (d) protest

Q4 The French word "entrepreneur", **.....** translated, means simply "undertaker".

(a) accurately (b) actually (c) fully (d) literally

Q5 The entrepreneur's connection with risk evolved in the 17th century, when an entrepreneur was someone who entered into a contract with the government to perform a service or to supply **.....** products.

(a) simulated (b) stimulated (c) stippled (d) stipulated

Q6 Since the contract price was fixed, any resulting profits or losses **.....** the efforts of the entrepreneur — the better he performed, the more profit he made.

(a) affected (b) deflected (c) effected (d) reflected

Q7 In the 18th century, the person with capital was **.....** from the one who needed capital; in other words, the entrepreneur was distinguished from the capital provider.

(a) differentiated (b) divided (c) segregated (d) separated

Q8 In contrast to an entrepreneur, a venture capitalist is a professional money manager who makes risk investments from a **.....** of capital to obtain a high rate of return.

(a) pool (b) portfolio (c) stock (d) stream

Q9 In the mid-20th century, the **.....** of an entrepreneur as an innovator was established.

(a) action (b) notion (c) occupation (d) position

Q10 The concept of innovation and newness is now an **.....** part of entrepreneurship.

(a) intangible (b) integral (c) integrated (d) intelligible

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The US Mint

Q1 When the **.....** of the U.S. Constitution created a new government for their untried Republic, they realized the critical need for a respected monetary system.

(a) foilers (b) formers (c) founders (d) framers

Q2 Soon after the Constitution's **.....**, Secretary of the Treasury Alexander Hamilton personally prepared plans for a national Mint.

(a) ratification (b) rationalization (c) realization (d) restitution

Q3 On April 2, 1792, Congress passed The **.....** Act, which created the Mint and authorized construction of a Mint building in the nation's capitol, Philadelphia.

(a) Coinage (b) Money (c) Species (d) Stamp

Q4 President George Washington appointed Philadelphian David Rittenhouse, a **.....** American scientist, as the first Director of the Mint.

(a) famous (b) leading (c) notorious (d) popular

Q5 When the United States government began minting coins in 1792, the original facility in Philadelphia was **.....** to produce enough currency for the small country.

(a) hand-picked (b) hard-pressed (c) heavy-handed (d) spearheaded

Q6 Under Rittenhouse, the Mint produced its first **.....** coins: 11,178 copper cents, which were delivered in March 1793.

(a) alloy (b) circulating (c) printed (d) utile

Q7 The primary mission of the United States Mint is to produce an adequate volume of coins for the nation to **.....** its trade and commerce.

(a) conduct (b) control (c) lead (d) manage

Q8 In addition to producing coins, the United States Mint has other responsibilities, including maintaining physical **.....** and protection of the Nation's $100 billion of U.S. gold and silver assets.

(a) custody (b) ownership (c) possession (d) storage

Q9 It also produces proof and uncirculated coins, **.....** coins, and medals for sale to the general public.

(a) commemorative (b) commissioned (c) memento (d) memorabilia

Q10 In addition. the mint is responsible for receiving, redeeming, and processing **.....** coins.

(a) counterfeit (b) foreign (c) mutilated (d) previous

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Consumer Credit

Q1 Findlaw for Small Business has prepared the following introductory information on **.....** credit to a business's customers.

(a) extending (b) placing (c) proffering (d) submitting

Q2 Consumer credit laws regulate how you advertise interest rates, how much time you have to respond to claims of billing mistakes, and how **.....** you can be when attempting to collect a debt.

(a) aggressive (b) argumentative (c) bellicose (d) belligerent

Q3 Mechanics' and materialmen's **.....** exist in most states to provide special collection rights to those who provide services or building materials used to improve real property.

(a) laws (b) leases (c) liens (d) licenses

Q4 If the debt is not paid, the property can be **.....** and sold to pay the obligation.

(a) foreclosed (b) foreshortened (c) recalled (d) reclaimed

Q5 The debtor has the benefit of an 'automatic **.....**' immediately upon filing a bankruptcy petition, which prevents the creditor from taking any further action to try to collect the debt unless or until the bankruptcy court decides to the contrary.

(a) halt (b) hold (c) stay (d) stop

Q6 The Truth in Lending Act helps customers know what they're **.....**, requiring the creditor to disclose the exact credit terms to applicants.

(a) getting into (b) going through (c) settling for (d) taking up

Q7 Among the items you must **.....** to a consumer who buys on credit are the monthly finance charge and the annual interest rate.

(a) disclose (b) display (c) uncover (d) underwrite

Q8 The Credit Practices Rule prohibits creditors from using certain contract **.....** that the Federal Trade Commission has found to be unfair to consumers.

(a) decisions (b) divisions (c) provisions (d) revisions

Q9 This Rule applies to all creditors subject **.....** the jurisdiction of the Federal Trade Commission.

(a) of (b) to (c) under (d) within

Q10 Interest charged on late payments may be limited by state **.....** laws controlling the amount of interest that can be charged.

(a) ulterior (b) uptake (c) usury (d) utility

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Asset-based Loans

Q1 The Bank of America offers asset-based loans, which are **.....** by a company's accounts receivable, inventory, equipment, and/or real estate.

(a) assured (b) covered (c) obtained (d) secured

Q2 Asset-based loans are an alternative to traditional bank lending because they serve borrowers with risk characteristics typically outside a bank's **.....** level.

(a) collateral (b) comfort (c) confidence (d) control

Q3 A bank will look first to the cash **.....** for the repayment of a loan, then to collateral, while an asset-based lender looks to collateral first.

(a) deposits (b) flow (c) on hand (d) option

Q4 Banks typically require less collateral controls and monitoring but more financial **.....**.

(a) commitments (b) contracts (c) conversions (d) covenants

Q5 **.....** financing is often used by under-performing businesses that are not achieving their full potential; it is sometimes used for businesses that are either insolvent or on their way to becoming insolvent.

(a) Remedial (b) Reversal (c) Touchstone (d) Turnaround

Q6 Debtor-in-possession (DIP) refers to a company that has filed for **.....** under Chapter XI of the Federal Bankruptcy Code and has been permitted by the bankruptcy court to continue its operations to effect a formal reorganization. protection provisions penury prosecution

(a) penury (b) prosecution (c) protection (d) provisions

Q7 In a leveraged buyout (LBO), the target company's assets are used as collateral for debt, and its cash flow is used to **.....** debt accrued by the buyer to acquire the company.

(a) absolve (b) assume (c) restructure (d) retire

Q8 A Leveraged ESOP (Employee Stock Ownership Plan) allows a company to raise its capital-to-asset **.....** by issuing new shares of stock to an employee trust, which finances the transaction with an asset-based loan.

(a) advantage (b) percentage (c) ratio (d) stance

Q9 A typical loan agreement with an asset-based lender provides protections, rights, and **.....** for both parties.

(a) remedies (b) responses (c) services (d) solutions

Q10 The level of controls and monitoring by the asset-based lender is directly related to the credit **.....** of the borrower.

(a) condition (b) position (c) value (d) worthiness

Consumer Protection

Q1 The US Federal Trade Commission has prepared the following information to help consumers understand the antitrust laws and protect consumer **.....** — the freedom to choose goods and services in an open marketplace at a price and quality that fit the consumer's needs.

(a) dignity (b) impartiality (c) individuality (d) sovereignty

Q2 A **.....** agreement on price among competitors — where the agreement is not reasonably related to the firms' business operations — is illegal.

(a) guarded (b) naked (c) stated (d) suspected

Q3 Price similarities also can result from normal economic conditions: for example, **.....** competition can drive prices down to a common level.

(a) fictitious (b) uncontrolled (c) unfair (d) vigorous

Q4 As for the appearance of uniformly high prices, **.....** may not be the only basis for the situation: prices may increase if consumer demand for a product is particularly high and the supply is limited.

(a) coexistence (b) collusion (c) competition (d) cooperation

Q5 An agreement to restrict production or output is illegal because reducing the supply of a product or service **.....** drives up its price.

(a) inevitably (b) irrevocably (c) readily (d) steadily

Q6 A group **.....** — an agreement among competitors not to deal with another person or business — violates the law if it is used to force another party to pay higher prices.

(a) ban (b) barricade (c) bluff (d) boycott

Q7 Market division — agreements among competitors to divide sales territories or **.....** customers — are presumed to be illegal.

(a) alleviate (b) allocate (c) deploy (d) deviate

Q8 Restrictions on price advertising can be illegal if they **.....** consumers of important information.

(a) deny (b) deplete (c) deprive (d) detract

Q9 A professional **.....** of ethics may be unlawful if it unreasonably restricts the ways professionals may compete.

(a) assertion (b) code (c) promise (d) vow

Q10 Vertical price-fixing — an agreement between a supplier and a dealer that fixes the minimum resale price of a product — is a **.....** antitrust violation.

(a) back-door (b) clear-cut (c) out-front (d) well-worn

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Efficient Capital Markets

Q1 In the current article, Professors Steven L. Jones and Jeffry M. Netter offer their detailed **.....** on the nature of efficient capital markets.

(a) insights (b) outlooks (c) overviews (d) prevues

Q2 Shortly after the US Constitution went into effect, Secretary of the Treasury Alexander Hamilton proposed that Congress **.....** at face value securities that had been issued by the states and the federal government, even though these securities were then selling for much less.

(a) reclaim (b) recover (c) redeem (d) reissue

Q3 After Hamilton's proposal was made public, however, congressmen and others who knew of the plan made large profits by sending their agents into the countryside to buy the securities at **.....** prices before most security holders heard of the plan.

(a) degraded (b) depressed (c) discounted (d) discredited

Q4 Contrast this **.....** with security markets today, in which the prices of securities react very quickly to new information about their value.

(a) scenario (b) scene (c) scenery (d) scenography

Q5 Efficient capital markets are commonly thought of as markets in which security prices fully reflect all relevant information that is available about the **.....** value of the securities.

(a) conceptual (b) fundamental (c) perceptual (d) structural

Q6 Because a security is a claim on future cash flows, its current value is the **.....** value of the future cash flows that the owner of the security expects to receive.

(a) perceived (b) potential (c) present (d) projected

Q7 Future cash flows are discounted by an interest rate that is a **.....** of the riskiness of those cash flows; the riskier the cash flows, the higher is the rate used.

(a) compensation (b) function (c) reaction (d) reversal

Q8 The study of capital market efficiency examines how much, how fast, and how accurately available information is **.....** into security prices.

(a) included (b) incorporated (c) installed (d) intercalated

Q9 The capital markets **.....** funds from savers to firms, which use the funds to finance projects, so informational efficiency is necessary if funds, allocated through the capital market, are to flow to the highest-valued projects.

(a) carry (b) channel (c) flow (d) handle

Q10 Management compensation packages tied to stock **.....** are one way in which stockholders align management's interests with their own.

(a) activity (b) options (c) performance (d) prices

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Basic Investment Types

Q1 Common shareholders have the right to elect directors, to vote on certain corporate matters, and to share in any **.....** assets of the company if it is wound up.

(a) reclaimed (b) released (c) relevant (d) residual

Q2 Common shareholders are the last to claim assets in cases of **.....**.

(a) dissolution (b) insolvency (c) insurgency (d) resolution

Q3 Preferred shareholders may have no voting rights, but special features on redemption or **.....** of preferred shares into common shares exist in many cases.

(a) conversion (b) merging (c) morphing (d) transformation

Q4 U.S. Savings Bonds are backed by the general credit and taxation powers of the federal government, so there is virtually no risk of **.....**.

(a) bankruptcy (b) default (c) depression (d) retraction

Q5 A bond is a loan by an investor to the government or a company, which generally promises to pay a specified rate of interest and to repay a certain amount, the **.....** value of the bond, at maturity.

(a) base (b) face (c) initial (d) official

Q6 Certificates of Deposit (CDs) are short-term, interest-bearing savings certificates issued by banks or brokers, bearing a maturity date and a specified interest rate; they can be issued in any **.....**.

(a) condition (b) denomination (c) jurisdiction (d) nation

Q7 Money-market mutual funds (MMMF) pool money from large numbers of investors and use it to buy short-term investments, such as T-Bills and commercial **.....**.

(a) blocks (b) contracts (c) paper (d) stock

Q8 The returns on mutual funds depend on the fund's investment objectives, described in its **.....**, and its success in achieving them.

(a) articles of incorporation (b) leaflets
(c) prospectus (d) submissions

Q9 **.....** funds are much like mutual funds, but shares are not issued or redeemed on an ongoing basis; a set number of shares are issued and then listed on an exchange for trade among investors.

(a) Closed-end (b) Finite (c) Limited (d) Short-line

Q10 Options give the holder the right to buy ('call' option) or sell ('**.....**' option) a security at a specific price for a specific period of time.

(a) offer (b) place (c) put (d) vend

Agricultural Market Development

Q1 The Food and Agriculture Organization of the UN advises that an efficient and adequate marketing system is a **.....** for agricultural diversification, providing better prices to producers and the availability of competitively priced produce to consumers.

(a) precondition (b) precursor (c) predecessor (d) preference

Q2 Physical improvement is usually addressed in two ways: by providing improved market infrastructure (both urban and rural) and by improving rural **.....** roads.

(a) access (b) paved (c) portage (d) state

Q3 Rural markets form part of a trade network; they are normally arranged on a **.....** basis on specific weekdays and are commonly organised at a central place in a village or district centre.

(a) ad hoc (b) casual (c) irregular (d) periodic

Q4 Larger rural markets ('assembly markets') are found where greater quantities of produce are traded, either by the producers themselves or by traders, and are normally situated on main highways, or near to ferries and other local transport **.....**.

(a) axles (b) cores (c) nodes (d) rims

Q5 **.....** wholesale and semi-wholesale markets are located within or near major cities (usually with populations exceeding 0.5 million).

(a) Seasonal (b) Subsidized (c) Temporary (d) Terminal

Q6 Retail markets directly serve consumers in main urban areas; although primarily retail, they may have some semi-wholesale functions, particularly if they allow producers to trade — in which case, they are often called **.....** markets.

(a) direct (b) farmers' (c) open-air (d) produce

Q7 Internal factors for change include increasing volumes of produce to be handled; alterations to commercial practices and trading patterns; and the **.....** of professional specialised wholesalers.

(a) convergence (b) conveyance (c) emergence (d) reliance

Q8 The main external causes for change are **.....** factors, including increase in population of a city as a result of migration and natural growth, population shifts within cities and moves to the suburbs, and changes in the location and nature of workplaces.

(a) democratic (b) demographic (c) geocentric (d) geographic

Q9 A common problem at both wholesale and retail levels is that the markets are viewed as tax **.....** rather than as means of facilitating the marketing of local produce: the marketing system is 'kidnapped' by municipalities, with the sole purpose of collecting taxes.

(a) cattle (b) instruments (c) utensils (d) wells

Q10 These factors all need to be taken into **.....** in identifying the best approach to market development.

(a) acceptance (b) account (c) calculation (d) considerateness

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Direct Sales

Q1 The Direct Selling Association is the national trade association of the **.....** firms that manufacture and distribute goods and services sold directly to consumers.

(a) establishment (b) famous (c) leading (d) prestigious

Q2 Direct selling is the sale of a consumer product or service, person-to-person, away from a **.....** retail location.

(a) fixed (b) listed (c) local (d) stable

Q3 Products are sold primarily through in-home product demonstrations, parties and **.....** selling.

(a) man-to-man (b) one-on-one (c) on-location (d) out-of-pocket

Q4 Data from surveys indicate that direct selling remains a **.....** marketing method that engenders considerable loyalty among its representatives and customers.

(a) veritable (b) versatile (c) vibrant (d) virulent

Q5 Early direct sellers — hawkers, peddlers, traders, **.....** merchants and caravans — were part of an ancient tradition that originated in man's basic need to exchange goods and to communicate.

(a) indigenous (b) indigent (c) invasive (d) itinerant

Q6 The development and use of roads and water routes for commercial activity were **.....** points in the history of direct selling.

(a) elemental (b) essential (c) pivotal (d) potential

Q7 As early as 2000 B.C., the **.....** of Hammurabi, a monument of Babylonian law, protected the general welfare and integrity of the Babylonian direct seller, stating that 'the peddler shall swear the oath of God' if any enemy caused him trouble in the travels.

(a) Code (b) Pact (c) Seal (d) Stone

Q8 The **.....** of the renowned Yankee Peddler in the early American territories of the 18th and 19th centuries consisted of items like pins, needles, hooks, scissors, combs, small hardware and perfume.

(a) ideas (b) notions (c) possessions (d) produce

Q9 he advent of the home party in the 1950s added a new **.....** to direct selling as customers gathered at the home of hostesses to see product demonstrations and socialize with friends.

(a) appearance (b) dimension (c) invention (d) perspective

Q10 Today, at the beginning of the 21st century, the Internet has become an important element of direct selling — essentially giving each direct seller a worldwide customer **.....**.

(a) base (b) list (c) pool (d) portal

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Dotcom Retail Stores

Q1 Melissa Campanelli, a marketing and technology writer in Brooklyn, comments on the reasons for dotcoms to open a physical store to extend their life **.....**.

(a) lengths (b) lines (c) spans (d) streams

Q2 In the traditional realm of business, you open a retail store first and then launch a website, but since the dotcom revolution, many surviving dotcoms that skipped that first step are realizing the benefits of opening a **.....** location.

(a) brick-and-mortar (b) plaster-of-paris (c) rock-solid (d) set-in-stone

Q3 Anyone that has a business plan with a goal of e-commerce needs to **.....** that business plan with a retail reality.

(a) augment (b) engineer (c) generate (d) offset

Q4 "We realized very early that we could not exist purely as a dotcom," says Sal Perisano, of iParty Corp, "We knew we needed some terrestrial link, some reality other than a virtual company, to **.....** what we were doing."

(a) belay (b) belie (c) bolster (d) brook

Q5 Physical stores give your customers a more convenient way to return goods and try out products — two options analysts say are **.....** missing from Net stores.

(a) rashly (b) roughly (c) sorely (d) stiffly

Q6 Owning a store offers a natural **.....** flow into and out of the store, which allows an entrepreneur to gather names and begin direct-to-consumer marketing programs.

(a) goods (b) pedestrian (c) physical (d) traffic

Q7 However, opening a retail store is an expensive **.....**.

(a) exploration (b) exposition (c) imposition (d) proposition

Q8 For those of you who lack the funding needed to open a retail store right now, try renting a **.....** in a local shopping mall.

(a) barrow (b) hut (c) kiosk (d) table

Q9 If you do want to set up **.....**, you should do whatever you can to learn about launching and running a traditional retail business before you do so.

(a) business (b) operation (c) shop (d) store

Q10 Your best **.....** is to determine ahead of time whether a multichannel strategy is a good move for your dotcom.

(a) bet (b) chance (c) effort (d) thought

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Consumer Behaviour

Q1 Dr. Lars Perner explains that as well as the study of how products are purchased, consumer behavior also involves their use and **.....**, since many environmental problems result from the latter.

(a) disposal (b) disturbance (c) perusal (d) reuse

Q2 Consumer behavior involves services and ideas as well as **.....** products.

(a) durable (b) malleable (c) marketable (d) tangible

Q3 Product use is often of great interest to the marketer, because this may influence how a product is best **.....** or how we can encourage increased consumption.

(a) inventoried (b) manufactured (c) positioned (d) stationed

Q4 For example, by understanding that consumers are more **.....** to food advertising when they are hungry, we learn to schedule snack advertisements late in the afternoon.

(a) attendant (b) attractive (c) receptive (d) related

Q5 The impact of consumer behavior on society is also of relevance; for example, aggressive marketing of high fat foods may have serious **.....** for the national health.

(a) affectations (b) aftereffects (c) repercussions (d) retributions

Q6 Since new products are usually initially adopted by a few consumers and only spread later and gradually to the rest of the population, companies that introduce new products must be well financed so that they can stay **.....** until their products become a commercial success.

(a) aboard (b) abreast (c) afloat (d) aloft

Q7 It is important to please initial customers, since they will in turn influence many **.....** customers' brand choices.

(a) consecutive (b) consequent (c) subsequent (d) subservient

Q8 Common sense suggests that if you buy a 64-ounce bottle of laundry detergent, you should pay less per ounce than if you bought two 32-ounce bottles; in practice, however, you often pay a size **.....** by buying the larger quantity.

(a) discount (b) increase (c) percentile (d) premium

Q9 Consumer surveys, as any kind of research, are vulnerable to **.....**: the wording of a question can influence the outcome a great deal.

(a) ambiguity (b) bias (c) bigotry (d) weighting

Q10 **.....** measures are occasionally used to examine consumer response; for example, advertisers may want to measure a consumer's level of arousal during various parts of an advertisement.

(a) Paramedical (b) Physiological (c) Psychiatric (d) Psychotic

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Retail Marketing

Q1 The Discount Store News offers some tips for **.....** effective in-store partnerships.

(a) casting (b) forging (c) sealing (d) welding

Q2 Imagine a consumer shopping experience where there's no **.....** through the confusing tangle of options or having to guess which size to pull out for a closer look.

(a) sailing (b) striding (c) sailing (d) wading

Q3 Now imagine the increased sales that could be generated when shoppers are directed by quality **.....** to fixtures whose design and planogram makes merchandise almost irresistible.

(a) postage (b) posters (c) signage (d) staff

Q4 The above scenario is more than a **.....**, as vendors are now working with retailers in creating displays that fuel movement of inventory from stores' back doors into patrons' hands.

(a) lick and a promise (b) pencil sketch (c) pipe dream (d) planner's nightmare

Q5 Retailers, who are always keeping an eye on the bottom line, continually search for ways to speed up the rate at which they put manufacturers' merchandise on the **.....**.

(a) aisle (b) display (c) floor (d) pallet

Q6 Cooperation from vendors in repositioning merchandise closer to the **.....** of sale pushes the envelope toward faster turnover.

(a) counter (b) direction (c) edge (d) point

Q7 Melanie McIntosh adds that in today's competitive retail environment a retailer cannot afford to consider merchandising as a **.....**.

(a) bonus (b) frill (c) gift (d) necessity

Q8 Merchandising and display are an important part of the marketing plan and should have a reasonable budget allocated, even for a retailer operating on a **.....**.

(a) corner (b) dime (c) limit (d) shoestring

Q9 After investing money on the important priorities such as merchandise, location, staff, insurance, accountant, advertising, your carefully budgeted money can be lost if your store doesn't **.....** up to the customers' expectations.

(a) level (b) measure (c) reach (d) stretch

Q10 If your store looks like a bargain **.....**, customers will expect those kinds of prices and may draw the conclusion that your product is poor quality.

(a) attic (b) basement (c) cellar (d) corner

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The Law of Agency

Q1 The common law of agency is the body of law applicable to **.....** relationships in which one person (the agent) consents to act on behalf of another person (the principal) and subject to that person's control.

(a) collateral (b) collegial (c) conducive (d) consensual

Q2 Agency doctrine **.....** the consequences, for the agent and principal, of the agent's interactions with third parties, as well as the consequences of the relationship as between the agent and principal.

(a) advocates (b) dictates (c) governs (d) monitors

Q3 Agency is a common-law subject of wide **.....** that intersects with a number of other subjects.

(a) scale (b) scope (c) sense (d) series

Q4 **.....** examples of agency relationships include those between officers and corporations, between employees and employers, and between real-estate and other specialized agents and their clients.

(a) Parenthetical (b) Pragmatic (c) Prototypical (d) Proverbial

Q5 Despite the fact that specific rules concerning certain of those agency relationships have evolved, there remains a **.....** law of agency with substantial application across diverse legal contexts.

(a) free-standing (b) free-wheeling (c) long-awaited (d) long-lasting

Q6 The regular appearance of corporate scandals in newspapers—Enron in particular—has emphasized that agency law continues to be **.....** in business and employment relationships.

(a) adamant (b) evident (c) permanent (d) relevant

Q7 Those scandals are characterized by businesspeople who 'should have known', and who appear to have acted **.....** to the organizations for which they worked.

(a) adroitly (b) adversely (c) aggressively (d) ambitiously

Q8 Courts responding to cases relating to the scandals have focused on the legal relationships among principals, agents, and **.....** third parties.

(a) affected (b) affective (c) effected (d) effective

Q9 Agency law has retained a structural coherence, despite statutory developments, in part because many statutes make reference to common law or **.....** a background that includes basic common-law doctrines.

(a) intuit (b) presuppose (c) suggest (d) supplant

Q10 The law of agency is based on the Latin **.....** 'Qui facit per alium, facit per se', which means 'he who acts through another is deemed in law to do it himself'.

(a) axiom (b) epigram (c) maxim (d) utterance

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The Law of Contracts

Q1 In the nineteenth century, also known as the classical age of English contract law and the **.....** of laissez-faire economic theory, common law rejected the moral theory of Lord Mansfield, which held that promises are a moral obligation.

(a) eloquence (b) epitome (c) heyday (d) highlight

Q2 Contracts are promises that the law will **.....**.

(a) enact (b) enforce (c) enhance (d) espouse

Q3 The law provides remedies if a promise is **.....** and recognizes the performance of a promise as a duty.

(a) bent (b) bestowed (c) betrayed (d) breached

Q4 Contracts **.....** when a duty does or may come into existence, because of a promise made by one of the parties.

(a) activate (b) appear (c) apply (d) arise

Q5 The Law of Contracts deals with self-**.....** duties, that is, agreements voluntarily concluded between parties.

(a) delineated (b) designated (c) implanted (d) imposed

Q6 To be legally **.....** as a contract, a promise must be exchanged for adequate consideration.

(a) based (b) biased (c) binding (d) bound

Q7 Adequate consideration is a benefit which a party receives which reasonably and fairly **.....** them to make the promise/contract.

(a) conduces (b) educes (c) induces (d) seduces

Q8 Promises that are purely **.....** are not considered enforceable because the personal satisfaction the grantor of the promise may receive from the act is normally not considered adequate consideration.

(a) gifts (b) givens (c) gratuities (d) gratuitous

Q9 Certain promises that are not considered contracts may, in limited circumstances, be enforced if one party has relied to his **.....** on the assurances of the other party.

(a) deference (b) detraction (c) detriment (d) distress

Q10 The Law of Contracts is usually broadly classified either as part of the Law of Obligations or as part of the system of private law (which **.....** contracts, property and torts).

(a) circumscribes (b) delineates (c) encompasses (d) subtends

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Real Estate Brokers

Q1 Real estate agents and brokers act as **.....** in price negotiations between buyers and sellers.

(a) intermediaries (b) mediators (c) mediums (d) moderators

Q2 When selling real estate, brokers arrange for title searches and for meetings between buyers and sellers during which the details of the transactions are agreed upon and the new owners take **.....** of the property.

(a) ahold (b) assessment (c) control (d) possession

Q3 Brokers spend a significant amount of time obtaining **.....**-agreements by owners to place properties for sale with the firm.

(a) acknowledgements (b) listings (c) promises (d) signatures

Q4 A broker may help to arrange favorable financing from a lender for the prospective buyer; often, this makes the difference between success and failure in **.....** a sale.

(a) closing (b) doing (c) ending (d) wrapping

Q5 In the prequalifying phase, the agent determines how much the buyers can **.....** to spend.

(a) afford (b) ensure (c) intend (d) manage

Q6 In addition, the agent and the buyer usually sign **.....** contract which states that the agent will be the only one to show houses to buyers.

(a) an individual (b) an ironbound (c) a loyalty (d) a solidarity

Q7 Agents identify and emphasize the most **.....** selling points.

(a) perennial (b) permanent (c) perquisite (d) pertinent

Q8 To a young family looking for a house, they may emphasize the convenient floor plan, the area's low crime rate, and the **.....** to schools and shopping centers.

(a) directions (b) juxtaposition (c) proximity (d) vicinity

Q9 If bargaining over price becomes necessary, agents must follow their client's instructions carefully and may have to present **.....** in order to get the best possible price.

(a) arguments (b) conditions (c) counteroffers (d) documents

Q10 Once both parties have signed the contract, the real estate broker or agent must make sure that all special terms of the contract are **.....** before the closing date.

(a) defined (b) filled (c) met (d) pending

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Realtor Advertisement

Q1 Founded over 30 years ago, Winoker Realty Company is a privately **.....** second-generation commercial real estate firm serving the diverse real estate needs of a highly prestigious list of tenants, owners, large corporations and growing businesses.

(a) classified (b) converted (c) held (d) positioned

Q2 We are committed to providing you with value-added, timely solutions — and we **.....**.

(a) can (b) deliver (c) do (d) swear

Q3 Winoker Realty Company's vast experience allows us to provide expert property redevelopment services, with timely, cost-efficient results and quality solutions to every need that may **.....**.

(a) appear (b) arise (c) emerge (d) exist

Q4 Winoker Realty Company also provides superior leasing services; for building owners seeking to increase cash-flow, **.....**, and speed to market is critical.

(a) money has wings (b) money talks (c) time flies (d) time is money

Q5 We take **.....** in our ability to rapidly gain a comprehensive understanding of an owner's specific needs and objectives.

(a) care (b) pride (c) skill (d) time

Q6 Winoker Realty Company has a **.....** commitment to senior level involvement in every aspect of customer relationship.

(a) stalwart (b) staunch (c) steadfast (d) stubborn

Q7 We implement the marketing strategy approved by you — seeking out the right prospects, creating and placing ads, conducting **.....** houses with full attention to detail, and more.

(a) dwelling (b) model (c) open (d) rental

Q8 Our decades of New York real estate experience from both the **.....** and the tenant sides help us provide customized solutions for every real estate niche and geographic area.

(a) housekeeper (b) landlord (c) leaseholder (d) proprietor

Q9 Winoker's hands-on approach and roll-up-your-**.....** attitude has benefited building owners for more than 30 years.

(a) carpet (b) sleeves (c) socks (d) windows

Q10 Our true depth and breadth of expertise is simply **.....** in the greater New York real estate marketplace.

(a) insurmountable (b) superabundant (c) surreal (d) unsurpassed

A good real estate rental market

Q1 Ray Alcorn of Park Real Estate Inc remarks that real estate is a capital-intensive industry, and its health rises and falls with capital availability; currently the capital markets are so **.....** with cash, they can't find a place for it all.

(a) flood (b) fluid (c) flush (d) full

Q2 Boom times typically engender oversupply of product, but construction prices have skyrocketed due to natural disasters and rising commodity prices, which has **.....** new building in all property types.

(a) ameliorated (b) mollified (c) tempered (d) transformed

Q3 Rising consumer interest rates will further slow consumer purchasing and the housing market, and may produce the desired soft **.....**.

(a) dealing (b) ending (c) landing (d) spending

Q4 Historically, contractions in capital have a negative effect on valuations, and current **.....** from government regulators aiming to trim commercial banks' real estate loan exposure are worrisome.

(a) groundings (b) grumblings (c) ramblings (d) rumblings

Q5 Global markets are literally awash in capital, all of it seeking yield and stability; fortunately, commercial real estate offers both, and even if banks are constrained there is a **.....** of capital to fill the void.

(a) cache (b) niche (c) surfeit (d) surplus

Q6 Construction costs have gone through the **.....** in the past year due to natural disasters and increased commodity prices.

(a) budget (b) gauntlet (c) roof (d) stock

Q7 High construction costs and condo conversions have reduced new supply and a slowing housing market increases rental demand, so owners can now flex their muscles with rent increases, and those who bought at high valuations may yet get the **.....**.

(a) brush off (b) cat's meow (c) door prize (d) last laugh

Q8 Areas with declining employment and population will experience an acceleration of those trends, and investors will not acquire properties in such markets without good reason to believe a comeback is in the **.....**.

(a) off chance (b) offer (c) offering (d) offing

Q9 Retail properties will suffer as owners rediscover risk as a component of value, but most of these assets are owned by well-capitalized private equity groups that can easily **.....** the storm.

(a) keep up with (b) ride out (c) sail into (d) wriggle out of

Q10 Acquisition of stabilized properties at low cap rates with little potential for rent growth is a sure **.....** for below market returns.

(a) receipt (b) recipe (c) recipient (d) reward

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Selling to Businesses

Q1 The amount of purchasing undertaken in the business market easily **.....** the total spending by consumers; because the business market is so large it draws the interest of millions of companies that market exclusively to business customers.

(a) belittles (b) diminishes (c) dwarfs (d) shrinks

Q2 In certain business markets purchase decisions **.....** on the outcome of a bidding process between competitors offering similar products and services.

(a) fold (b) hinge (c) lean (d) stand

Q3 In these cases the decision to buy is often **.....** down to one concern who has the lowest price.

(a) arrowed (b) ratcheted (c) sized (d) whittled

Q4 Consumer and business markets differ in that business markets are more likely to be price than brand-**.....**.

(a) controlled (b) defined (c) driven (d) limited

Q5 The demand by businesses for products and services is affected by consumer purchases; this is called **.....** demand.

(a) delayed (b) derived (c) distal (d) distance

Q6 Because so many organizations may have a part in creating consumer purchases, a small **.....** in consumer demand can create big changes in business purchasing.

(a) skip (b) slant (c) swath (d) swing

Q7 The search for alternatives is a significant difference between consumer and business purchasing; while a consumer will probably not search hard to save two cents a gallon on gas, a company that has a large **.....** of cars or trucks certainly will.

(a) caravan (b) corps (c) fleet (d) flotilla

Q8 In more advanced purchase situations, members of the Buying Center may evaluate each option using a checklist of features sought by the buyer, and each feature is assigned a **.....** that corresponds to its importance to the purchase decision.

(a) consideration (b) number (c) position (d) weight

Q9 If the product is **.....** received, it may end up moving to a straight re-purchase status, thus eliminating much of the evaluation process on future purchases.

(a) soon (b) then (c) timely (d) well

Q10 Business purchase decisions can **.....** for an extensive period; unlike consumer markets where impulse purchasing is rampant, the number of people involved in business purchase decisions results in decisions taking weeks, months or years.

(a) delve through (b) drag on (c) scrape by (d) seize up

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Small Businesses

Q1 T. Fuller states that, historically, all business operated at a small scale and were centred on the individual **.....**.

(a) art form (b) artifact (c) artisan (d) artistry

Q2 Even now there are strong cultural **.....** to individual enterprise.

(a) affinities (b) attachments (c) tentacles (d) touchstones

Q3 Over the centuries, business has emerged, legitimised by reflexive social **.....** of entrepreneurship and fuelled by regulated international free trade, competition, property rights and usury.

(a) actions (b) distinctions (c) mentions (d) notions

Q4 In this **.....**, small businesses are increasingly important but relatively powerless.

(a) foreground (b) landscape (c) perspective (d) scenery

Q5 The overall thesis is that small businesses, once **.....**, have been systematically othered, then homogenised.

(a) anonymous (b) precarious (c) ubiquitous (d) victorious

Q6 The article traces a brief history of small business from post-medieval times, through the Industrial Revolution to the **.....** day.

(a) contemporary (b) current (c) modern (d) present

Q7 In doing so, it **.....** a number of principles upon which small business in the UK is founded, and illustrates how corporatism has emerged as these principles evolved.

(a) bares (b) disseminates (c) publicizes (d) uncovers

Q8 Small business is **.....** as being in a weak position relative to corporate business but co-dependent upon it.

(a) conceived (b) concerned (c) received (d) referred

Q9 The link between the entrepreneurial individuals and innovation is discussed, outlining a view that entrepreneurs may best be **.....** by corporate ecologies.

(a) construed (b) contracted (c) served (d) subsumed

Q10 The future trajectory of small business in the UK and Europe is by **.....** certain.

(a) all means (b) any means (c) no means (d) some means

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Trade Multilateralism

Q1 Multilateral trade agreements serve the interests of today's global production system in a way that the alternative — a **.....** system of bilateral agreements — does not.

(a) factional (b) fractional (c) fragmentary (d) fragmented

Q2 Victor K. Fung gives his point of view as a businessman on what is at stake and why WTO negotiators have an interest in finding common **.....**.

(a) ground (b) law (c) sense (d) wealth

Q3 Global rules **.....** global production.

(a) all (b) ease (c) stress (d) through

Q4 In the old days, manufacturing would be done "in-house", but manufacturing carries a completely different meaning today: products are no longer made **.....**.

(a) all at once (b) in one basket (c) under one roof (d) within the pale

Q5 Increasingly, production is **.....** across different factories in different countries — it is becoming globalized.

(a) disbursed (b) discharged (c) dismembered (d) dispersed

Q6 Information technology and logistics help dissect the value-added process into **.....** parts, with factories, locations and countries assigned for each stage according to their competitive advantage.

(a) complementary (b) component (c) composite (d) connective

Q7 Over the past several years, we have seen **.....** in Seattle and Cancn, with what appears to be a widening divergence of views between developed and developing countries, and a rise in bilateral trade agreements.

(a) coercion (b) concord (c) discord (d) dismay

Q8 Bilateralism distorts the flow of goods: it **.....** barriers, creates friction, reduces flexibility, raises prices and hinders companies' ability to bring new countries into the global production system. throws up breaks down bowls over stands on

(a) bowls over (b) breaks down (c) stands on (d) throws up

Q9 Of particular concern are 'rules of origin', which define where a product is made and determine what kind of market **.....** it will have.

(a) access (b) activity (c) life (d) share

Q10 With each new bilateral agreement, considerations relating to rules of origin multiply and become more complex in the **.....** trade experts call 'the spaghetti bowl effect'.

(a) illusion (b) paradox (c) phenomenon (d) spectre

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Thinking to Export

Q1 There are several ways to evaluate the export **.....** of your products and services in overseas markets; the most common approach is to examine the success of your products domestically.

(a) credentials (b) credibility (c) potency (d) potential

Q2 Another means is by examining the unique or important features of your product: if those features are hard to **.....** abroad, then it is likely that you will be successful overseas.

(a) appropriate (b) duplicate (c) plagiarize (d) simulate

Q3 **.....** export markets may still exist, especially if the product once did well in the United States but is now losing market share to more technically advanced products.

(a) Retrograde (b) Sizeable (c) Third-estate (d) Vestigial

Q4 Other countries may not need state-of-the-art technology and/or may be unable to afford the most **.....** and expensive products.

(a) cosmopolitan (b) obsolescent (c) reliable (d) sophisticated

Q5 Such markets may have a surprisingly **.....** demand for U.S. products that are older or considered dated by U.S. market standards.

(a) acquisitive (b) determined (c) far-reaching (d) healthy

Q6 All aspects of an export plan should be agreed upon by the personnel involved in the exporting process, as they will ultimately **.....** the export plan.

(a) actuate (b) deliver (c) execute (d) undergo

Q7 From the start, the plan should be viewed and written as a management tool, not as a **.....** document.

(a) dormant (b) erratic (c) static (d) vacuous

Q8 Many companies begin export activities **.....**, without carefully screening markets or options for market entry.

(a) haphazardly (b) randomly (c) systematically (d) unconsciously

Q9 While these companies may or may not have a **.....** of success, they may overlook better export opportunities.

(a) dollop (b) measure (c) satisfaction (d) windfall

Q10 If early export efforts are unsuccessful because of poor planning, your company may be **.....** into abandoning exporting altogether.

(a) lured (b) misguided (c) misled (d) reconciled

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Starting a Business

Q1 When deciding on which form of business will best serve your purposes, you should take into account the time **.....** necessary to handle regulations and formalities.

(a) commitment (b) conditions (c) constraints (d) coordination

Q2 The need for funding is one of the first concerns for any new business, and unless you have the personal assets or can **.....** friends, family or your bank, you will be seeking investors.

(a) talk to (b) tap into (c) touch upon (d) trade with

Q3 Determining not only the type of business you are starting, but the type of customers you will attract and the manner in which you will attract them should also be **.....** into your decision making process.

(a) considered (b) factored (c) included (d) involved

Q4 The potential for liability from customer relationships or interaction **.....** heavily on your liability risk.

(a) impacts (b) incurs (c) intrudes (d) involves

Q5 For example, someone with a business that sells goods via the Internet or through mail order is less likely to **.....** lawsuits than someone who owns physical store locations, where customer foot traffic (and potential injuries) could result.

(a) garner (b) garnish (c) incite (d) inculcate

Q6 It will also be assumed that a professional business such as a law firm or accounting practice will have greater assets, making them greater targets in a **.....** society.

(a) illicit (b) legalistic (c) legislative (d) litigious

Q7 Someone who has already had previous business success and has significant assets from a previous business venture would also want to protect those assets **.....**.

(a) closely (b) narrowly (c) severely (d) strictly

Q8 Apathy can come back to **.....** a successful entrepreneur; plan ahead.

(a) haunt (b) hound (c) hunt (d) hype

Q9 It is wise to **.....** with both an attorney and an accountant and discuss the details of the business that you are planning to start and where you see it going in five or ten years.

(a) hole up (b) hunker down (c) set up (d) sit down

Q10 **.....** all the bases, including liabilities, taxes, employee benefits and the need for investors, before making your decision.

(a) Cover (b) Lay (c) Run (d) Spike

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Eco-tourism in Australia

Q1 Tourism is one of the world's largest and fastest growing industries; it can contribute to **.....** economic development and substantial employment generation in Australia in the coming years.

(a) full (b) partial (c) potential (d) sound

Q2 Tourism has many links with other industries, such as agriculture, manufacturing and telecommunications, and can provide a powerful **.....** to economic growth, particularly in regional areas.

(a) incitement (b) increment (c) stigma (d) stimulus

Q3 A strong and viable tourism industry will remain an important contributor to continued employment growth, and tourism's contribution to foreign exchange earnings will continue to be a significant item in Australia's **.....** of payments.

(a) balance (b) credit (c) flow (d) record

Q4 Ecologically sustainable development has as its basic aim to meet the needs of the present without **.....** the ability of future generations to meet their needs.

(a) affecting (b) compromising (c) considering (d) eliminating

Q5 A recent report by the Industry Commission found that the Australian environment is a major tourist attraction and the provision of accommodation in appropriate locations is important for ensuring access to **.....** sites.

(a) far-flung (b) off-road (c) sought-after (d) well-worn

Q6 It also suggests that accommodation provision should have regard to **.....** on the environment in which it is situated and that this applies to both the original siting decision and continuing operations.

(a) accidents (b) changes (c) impacts (d) improvements

Q7 The construction of accommodation and service **.....** and associated transport and service links can cause changes in vegetation, soil compaction and erosion, siltation of rivers and estuaries, and generation of waste.

(a) amenities (b) arrangements (c) assemblies (d) attractions

Q8 These changes can affect the balances and relationships in ecosystems and may contribute to the modification of habitats, a change in the competitive advantage of species, and in some cases loss of representative habitats and species or a reduction in genetic **.....**.

(a) differences (b) diffusion (c) dispersal (d) diversity

Q9 The report also says that tourism development should recognise and support the identity, culture and interests of **.....** people.

(a) emigrant (b) endemic (c) indigenous (d) residential

Q10 As the market for environmentally **.....** tourism facilities continues to expand, it is vital that local businesses have the information necessary to meet global expectations and standards.

(a) affirmative (b) attentive (c) conscientious (d) sensitive

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Tourism after 9/11

Q1 Travel advertisers were confronted with a major decision after September 11, 2001: should they spend more on advertising to **.....** travel by people who were apprehensive but fence-sitting?

(a) goad (b) goose (c) nudge (d) spur

Q2 Meanwhile, corporations cut **.....** their budgets, reducing the volume of business travel.

(a) across (b) back (c) into (d) off

Q3 On an annual basis, trends varied **.....** industry.

(a) by (b) for (c) in (d) with

Q4 Airlines **.....** decreased their advertising spending, as they normally do after a crisis or an accident.

(a) apprehensively (b) comprehensibly (c) comprehensively (d) understandably

Q5 Spending was down across the **.....** on network and spot TV, cable TV and national spot radio — although domestic carriers boosted their outlay for outdoor advertising in 2001.

(a) board (b) field (c) media (d) table

Q6 In contrast to the **.....** airlines, hotel companies spent more on advertising in 2001.

(a) bothered (b) depressed (c) troubled (d) worried

Q7 Holiday Inn remained on top of the domestic spending **.....**, laying out $38.3 million in 2001, an increase of 25 percent.

(a) heap (b) hill (c) pile (d) world

Q8 The car rental industry has been plagued by financial problems, so it is no surprise that the **.....** companies cut back on their ad spending.

(a) cash-challenged (b) cash-conscious (c) cash-laden (d) cash-strapped

Q9 After a brief downturn in late 2001, the cruise industry's sales **.....** quickly, thanks to discounting and steady advertising.

(a) rejuvenated (b) responded (c) returned (d) revived

Q10 The industry as a whole laid **.....** $237 million on advertising for the year, a slight gain of 2.7 percent over 2000.

(a) about (b) down (c) out (d) over

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Internet Travel Arrangements

Q1 The Economist explains that the internet has **.....** travel agents against travel providers in an intense battle to win customers.

(a) baited (b) brandished (c) pitted (d) promoted

Q2 This year's travel season, now **.....** to a close, has been busier than ever, despite strikes and terrorist threats.

(a) drawing (b) getting (c) settling (d) winding

Q3 Freed from having to ring busy call centres or queue at high-street travel agents, consumers have gone online in **.....** to find flights, hotels, car rentals and other travel services, making travel one of the most successful forms of e-commerce.

(a) crowds (b) droves (c) flocks (d) masses

Q4 By designing websites that ordinary people could use, online travel agents were able to put product availability and price transparency at their customers' **.....**.

(a) beckoning (b) fingertips (c) keyboard (d) service

Q5 After the September 11th terrorist attacks on America, online agents helped airlines and hotels overcome a worldwide travel **.....** by making bargains more visible to a greater number of people.

(a) skimp (b) sloth (c) slump (d) stump

Q6 These websites work like shopping comparison services: matching users' **.....** with offers and then directing bookings to the websites of agents and suppliers.

(a) agendas (b) itineraries (c) schedules (d) timetables

Q7 In America, suppliers and distributors currently each take about half of all online bookings; that adds up to a **.....** chunk of the travel industry.

(a) feasible (b) marketable (c) sizeable (d) weighable

Q8 Most analysts **.....** about one-third of America's $200 billion travel market will be booked online this year.

(a) appraise (b) determine (c) fancy (d) reckon

Q9 The travel market can be broken down into two parts: leisure combined with 'unmanaged' business travel (this is because individuals booking business trips can be **.....** from leisure travellers) and managed corporate travel.

(a) extrapolated (b) indistinguishable (c) irreplaceable (d) reconstituted

Q10 People booking online are now presented with a range of fares to choose from, with the busiest flights commanding the highest premiums, because customers are **.....** enough to understand the laws of supply and demand.

(a) salient (b) sated (c) shrewd (d) stolid

Tobacco Marketing

Q1 Health experts from throughout the world are meeting in the U.S. to **.....** the tobacco industry's marketing efforts in developing countries, Reuters reported August 5th.

(a) address (b) control (c) impede (d) lambast

Q2 "We're bringing the world's tobacco-control community together in one place to see how can we **.....** this tide of export, promotion and production by the tobacco industry," said Dr. Thomas Houston of the American Medical Association.

(a) dam (b) plug (c) span (d) stem

Q3 The tobacco industry views developing countries as an **.....** market, which causes concern among health officials.

(a) unawed (b) unslaked (c) untapped (d) unwary

Q4 The World Health Organization estimates that 70 percent of deaths caused by smoking-related illnesses will take place in the developing world, mainly because people in those countries may be unaware of the dangers **.....** by smoking.

(a) inherited (b) instilled (c) posed (d) promulgated

Q5 "It will be a huge tragedy for developing countries and will **.....** their health-care systems," Houston said.

(a) consume (b) overwhelm (c) subsume (d) underwhelm

Q6 WHO officials noted that the tobacco industry is dealing with legal **.....** in the U.S. by marketing their products worldwide.

(a) cases (b) challenges (c) setbacks (d) settlements

Q7 In addition, the tobacco industry is working towards **.....** developing countries from levying taxes on cigarettes or enacting western-style laws that ban smoking in office buildings and other public places.

(a) detracting (b) dissuading (c) enticing (d) persuading

Q8 "Most people in the developing world believe cancer is a communicable disease," Houston said, "The warnings are **.....** and not particularly clear."

(a) innocuous (b) nebulous (c) nefarious (d) noxious

Q9 "The companies have found loopholes in the law, and we have not **.....** them," said H.J. Sallehudin, an assistant director of Malaysia's Department of Public Health, which enforces Malaysia's tobacco ad bans.

(a) patched (b) plugged (c) tautened (d) tightened

Q10 An international tobacco-control treaty sponsored by the United Nations is aimed at **.....** the increase in tobacco-related deaths worldwide.

(a) constraining (b) cornering (c) corraling (d) curbing

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Financial Assets

Q1 In financial accounting, financial assets are cash and other assets that convert directly into **.....** amounts of cash.

(a) discovered (b) estimated (c) known (d) significant

Q2 In the balance sheet, financial assets are listed at the current value: for cash, this means the **.....** amount.

(a) dollar (b) face (c) stated (d) total

Q3 Marketable securities are listed at current market value, while receivables are listed at net **.....** value.

(a) real (b) realistic (c) realizable (d) realized

Q4 The objectives of cash management are accurate accounting for cash transactions, the prevention of losses through **.....**, and maintaining adequate cash balances.

(a) burglary (b) robbery (c) stealth (d) theft

Q5 One major step in achieving **.....** control over cash transactions is separating cash handling from the accounting function.

(a) crucial (b) financial (c) internal (d) managerial

Q6 The cash balance shown on the month-end bank statement will usually differ from the amount of cash shown in the depositor's ledger; this is a result of such items as **.....** checks and deposits in transit.

(a) extraordinary (b) outstanding (c) preeminent (d) preprocessed

Q7 The bank **.....** adjusts the cash balance per the books and the cash balance per the bank statement for any unrecorded items and thus produces the correct amount of cash to be included in the balance sheet at the end of the month.

(a) concordance (b) endorsement (c) reconciliation (d) summary

Q8 Under the allowance method, the portion of each period's credit sales expected to prove uncollectible is written **.....** by debiting Allowance for Doubtful Accounts and crediting Accounts Receivable.

(a) down (b) off (c) out (d) over

Q9 The most **.....** financial asset is cash, followed by cash equivalents, marketable securities, and receivables.

(a) accessible (b) fluid (c) liquid (d) valuable

Q10 Interest is a contractual amount that accumulates day by day; the amount of interest **.....** over a time period may be computed by the formula Principal x Rate x Time.

(a) accruing (b) amassing (c) assigned (d) assumed

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The Cybernation Economy

Q1 The cybernation revolution has been brought **.....** by the combination of the computer and the automated self-regulating machine.

(a) about (b) along (c) forward (d) out

Q2 This results in a system of almost unlimited productive capacity which requires **.....** less human labor.

(a) permissably (b) positively (c) potentially (d) progressively

Q3 Cybernation is already reorganizing the economic and social system to **.....** its own needs.

(a) form (b) meet (c) reach (d) solve

Q4 In the past, when new technologies have replaced workers in a given sector, new sectors have always emerged to absorb the **.....** laborers.

(a) disassociated (b) dispersed (c) displaced (d) dissatisfied

Q5 Today, all three of the traditional sectors of the economy — agriculture, manufacturing, and service — are experiencing this, forcing millions onto the unemployment **.....**.

(a) lines (b) lists (c) ranks (d) rolls

Q6 The only new sector **.....** is the knowledge sector, made up of elite entrepreneurs, scientists, technicians, computer programmers, professionals, educators, and consultants.

(a) arriving (b) ascending (c) emerging (d) establishing

Q7 While this sector is growing, it is not expected to absorb more than a fraction of the hundreds of millions who will be eliminated in the next several decades in the **.....** of revolutionary advances in the information and communication sciences.

(a) aftermath (b) result (c) swath (d) wake

Q8 The technological changes now occurring will not make human labor **.....**; on the contrary, they will require tremendous numbers of highly skilled and highly trained managers and technicians.

(a) effortless (b) extinct (c) superfluous (d) useless

Q9 In the entire occupied population, a larger fraction of members than at present will be **.....** in occupations where 'personal service' involving face-to-face human interaction is an important part of the job.

(a) concerned (b) engaged (c) included (d) installed

Q10 I am confident of stating this conclusion, but far less confident in **.....** what these occupations will be.

(a) conjecturing (b) conjuring (c) prescribing (d) pursuing

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Micromanagement

Q1 Estienne de Beer, author of Boosting Your Career, warns that sooner or later you will report to a micromanager who **.....** controls and manipulates you to the point of desperation.

(a) obscenely (b) obsessively (c) obviously (d) overtly

Q2 Harry Chambers explains that micromanagers always have their **.....** up, trying to detect violations.

(a) antennae (b) dander (c) hackles (d) temper

Q3 If you get frustrated and tell the boss to back **.....**, you get accused of having a bad attitude and not being a team player.

(a) away (b) down (c) off (d) up

Q4 It feels as if you are controlled like a robot and **.....** every step of the way.

(a) control-guessed (b) counter-guessed (c) double-guessed (d) second-guessed

Q5 Everything needs to get approved beforehand and **.....** afterwards.

(a) control-checked (b) counter-checked (c) double-checked (d) second-checked

Q6 It is important to understand what motivates a micromanager to command and control, even if it is **.....**.

(a) unacknowledged (b) unknowingly (c) unknowledgeably (d) unknown

Q7 Most micromanagers tend to have a controlling tendency and simply don't believe that outstanding work will be done without their constant **.....**.

(a) intercession (b) intermittance (c) interpretation (d) intervention

Q8 **.....** skills and effective communication are the keys to successfully managing your micromanager.

(a) Coping (b) Forming (c) Lasting (d) Speaking

Q9 One of the best lines of defence is your diligence in clarifying expectations and keeping a(n) **.....** of everything that you have done.

(a) grocery list (b) open book (c) paper trail (d) road map

Q10 Micromanagers need to learn how to transform themselves into leaders; micromanagers just twist your arm, but leaders **.....** your opinion.

(a) claim (b) clinch (c) seize (d) sway

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The Southeastern European Economies

Q1 In an address to the Second International Banking Forum, Panayotis Thomopoulos states that the southeastern economies are turning the **.....** and can now start enjoying the benefits of stability and growth within the European Union.

(a) corner (b) leaf (c) pages (d) tables

Q2 Greece will continue to make a positive contribution to the economies of the region, but he admits that he **.....** comfort from the fact that Greece is now surrounded by open, dynamic economies.

(a) draws (b) feels (c) finds (d) has

Q3 The recent **.....** of the euro is an indication of the markets' confidence in our economies.

(a) appreciation (b) ascendance (c) attainment (d) attrition

Q4 There have been of course problems, especially in the European insurance sector, **.....** by natural catastrophes, but all financial institutions have managed through.

(a) enhanced (b) enlivened (c) exacerbated (d) excruciated

Q5 Nonetheless, such problems, whenever they surfaced, were **.....** and did not have systemic repercussions that could threaten the macroeconomic stability of our economies.

(a) constrained (b) contained (c) restrained (d) retained

Q6 As a result of not very **.....** policies, the significant losses of insurance and re-insurance companies in the last few years have been partly absorbed by the banking sector.

(a) proven (b) provident (c) prudent (d) prudish

Q7 The banking sector in some countries has unwillingly assumed the responsibility for the well-being of the financial sector as a whole, because it understands the danger of systemic risks, which can **.....** havoc.

(a) wreak (b) wreck (c) wrench (d) wring

Q8 With the help of the central banks, the private sector has become more **.....** in dealing with risks and the supervisors have learned from the mistakes of the past and improved their vigilance.

(a) adept (b) affable (c) agile (d) askew

Q9 The new practices to be introduced will further improve our ability to deal with financial risks and better **.....** our requirements to each market's special needs.

(a) align (b) design (c) draw (d) tailor

Q10 Looking at the developments in the Southeastern Balkans themselves, the present situation is a far **.....** from the bleak picture at the early stages of transition more than a decade ago.

(a) change (b) cry (c) leap (d) view

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Internet Securities Trading

Q1 The World Wide Web consists of a vast network of Web 'sites'. i.e., graphical presentations of information that is controlled by the site-holder; sites can contain pictures, text and sound in **.....** or moving form.

(a) stable (b) stagnant (c) static (d) stationery

Q2 The World Wide Web creates a(n) **.....** new environment for both investors and companies issuing securities.

(a) decidedly (b) dramatically (c) incredibly (d) intrinsically

Q3 Web sites, bulletin boards, e-mail and push technology can all be used in advertising, offering and selling securities, and for **.....** investment advice.

(a) discriminating (b) disseminating (c) divesting (d) divulging

Q4 In the mid-1990's, the marketing of securities on the Internet began to **.....**.

(a) add up (b) set out (c) surge over (d) take off

Q5 A number of small discount brokers started online secondary trading in 1995 and the number gradually **.....**.

(a) arose (b) enlarged (c) filled (d) swelled

Q6 Developments in cyberfinance have virtually **.....** since these early entries.

(a) accelerated (b) detonated (c) exploded (d) inflated

Q7 Investment bankers can post their underwritings of stock issues on the World Wide Web to **.....** them to vast numbers of prospective investors at very low cost.

(a) expand (b) explain (c) export (d) expose

Q8 Issuers can **.....** traditional underwriters and make direct public offerings ('DPOs') of securities using the Web bulletin boards and push technology.

(a) bypass (b) circumscribe (c) sidestep (d) undercut

Q9 Since 1995, the SEC has sought by rule and interpretive release to **.....** the Securities Acts of 1933 and 1934 and the regulatory framework built up around them with the new Internet world.

(a) meet (b) meld (c) mesh (d) mold

Q10 Electronic disclosure of information must provide adequate and timely notice to investors, **.....** effective access to the information, and give reasonable assurance that the information in fact has been delivered.

(a) advise (b) afford (c) apply (d) attain

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Mortgage Law

Q1 A mortgage involves the transfer of an interest in land as security for a loan or other **.....**.

(a) demand (b) obligation (c) purchase (d) responsibility

Q2 Normally, a mortgage is paid in **.....** that include both interest and a payment on the principle amount that was borrowed.

(a) increments (b) installments (c) premiums (d) portions

Q3 Failure to make payments results in the **.....** of the mortgage.

(a) foreclosure (b) invalidation (c) reclamation (d) voiding

Q4 This allows the mortgagee to declare that the entire mortgage debt is due and payable immediately, accomplished through an acceleration **.....** in the mortgage.

(a) clause (b) passage (c) phrase (d) section

Q5 In the case of failure to pay the debt, the most common processes to effect seizure and sale are court **.....** or grants of power to the mortgagee to sell the property.

(a) cases (b) hearings (c) opinions (d) proceedings

Q6 Under the title theory, title to the security interest **.....** with the mortgagee.

(a) goes (b) lies (c) rests (d) sits

Q7 Most states, however, follow the lien theory, under which the legal title **.....** with the mortgagor.

(a) comes (b) remains (c) stands (d) tends

Q8 Finally, the intermediate theory applies the lien theory until there is a **.....** on the mortgage, whereupon the title theory applies.

(a) defalcation (b) default (c) defection (d) deficit

Q9 If the mortgage is not the only lien on the property, then state law determines the **.....** of the property interests.

(a) preference (b) preponderance (c) priority (d) propriety

Q10 The Uniform Commercial Code governs conflicts between mortgages on real property and liens on **.....** (personal property attached to a piece of real estate).

(a) amenities (b) facilities (c) fixtures (d) furniture

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Basic Microeconomics

Q1 A **.....** concept in understanding microeconomics is that of utility: utility is how much a product pleases people.

(a) casual (b) causal (c) correlative (d) crucial

Q2 Marginal utility is how much every **.....** quantity of a product pleases; it tends to drop as the numbers of a product consumed increases.

(a) detrimental (b) discontinuous (c) incidental (d) incremental

Q3 Consumers choose what products they want to buy by comparing something's **.....** and its utility.

(a) availability (b) price (c) value (d) worth

Q4 They will pick the product that gives them the biggest **.....** for the buck, the product that gives them the greatest satisfaction for every unit of money spent.

(a) bang (b) bash (c) bite (d) boff

Q5 Based on the law of demand, quantity demanded is inversely **.....** to price.

(a) associated (b) correlated (c) related (d) supplied

Q6 'Perfect competition' is defined as economic forces **.....**, uninterrupted by any other force.

(a) at play (b) at work (c) on top (d) on track

Q7 In reality, no **.....** thing as a true perfectly competitive market exists; there are other types of market structures, however — monopoly, oligopoly, and monopolistic competition.

(a) said (b) same (c) such (d) sure

Q8 In monopolistic competition, there are many firms **.....** for control of one market.

(a) forging (b) jostling (c) sidling (d) vying

Q9 Oligopoly is a small number of competing firms, so the key property of oligopolies is that all firms **.....** strategic planning.

(a) ensure (b) eschew (c) estimate (d) execute

Q10 Some oligopolies act as cartels, in which many firms act **.....**.

(a) as one (b) in secret (c) in tandem (d) the same

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Trade Regulation

Q1 Recent World Bank research suggests that countries should complement trade openness with greater flexibility of their investment **.....** and labor markets.

(a) climate (b) geography (c) geometry (d) weather

Q2 "Trade **.....** growth in flexible economies, but its positive impact is much reduced — and in some cases, even reversed-in excessively regulated economies," says Caroline Freund, Senior Economist in the World Bank's Trade Research Team.

(a) boosts (b) forces (c) spurts (d) steels

Q3 Trade stimulates growth by directing resources into their most productive uses both within and **.....** industries.

(a) across (b) among (c) between (d) without

Q4 An excessive regulatory **.....** will prevent this reallocation of resources from occurring, reducing the prospects for trade-generated growth.

(a) burden (b) package (c) pressure (d) weight

Q5 However, complications can arise because of interest groups that **.....** to lose in a more flexible environment.

(a) bear (b) grow (c) stand (d) think

Q6 Some of the steps that **.....** regulated economies need to take are easy and inexpensive; for example, it does not cost much to reduce excess procedures for registering a new business.

(a) broadly (b) heavily (c) stridently (d) tautly

Q7 New technologies can also **.....** deregulation, such as implementing online registration systems.

(a) fabricate (b) facilitate (c) initiate (d) instigate

Q8 The success of openness depends on whether firms can adjust quickly to the new conditions **.....** by international competition.

(a) imposed (b) impressed (c) influenced (d) informed

Q9 Doing well in the areas of public infrastructure, governance and ease of firm entry clearly correlates with stronger trade-related growth, suggesting that countries may need to simultaneously **.....** reform in several areas in order to benefit from trade openness.

(a) underlay (b) underpin (c) undertake (d) underwrite

Q10 An analysis to help identify the areas requiring reform helps design a policy package tailored for a particular country, as opposed to a(n) '**.....**' approach.

(a) all-for-one (b) once-and-for-all (c) one-at-a-time (d) one-size-fits-all

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A Quick History of Advertising

Q1 Encarta's History of Advertising notes that **.....** have found evidence of advertising dating back to the 3000s BC, among the Babylonians.

(a) anthropologists (b) archaeologists (c) paleontologists (d) prehistorians

Q2 One of the first known methods of advertising was the outdoor display, usually an **.....** sign painted on the wall of a building.

(a) eye-arresting (b) eye-catching (c) eye-stopping (d) eye-taking

Q3 An outdoor advertisement **.....** in Rome offers property for rent, and one found painted on a wall in Pompeii calls the attention of travelers to a tavern.

(a) excavated (b) exhumed (c) extracted (d) extricated

Q4 In medieval times word-of-mouth praise of products gave rise to a simple but effective form of advertising, the use of so-called town **.....**.

(a) announcers (b) criers (c) heralds (d) plaintiffs

Q5 These were citizens who read public notices aloud and were also employed by merchants to shout the **.....** of their wares.

(a) places (b) portions (c) praises (d) prices

Q6 Although graphic forms of advertising appeared early in history, printed advertising made little **.....** until the invention of the movable-type printing press by German printer Johannes Gutenberg about 1450.

(a) coverage (b) headway (c) impression (d) profit

Q7 In the United States, the advertising profession began in Philadelphia, Pennsylvania, in 1841, when Volney B. Palmer **.....** up shop as an advertising agent, the forerunner of the advertising agency.

(a) opened (b) set (c) started (d) took

Q8 The introduction of radio created a new opportunity and by the end of the 1920s, advertising had established itself in radio to such a(n) **.....** that advertisers were producing many of their own programs.

(a) amount (b) extent (c) range (d) volume

Q9 The early 1930s **.....** in dozens of radio dramatic series that were known as soap operas because they were sponsored by soap companies.

(a) escorted (b) showed (c) ushered (d) welcomed

Q10 Television had been introduced in 1940, but because of the high cost of TV sets and the lack of programming, it was not immediately **.....**.

(a) embraced (b) enjoyed (c) patronized (d) popularized

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Hedge Funds

Q1 A hedge fund is a fund that sells some stocks short, and buys other stocks long; with this technique, the overall value of buying and selling balances out, thereby eliminating heavy losses due to large market **.....**.

(a) gambles (b) glitches (c) shares (d) swings

Q2 The term hedge fund refers to the practice of balancing out transactions to ensure that a profit can still be made in any market turning, which distinguishes them from the **.....** of other fund strategies that sprang up at the beginning of the 21st century.

(a) shoal (b) spate (c) spell (d) stint

Q3 Profit gains in a hedge fund rely on the choosing of appropriate stocks and acting on them at the most **.....** moment.

(a) convenient (b) fortunate (c) opportune (d) precise

Q4 Stock pioneer Alfred Winslow Jones used borrowed money to **.....** his funds with additional capital (leverage), and charged an incentive fee to his customers to place their money in his fund.

(a) buffer (b) complement (c) inject (d) support

Q5 For the most part, the term hedge fund now refers to any mostly unregulated fund using **.....** methods of investing.

(a) noncommissioned (b) noncommittal (c) uncontrollable (d) unconventional

Q6 Some common hedge fund strategies include trading stock options and bonds, the purchase or sale of highly undervalued securities, and **.....**.

(a) acceptance (b) aggregation (c) allocation (d) arbitrage

Q7 Unlike mutual funds, hedge funds are very **.....** regulated, and so can keep their actions relatively secret.

(a) casually (b) legally (c) lightly (d) vaguely

Q8 This secrecy makes it difficult to predict actual numbers for hedge funds, but estimates for 2003 were over US $650 billion **.....** hedge fund management.

(a) by (b) of (c) under (d) within

Q9 Hedge funds are subject to the same prohibitions against fraud as are other market participants, and their managers have the same **.....** duties as other investment advisers.

(a) ethical (b) fiduciary (c) fiscal (d) moral

Q10 Only accredited investors and qualified purchasers may invest in them — those who have incomes of over $200,000 per year or a net **.....** of over $1 million, or those who already have at least $5 million in investments.

(a) profit (b) value (c) wealth (d) worth

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The Victorian Apprentice (1)

Q1 From 'The Dictionary of Daily Wants', 1858-1859: 'Apprentice' signifies a person who is bound by **.....** to serve a master for a certain term, and receives in return for his services instruction in his master's profession, art, or occupation.

(a) custom (b) indenture (c) legalities (d) tradition

Q2 Apprentices and masters are equally bound to perform their portion of the contract towards each other; and if the master neglect to teach the apprentice his business, is liable to be **.....** before a magistrate to answer the complaint against them.

(a) arrested (b) incarcerated (c) sued (d) summoned

Q3 A master cannot legally **.....** his apprentice to work an unreasonable length of time.

(a) compel (b) demand (c) expect (d) impose

Q4 There is no specific duration marked out by law, but doubtless the habitual employment of an apprentice for more than twelve hours daily (exclusive of meal times) would be **.....** unreasonable.

(a) claimed (b) counted (c) deemed (d) rated

Q5 When an assignment is made of a trader's **.....**, the apprentice may form part of the assignment and he is bound to serve him to whom he is transferred in all respects the same as his original master.

(a) effects (b) inheritance (c) remains (d) wherewithal

Q6 In cases of **.....** of partnership, the apprentice is bound to serve the remaining members of the firm, just as though the partnership remained intact.

(a) depletion (b) devolution (c) dissipation (d) dissolution

Q7 When the master dies the apprenticeship is **.....** end, for the contract is held to be a personal one between master and servant.

(a) at an (b) at the (c) in an (d) in the

Q8 If there be any **.....** for maintenance in the contract, the executor of the deceased master is bound to make provision for the same so far as the assets will allow.

(a) codicil (b) consideration (c) covenant (d) coverage

Q9 A master may **.....** reasonable corporal chastisement to his apprentice, but he cannot discharge him.

(a) administer (b) advocate (c) invest (d) invoke

Q10 If an apprentice **.....** another person's service, his master is entitled to his earnings, and he may bring an action against the persons who enticed him away.

(a) aids (b) enters (c) gives (d) joins

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The Victorian Apprentice (2)

Q1 From 'The Dictionary of Daily Wants', 1858-1859: As apprenticing has the most important influence upon success in life, it ought to be exercised by parents and guardians with the most **.....** care and discretion.

(a) immaterial (b) insidious (c) meretricious (d) scrupulous

Q2 In apprenticing a youth, it is not alone sufficient that he should learn a trade from which good earnings may afterwards be derived, but that the trade selected should be in accordance with his taste, and also **.....** to his mental and physical capacity.

(a) comfortable (b) conformable (c) conspicuous (d) convenient

Q3 It may be said that a boy does not **.....** his own mind, and that it is consequently idle to consult him upon a subject when his seniors are better qualified to judge.

(a) interpret (b) know (c) realize (d) state

Q4 But in the majority of cases, a boy will be found to give unmistakeable indications of the branch of mechanical employment upon which his mind is most **.....** and for which his hands will be consequently most fit.

(a) bent (b) directed (c) focussed (d) sure

Q5 If the boy is apprenticed to a trade of a totally opposite nature to that for which he has a **.....**, the incessant struggle between natural desire and constrained duty will frequently entail failure and disappointment.

(a) delectation (b) discernment (c) precocity (d) predilection

Q6 Equally necessary is it that the mental and bodily **.....** should be considered before apprenticeship.

(a) facilities (b) faculties (c) strictures (d) structures

Q7 And it is also a species of cruelty to select for a youth of a weak and delicate constitution such a trade as is only adapted for the **.....** and hardy.

(a) effective (b) effete (c) robust (d) rotund

Q8 The premiums for apprenticeship are governed by no stated tariff, but as a general rule they are proportioned to the wages which the trade **.....**.

(a) admits (b) affords (c) remits (d) rewards

Q9 The amount of the premium, therefore, is a secondary consideration to the advantages which its outlay **.....**.

(a) attaches (b) guarantees (c) reflects (d) secures

Q10 The usual term of apprenticeship is seven years, namely, from fourteen to twenty-one years of age, but that period of **.....** is not always necessary, and, generally speaking, it is optional to determine upon a shorter term.

(a) induction (b) introduction (c) probation (d) production

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Current Liabilities

Q1 In the normal **.....** of trading with external vendors on credit terms, the University incurs current liabilities (i.e. accounts payable within 12 months).

(a) course (b) event (c) period (d) term

Q2 These accounts payable are subsequently **.....** by regular creditors payment runs.

(a) expensed (b) expired (c) expunged (d) extinguished

Q3 Amounts owed to creditors which have not been paid or recorded at 31 December are **.....**, and a liability is recorded in the general ledger; these are reversed in the following year.

(a) accrued (b) entered (c) postponed (d) written off

Q4 Procedures established in **.....** of incurring a liability through the procurement of goods and services are specified in Section 5, 'Expenditure', of the manual.

(a) aid (b) anticipation (c) lieu (d) respect

Q5 The University is bound by legislation and industrial awards to provide its employees with various entitlements accumulated as a result of the **.....** of their services to the University.

(a) presentation (b) recording (c) rendering (d) termination

Q6 Liabilities **.....** from the accumulation of employee entitlements are recognised in the financial statements.

(a) appearing (b) arising (c) emerging (d) recurring

Q7 Staff who commenced employment with the University prior to 1 April 1961 are entitled to receive a gratuity on retirement at **.....** or later, or on death.

(a) 55 age (b) 55 years (c) age 55 years (d) age of 55

Q8 In accordance with The University Act of 1998, the Senate, in the **.....** of and on behalf of the University, may borrow funds by way of loan or overdraft from any bank or other financial institution.

(a) case (b) name (c) person (d) stead

Q9 Borrowings will only be undertaken in exceptional circumstances where operating or research funds are not sufficient to **.....** existing funding requirements.

(a) sate (b) satisfy (c) subsidize (d) subsist

Q10 A current liability arises where students pay a refundable **.....** on locker keys, laboratory equipment, slide boxes, accommodation, etc. to a School.

(a) deposit (b) down payment (c) installment (d) premium

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Global Capital Management

Q1 Rainer Rauleder and Therese Hockey, two Deutsche Bank Treasury managers, here outline practical approaches in dealing with issues relating to allocation and investment of the bank's capital, **.....** measurement of regional businesses, and regulatory compliance across multiple regimes.

(a) performance (b) permformative (c) performed (d) performing

Q2 Sunrise in Auckland and another business day begins at Deutsche Bank, where members of the Treasury team located in the Asia-Pacific region take the **.....** from their colleagues in the Americas managing the bank's capital and balance sheet.

(a) baton (b) ribbon (c) salute (d) wand

Q3 These regional managers, specialists in their local market conventions and regulatory requirements, work with the business divisions to optimize the **.....** on the bank's capital.

(a) investment (b) profit (c) realization (d) return

Q4 Later in the working day, the European members of the team based in the corporate center join with their colleagues to ensure that the practical **.....** of the localities are aligned with the bank's strategic global issues.

(a) effects (b) efforts (c) matters (d) motions

Q5 Like Deutsche Bank, banks the world **.....** are pursuing the ultimate capital framework, which will optimize the mix of capital, adequately assess capital at risk, and maximize capital growth.

(a) about (b) away (c) over (d) through

Q6 These global banks are faced with an array of regulatory requirements, business practices, and infrastructural complexity, demanding a dynamic approach to ensure a sufficiently robust yet flexible **.....**.

(a) framework (b) grounding (c) groundwork (d) mainframe

Q7 What is meant by the term capital? — though a seemingly basic question, the notion of capital varies, depending on the **.....** being considered.

(a) perception (b) perspective (c) prospect (d) speculation

Q8 From an accounting standpoint, capital is just the **.....** equity as it is reported on the balance sheet.

(a) accumulated (b) retained (c) revenue (d) shareholder

Q9 The regulatory view of capital expands on this by **.....** for the inclusion of hybrid capital instruments, usually accounted as liabilities, and then deducting purchased goodwill.

(a) accounting (b) adjusting (c) allocating (d) allowing

Q10 While regulatory requirements will **.....** a constraint on the bank's businesses, they will not determine the internal allocation of capital.

(a) pose (b) post (c) seal (d) slap

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Price-based or Target Costing

Q1 The target cost is a financial goal for the full cost of a product, **.....** from estimates of selling price and desired profit (which top management sets on the basis of firm strategy and financial goals).

(a) deduced (b) defined (c) derived (d) designed

Q2 Product selling price is **.....** by the marketplace and is determined by analysis along the entire industry value chain and across all functions in a firm.

(a) constrained (b) contained (c) restrained (d) retained

Q3 **.....** to most target-cost applications is a belief that large-scale cost planning and reduction must occur early in the product life cycle.

(a) Annexed (b) Common (c) Germane (d) Popular

Q4 However, Shank and Fisher believe there is no **.....** reason the methodology cannot be a value-added exercise applied to existing products during manufacturing.

(a) conceptual (b) ideal (c) prior (d) rational

Q5 They **.....** that if managers were to believe that, during manufacturing, only incremental (i.e., slight) change is possible, firms would likely miss significant strategic opportunities.

(a) plead (b) posit (c) promulgate (d) pronounce

Q6 Shank and Fisher present a case study that demonstrates the relevance of target-costing techniques for a process-industry plant built in the 1890s that had been making **.....** the same products for fifty years.

(a) always (b) greatly (c) intently (d) largely

Q7 The firm's managers, who had used a standard-cost system for many years, might have concluded that **.....** costing was most appropriate for this plant.

(a) kaizen (b) kanban (c) kolkhoz (d) kosher

Q8 However, competitive realities necessitated a major strategic change that employed target costing as an important **.....** in cost-reduction efforts leading to strategic revitalization.

(a) additive (b) condiment (c) ingredient (d) recipe

Q9 The standard cost concept essentially dropped out of the **.....**.

(a) diagram (b) picture (c) running (d) sight

Q10 Because standard costing accepts the existing game rules and the existing value chain, the authors believe that fundamental cost **.....** are much more probable when using target costing.

(a) breakdowns (b) breakouts (c) breakthroughs (d) breakups

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Transfer Pricing

Q1 When one part of a multinational organisation in one country transfers (that is, **.....**) goods, services or know-how to another part in another country, the price charged for these goods or services is called 'transfer price'.

(a) gives (b) relocates (c) sells (d) ships

Q2 According to Manfred Davidmann, this may be a purely **.....** figure, meaning by this that it may be unrelated to costs incurred, to operations carried out, or to added value.

(a) ambiguated (b) ambiguous (c) arbitrated (d) arbitrary

Q3 In other words, it is possible for a multinational company to minimise its **.....** for corporation tax by transfer pricing.

(a) culpability (b) eligibility (c) liability (d) opportunity

Q4 This is done without any change to procedures, operations or added value; it is done by merely changing book **.....**.

(a) accounts (b) documents (c) entries (d) values

Q5 This tax **.....** is legal until governments legislate to prevent this practice.

(a) adjustment (b) avoidance (c) emancipation (d) evasion

Q6 If a multinational has increased its profits by this method, then the government, whose expenses have not changed, must make up this **.....** elsewhere.

(a) debt (b) defect (c) shortfall (d) windfall

Q7 Its citizens pay more tax, the government can spend the same amount as before, and the multinational's profits have increased: in other words, the multinational's increased profits arise from money which is in **.....** collected by the government from its taxpayers.

(a) detail (b) effect (c) fact (d) result

Q8 This is a matter far **.....** from earning reasonable profits on needed quality goods and services at reasonable prices in open competition with other corporations.

(a) away (b) cry (c) enough (d) removed

Q9 It seems that at times some top US companies pay no federal income tax at all or obtain an overall **.....**.

(a) benefit (b) debit (c) rebate (d) return

Q10 Multinationals need to be made accountable to elected representatives of the people, for their policies and for acting for or against the national **.....**.

(a) betterment (b) government (c) interest (d) legislation

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Internal Controls

Q1 Senior executives have long **.....** ways to better control the enterprises they run.

(a) bought (b) sought (c) thought (d) wrought

Q2 Internal controls are put in **.....** to keep the company on course toward profitability goals and achievement of its mission, and to minimize surprises along the way.

(a) action (b) force (c) gear (d) place

Q3 They **.....** management to deal with rapidly changing economic and competitive environments, shifting customer demands and priorities, and restructuring for future growth.

(a) enable (b) encourage (c) enhance (d) ensure

Q4 Internal control is looked **.....** more and more as a solution to a variety of potential problems.

(a) after (b) for (c) into (d) upon

Q5 This report defines and describes internal control to provide a standard **.....** which business and other entities can assess their control systems and determine how to improve them.

(a) against (b) for (c) plan (d) to

Q6 Internal control is broadly defined as a process, **.....** by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in several categories.

(a) affected (b) defined (c) effected (d) refined

Q7 The first category, effectiveness and efficiency of operations, **.....** an entity's basic business objectives, including performance and profitability goals and safeguarding of resources.

(a) addresses (b) advises (c) attacks (d) attains

Q8 The second, reliability of financial reporting, relates to the preparation of reliable published financial statements, including interim and condensed financial statements and selected financial data **.....** from such statements, such as earnings releases, reported publicly.

(a) compacted (b) contracted (c) decided (d) derived

Q9 The third, compliance with applicable laws and regulations, deals with complying with those laws and regulations to which the entity is **.....**.

(a) subject (b) subordinate (c) subservient (d) subsidiary

Q10 While internal control is a process, its effectiveness is a state or condition of the process at one or more points **.....** time.

(a) in (b) of (c) on (d) through

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Internal Control Activities

Q1 Control activities are the policies and procedures that help ensure management **.....** are carried out.

(a) directives (b) intentions (c) invectives (d) pretensions

Q2 Control activities occur throughout the organization, at all levels and in all functions, and include a range of activities as **.....** as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

(a) diffuse (b) diluted (c) dispersed (d) diverse

Q3 **.....** information must be identified, captured and communicated in a form and time frame that enable people to carry out their responsibilities.

(a) Particular (b) Passing (c) Pertinent (d) Proscribed

Q4 Information systems produce reports containing operational, financial and compliance-**.....** information that make it possible to run and control the business.

(a) connected (b) determined (c) directed (d) related

Q5 They deal not only with internally generated data, but also information about external events, activities and conditions necessary to **.....** business decision-making and external reporting.

(a) formal (b) informational (c) informative (d) informed

Q6 Internal control systems need to be monitored — a process that assesses the quality of the system's performance **.....** time.

(a) for (b) in (c) over (d) with

Q7 Internal control deficiencies should be reported **.....**, with serious matters reported to top management and the board.

(a) aboveboard (b) overhead (c) upstairs (d) upstream

Q8 There is synergy and linkage among these components, forming an integrated system that reacts dynamically to changing conditions; the internal control system is **.....** with the entity's operating activities.

(a) enmeshed (b) entangled (c) incised (d) intertwined

Q9 Internal control is most effective when controls are built into the entity's infrastructure and are a part of the **.....** of the enterprise.

(a) ambience (b) core (c) essence (d) spirit

Q10 In sum, internal control can help an entity get to where it wants to go, and avoid **.....** and surprises along the way.

(a) deadfalls (b) pitfalls (c) pratfalls (d) windfalls

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Business Software Competitors

Q1 Brian Moran writes in SQL Server Magazine (March 2005) that an interesting battle is taking **.....** between Microsoft and Oracle, two titans of the database world, and the prize is business-application software.

(a) form (b) part (c) shape (d) stage

Q2 Pricing for databases and prices for high-end business-application software can be **.....** entwined when a vendor controls both the business layer software and the database.

(a) inevitably (b) inexorably (c) inevitably (d) irrevocably

Q3 Vendors who sell both have a lot more margin to **.....** with and can be a lot more creative about how they price a total package for customers.

(a) control (b) deal (c) play (d) sell

Q4 Microsoft and Oracle are **.....** competitors in the database space; competition in other areas inevitably has an effect on their database competitions.

(a) febrile (b) fiendish (c) fierce (d) fleet

Q5 Earlier this year, Oracle (the second largest provider of business application software) merged with PeopleSoft (the third largest provider), which had already **.....** J. D. Edwards (another major provider) back in 2003.

(a) engorged (b) gulped (c) inhaled (d) swallowed

Q6 SAP is still the dominant provider, but Oracle's PeopleSoft acquisition is intended to grow the company's **.....** application division.

(a) flagging (b) shrinking (c) waxing (d) wilting

Q7 So a series of acquisitions has led to a(n) **.....** in which SAP and Oracle share market leadership in the world of business application software.

(a) cartel (b) consortium (c) monopoly (d) oligopoly

Q8 At the same time, Microsoft has been **.....** slow but steady strides in building its own competitive offerings in this space.

(a) forming (b) making (c) stretching (d) taking

Q9 Microsoft has been on a buying **.....** since its purchase of Great Plains several years ago, acquiring Solomon and several other niche companies to stitch together the Microsoft Business Solutions Business Group.

(a) binge (b) burst (c) spell (d) spree

Q10 The competition between Microsoft and Oracle isn't only about business software; both companies are **.....** to be platform companies.

(a) starving (b) straining (c) stretching (d) striving

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Electronic Tax Records

Q1 Tax authorities throughout the world want organizations to maintain records, regardless of form or media, that are true and accurate, legible, accessible, and **.....** for as long as they are needed for tax purposes.

(a) recorded (b) remanded (c) retained (d) reviewed

Q2 However, electronic records **.....** certain risks not generally encountered with manual, paper-based recordkeeping.

(a) constrain (b) pose (c) suggest (d) suppose

Q3 In Draft Taxation Ruling 97/D4, the Australian Tax Office notes that electronic tax records (i.e., those required to compute a corporation's tax liability and to **.....** that liability to the government during tax audits) are subject to destruction, tampering and obsolescence.

(a) amplify (b) exemplify (c) justify (d) rectify

Q4 Unauthorized tampering may **.....** their integrity as true and accurate records.

(a) compromise (b) contradict (c) obfuscate (d) obliterate

Q5 DTR 97/D4 sets forth **.....** prescribing the characteristics of electronic recordkeeping systems required to make computerized accounting systems sufficient for tax purposes.

(a) gradients (b) guidelines (c) pronouncements (d) provisions

Q6 Records processed and kept electronically must be in a form which ATO staff can access and understand in order to **.....** a company's tax liability.

(a) ascertain (b) ascribe (c) describe (d) maintain

Q7 Businesses operating computerized accounting systems must have **.....** adequate controls to safeguard the security and integrity of the records processed and retained in such systems.

(a) at hand (b) in place (c) on location (d) within reach

Q8 The level of controls must be sufficient to **.....** that the records retained in the computer system are secure and accurate.

(a) demonstrate (b) guarantee (c) infer (d) suggest

Q9 The ruling provides that any tax records using this technology must be stored for the **.....** period of five years.

(a) legal (b) legitimate (c) stated (d) statutory

Q10 In the new tax ruling, the ATO's **.....** is that the general principles governing records processed and kept in an EDI (electronic data interchange) environment are the same as those for a normal computerized accounting system.

(a) approach (b) attitude (c) position (d) presentiment

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Accounting Information Systems

Q1 Accounting information systems are a **.....** part of an organization's day-to-day operations.

(a) vigorous (b) virtual (c) visceral (d) vital

Q2 Prices can vary from customized multimillion dollar systems to **.....** software that costs less than $100.

(a) prefabricated (b) preinstalled (c) prepackaged (d) prepared

Q3 Customization allows for a good fit to the business's needs, smooth **.....** with other internal systems, and the ability to implement special security measures.

(a) insertion (b) intercalation (c) interfacing (d) interference

Q4 Advantages of non-custom software include low cost, immediate availability, quality, documentation on data flow, good compatibility with external systems, and **.....** from the vendor.

(a) advice (b) advise (c) support (d) supply

Q5 Disadvantages include lack of features, paying for **.....** features, and risk of vendor availability.

(a) undesirable (b) unexpected (c) unordered (d) unwanted

Q6 Good accounting systems allow users to run informal reports such as **.....** accounts receivable or to keep track of inventory.

(a) aged (b) listed (c) timed (d) unpaid

Q7 Accounting systems have to track **.....** in three business processes: order entry/sales, billing/accounts receivable/cash receipts, and purchasing/accounts payable/cash.

(a) sequences (b) steps (c) transactions (d) transfers

Q8 The order entry/sales process **.....** sales data and records the information.

(a) captures (b) contains (c) controls (d) copies

Q9 This process starts with a customer order, which initiates a credit **.....**.

(a) card (b) check (c) rating (d) report

Q10 After the customer is approved, the sales order department must let the warehouse know what goods to pick, and the shipping department needs to know that an order has been **.....**.

(a) filed (b) initiated (c) placed (d) sent

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Global Protocol Advertisement

Q1 Global Protocol's seminars and training will give you the techniques for **.....** confidence through the way you present yourself and for controlling a variety of difficult business situations with ease.

(a) presenting (b) presuming (c) producing (d) projecting

Q2 Our techniques have a proven **.....** record and will teach you how to inspire, lead, and succeed.

(a) career (b) professional (c) progress (d) track

Q3 The Global Protocol team delivers personal **.....** techniques that leverage years of experience.

(a) achievement (b) advancement (c) employment (d) enhancement

Q4 This expertise ensures that each of our clients **.....** from our program with a powerful set of skills to navigate today's diverse workplace and thrive in our global economy.

(a) advances (b) embarks (c) launches (d) leaves

Q5 Through our individual and group training, hundreds of companies and thousands of individuals have **.....** the benefits gained from knowing appropriate business behavior and protocol and having a confident, powerful presence.

(a) assumed (b) donned (c) reaped (d) seized

Q6 Knowing and utilizing the proper code of conduct with the right professional **.....** will prepare anyone for any situation.

(a) attitudes (b) demeanor (c) expressiveness (d) stance

Q7 Our mission at Global Protocol, Inc. is to provide both the foundation and the framework for success by building each participant's confidence and self-**.....**, thereby improving morale and productivity and encouraging teamwork and integrity.

(a) awareness (b) consciousness (c) esteem (d) reliance

Q8 By teaching behavior modification, personal presentation, and business protocol, Global Protocol has established itself as the **.....** resource for personal performance improvement and leadership development.

(a) preliminary (b) premier (c) primary (d) pristine

Q9 Our Topic Specialists, because they are experts in their field, add another **.....** that helps our programs meet the needs of the marketplace, keeping them up to date and timely with the latest information on each given topic.

(a) dimension (b) direction (c) opinion (d) option

Q10 Tip: when faced with uncertainty, make the decision that is in the best **.....** of the other individual and demonstrates good form.

(a) confidence (b) consideration (c) intentions (d) interest

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The Global Financial Environment (1)

Q1 Timothy F. Geithner, CEO of the New York Reserve Bank, remarks (March 2006) that we are in the midst of another **.....** of global economic and financial integration.

(a) flood (b) foray (c) tide (d) wave

Q2 Stronger real and financial **.....** across nations have the potential to significantly raise the prospects for long-run world growth.

(a) attachments (b) bonds (c) interstices (d) linkages

Q3 The **.....** development of the market sector in emerging market and developing economies offers probably the most powerful means available for raising income growth and living standards in a very large share of the world's population.

(a) ensuing (b) ensuring (c) procuring (d) pursuing

Q4 These changes, and the **.....** advances in technology, offer the prospect of more productive and stable real economies.

(a) complementary (b) conditional (c) consequential (d) cooperative

Q5 The increase in the ties between national financial systems and the increase in capital flows across borders, allow risks to be shared more broadly and capital to flow to where the returns are **.....**.

(a) highest (b) most (c) safest (d) surest

Q6 This process of integration has, of course, a range of **.....** for policymakers.

(a) implications (b) imprecations (c) inferences (d) influences

Q7 The benefits of integration over time are powerful and **.....** for all economies.

(a) coercing (b) commanding (c) compelling (d) demanding

Q8 Economic integration may make the principal job of central banks easier, by contributing to productivity growth and reducing inflation pressure, at least during the transition when a large share of the working age population of the world is being **.....** into the market.

(a) brought (b) escorted (c) included (d) inducted

Q9 Our understanding of how these changes affect our capacity to forecast economic activity and inflation and our ability to assess how monetary policy affects the economy almost certainly **.....** the changes underway.

(a) delays (b) hearkens (c) heralds (d) lags

Q10 As the world progresses toward increasingly integrated financial and goods markets, other things being **.....**, one might expect to see an increase in the number of countries with surpluses or deficits, as flows of both financial assets and goods work to equalize desired saving and investment around the world.

(a) equal (b) ignored (c) irrelevant (d) postponed

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The Global Financial Environment (2)

Q1 Timothy F. Geithner, CEO of the New York Reserve Bank (March 2006) focuses on two features of what is happening in the world economy and financial markets today, which are among the most interesting and consequential questions we **.....** today.

(a) ask (b) face (c) fear (d) refer

Q2 These are, first, the **.....** of forward interest rates in financial markets, and, second, the pattern of external imbalances.

(a) activities (b) behavior (c) facts (d) shift

Q3 These features are interesting, in part, because they seem somewhat **.....**, or inconsistent with what the past has led us to expect.

(a) analogous (b) anomalous (c) anonymous (d) antonymous

Q4 Understanding the forces behind these phenomena is important to thinking **.....** what they mean for policy.

(a) about (b) of (c) over (d) through

Q5 The source of the relatively low level of nominal rates is still a matter of **.....** debate.

(a) arguable (b) argumentative (c) considerable (d) considerate

Q6 The other surprising feature of the current economic environment is the pattern of global imbalances, and the size and **.....** of the U.S. current account deficit.

(a) existence (b) insistence (c) persistence (d) resistence

Q7 As Alan Greenspan has explained, the greater dispersion in external imbalances can be seen as the **.....** result of fundamentally healthy changes in the world economy.

(a) inevitable (b) inexplicable (c) unprecedented (d) unutterable

Q8 If one were confident that observed imbalances reflected an efficient allocation of the world's saving to its most productive uses, then we might also expect these imbalances to **.....** themselves through smooth and gradual adjustments in relative prices and flows of goods and services.

(a) devolve (b) dissolve (c) involve (d) resolve

Q9 We do not yet live in a world of perfect capital **.....**, one in which savings move across borders to their most productive use without constraint in the form of capital controls or without distortions affecting the behavior of private actors.

(a) mobility (b) transferability (c) utility (d) viability

Q10 **.....** this is important to understanding both why the U.S. imbalance has grown as large as it has and, perhaps more importantly, why it has been financed with such apparent ease despite obvious concerns about its sustainability.

(a) Recognizing (b) Regarding (c) Remembering (d) Researching

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Dividends

Q1 Dr. Sharon Garrison explains that the term 'dividend' usually refers to a cash **.....** of earnings; if it comes from other sources, it is called 'liquidating dividend'.

(a) accumulation (b) advance (c) dispersal (d) distribution

Q2 The dividend may be a signal to the public of the management's anticipations for future policy of the firm and **.....**.

(a) perspectives (b) possibilities (c) prognostications (d) prospects

Q3 Companies that have a **.....** history of stable dividend payouts would be negatively affected by lowering or omitting dividend distributions.

(a) long-enduring (b) long-lasting (c) long-running (d) long-standing

Q4 According to the **.....** of the no-dividend policy, a company's alternatives to paying out excess cash as dividends are the following: undertaking more projects, repurchasing the company's own shares, acquiring profitable assets, and reinvesting in financial assets.

(a) postulants (b) propellents (c) proponents (d) purveyors

Q5 Once the company decides on whether to pay dividends, they may establish a(n) **.....** permanent dividend policy, which may in turn impact on investors and perceptions of the company in the financial markets.

(a) almost (b) considerably (c) rather (d) somewhat

Q6 Dividends are payments made to stockholders from a firm's earnings, whether those earnings were **.....** in the current period or in previous periods.

(a) garnered (b) generated (c) registered (d) retained

Q7 Dividends may affect capital **.....**, because financing with earnings is cheaper than issuing new common equity.

(a) assets (b) expenditure (c) outlay (d) structure

Q8 The Dividend Irrelevance Theory purports that a firm's dividend policy has no effect on either its worth or its cost of capital: investors **.....** dividends and capital gains equally.

(a) appreciate (b) esteem (c) extol (d) value

Q9 The hypothesis for dividend policy irrelevance is based on the assumptions of 1) perfect capital markets; 2) **.....** behavior on the part of participants in the market; 3) certainty about the investment policy of the firm; and 4) managers that act as perfect agents.

(a) rational (b) reasonable (c) reliable (d) reputable

Q10 For dividend policy to **.....**, one or more of these assumptions cannot hold.

(a) formulate (b) happen (c) matter (d) proceed

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Tort Law

Q1 Torts are civil wrongs recognized by law as **.....** for a lawsuit.

(a) appropriate (b) evidence (c) foundation (d) grounds

Q2 These wrongs result in harm constituting the basis for a claim by the **.....** party.

(a) impaired (b) impeded (c) inflicted (d) injured

Q3 While some torts are also crimes punishable with imprisonment, the primary aim of tort law is to provide **.....** for the damages incurred and deter others from committing the same harms.

(a) relief (b) reprisal (c) revenge (d) review

Q4 The plaintiff may sue for **.....** to prevent the continuation of the tortious conduct or for monetary damages.

(a) an injunction (b) a judgement (c) a justice (d) a rejoinder

Q5 There are numerous specific torts, including trespass, assault, battery, products liability, and intentional **.....** of emotional distress.

(a) imposition (b) infliction (c) insertion (d) insistence

Q6 Torts fall into three general categories: intentional torts (e.g., intentionally hitting a person); **.....** torts (e.g. causing an accident by failing to obey traffic rules); and strict liability torts (e.g. liability for making and selling defective products).

(a) neglectful (b) negligent (c) negligible (d) negotiable

Q7 Damages, in a legal sense, is the sum of money the law imposes for a **.....** of some duty or violation of some right.

(a) breach (b) broach (c) shift (d) shirk

Q8 **.....** damages, as the name suggests, are intended to redress the loss or injury.

(a) Compensatory (b) Complementary (c) Retaliatory (d) Retributional

Q9 **.....** damages are awarded to punish a wrongdoer.

(a) Penalty (b) Prohibitive (c) Provoked (d) Punitive

Q10 There are other modifying terms placed in front of the word 'damages', like 'liquidated damages' (contractually established damages) and '**.....** damages' (where the court awards an amount such as one dollar).

(a) minimal (b) muted (c) nominal (d) token

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Products Liability Law

Q1 Products liability refers to the liability of any or all parties along the **.....** of manufacture of any product for damage caused by that product.

(a) chain (b) creek (c) links (d) way

Q2 This includes the manufacturer of **.....** parts, the assembling manufacturer, the wholesaler, and the retail store owner.

(a) commercial (b) complete (c) component (d) composite

Q3 Products containing **.....** defects that cause harm to a consumer of the product, or someone to whom the product was loaned, given, etc., are the subjects of products liability suits.

(a) ingrained (b) inherent (c) instinctive (d) internal

Q4 While products are generally thought of as tangible personal property, products liability has **.....** that definition to include intangibles (gas), naturals (pets), real estate (house), and writings (navigational charts).

(a) spread (b) strengthened (c) stretched (d) swelled

Q5 Many states have **.....** comprehensive products liability statutes.

(a) contracted (b) enacted (c) exacted (d) protracted

Q6 While the product might **.....** its purpose well, it can be unreasonably dangerous to use due to a design defect.

(a) serve (b) state (c) suite (d) supply

Q7 On the other hand, manufacturing defects occur during the construction or production of the item; only a few out of many products of the same type are **.....** in this case.

(a) blemished (b) disfigured (c) flawed (d) mutilated

Q8 Defects in marketing deal with improper instructions and failures to warn consumers of **.....** dangers in the product.

(a) latent (b) later (c) unlabeled (d) unlisted

Q9 Translated to products liability terms, a defendant is **.....** when it is shown that the product is defective.

(a) alleged (b) guilty (c) illegal (d) liable

Q10 When a person fails to exercise the care that a reasonable, **.....** person would exercise under the same circumstances, that person is open to prosecution.

(a) fastidious (b) frugal (c) prudent (d) prudish

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Detecting Competition

Q1 Mark Hennricks in Entrepreneur magazine (December 1999) warns that you should not count on friendly competition; if you do, your rivals might just steal your customers from under your **.....**.

(a) feet (b) files (c) nose (d) table

Q2 Potential competitors for Sparks.com, an online retailer of real greeting cards, run the **.....**, from the corner gift shop to Amazon.com.

(a) gambit (b) gamut (c) gannet (d) gauntlet

Q3 That awareness was **.....** home during a recent meeting with executives of another company, supposedly to explore setting up a strategic alliance with Lindau's 70-person firm.

(a) brought (b) carried (c) sent (d) taken

Q4 "One of them laid down a briefcase and out popped one of our business plans from a year ago, which they had clearly obtained through **.....** we had not intended," recalls Lindau.

(a) angles (b) channels (c) doors (d) mediums

Q5 "Someone to whom we had given a **.....** copy of our business plan had shared it with our competition."

(a) clandestine (b) confidential (c) critical (d) cryptic

Q6 Query vendors, customers, consultants and others who **.....** business with companies in and around your field to find out if and when new competitors are likely to emerge.

(a) do (b) have (c) make (d) talk

Q7 Lindau says venture capitalists represent a fruitful source for competitive information for her because due **.....** requires investors to research related businesses before backing a company.

(a) deportment (b) determination (c) diligence (d) discernment

Q8 Companies that occupy spots on your value chain often understand your business and customers well enough to become **.....** rivals.

(a) patent (b) patterned (c) positive (d) potent

Q9 Carefully **.....** firms that have mastered technology similar to yours, even if they appear to operate in distant sectors.

(a) castigate (b) circumvent (c) excoriate (d) scrutinize

Q10 No one wins every sale, but if you start to lose sales to companies you've never heard of, you may be **.....** the birth of new and unexpected competitors, and your early warning system may be faulty.

(a) feeling (b) noticing (c) undergoing (d) witnessing

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Globalization in Aviation

Q1 Globalization is illustrated in aviation by commercial, marketing and technical alliances amongst airlines, in some cases involving ownership and control issues beyond national boundaries, while transnationalization means airlines going '**.....**', that is locating parts of their operations outside their national base.

(a) offshore (b) outside (c) overland (d) overseas

Q2 One factor affecting civil aviation is the emergence of regional and sub-regional blocs, which provide **.....** for sharing of some of the safety responsibility in a common localized geographic approach.

(a) media (b) modicums (c) vehicles (d) viaticums

Q3 Another factor is the **.....** of sectoral boundaries: developments in economic activity have led to a lessened distinction between the boundaries of responsibilities of regulatory authorities at national, regional and global levels alike.

(a) blotting (b) blurring (c) smearing (d) smudging

Q4 This can lead to **.....** of labour, competition and, most importantly, safety regulation, in the absence of adequate safeguards, particularly when the international dimension is added.

(a) evasion (b) invasion (c) perversion (d) subversion

Q5 One very significant trend in recent years is the commercialization of service providers, including the handing over of airport and other air navigation facilities and services by governments to **.....** authorities or even to the private sector.

(a) autocratic (b) automatic (c) autonomic (d) autonomous

Q6 The commercialization of such provision therefore necessitates both **.....** delegation of operational functions of governments and changed regulatory functions of governments.

(a) prescribed (b) prioritized (c) prorated (d) proscribed

Q7 Civil aviation is unique in that it remains regulated at the international level largely by **.....** agreements between governments, but several regional and subregional air services agreements are already in place and others are under consideration.

(a) bilateral (b) mutual (c) nominal (d) prenuptial

Q8 Economic liberalization is being **.....** transnationally by the Organization for Economic Co-operation and Development as well as globally by the World Trade Organization which is responsible for the General Agreement on Trade in Services.

(a) forwarded (b) fostered (c) founded (d) funded

Q9 A factor which is having an increasing impact on civil aviation, and one which is likely to grow in importance in the future is environmental **.....**.

(a) commitment (b) conscience (c) consciousness (d) consideration

Q10 There is increasing recognition of and response to environmental concerns, and a perception that the aviation sector may be contributing **.....** to both existing and emerging problems.

(a) abnormally (b) absolutely (c) unduly (d) unusually

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Interpersonal Skills

Q1 A leader has the ability to influence others through qualities such as personal **.....**, expertise, command of language, and the creation of mutual respect — all of which require strong interpersonal skills.

(a) aura (b) charisma (c) elan (d) machismo

Q2 Interpersonal skills include the ability to **.....** and manage the emotions, motivations, and behaviors of oneself and others during social interactions or in a social-interactive context.

(a) feel (b) read (c) suss (d) view

Q3 Those who have interpersonal skills are able to manage their behavior during social interactions and align their goals to the goals of others during **.....** activities.

(a) cohesive (b) collaborative (c) collocational (d) concessive

Q4 They are able to empathize and are sensitive to the needs of others and to the forces that **.....** the way that others feel and behave.

(a) bend (b) mar (c) mend (d) shape

Q5 They manage conflict effectively by devising win-win solutions, constructively influencing the behavior of others, and using effective communication and **.....** strategies.

(a) enforcement (b) evasive (c) performance (d) persuasive

Q6 Many have wondered how it happens that persons with high IQs don't always **.....** the top jobs: the answer often lies in interpersonal skills.

(a) land (b) leave (c) sack (d) seize

Q7 Modern teamwork often brings together individuals from diverse groups who may not share common norms, values, or **.....** but who do offer unique expertise, insights, and perspectives.

(a) accommodations (b) cubicles (c) salaries (d) vocabularies

Q8 E-mail, voice mail, audioconferencing and videoconferencing, and the myriad other technologies that enable individuals to communicate with each other not only increase the ways in which individuals can interact but also require a heightened sensitivity to the **.....** of interpersonal interactions.

(a) innuendos (b) naivete (c) nuances (d) repartee

Q9 This idea is particularly true in the worlds of virtual learning and virtual communication, where one cannot yet use hand gestures, facial expressions, or body **.....** to fully express ideas.

(a) language (b) movement (c) poses (d) positions

Q10 The challenge is to **.....** interpersonal skills not only in face-to-face interactions but in virtual interactions as well.

(a) perfect (b) perform (c) produce (d) project

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Electronic Commerce (1)

Q1 This paper by Derek Miers received critical **.....** when it was published in 1996, and the issues highlighted are just as relevant today.

(a) acclaim (b) applause (c) attention (d) awareness

Q2 Over recent years information technology has experienced an unprecedented degree of change, enabling the transformation of the basic **.....** of business.

(a) machinations (b) machines (c) mechanics (d) mechanisms

Q3 Within the next years we will see the emergence of secure, cost-effective electronic payment systems to **.....** these technologies.

(a) accent (b) accept (c) augment (d) augur

Q4 Those waiting for clear signs of this new age before acting will forever be destined to observe from the **.....**.

(a) back seat (b) bleachers (c) caboose (d) sidelines

Q5 The fundamental opportunity offered by the Internet is for suppliers to gain direct access to consumers without the attendant costs associated with the maintenance of physical distribution channels-- people, bricks and **.....**.

(a) bats (b) concrete (c) mortar (d) sticks

Q6 Markets and marketing concepts will change radically, driven by those companies who successfully **.....** the challenge.

(a) forge through (b) rise to (c) set up (d) take in

Q7 11th-century Europe saw the emergence of credit-based banking systems and financial instruments such as bills of exchange, and these concepts remain with us, in their modified form, **.....**.

(a) day after day (b) nowadays (c) to this day (d) up until today

Q8 These basic concepts **.....** all modern forms of commerce.

(a) overhaul (b) overspread (c) underpin (d) underscore

Q9 The rise of the Internet since the **.....** of the World Wide Web has provided an easy-to-use communication channel for businesses to contact current and potential customers.

(a) advent (b) convention (c) event (d) provenance

Q10 The emergence of the Internet as a general communication channel has also given **.....** to the possibility of widespread electronic commerce.

(a) hope (b) rise (c) thought (d) voice

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Reverse Marketing

Q1 Fast technological developments, growing globalisation of markets and higher customer requirements have resulted in **.....** competition in many consumer and industrial markets.

(a) cutback (b) cutthroat (c) deep discount (d) deep throat

Q2 Emergent global markets are populated by **.....** companies that try to position themselves as local firms by emphasizing local content.

(a) homeland (b) homeless (c) national (d) stateless

Q3 In this continuously changing world, the importance of price is being reduced and quality becomes a significant means of **.....** sustainable competitive advantage.

(a) cultivating (b) harvesting (c) noticing (d) realizing

Q4 Leenders and Blenkhorn (1988) introduced the term 'reverse marketing' for an aggressive kind of purchasing that they had **.....** in the U.S. and Japan.

(a) accosted (b) confronted (c) deciphered (d) encountered

Q5 Reverse marketing describes how Purchasing actively identifies potential suppliers and offers **.....** partners a proposal for long term collaboration.

(a) established (b) manageable (c) matching (d) suitable

Q6 Successful reverse marketing requires a **.....** effort.

(a) concerned (b) concerted (c) constrained (d) contained

Q7 The upgraded demands and reduced supplier roster lead to the substition of traditional **.....** relationships by close and long term partnerships, characterized by mutual trust and interdependence and mutual benefits.

(a) arm's-length (b) full-disclosure (c) hip-pocket (d) under-the-table

Q8 The current development of the purchasing function shows **.....** similarities to the development of the marketing concept.

(a) given (b) granted (c) proven (d) remarkable

Q9 This conceptual **.....** between purchasing and marketing can also be found within individual firms.

(a) paradigm (b) paradox (c) parallel (d) paraphrase

Q10 Purchasing and marketing are basically comparable activities directed at facilitating exchange transactions and relationships with external parties; accordingly, the purchaser's and marketer's tools and methods are more similar than might be expected at first **.....**.

(a) gander (b) gaze (c) glance (d) glimpse

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Natural Gas Resources

Q1 Alan Greenspan (June 2003) states that in recent months, in response to very **.....** supplies, prices of natural gas have increased sharply.

(a) bound (b) brief (c) tense (d) tight

Q2 Working gas in storage is currently at very low levels relative to its seasonal norm because of a colder than average winter and **.....** inability of increased gas well drilling to significantly augment net marketed production.

(a) an acknowledging (b) an appearing (c) an occurring (d) a seeming

Q3 Canada, our major source of imported natural gas, has had **.....** to expand shipments to the United States, and our limited capacity to import liquefied natural gas (LNG) effectively restricts our access to the world's abundant supplies of gas.

(a) fat chance (b) little room (c) short shrift (d) small space

Q4 Our inability to increase imports to **.....** a modest gap between North American demand and production is largely responsible for the marked rise in natural gas prices over the past year.

(a) close (b) knit (c) stop (d) thin

Q5 Competitive crude oil prices, after wide **.....** related to the war in Iraq, are now only slightly elevated from a year ago, and where spot markets for natural gas exist, prices exhibit little change from a year ago.

(a) gyrations (b) peregrinations (c) undulations (d) vacillations

Q6 Today's natural gas markets have been a long time in coming, and futures prices suggest that we are not **.....** to return to earlier periods of relative abundance and low prices any time soon.

(a) able (b) apt (c) due (d) like

Q7 It was little more than a half-century ago that drillers seeking valuable crude oil **.....** the discovery of natural gas.

(a) bemoaned (b) complained (c) derided (d) mourned

Q8 Given the lack of adequate transportation, wells had to be **.....** or the gas flared.

(a) capped (b) lidded (c) sealed (d) topped

Q9 Natural gas consumption by 1970 had risen to three-fourths of that of oil, but its consumption lagged in the following decade because of competitive **.....** from coal and nuclear power.

(a) excursions (b) exertions (c) incursions (d) inertia

Q10 Increased marginal supplies from abroad, while likely to notably **.....** the levels and volatility of American natural gas prices, would expose us to possibly insecure sources of foreign supply, as it has for oil.

(a) damp (b) ditch (c) drain (d) dull

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Answers Index

Canada's Monetary Policy

Q1 Monetary policy is concerned with how much money **.....** in the economy, and what that money is worth.

(a) circulates (b) circumscribes (c) concentrates (d) congregates

Q2 The **.....** of the Bank of Canada's monetary policy framework is its inflation-control system, the goal of which is to keep inflation near 2 per cent.

(a) benchmark (b) cornerstone (c) landmark (d) milestone

Q3 Inflation is a **.....** rise over time in the average price of goods and services.

(a) perfunctory (b) persistent (c) precise (d) presumed

Q4 This system provides a clear **.....** of the effectiveness of monetary policy, and increases the predictability of inflation.

(a) appearance (b) goal (c) measure (d) status

Q5 When the level of demand for Canadian goods and services is **.....**, it can push the economy against the limits of its capacity to produce.

(a) sagging (b) slight (c) stable (d) strong

Q6 This tends to raise inflation above the midpoint, so the Bank will raise interest rates to **.....** off the economy.

(a) brush (b) cool (c) send (d) tick

Q7 When demand is weak, inflationary pressures are likely to **.....**.

(a) ease (b) spread (c) squeeze (d) tauten

Q8 The Bank will then lower interest rates to stimulate the economy and absorb economic **.....**.

(a) slack (b) spending (c) spin (d) surplus

Q9 The Bank carries out monetary policy by influencing short-term interest rates, and it does this by raising and lowering the target for the overnight rate, the interest rate at which major financial institutions borrow and lend one-day funds among **.....**.

(a) businesses (b) depositors (c) others (d) themselves

Q10 The goal of Canadian monetary policy is to contribute to rising living **.....** for all Canadians through low and stable inflation.

(a) amenities (b) conditions (c) expenses (d) standards

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Australian Aboriginal Governance

Q1 John Taylor's publication, 'Social Indicators for Aboriginal Governance', **.....** the issue of how and whether current social and economic conditions in remote regions can be quantified to establish a baseline against which the impacts of policies might be measured.

(a) addresses (b) announces (c) instigates (d) promulgates

Q2 Two recent policy **.....** (one from the Council of Australian Governments, and one from the Northern Territory Government) raise the need for such a question.

(a) initializations (b) initials (c) initiations (d) initiatives

Q3 Writing in 1971 on the **.....** of change from the assimilationist years of welfare administration to the era of Indigenous self-management, Charles Rowley described the myriad mission and government settlements across remote Australia as instrumental in frustrating urbanisation.

(a) cliff (b) cline (c) crack (d) cusp

Q4 With the benefit of more than 30 years' hindsight, during which time Indigenous people have been free from the institutional and legislative **.....** that governed their place of residence, Rowley's proposition is only partially upheld.

(a) dithers (b) druthers (c) hackles (d) shackles

Q5 The more striking and profound observation concerning Indigenous population distribution concerns the growth in size of remote Aboriginal towns **.....** the increased dispersion of Aboriginal population to outstations on Aboriginal lands.

(a) about (b) alongside (c) amongst (d) around

Q6 Some contemporary opinion would **.....** this continuity of Indigenous rural settlement, seeking the means to socially engineer migration to urban areas.

(a) lament (b) laud (c) moan (d) repent

Q7 It is interesting to compare such views with the current activities of Federal, State, and Territory governments, which appear increasingly prepared to respond to the reality of a growing Indigenous population in remote areas by seeking ways to enhance life chances and life quality in **.....**.

(a) situ (b) toto (c) vitro (d) vivo

Q8 Such efforts are in line **.....** a growing search for more efficient regionalism in Indigenous community governance.

(a) before (b) for (c) to (d) with

Q9 This study takes its **.....** from these policy directions.

(a) cay (b) cue (c) key (d) queue

Q10 Taylor closes with a note on cultural **.....**, questioning whether the information obtained from an instrument such as census data, principally designed to establish the characteristics of mainstream Australian life, is in fact valid in this region.

(a) recurrence (b) relevance (c) reliance (d) reticence

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First Nations Rights (1)

Q1 In August of 1993, the authorities arrested Donald Marshall on three **.....** under the Fisheries Act: the selling of eels without a license, fishing without a license and fishing during the closed season with illegal nets.

(a) actions (b) charges (c) crimes (d) matters

Q2 The issue at trial, his defense, was the affirmation of a treaty right to catch and sell fish as found in the treaties of 1760-61 that he believed exempted him from **.....** with the fishery regulations.

(a) compliance (b) concession (c) connivance (d) contravention

Q3 The trial judge **.....** him guilty.

(a) called (b) found (c) named (d) proclaimed

Q4 However, in September, 1999, the Supreme Court of Canada allowed his **.....** and acquitted him on all charges.

(a) appeal (b) petition (c) plea (d) request

Q5 The court decided that Donald Marshall had a treaty right to **.....** a 'moderate livelihood' by hunting, fishing and gathering natural resources.

(a) possess (b) preserve (c) secure (d) sustain

Q6 By affirming the treaty right of First Nation peoples to make a moderate livelihood from fishing, hunting and gathering, the people of Burnt Church attempted to **.....** their legally-affirmed treaty right by fishing for lobster in September and October, 1999.

(a) demand (b) exercise (c) facilitate (d) practice

Q7 This initiative was **.....** with an unprovoked attack by non-native fishermen who cut lobster trap lines and destroyed $210,000 (Canadian) worth of traps belonging to the people of Burnt Church.

(a) blocked (b) met (c) offset (d) struck

Q8 The Canadian government authorities, the Department of Fisheries and Oceans (DFO) and the Royal Canadian Mounted Police (RCMP), were **.....**; no action was taken to prevent or stop the destruction of property or escalating levels of violence.

(a) adamant (b) dormant (c) ignorant (d) obdurate

Q9 An atmosphere of fear and anger emerged as violent threats, **.....**, and assaults increased between native and nonnative people.

(a) gun-totaling (b) gun-toting (c) gun-touting (d) gun-towing

Q10 One Mi'kmaq man was seriously injured during an **.....**.

(a) alteration (b) altercation (c) alternation (d) alternative

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First Nations Rights (2)

Q1 In November, after the destruction of the lobster traps, a clarification of the Marshall decision (see First Nations Rights Part 1) was drafted by the judges who **.....** in the original decision.

(a) detracted (b) dissented (c) recanted (d) retracted

Q2 The Marshall judgment referred to the Court's principal **.....** on the various grounds on which the exercise of treaty rights may be regulated.

(a) proclamations (b) promulgations (c) pronouncements (d) pronunciations

Q3 The paramount regulatory objective is conservation, and responsibility for it is placed **.....** on the minister responsible and not on the aboriginal or non-aboriginal users of the resource.

(a) forcibly (b) perfectly (c) promptly (d) squarely

Q4 However, it also was stated that the Minister has an obligation to consult aboriginal people about limitations on treaty and aboriginal rights, and that any regulation should not **.....** upon the right to earn a moderate livelihood.

(a) impose (b) infringe (c) interpose (d) intrude

Q5 Following this clarification, the Department of Fisheries and Oceans limited the number of Burnt Church lobster traps to 600 and began to **.....** traps.

(a) confiscate (b) deconstruct (c) disfigure (d) reconfigure

Q6 Sound justification for these limits was not provided to any of the **.....** parties; the issue of conservation was simply stated as a justification but never demonstrated by the DFO.

(a) concerned (b) guilty (c) implicated (d) participating

Q7 The Atlantic Policy Congress of First Nations Chiefs found the **.....** of an offered agreement unsatisfactory in that it would have negative impacts on future treaty right rulings.

(a) pattern (b) silhouette (c) stencil (d) template

Q8 The congress advised bands not to sign the agreement; nevertheless, the DFO managed to have 29 of 34 bands sign full or **.....** agreements.

(a) fractional (b) fragmentary (c) interim (d) intermittent

Q9 To encourage signing, the DFO offered access to commercial and food fisheries, substantial **.....**, boats, gear, training, and fishery-related economic development initiatives.

(a) currency (b) monies (c) remuneration (d) tender

Q10 Because the agreements are for communal licenses, it is believed by some that economic benefits will **.....** to only a few people in the First Nations community.

(a) accede (b) accrue (c) adhere (d) advance

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Internal Communications

Q1 According to the Government Communication Network (GCN), a plan for internal communications should be **.....** into every communication strategy.

(a) initiated (b) integrated (c) interwoven (d) involved

Q2 Winning the support of internal **.....** can be as important as reaching key external audiences, and will be vital to the success of your communication programme.

(a) jobholders (b) placeholders (c) stakeholders (d) stockholders

Q3 Internal communications need exactly the same kind of analysis and strategy as external communications: there will be distinct audience groups who should be **.....**, and the same processes of information collection and insight generation apply to internal as to external groups.

(a) sectioned (b) segmented (c) segregated (d) sequestered

Q4 Far from being the poor **.....** of external communication, internal communication performs a crucial role within government.

(a) neighbor (b) offspring (c) relative (d) sibling

Q5 By **.....** staff with the departmental vision and values so that they can apply them in their day-to-day work, it creates a culture that does two things: it improves policy delivery and it increases the chance of meeting departmental objectives.

(a) endearing (b) engaging (c) inducing (d) inoculating

Q6 Organisations that have a strong communications function frequently **.....** those that don't; private sector companies that communicate effectively have a 19.4 per cent higher market premium than companies that do not.

(a) outperform (b) outrank (c) overdo (d) overrule

Q7 As with external communications, it is not enough to have a tactical approach; every department should have an internal communications strategy that is developed, implemented and monitored according to industry **.....** practice and the needs of staff.

(a) best (b) in (c) made (d) style

Q8 Printed or online surveys might be your first port of **.....** when it comes to understanding communication needs within your department.

(a) action (b) call (c) entry (d) resort

Q9 Before selecting a research method, produce a **.....** that sets out clear objectives and explains what you are trying to achieve.

(a) brief (b) draft (c) mission (d) portfolio

Q10 You might also need to set up a different dialogue with each team within your department to take on **.....** cultural differences.

(a) board (b) other (c) serious (d) viewing

External Communications

Q1 The first discussion by the Executive Board of the International Monetary Fund (IMF), in July 1998, called for preserving and enhancing the IMF's credibility, including by providing more information to the public, extending the **.....** of IMF communications, and engaging critics more effectively.

(a) arm (b) grasp (c) grip (d) reach

Q2 A second Board discussion, in February 2000, considered plans to strengthen IMF external communications, including recommendations that they develop a strategy comprising a clearer message, **.....** focus and improved coordination of the IMF's public output, and more proactive external communications.

(a) cluster (b) longer (c) nearer (d) sharper

Q3 The IMF's external communications strategy has also been shaped by Board decisions to expand **.....** by publishing staff country reports (when the country concerned agrees) and many other Board documents, and Public Information Notices, shortly after Board discussions.

(a) distribution (b) propaganda (c) publicity (d) transparency

Q4 The Executive Directors took **.....** of the progress achieved in recent years in increasing the IMF's openness and enhancing its responsiveness to outside views, including concerns and criticism.

(a) care (b) interest (c) pleasure (d) stock

Q5 Directors felt that the current relatively high media **.....** of the IMF offers a valuable opportunity to enhance the implementation of its external communications strategy.

(a) veracity (b) verisimilitude (c) visibility (d) vision

Q6 They observed that, although the work of the IMF — based on its **.....** to safeguard the macroeconomic and monetary foundations of economic growth — is vital to economic welfare and rising living standards worldwide, much of its work tends to attract controversy.

(a) allotment (b) behest (c) injunction (d) mandate

Q7 This is not **.....** because a prominent part of the IMF's job is to advise countries on how best to face economic reality in difficult circumstances, including when they need the IMF's financial support.

(a) at all (b) least (c) more (d) really

Q8 In this context, Directors considered that improving understanding of the IMF's work and respect for its competence, and enhancing the credibility of its policies, are key objectives of its communications — and **.....** than increasing its popularity.

(a) even more (b) more (c) more so (d) what's more

Q9 A continuing, concentrated effort to improve understanding of the institution will, over time, be valuable in increasing support for its work in member countries even if progress may seem **.....** and modest.

(a) accidental (b) detrimental (c) incidental (d) incremental

Q10 In a similar **.....**, Directors called for continued efforts to enhance the communication skills of all IMF staff, which will be important not only for improved interactions with the public, but also for enhancing the learning culture of the institution more broadly.

(a) avenue (b) channel (c) mood (d) vein

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The US International Trade Administration

Q1 The **.....** purpose of the International Trade Administration (ITA) is helping to create economic opportunity for American workers and businesses.

(a) defining (b) definite (c) delimiting (d) determined

Q2 By promoting trade and investment we are promoting prosperity and a better world; to increase trade and investment, the ITA helps U.S. companies **.....** foreign markets.

(a) dominate (b) estimate (c) infiltrate (d) navigate

Q3 We help educate companies about how to tailor their activities to the specific market with respect to their product **.....**, financing, marketing, assembly and logistics.

(a) size (b) slate (c) stock (d) system

Q4 While the United States exports more than any other country, making that first export can still be a **.....** challenge for a small- or medium-sized business.

(a) daring (b) dashing (c) daunting (d) dawning

Q5 The U.S. Commercial Service is the trade promotion arm of the U.S. Department of Commerce's ITA; its Web-based services are provided through the U.S. government's export **.....**, www.export.gov.

(a) portal (b) portion (c) position (d) post

Q6 The ITA **.....** policies and strategies that stimulate innovation and investment, enhance economic growth, and support U.S. manufacturing and services industries.

(a) advances (b) airs (c) processes (d) programs

Q7 Unfair foreign pricing and government subsidies distort the free flow of goods and **.....** affect American business in the global marketplace.

(a) adversely (b) conversely (c) inversely (d) perversely

Q8 According to a University of Michigan study, the average U.S. family of four still **.....** to gain an estimated $7,800 per year if there were total elimination of global barriers to trade in goods and services.

(a) aims (b) hopes (c) is (d) stands

Q9 The World Bank has reported that the elimination of global trade barriers could **.....** 300-500 million of the world's poor out of poverty over the next 15 years.

(a) free (b) pry (c) put (d) lift

Q10 Market Access and Compliance (MAC) country desk officers are experts on the commercial, economic, and political **.....** in their assigned countries.

(a) climates (b) ills (c) parties (d) philosophies

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Business Buzzwords from Mumbai to Virginia

Q1 In Mumbai, the bullish phase in the stock markets has attracted a whole new breed of investors, including students and housewives; the latest to join the party on **.....** Street are BPO employees.

(a) Dalal (b) Easy (c) Stock (d) Wall

Q2 An entrepreneur for over 35 years mentioned to me that it's a common misconception that it takes **.....** of money to create a business; in his experience, many of the successful businesses out there have been started by people with little or no money at all.

(a) an acre (b) a stash (c) a ton (d) a van

Q3 **.....** Funds for Investors was put into place to benefit those investors who have lost money because of the illegal or unethical activities of individuals or companies that violate securities regulations.

(a) Fair (b) Free (c) Safe (d) Sure

Q4 The cost of executive pension plans is rarely laid out for shareholders, but is usually so deep in a company's regulatory filings that it is difficult to find, let alone calculate; Critics call it 'stealth wealth' or '**.....** compensation'.

(a) camouflage (b) clandestine (c) closet (d) covert

Q5 Say an entrepreneur selling a business is asking $2,000,000 based on projected revenue, but the buyer is willing to pay only $1,000,000 based on historical performance: **.....** provision structures the deal so that the entrepreneur receives more than the buyer's offer only if the business achieves a certain level of gross sales.

(a) a buyout (b) an earnout (c) a payout (d) a topout

Q6 In the stock market, **.....** is associated with giving up any previous gains in stock price as investors sell equities in an effort to get out of the market and into less risky investments.

(a) capitulation (b) concession (c) reconciliation (d) submission

Q7 "I tell folks to invest to **.....** well but not beyond the point that they no longer sleep well," said Richard F. DeMong, Virginia Bankers Professor of Bank Management at the University of Virginia, "That trade-off is different for each individual."

(a) eat (b) feel (c) keep (d) live

Q8 "My wife knows me as a perfidious stock picker; over the years my technique has been to buy a fallen **.....** at 4, then ride it to 2, panic and bail." — Rich Karlgaard, "Do As I Say," Forbes, December 20, 1999.

(a) angel (b) arch (c) share (d) star

Q9 When somebody likes a stock enough to back up the **.....**, the buyer is very bullish on it.

(a) price (b) seller (c) staff (d) truck

Q10 Accounting **.....** can be seen either as a consequence of necessary rules regarding generally accepted accounting principles or as a result of management's attempts to massage the numbers to present a rosier financial picture of the firm.

(a) neglect (b) noise (c) sham (d) show

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Business Buzzwords through the Seasons

Q1 If a nervous **.....** ever does decide to invest, he or she is likely to liquidate the investment at any time.

(a) nellie (b) nerd (c) twit (d) twitcher

Q2 Exchange Traded Funds or **.....** aim to duplicate the growth of a stock exchange index, usually an index of ordinary shares, working like Index Tracker Funds except that they are closed ended to a private investor.

(a) eShares (b) fShares (c) iShares (d) xShares

Q3 Some economists divide the Kondratiev **.....** into two 'seasons', namely, the Kondratiev Fall and the later part, the Kondratiev Winter.

(a) cycle (b) surge (c) wave (d) year

Q4 Otherwise known as Yasuo Hamanaka, Mr **.....** was a trader who lost over $2.5 billion for his employer, Sumitomo Corporation in Japan; Hamanaka's scandalous activities rank first for the greatest unauthorized trading loss in history.

(a) Copper (b) Credit (c) Samurai (d) Six Percent

Q5 A foreign currency trading at 75.25 and a money market security trading at 75.75 both have **.....** of 75.

(a) bases (b) handles (c) stems (d) units

Q6 **.....** is an increase in price and trading volume in a particular sector of the economy that results from a recent takeover creating a change in sentiment towards the sector; proponents of behavioral finance theory would view this psychological impact as evidence supporting their theory.

(a) Arbitrage (b) Garbatrage (c) Rumorage (d) Traderage

Q7 **.....** Accounting Principles (LGAP) will supersede generally accepted accounting principles (GAAP) as companies 'come clean' in post-Enron Wall Street.

(a) Lady Godiva (b) Laundry Girl (c) Legal Gain (d) Looking Good

Q8 A **.....** is a group of unscrupulous investors who, practicing a kind of fictitious trading or wash selling, artificially inflate the price of a security so that they sell it at a profit.

(a) chain gang (b) daisy chain (c) fairy ring (d) gang bang

Q9 The January **.....** does have a fairly successful track record: from 1950 to 2003, the S&P 500 was up in January 34 times, and in 30 of those 34 instances, the S&P 500 traded higher 11 months later, for a success rate of 88%.

(a) Barometer (b) Isobar (c) Isotherm (d) Thermometer

Q10 To be considered a **.....** company, its revenue must be larger than $1 million in each of the four prior years, the sum of the last four years' net income must be positive, and its growth in revenue and gross profit should exceed 100% from the first to the last balance sheet in the four-year period.

(a) gazelle (b) godzilla (c) gorilla (d) guerrilla

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Business Buzzwords for Better or Worse

Q1 **.....** the market is achieved through large sale orders or many small sell orders; in some cases, investors may even collaborate on orders to attempt to push the share's price even lower.

(a) Flogging (b) Hammering (c) Pounding (d) Whipping

Q2 A general **.....** bond (GOB) is one that is issued on the county's ability to tax; no assets are used as collateral, and the county will provide payment to the bond from taxes collected specifically for this purpose.

(a) obligation (b) offering (c) outsource (d) outstanding

Q3 Baby **.....** are the hypothetical companies that would have been formed if the Justice Department had broken up Microsoft Corporation.

(a) Bells (b) Bills (c) Boomers (d) Browsers

Q4 A college has until recently been thought of as an institution that exists to provide instruction; subtly but profoundly, however, we are shifting to a new **.....**: a college is an institution that exists to produce learning.

(a) paradigm (b) paradox (c) paragon (d) parallel

Q5 The telecommunications giant, **.....**, is perhaps best known for a massive accounting scandal; its executives effectively fudged the company's accounting numbers, inflating the company's assets by around 12 billion dollars, and the swift bankruptcy that followed led to massive losses for investors.

(a) Enron (b) MCI (c) Verizon (d) WorldCom

Q6 The real estate assets subject to a **.....** lease do not appear on the lessee's balance sheet and no depreciation is charged against earnings for SEC reporting purposes, but its structure allows improvements to be depreciated for tax purposes, thus preserving the tax shelter aspect of owning improved real estate.

(a) simulated (b) synthetic (c) veritable (d) virtual

Q7 A former McKinsey & Company consultant named Michael Lanning coined the term in a 1984 white paper, where he said that a business was a "value delivery system" and that system could be articulated in a 'value **.....**'.

(a) presentation (b) proposition (c) statement (d) syllabus

Q8 **.....** is the purchase of a security by a broker after the broker places an order for the same security for a customer; the broker hopes to profit either because of information which the customer has or because the customer's purchase is of sufficient size to affect security prices.

(a) Bandwagoning (b) Coattailing (c) Shadowing (d) Tailgating

Q9 If a person wanted to buy one billion U.S. dollars, he or she might say, "I would like to buy a **.....** of U.S. dollars"; by using this word in place of 'billion', the person ensures that the counter-party will not misunderstand 'billion' for 'million' or 'trillion'.

(a) bin (b) nine (c) ton (d) yard

Q10 Machinery in **.....** facility is kept in working order so that production may be restored quickly if needed.

(a) a bankrupted (b) a mothballed (c) an idled (d) a silenced

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Business Buzzwords through Thick and Thin

Q1 The Hong Kong government might have won this particular battle against the speculators, just as the Malaysians reckon they have done; but with both administrations' credibility hugely damaged as a result, these are **.....** victories that they may come to rue.

(a) Panic (b) Psychic (c) Punic (d) Pyrrhic

Q2 The cost of mortgage payments, property taxes, insurance and maintenance on **.....** property is greater than the income it brings in, and if this situation is not corrected, it will eat up all of the owner's profit, leaving him or her with negative cash flow.

(a) a maneater (b) an alligator (c) an elephant (d) an elevator

Q3 The **.....** strategy is one in which a third party poses as a white knight in a takeover bid, and then joins forces with an unfriendly bidder.

(a) Desdemona (b) Lady Macbeth (c) Mata Hari (d) Tokyo Rose

Q4 The seven categories of variables used in the **.....** stock valuation system are momentum, quality, value, financial strength, forecasted earnings, performance, and volume.

(a) quadrix (b) quantum (c) quincunx (d) quintessential

Q5 A **.....** is a high-strung portfolio manager who, looking for high returns, invests in very high-risk stock.

(a) gunslinger (b) highroller (c) overachiever (d) pistolpacker

Q6 **.....** Monday is often associated with the unfounded belief that it is the busiest (highest sales volume) shopping day of the year for online retailers, because people would continue shopping from the company's computer while at work.

(a) Black (b) Cyber (c) Flex (d) Surf

Q7 A securities firm is practicing the fraudulent act of **.....** if it fails to purchase the securities on the open market and maintains a short position, delays delivery or takes part in transactions contrary to SEC regulations regarding the proper settlement of trades.

(a) arbitrage (b) defalcation (c) insider trading (d) kiting

Q8 The level of net debt per **.....** is an important factor to consider when analyzing a government's ability to continue to pay its debt service costs through its current levels of tax revenue; this measure helps indicate the default risk of government bonds.

(a) annum (b) capita (c) centum (d) diem

Q9 The **.....** oil and natural gas industry's exploration and production activities may have impacts on air, land and water, and to offset these impacts, it invests in programs and technologies that help to reduce its environmental footprint.

(a) refinery (b) reserve (c) untapped (d) upstream

Q10 A dawn **.....** is a sudden and unexpected buying of a significant proportion of a company's shares, usually as a prelude to a takeover bid; the aim is to prevent the target company from having time to organize opposition to the takeover.

(a) assault (b) foray (c) raid (d) sally

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Business Buzzwords from New England to Michigan

Q1 The tendency of stocks newly added to the S&P composite index to rise in price due to a large number of buy orders as funds add the stock to their portfolios is called the S&P **.....**.

(a) Effect (b) Factor (c) Phenomenon (d) Reaction

Q2 As demand for metals lurched lower and layoffs swelled, the once pulsing industrial belt that stretches from Illinois across to western New England took on the grim, ground-down demeanor of a half-century earlier, acquiring the glumly descriptive epithet of **.....** Bowl.

(a) Bust (b) Crust (c) Dust (d) Rust

Q3 Once a firm's stock becomes substantially **.....**, managers who wish to eliminate this are faced with disappointing the capital markets.

(a) overpriced (b) oversold (c) overstated (d) overvalued

Q4 An angel investor's **.....** money is sometimes the only way a business can get off the ground; this type of financing can create growth that would be impossible through traditional financing channels.

(a) cheap (b) free (c) gift (d) love

Q5 IT managers often must promise a higher rate of return to justify technology investments than other corporate departments; in some organizations, the **.....** rate for a project to pass the funding threshold may exceed 30% to 50%.

(a) handicap (b) hedge (c) holdup (d) hurdle

Q6 Fannie Mae's 15-year mortgage-backed securities and Bilbo Baggins's friends are called **.....**.

(a) dwarves (b) elves (c) gremlins (d) trolls

Q7 The settlement price for a weather futures contract is calculated by summing **.....** Degree Day values for a month and multiplying that sum by $20.

(a) Cooling (b) Freezing (c) Heating (d) Warming

Q8 An **.....** stock is one whose price suddenly plunges; the fall is usually caused by panicked shareholders rushing to sell after hearing unexpected bad news.

(a) airliner (b) air pocket (c) skydiver (d) submariner

Q9 The **.....** defense is used in a hostile takeover situation: the target firm turns around and tries to take over the company that has made the hostile bid.

(a) Donkey Kong (b) Pac Man (c) Super Mario (d) Tomb Raider

Q10 I can imagine why that Ford manager in Michigan recently announced that they would eat their own **.....** food (only Ford- or subsidiary-built vehicles are allowed to park on the plant premises); it must be discouraging to see the place swarmed every day by Daihatsus, Suzukis and Toyotas.

(a) cooked (b) dog (c) health (d) soul

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Business buzzwords: English villages

Q1 That formidable fighting force, the English village, flexed its muscles yesterday to **.....** a Scientology plan to open a drug rehabilitation centre next to a primary school; residents raised over 175,000 in three days to outbid the proposed centre at a former inn.

(a) gazebo (b) gazillion (c) gazpacho (d) gazump

Q2 The bigger the **.....**, the sweeter it tastes to investors!

(a) apple (b) banana (c) melon (d) peach

Q3 On April 12th, 2002, the Toronto Stock Exchange will introduce the **.....** order feature to the trading system: market participants will be able to place orders larger than typically displayed in the TSE market, without paying an informational price for revealing the entire order size.

(a) camoflage (b) iceberg (c) spiderhole (d) trapdoor

Q4 Similar to other restrictive provisions contained in bond indentures, a net revenue **.....** serves to make the bond issue less risky for bondholders: since it forces the government to use revenue from its debt-financed projects to pay debt service costs first, bondholders enjoy a reduced risk of default.

(a) package (b) pact (c) pledge (d) provision

Q5 Four years ago, the Dow Jones Industrial Average hovered in the range of 10,500 points, nearly the same place it is now; its path has traced what stock traders call a '**.....** market' always on the move, but not going anywhere.

(a) sessile (b) sideways (c) stationary (d) stative

Q6 Usually, **.....** stocks experience higher-than-normal trading volume due to significant new information reaching the market and creating a strong impetus amongst investors to buy or sell the stock, resulting in heavier trading volume and often strong momentum in the stock.

(a) most-active (b) most-in-demand (c) most-volatile (d) most-wanted

Q7 Most pyramid **.....** take advantage of confusion between genuine businesses and complicated but convincing moneymaking scams; the idea behind them is that the individual makes only one payment, but is promised to receive exponential benefits from other people as a reward.

(a) plans (b) pranks (c) schemes (d) systems

Q8 Using the **.....** Defense, a company issues a large number of bonds with the condition that they must be redeemed at a high price if the company is taken over.

(a) Macaroni (b) Macedonian (c) Maximizer (d) Megaton

Q9 Quadruple **.....** days occur four times a year, on the third Friday of the quarter-ending month (March, June, September, December), when three different types of derivatives related to stocks expire: options on individual stocks, options on Stock Index Futures, and Stock Index Futures.

(a) bewildering (b) bewitching (c) wishing (d) witching

Q10 **.....** look for companies with undervalued assets and then attempt the hostile takeover by purchasing enough shares to have a controlling interest.

(a) Insiders (b) Marauders (c) Raiders (d) Strippers

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Business buzzwords: A well thought out strategy

Q1 When you're setting up your business, it's essential to think about how you'll ultimately end your involvement with it; a well thought-out **.....** strategy can help you maximise the value you get from your business, successfully market it to potential buyers, and ensure you end your involvement with little disruption.

(a) closing (b) exit (c) liquidation (d) termination

Q2 Even a dead **.....** will bounce if dropped from high enough!

(a) cat (b) horse (c) weight (d) wood

Q3 During the LTCM crisis there was extensive **.....** by dealers who traded on their own accounts in the same direction as LTCM did, but just one or two minutes beforehand.

(a) early-birding (b) front-running (c) insider-trading (d) second-guessing

Q4 When the market has a strong and quick upward movement, you'll hear 'the market has a **.....**'.

(a) whistle (b) whoopie (c) willy (d) woody

Q5 Bendigo Mining Ltd is a fully fledged 'falling **.....**' at this stage; IMHO I would not attempt to punt the situation, as it is conceivable that the valuation could fall back even further towards cash value.

(a) angel (b) knife (c) leaf (d) star

Q6 When traders attempt to time the market by identifying the end of a price trend and the beginning of a new one, but, due to greed and fear, tend to **.....** their positions, this usually results in reduced gains or worse, further losses.

(a) overestimate (b) overstate (c) overstay (d) overvalue

Q7 In the wild market of the Roaring '20s, one of Wall Street's games was called '**.....** the tape': savvy investors secretly pooled to buy and sell shares in unison, and by creating an illusion of hectic activity on the ticker tape, they lured in unwitting small investors and pocketed big profits by dumping when prices were artificially high.

(a) brushing (b) buffing (c) painting (d) polishing

Q8 Any instrument described by the word '**.....**' is, as the root of the word implies, made from something else or from components; it may consist of a single contract, security, etc., or it may be a collection of instruments whose combined features are comparable to the instrument it replicates.

(a) collateral (b) composite (c) syncretic (d) synthetic

Q9 A yellow **.....** makes a takeover attempt but ends up discussing a merger with the target company; the implication is that the company attempting the takeover has chickened out, deciding to discuss things instead of making an aggressive move.

(a) bird (b) fellow (c) knight (d) rider

Q10 If a trader goes bankrupt, it is not the result of one bad trade but a long string of them — such a trader is called a lame **.....** because s/he is ineffective as a trader.

(a) beggar (b) brain (c) duck (d) excuse

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Business buzzwords: Screaming guts

Q1 Your gut is screaming, "There is no way this company can hit those targets!", but your hope and the Mad **.....** CEO's enthusiasm get the better of you — this scenario is repeated many times at under-performing companies; there can be too much over-optimism and not enough effort made at analyzing the facts and confronting reality.

(a) Cow (b) Hatter (c) Max (d) Scientist

Q2 On the one hand, the idea of **.....** trade seems like a win-win situation — greenhouse gas emissions are reduced while some countries reap economic benefit — on the other hand, critics suspect that some countries will exploit the trading system and the consequences will be negative.

(a) alternative (b) carbon (c) global (d) petroleum

Q3 Following the technology boom of the late 1990s and early 2000s, many investors, because of their huge losses, were said to have taken a **.....**.

(a) bath (b) chance (c) ferry (d) spin

Q4 Because **.....** points are largely subjective, they will vary widely among investors; if an investor has a lower required rate of return, he or she will likely pay more for the same security than a person with a higher required rate of return.

(a) brownie (b) cutoff (c) decision (d) significance

Q5 During the extreme price volatility in **.....** markets, currency pair prices will gap and spreads widen; a price gap occurs when the price of a currency pair either jumps or plummets from its last bid/offer quote to a new quote, without trading at prices between those quotes.

(a) brisk (b) fast (c) quick (d) rapid

Q6 Testing small before you spend lots of money on ads or mailings will keep you from losing your **.....** on ineffective marketing efforts.

(a) shirt (b) shorts (c) shoes (d) socks

Q7 Companies, usually with the help of **.....**, use a number of strategies to repel a hostile takeover bid.

(a) black panthers (b) killer bees (c) legal eagles (d) wolf packs

Q8 This club will be funded through dock permits of our residents, which will create an **.....** funding source of some amount in the future that will be perpetual, and we look forward to working with staff to see that this revenue stream is used for the enforcement of the manatee zone.

(a) abiding (b) eternal (c) evergreen (d) immortal

Q9 Temporary **.....** are the most effective way to reduce expense ratios because the payment reduction is concentrated in the early years of the loan: to cover the shortfall between the reduced payments made by the borrower and the regular payment received by the lender, cash is withdrawn from an escrow account.

(a) buydowns (b) carryovers (c) drawbacks (d) payouts

Q10 The so-called **.....** local phone companies are among the most potent forces in the US telecommunications business today, shielded from the worst effects of the downturn by their control of local phone markets.

(a) ATT Clone (b) Baby Bell (c) Little Ma (d) Minidirectory

Business buzzwords: Greenhouse gas emissions

Q1 Using ocean data collected by diving floats, U.S. climate scientists released a study Thursday that they said provides the '**.....**' that ties manmade greenhouse gas emissions to global warming.

(a) paper trail (b) red hand (c) smoking gun (d) straw in the wind

Q2 There's a name for people who are able to identify the customer-grabbing, revenue-generating power in their particular job and maximize it at every possible opportunity — they're called **.....**.

(a) go-getters (b) lifesavers (c) rainmakers (d) up-and-comers

Q3 For all the debate over President Bush's $87 billion request for military operations and economic reconstruction in Afghanistan and Iraq, no one seems to have noticed that the sum includes a **.....** fund of $9.3 billion which Secretary of Defense Rumsfeld can spend pretty much as he pleases.

(a) kitty (b) petty (c) pocket (d) slush

Q4 Recent versions of shareholder rights plans have contained what has been called **.....** provision, which provides that only incumbent directors or their designated successors, so-called 'Continuing Directors', can redeem the rights.

(a) a 'dead hand' (b) an 'old hand' (c) an 'on hand' (d) a 'right hand'

Q5 As a general guideline, an order may be cancelled if it is more than 30% **.....** the market, depending upon where it has been routed to for execution, and you may receive a warning message when attempting to place a trade that fails a price reasonability check.

(a) away from (b) off of (c) outside (d) up to

Q6 When I bought my seat on the exchange, if someone gave me an order, I took it to an order clerk, who called it down to the floor; the clerk wrote out the order ticket, gave it to a **.....** dollar broker who had to be a member of the NYSE, who took it to the specialist's post, bought or sold the stock, and repeated the whole process back.

(a) one (b) two (c) five (d) ten

Q7 If you are **.....** to a given public securities issue, you will not be buying any shares through the public offering.

(a) unassigned (b) unlisted (c) unregistered (d) unsubscribed

Q8 **.....** follow trends, tips and gurus; they sometimes put on bull horns or a bearskin and try to swagger; you recognize them by their pitiful bleating when the market becomes volatile.

(a) Calves (b) Cubs (c) Goats (d) Sheep

Q9 The failures of well known **.....** retailers like Garden.com, Pets.com and discount retailer Value America have experts talking about the value of multi-channel retailing.

(a) down-play (b) fair-play (c) one-play (d) pure-play

Q10 Recently, the SEC's Enforcement Division has signaled a change in philosophy from a reactive approach (i.e. investigations of individuals or companies were initiated after evidence of a possible violation) to '**.....**' — pursuing investigations where it is not clear that a securities violation has occurred.

(a) bird-dogging (b) bloodhounding (c) whale-watching (d) wildcatting

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Business buzzwords: Israeli scientists

Q1 **.....**, the company best known for the insider-trading scandal that sent founder Samuel Waksal and domestic diva Martha Stewart to prison, received more bad news this week when a U.S. judge ruled that the patent for its only product was actually owned by three Israeli scientists.

(a) Iamgold (b) Imclone (c) ImmuCell (d) Insilco

Q2 Today's stock market scandals are different because the main victims today are **.....** investors — everyone from parents saving for their children's college education to the firefighter saving for retirement to the elderly who don't have time to rebuild their nest egg.

(a) Boy-Next-Door (b) John Q. Public (c) Main Street (d) Mom-and-Pop

Q3 In another move towards making itself a financial center, north China's port city of Tianjin has applied to the State Council to establish an **.....** market rather than a third stock exchange for the Chinese mainland.

(a) off-the-cuff (b) on-the-spot (c) out-of-doors (d) over-the-counter

Q4 From 1989, more share-buying opportunities were made available to the British public as a number of financial institutions demutualised; these **.....** shares' for members of the societies offered instant cash or the opportunity to continue as a part owner of the newly public entity.

(a) godsend (b) jackpot (c) payoff (d) windfall

Q5 Builders slammed on the brakes in August as housing **.....** sank to their lowest level in more than three years, and a drop in permits signaled more weakness ahead for the real estate market.

(a) buys (b) deals (c) gains (d) starts

Q6 Broker-dealers impliedly represent that they will deal fairly with their customers, and therefore unfair dealing is a breach of this implied representation and a violation of the antifraud provisions; this representation arises from the mere act of hanging up a sign and going into business, and therefore it is known as the '**.....** theory'.

(a) salesman (b) shingle (c) signal (d) symbol

Q7 Nasdaq data indicate that 94% of the share volume from 4:00 p.m. to 4:15 p.m. resulted from after-hours transactions rather than **.....** from the regular trading session.

(a) overflow (b) runoff (c) spillover (d) topoff

Q8 WPP CEO Sir Martin Sorrell has accused Rupert Murdoch of **.....** internet companies because of falling ad revenues; he said it was intriguing to speculate why Mr Murdoch launched a multimillion-dollar internet shopping spree, and accused him of buying web operations willy-nilly.

(a) impulse-buying (b) panic-buying (c) reflex-buying (d) scatter-buying

Q9 A third of first-time home buyers may cut their offer at the last minute, forcing the seller to take less or find a new buyer; "In total, 31% would consider '**.....**', reflecting first-time buyers' new-found confidence in a slowing market," says a Yorkshire Bank.

(a) galumphing (b) gazelling (c) gazumping (d) gazundering

Q10 When Seagate Technology went public, the giant drivemaker took an important stand: unlike most initial public offerings, it declined to offer any **.....** shares, the coveted shares issuers and their bankers can quietly offer to whomever they choose.

(a) friends-and-family (b) friends-and-foes
(c) friends-and-neighbors (d) friends-and-relatives

Business buzzwords: Dutch colonists

Q1 **.....** was named after the wooden structure Dutch colonists built in this area in 1653 to defend themselves from the British and Native Americans.

(a) Fort Knox (b) Manhattan (c) Wells Fargo (d) Wall Street

Q2 In early 2000, **.....**, the natural gas pipeline company turned online phenomenon, held a conference for Wall Street analysts and investors, who were particularly receptive when Jeffrey Skilling, its president, suggested that their money-losing broadband network business alone was worth $29 billion, or an extra $37 a share.

(a) Dynegy (b) Enron (c) Halliburton (d) Reliant

Q3 A long **.....** roll is a time value trade (involving the sale and purchase of options with different expiry months) and as such cannot be adequately plotted in terms of its risk/reward profile.

(a) crusty (b) drum (c) jelly (d) tootsie

Q4 Boating Industry Magazine reports that demand for the new 4-stroke outboard has by far outpaced supply, and Mercury officials have implemented a **.....** in production: they expect to reach maximum output within a month, and catch up with demands sometime later this year.

(a) hurry-up (b) ramp-up (c) step-up (d) wind-up

Q5 Alan Greenspan, in a speech entitled 'The Challenge of Central Banking in a Democratic Society', posed a now-famous rhetorical question: "How do we know when irrational **.....** has unduly escalated asset values, which then become subject to unexpected and prolonged contractions as they have in Japan over the past decade?"

(a) enthusiasm (b) excitement (c) exhilaration (d) exuberance

Q6 The break-up of Equitable Life has moved closer following the launch yesterday of a **.....** fund, Synesis, backed by some of the City's most powerful institutions, to buy out distressed annuity and pension liabilities.

(a) graverobber (b) hyena (c) scavenger (d) vulture

Q7 **.....** aren't concerned with the fundamentals of an investment; instead, they attempt to make a quick profit by selling to somebody else at a higher price.

(a) Gamblers (b) Punters (c) Raiders (d) Strikers

Q8 In the U.K., the exchange may determine that ashare movement is so sharp that quotes cannot practically be kept current; under its Fast **.....** Rule, it may permit trading outside quoted ranges where updating quotes is deemed impractical.

(a) Action (b) Margin (c) Market (d) Transaction

Q9 Statements made that are not historical facts are forward-looking statements and made pursuant to the safe **.....** provisions of the Securities Litigation Reform Act of 1995; in some cases, these forward-looking statements may be identified by the use of words such as 'may', 'should', 'expect', 'plan', or 'project', or their negatives, or other comparable words.

(a) harbor (b) haven (c) phrase (d) port

Q10 This new publication incorporates all facets of trading technology for **.....** organisations: each month, it will deliver up-to-date news and analysis on the business and technology trends, drivers and processes shaping the hedge fund and investment management industries.

(a) buy-side (b) cash-side (c) derivative-side (d) sell-side

Business buzzwords: Online exchange

Q1 **.....**, Inc., the nation's first government-regulated online exchange for binary options and futures, today announced that it has secured $12.5 million from Norwest Venture Partners (NVP), a leading Silicon Valley venture capital firm.

(a) EasyStreet (b) HedgeStreet (c) MainStreet (d) WallStreet

Q2 Confident that there was a healthy base of stockholders who would not sell out, the Walbro board created more shares and looked for a large capital base that could keep these new shares in friendly **.....**.

(a) circumstances (b) hands (c) pockets (d) portfolios

Q3 The **.....** bond, essentially a Eurobond sold and listed in Asia, primarily in Hong Kong, Singapore and Taiwan, was pioneered by the Asian Development Bank, which saw in its own needs to raise money an opportunity to spur the development of capital markets for Asian borrowers in their own time zones.

(a) dragon (b) loong (c) panda (d) yuan

Q4 Bloomberg News uses the **.....** Box Index, which follows leading packaging and boxing stocks to predict manufacturing output; the reasoning is, if you manufacture something, you need something to put it in.

(a) Cardboard (b) Carton (c) Container (d) Corrugated

Q5 The reason for the January **.....** is debated among academics; the most common explanation is for tax reasons — individual investors sell their small stocks that have declined in December to offset capital gains taxes, and selling knocks down the prices.

(a) Effect (b) Factor (c) Phenomenon (d) Syndrome

Q6 Before Google priced its $1.9 billion IPO, Playboy magazine published an interview that the company's founders had given months earlier; because the interview occurred before Google filed its IPO registration statement, the interview could have been viewed as a **.....** violation of the securities laws.

(a) gun-jumping (b) gun-running (c) gun-slinging (d) gun-toting

Q7 On December 4, 2001, intending to execute a large amount of short sale of a stock, traders of Morgan Stanley Securities realized that such execution was difficult, insomuch as buy orders were only placed at lower prices than the latest market price and short sale on a minus **.....** is prohibited by a Cabinet Order.

(a) basis (b) day (c) sheet (d) tick

Q8 In an article published in the Journal of Petroleum Technology titled 'Competitive bidding in high risk situations', by Capen, Clapp and Campbell of the Atlantic Richfield Company (ARCO) in 1971, the authors coined the term 'winner's **.....**'.

(a) choice (b) curse (c) loss (d) luck

Q9 Christopher Cox, the SEC Chairman, recently testified that "hedge funds were too risky for **.....** investors"; he even wants to increase the net worth threshold to be considered wealthy enough to invest in hedge funds.

(a) Mickey Mouse (b) Mom and Pop (c) Penny Ante (d) Ragtag and Bobtail

Q10 In the **.....** sector, OPEC Member Countries are planning nearly a 50% increase in distillation and condensate splitter capacity, which would bring the combined capacity to 17.7 mb/d by the end of 2011, a relatively short time span considering the usual lead times required for refinery projects.

(a) downline (b) downstream (c) upline (d) upstream

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Business buzzwords: Jack Be Nimble

Q1 While the big money trade over the past two years has been to buy both sheer optimism and extreme pessimism, now the hedge funds are back in the green for the year, they'll try to lay low and preserve capital — only the nimble **.....** are likely to coin money in this tape.

(a) gainers (b) gamesters (c) grinders (d) grinners

Q2 This company may be a disaster that has already happened, a walking corpse that doesn't yet know that it's dead — because it has created an insulated culture systematically excluding any information that contradicts its rosy picture of reality; companies that cultivate these positive qualities to excess become '**.....** businesses'.

(a) goblin (b) phantom (c) vampire (d) zombie

Q3 New WTO Director General Pascal Lamy faces a **.....** of fire at the WTO's conference on December 13, four months after he took the helm of the global trade body; Lamy will face a fierce test of his mettle that is likely to shape the Frenchman's reputation for the rest of his term.

(a) baptism (b) chariot (c) goblet (d) ring

Q4 Smaller swings in the Dow Jones industrial average in the current quarter, compared to the swings of last quarter, will trigger stock market trading **.....** under the NYSE's quarterly revision of the levels; the Big Board's new circuit-breaker and trading-collar trigger levels go into effect Monday, Oct. 1.

(a) barriers (b) curbs (c) guidelines (d) limits

Q5 **.....** money products and process continue to evolve as extensive progress is made in institutionalizing investment administration for individuals and households.

(a) Direct (b) Joint (c) Managed (d) Mutual

Q6 The rule of thumb for the **.....** indicator is that whenever its stock price fails to make a new high within any given four month period, it harbingers economic recession for the U.S.

(a) Coca-Cola (b) General Motors (c) Microsoft (d) Wal-Mart

Q7 In a normal market the bid is less than the ask, and the difference (the bid-ask spread) would be the market maker's profit, so we would not expect to see **.....** market with a single market maker; however, in a market with more than one market maker, one market maker may show the best bid and another the best offer, and these may be the same.

(a) a frozen (b) an even (c) an inert (d) a locked

Q8 Massive **.....** selling sparked by a criminal investigation of a high-profile Internet company and weaker-than-expected U.S. tech earnings forced the Tokyo Stock Exchange to suspend trading in the world's second-largest market.

(a) lunatic (b) manic (c) panic (d) spastic

Q9 Despite the many changes in the tax system, there has been relatively little change in its role as an **.....** stabilizer: we estimate that individual federal taxes offset perhaps as much as 8 percent of initial shocks to GDP.

(a) autocratic (b) automatic (c) automotive (d) autonomic

Q10 **.....** financing, the latest big thing in Japan's investment banking world, can raise money for cash-hungry companies but is also susceptible to abuse; the financing involves the issuance of 'moving strike convertible bonds' by Japanese firms to investment banks, who are allowed to convert the MSCBs into stock at a discount of about 10 percent.

(a) Black Vortex (b) Death Spiral (c) Last Chance (d) Vicious Circle

Business buzzwords: Illegal trading activities

Q1 The rule currently being considered by the SEC to prevent illegal **.....** trading activities is by no means foolproof: imposing a deadline that a trade must be received by 4 p.m. EST by the mutual fund company would not prevent it from conspiring with traders to manipulate the deadline.

(a) after-hours (b) late-day (c) over-the-line (d) under-the-wire

Q2 Predictions have prompted investors to take a **.....** on all manner of podcasting businesses;more than $40 million has gone into the sector in the last two years, yet many podcast businesses are trying to make a buck with a mostly untested business — selling airtime to advertisers in a medium that hasn't yet established a set of common measurement metrics.

(a) beating (b) flier (c) hike (d) step

Q3 In the investing world, the **.....** instinct is often blamed for unsubstantiated rallies or sell-offs; but we are, after all, social animals, and many aspects of that mentality are beneficial.

(a) ape (b) group (c) herd (d) sheep

Q4 Defense stocks should continue to **.....** in 2007: Lockheed Martin Corp., Boeing Co., Raytheon Co., and General Dynamics Corp. shares are all up around 33% over the year, and according to LMT spokesman Thomas Jurkowsky, they "certainly don't foresee any change".

(a) outperform (b) outproduce (c) outsell (d) outsubscribe

Q5 Today, we are living in a transition period to a new **.....** defined by global competition, rampant change, faster flow of information, increasing business complexity, and pervasive globalization; the pace of change is so rapid that it has taken a different type of firm to be dominant and marks an entirely new era of business.

(a) economy (b) effort (c) eon (d) existence

Q6 In periods of depressed stock valuation and sluggish economic times, unscrupulous venture capitalists — often referred to as **.....** capitalists — often take advantage of entrepreneurs.

(a) advantage (b) adventure (c) virtual (d) vulture

Q7 Proponents of the **.....** effect argue that that is when some of the greatest crashes in stock market history, including 1929's Black Tuesday and the 1987 stock market crash, occurred; while statistical evidence doesn't support the phenomenon that stocks trade lower then, the psychological expectations of the effect still exist.

(a) September (b) October (c) November (d) December

Q8 Wall Street financial analysts are bullish on the proposed merger between auto maintenance giant Jiffy Lube and fast food bluechip McDonalds; this deal has **.....** written all over it — just in economics of scale the merger is bound to increase the value of the combined stock by a factor of five.

(a) satisfaction (b) sensation (c) signatures (d) synergy

Q9 Product line **.....** is a powerful technique to improve profits, free valuable resources, and simplify operations by examining product lines to eliminate or outsource products that are problem prone, have low sales, have excessive overhead demands, have limited future potential, or may really be losing money.

(a) rationalization (b) ratiocination (c) realization (d) rehabilitation

Q10 Six company and three gold **.....** stocks, including Boeing, General Motors, and Pegasus Gold, have the potential of providing rewarding returns despite their lackluster performance in recent months; the market has danced on without them, but someday they could be the life of the party.

(a) late bloomer (b) shy violet (c) sleeping beauty (d) wallflower

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Business buzzwords: A 'Non-institution'

Q1 The **.....** Club has remained strictly informal; it is the voluntary gathering of creditor countries willing to treat in a co-ordinated way the debt due to them by the developing countries, and can be described as a 'non-institution'.

(a) Benefactors (b) Christmas (c) Friars (d) Paris

Q2 Arthur Levitt, the chairman of the SEC, says that Lebed seems to have mastered an age-old Wall Street swindle called the **.....**: buy, lie and sell high.

(a) hype-and-snipe (b) poop-and-scoop (c) pump-and-dump (d) short-and-distort

Q3 There are tens of thousands of desktop Java applications for all kinds of specialized tasks and specialized people; what we're not seeing from Java is just one gigantically successful, widely used, everyone has just got to have it, **.....** application.

(a) hyper (b) killer (c) major (d) super

Q4 The drop in the stock market might have investors feeling sick, but they have yet to reach the '**.....** point', according to A. Gary Shilling, attributing the queasy phrase to Dennis Gartman, a Suffolk, Va., investment analyst.

(a) barf (b) puke (c) retch (d) spew

Q5 The franc gained nearly 100 points against the greenback and 60 points against the euro in tonight's Asian and European sessions, and news that European drug maker Merck was buying Zug-based Serono for 13 Billion also helped the **.....**.

(a) sacchi (b) sawbuck (c) sterling (d) swissie

Q6 The **.....** box is used by many by wirehouses as a way to share information about potential orders to people on the sales desk, but all of that information is supposed to be proprietary and, for the most part, not to be shared with anyone outside the firm.

(a) black (b) squawk (c) tackle (d) witness

Q7 It doesn't matter if demand is falsely created by a hedge fund taking the **.....** (buying large amounts of a single stock to drain a market maker of its inventory, forcing them to buy it back at a higher price): demand is demand and that is what drives markets higher.

(a) biscuit (b) cake (c) floor (d) street

Q8 The Finance Ministry's monetary policy as a whole meets the market expectations: it is more of a guidance note laced with moral **.....** rather than a regulator's prescription full of quantitative measures.

(a) sentiments (b) suasion (c) outrage (d) values

Q9 Valencia-based MannKind has estimated an **.....** price of between $13.00 and $15.00 per share in an IPO filing with the SEC; for 5.5M shares of stock, it is expected to raise up to $94.8M for the company.

(a) inaugural (b) initial (c) offering (d) opening

Q10 Cardiac Science argues that the real revenue generator in its line isn't the monitoring system, but the disposable electrodes which make the monitoring possible — the classic **.....** model applied to medical devices; "Ultimately, we're a disposable defibrillator electrode company," says Cohen, and Powerheart becomes simply a vehicle to sell electrodes.

(a) book-bookmark (b) paper-paperclip (c) razor-razorblade (d) shoe-shoestring

Business buzzwords: Illegal profits

Q1 It is generally agreed that speculators can make profits from insider trading or from the release of false information, and both forms of stock-price **.....** have now been made illegal.

(a) amelioration (b) amendation (c) justification (d) manipulation

Q2 Bush, on the other hand, has a very steep and consistent decline in his approval rating the longer he goes without a major event; it is notable that this trend has never been upward, not even following 9/11 when his approval rating took a tremendous positive **.....** as the country rallied around their leader.

(a) apex (b) peak (c) point (d) spike

Q3 Millennium Bank, which purchased the building in a bankruptcy sale 'free and **.....** of all liens and encumbrances' and subsequently resold the building to the sole lessee, did not thereby assume an obligation to pay a commission to a third-party broker under a lease provision providing for such commission upon a sale to the lessee.

(a) clear (b) open (c) secure (d) unfettered

Q4 The unlucky folks who bought shares at the peak almost certainly lost money — as does every other investor who buys into a collapsing market hoping the worst is over; but to the extent that most holders didn't sell, the **.....** loss simply wiped out the apparent profit that was created by the inflating bubble.

(a) artificial (b) bogus (c) paper (d) virtual

Q5 Windows, Office, and the Internet Explorer Web browser all have greater than 90 percent share of their respective markets, and to protect these **.....**, Microsoft must do things that no other software company would be doing right now; it's a victim of its own success.

(a) cash cows (b) coddled eggs (c) golden geese (d) pet kittens

Q6 Under '**.....**', small government was both a fiscal imperative and a political belief; adopting supply-side economics, the White House believed that reducing taxes would free individuals and businesses to invest elsewhere, thereby maximizing economic gain.

(a) Consensus economics (b) Ergonomics (c) Keynesian economics (d) Reaganomics

Q7 Pinnacle Entertainment, Inc. (NYSE: PNK) announced that the underwritten public **.....** of 10.0 million of its newly issued shares of common stock has been priced at $32.00 per share, which will result in gross proceeds to Pinnacle of $320 million.

(a) notice (b) offering (c) presentation (d) purchase

Q8 In late October and early November of last year, because Enron was changing the outside administrator of its 401(k) plan, employees' shares were **.....** down in their 401(k) accounts for at least two weeks during a volatile period in the company's stock price, making them powerless to sell their Enron stock as it was dropping.

(a) locked (b) nailed (c) stapled (d) tied

Q9 Data security is an increasing priority for many CIOs, and for good reason: corporate databases contain the **.....** — proprietary and sensitive information such as non-public financial data, trade secrets, and personal information about customers and employees.

(a) cat's meow (b) creme de la creme (c) crown jewels (d) inner sanctum

Q10 Disillusioned investors who bought the convertible bond specifically for the conversion feature will typically sell the bond at a lower price; therefore we can we buy a **.....** convertible security at a discounted price.

(a) battered (b) broken (c) burst (d) busted

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Business buzzwords: Animal markets

Q1 Neither a bull or bear market, a **.....** market is characterized by low activity, with timid investors waiting for a sign of which way the market is going to end up moving.

(a) deer (b) rabbit (c) snail (d) turtle

Q2 Aggressive price cutting by Wal-Mart Stores, the world's biggest retailer, is likely to put **.....** pressure on food manufacturers this year: with commodity prices rising, one would expect that manufacturers would pass their cost increases along — but not if Wal-Mart won't allow it.

(a) economic (b) margin (c) profit (d) sales

Q3 The NHS in England will be 750m in the **.....** by the end of the financial year on 31 March, a BBC survey suggests: twenty predicted deficits total 799m, while a handful of surpluses brought the net deficit to 750m.

(a) debt (b) red (c) soup (d) trouble

Q4 In May 2000, Luminous had raised a $60-million round of private financing that it expected to be its last, but market conditions forced the company to put off IPO plans indefinitely; should the company go public, they hoped **.....** investors would buy the offering and continue to buy the company's shares.

(a) crossover (b) diversified (c) inveterate (d) perennial

Q5 Request a copy of the decedent's credit report and request that the report be flagged with a deceased **.....**: this should ensure that no fraudulent accounts are opened.

(a) alert (b) banner (c) disclaimer (d) sticker

Q6 'Derivatives' is rich in details about factual trading matters, something rarely found in textbooks; it includes a list of the major old tricks, such as cherry picking, chumming, and **.....** (in which market makers collude to push a price in a given direction), something I have not seen in options books before.

(a) covering (b) fishing (c) ghosting (d) hustling

Q7 SupplierMarket.com was poised to go public, but in the meantime, it received a **.....** offer it couldn't refuse from Ariba, a software maker; the all stock deal was worth $581 million — not bad for a company that was around for 17 months.

(a) godfather (b) guardian angel (c) samaritan (d) sugar daddy

Q8 A **.....** trap is a defense mechanism used by a company that has convertible securities outstanding to prevent an unfriendly takeover; it prohibits conversion into common stock of any convertible preferred stock or bonds if the owner of those securities would control 10% or more of the firm's common stock following conversion.

(a) bear (b) lobster (c) mouse (d) tiger

Q9 George Akerlof, Michael Spence and Joseph Stiglitz, who received the Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel, 2001, extended economic theory when they augmented it with the realistic assumption of **.....** information: agents on one side of the market have much better information than those on the other side.

(a) asymmetric (b) biased (c) eccentric (d) imbalanced

Q10 Jeffrey Saut, chief market strategist with Raymond James, described the current environment as a '**.....**' economy, meaning he expects several periods of strong economic and earnings growth to be followed by times where profits and the economy slow down a bit.

(a) catch-as-catch-can (b) fox-trot (c) hurry-up-and-wait (d) traffic-jam

Business buzzwords: Corporate sleuths

Q1 American Express's sleuths could not protect them against one of the biggest business frauds of all time — the Great **.....** Oil Scandal, in which a subsidiary was conned into issuing warehouse receipts for the nonexistent oil of the Allied Crude Vegetable Oil Company and commodities speculator Anthony De Angelis, who is now appealing his 20-year jail sentence.

(a) Cooking (b) Corn (c) Safflower (d) Salad

Q2 Our model predicts that people will exhibit what we call the **.....** effect: given bad or ambiguous news, they optimally choose to avoid collecting additional information, while given favorable news, individuals will seek out definitive information about the value of their portfolio.

(a) onion (b) opposite (c) ostrich (d) outlaw

Q3 Several top credit card issuers now slap penalty rates just shy of 30% on customers, including some who have made a single slip or even pay their bills on time; these modern-day versions of loan **.....** won't endanger your kneecaps, but they may push you into bankruptcy court.

(a) loading (b) padding (c) ranging (d) sharking

Q4 The U.S. Department of Labor enforces several major laws that directly protect **.....** blowers or have provisions to shield employees from retaliation, for reporting violations of the laws, refusing to engage in any action made unlawful by the laws, or participating in any proceedings under the laws.

(a) cover (b) horn (c) scam (d) whistle

Q5 In the case of the WorldCom-Sprint combination, the FTC charged that the merger would have increased concentration in long-distance telecommunications and created **.....** to entry that would have excluded competitors, such as the Baby Bells that lobbied hard against the merger.

(a) barriers (b) blockades (c) obstacles (d) obstructions

Q6 The Canadian dollar, also known as the 'loonie' for the beautiful bird on its one-dollar coins, has long been the weak **.....** to the U.S. dollar; oh, how nice it is for Yanks to go shopping in Canada — but maybe not for much longer, because the loonie is in a stealth rally.

(a) excuse (b) link (c) sister (d) spot

Q7 **.....** trading is a trading strategy where you hold stock positions for a short duration of time, but longer than a day trade; positions can last anywhere from 2 to 30 days, and generally try to take advantage of short and mid-term movements in stock prices.

(a) Flexible (b) Fortnight (c) Shift (d) Swing

Q8 The Joint Bookrunners will endeavor to procure purchasers for the Offer Shares not subscribed for through the exercise of PARs during the exercise period by way of private placements in the Netherlands and elsewhere, at a price per **.....** Share which is at least equal to the total of the Issue Price and any expenses relating to procuring such purchasers.

(a) Red (b) Remainder (c) Remnant (d) Rump

Q9 This paper develops a theoretical model to analyze a firm's incentives to preannounce its new products: we consider a two-period model where a single firm controls the market with one product in the first period and it introduces a new and better product in the second period, where a preannouncement **.....** the sales of the old product in the first period.

(a) cannibalizes (b) negates (c) nullifies (d) offsets

Q10 After an aggressive run, the markets gave up some of their gains Thursday to profit **.....**, which was not unexpected.

(a) grasping (b) seeking (c) sharing (d) taking

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Business buzzwords: Auditor's doubt

Q1 The auditor will normally reach substantial doubt that an entity can continue as a **.....** concern if the entity is unable to meet its obligations as they become due without (1) substantial disposition of assets outside the ordinary course of business, (2) restructuring of debt, or (3) externally forced revisions of its operations or similar actions.

(a) functioning (b) going (c) living (d) standing

Q2 Bankers in emerging markets often view treasury activities common in the developed world as **.....** finance, so they have lagged behind developed-market competitors in managing risk and creating profitable treasury units; but high-performing treasuries seek out and profit from market risk, and emerging-market banks must commit themselves to a more aggressive posture.

(a) casino (b) daredevil (c) Las Vegas (d) Russian

Q3 Each country established working groups to plan migration at national level, under the aegis of the banking and/or payment associations, to ensure that a **.....** mass of national credit transfers and card payments migrate to SEPA payment instruments by the end of 2010, as demanded by the regulators and committed to by the European Payments Council.

(a) critical (b) general (c) large (d) reasonable

Q4 After the first day Google's stock was publicly traded on the NASDAQ, approximately 1,000 (or almost 50 percent) of its employees were estimated to be **.....** millionaires.

(a) ersatz (b) instant (c) paper (d) virtual

Q5 On Black Tuesday, Reuben Thorson, 77, retired senior partner of Paine Webber, recalls, "The volume was so heavy that the **.....** was late by hours; we had no idea what the prices were."

(a) crash (b) news (c) sale (d) tape

Q6 The Nikko Cordial Corporation announced a stock consolidation to its common shareholders in Japan at the rate of one (1) new share to be issued for every two (2) existing ordinary shares held; the **.....** of the ordinary shares in the local market will be effective September 1, 2005.

(a) affiliation (b) affirmation (c) assignation (d) assimilation

Q7 Bill Nguyen is the subject of a story in The WSJ about how entrepreneurs are cautiously spending venture capital, especially compared to the last crop of Internet entrepreneurs in the 90s; the story includes some of the monthly **.....** rates at Silicon Valley companies — about $160,000 a month at Meebo, $200,000 at LaLa and $500,000 at Sharpcast.

(a) blow (b) burn (c) drain (d) drop

Q8 Last week, the County announced that they no longer needed to consider Mandatory Time Off as a budget balancing device; some of the '**.....**' was a reallocation of about $35k previously earmarked for the expensive (and unnecessary) study of raising Coyote Dam.

(a) found money (b) free money (c) hasty money (d) hidden money

Q9 When a law firm that handled tons of sensitive legal matters for Valley startups and VC firms then goes belly up, what happens to all that information? — currently **.....** Brobeck, Phleger & Harrison LLP notified clients that their digital files would be placed in a 'closed archive' managed by the Library of Congress.

(a) debriefed (b) deceased (c) defunct (d) despondent

Q10 Filtronic, the telecoms equipment manufacturer, has got its house in order and is looking forward to the future with confidence: the banks have agreed new five-year facilities and the company's problem **.....**, a mobile phone antennae business, is to be sold off.

(a) child (b) point (c) source (d) zone

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Business buzzwords: Tight curbs

Q1 Tight curbs on money supply, enforced by Indonesian monetary authorities for more than a year to prevent the economy from over-heating, have driven domestic interest rates up to about 28 percent; analysts said this prolonged credit **.....** is straining the repayment capacity of many Indonesian businesses.

(a) drain (b) drought (c) squeeze (d) trap

Q2 In 1983, the major success of **.....** was serving to focus international attention on their ways of doing business: the Japanese corporate and political sectors were employing cooperative organizing strategies that produced the highest productivity and quality of work-life in the industrial world.

(a) Japan, Inc (b) Keiretsu (c) MITI (d) Zaibatsu

Q3 Companies which are incorporated and listed in Hong Kong but controlled by Chinese entities or have Chinese state-owned enterprises as their parent companies have been viewed as a major experimental tool in China's economic reform; in this paper we analyze the market performance of red **.....** stocks in the first year following Hong Kong's reversion to China.

(a) block (b) chip (c) line (d) yuan

Q4 A sell of an overnight position and subsequent buy of the same security on the same day (which does not constitute a day trade) is treated as a same-day **.....** and the customer can use the proceeds of the sale towards a new purchase.

(a) exchange (b) repurchase (c) shuffle (d) substitution

Q5 If we look at selling 500- to 550-lb. calves for 82-85 cents, and that's at your breakeven level, then it might make some sense to consider retained ownership; if all that can be had is **.....** dollars and giving away your time for the year, profit demands looking for other opportunities before selling them.

(a) matching (b) saving (c) stashing (d) trading

Q6 The **.....** Commission was formed in 1973 by private citizens of Japan, Europe (European Union countries), and North America (United States and Canada) to foster closer cooperation among these core democratic industrialized areas of the world with shared leadership responsibilities in the wider international system.

(a) Economic (b) First World (c) Industrial (d) Trilateral

Q7 A **.....** fund is a mutual fund that tends to perform well in bear markets.

(a) foul weather (b) grizzly (c) hiberating (d) winter coat

Q8 John A. Thain, who took the New York Stock Exchange (NYX) public earlier this year, is racing to keep the Big **.....** competitive.

(a) Apple (b) Board (c) Knicks (d) Wall

Q9 Infoseek (NASDAQ:SEEK) may be close to selling a piece of the Web search engine to a large media firm, with Disney cited as the most likely buyer and Time Warner a close second; this **.....** has sent SEEK up 8.3% to $32.625.

(a) arbitrage (b) garbage (c) rumortrage (d) subterfuge

Q10 Currently, there are 10 **.....** that cover the S&P 500, nine of which cover individual sectors of the index; this selection allows investors to place their money in an ETF that covers either the whole market or a specific segment of the market.

(a) alligators (b) chameleons (c) spiders (d) vipers

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Business buzzwords: Confidence in Christmas

Q1 CEO Craig Barratt was very cautious in his interview with CNBC, where he went out of his way to say that this networking technology company with a big retail component could not feel confident going into Christmas; I think that he is **.....**, setting the bar low so the stock can advance, take the medicine now for a rally later.

(a) badmouthing (b) downgrading (c) sandbagging (d) undercutting

Q2 The Direct Approach to estimating going **.....** value is based on the direct costs of creating a business, excluding the costs of the tangible assets; it also includes the owner's investment in working capital to finance early year losses.

(a) bankrupt (b) business (c) concern (d) public

Q3 Protus and Voice Shot have modified their voice broadcasting software to work seamlessly with Gold Calling's Automatic Response Management software to make Gold Calling the leading prospecting and lead generation contact management system currently available; the era of **.....** and smiling is on its way out.

(a) dealing (b) dialing (c) scamming (d) surfing

Q4 P&G Chief Executive A.G. Lafley discussed why his company is no longer dependant on mergers to continue sales and profit growth: "Our growth has been quality growth because of **.....** growth," he said, adding that non-merger related growth has averaged 8 percent in recent years.

(a) internal (b) intrinsic (c) organic (d) orgasmic

Q5 How long it will take for your money to double is easy to calculate using **.....**: simply divide 72 by the percentage of interest you earn on your savings. If you're not pleased with the answer, start investigating other options that pay a higher rate of return.

(a) Rule 72 (b) Rule 72(t) (c) Rule C-72 (d) the Rule of 72

Q6 When you run out of credit and can't Top Up, you can get a 2 Call Credit **.....** from Vodafone; so when you get that punctured tyre or absolutely have to respond to that special someone, you can!

(a) COD (b) DOA (c) FOB (d) IOU

Q7 Basically, **.....** public (or participating in an IPO) is the process in which a business owned by one or several individuals is converted into a business owned by many.

(a) going (b) making (c) offering (d) turning

Q8 As for the Robertson and Armco transactions, Bilzerian engaged in '**.....**' shares of the two companies: Bilzerian 'sold' his stock in Robertson and Armco to a broker who held it for 30 days with the understanding that Bilzerian would buy the stock back for the purchase price plus interest and commissions.

(a) stock bending (b) stock lending (c) stock parking (d) stock shifting

Q9 Unlike the credit **.....** of the early 1990s, when homeowners had the fiscal life squeezed out of them by high interest rates and unemployment, this time it seems the young are in the firing line.

(a) crunch (b) crush (c) crutch (d) crux

Q10 The **.....** Lipstick Indicator is based on the theory that when a consumer feels less than confident about the future, she (or he) turns to less expensive indulgences such as lipsticks, and therefore, lipstick sales tend to increase during times of economic uncertainty or a recession.

(a) Lasting (b) Leading (c) Waxing (d) Wearing

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Business buzzwords: The old days

Q1 Investment banker Gary Lutin told the E-Commerce Times that in the old days when paper stock certificates were issued, some people used worthless stocks as **.....**, but that since the securities market had gone digital and stock certificates are no longer issued, that is no longer an option.

(a) tissure paper (b) toilet paper (c) wallpaper (d) writing paper

Q2 An employee embezzles millions of dollars from his company, but he doesn't know his firm is on to him; to combat his schemes, the company brings in **.....** accountant, a professional with a combination of financial expertise and investigative prowess, to determine exactly what's going on.

(a) a criminal (b) a detective (c) a forensic (d) an audit

Q3 The acquisition of Corus will propel Tata Steel into the **.....** list, making it one of the eight steel companies globally that figure in this elite list.

(a) CIL (b) Fortune 500 (c) SEDOL (d) Stainless

Q4 Managers are looking to cut costs, and one way to do it that's currently gaining favor is to go **.....** for all or parts of the project; for example, one of the Intranet Design Annual 2001 winners was headquartered in the United States, but hired a firm in Mexico to design its intranet.

(a) abroad (b) offshore (c) overseas (d) pelagic

Q5 Almost 1 million British adults are still living with their parents even though they are approaching 40, a study says; while this may not be a problem in itself, the real worry is how much these **.....** cost — and the extent to which they eat into parents' retirement savings.

(a) freeloaders (b) kippers (c) neets (d) parasites

Q6 Second only to the Saudi Arabia reserves, Alberta's oil **.....** deposits were described by Time Magazine as 'Canada's greatest buried energy treasure' and 'could satisfy the world's demand for petroleum for the next century'.

(a) casing (b) chalk (c) sands (d) shale

Q7 Ronald Reagan made supply-side economics a household phrase, and promised an across-the-board reduction in income tax rates and capital gains tax rates; when vying for the Republican party presidential nomination for the 1980 election, George H.W. Bush derided Reagan's supply-side policies as '**.....** economics'.

(a) Bonzo (b) dummy (c) surprise-side (d) voodoo

Q8 A 2-minute preview of the investment **.....** for a new feature film by Borderstop Filmed Entertainment called 'Urban Renewal' is now available on the official film site urbanrenewal.com and borderstop-studios.com; the production is scheduled for 2009.

(a) feeler (b) flyer (c) teaser (d) trailer

Q9 Reacting with horror to a huge proposed pay package for GlaxoSmith-Kline's chief executive JP Garnier, shareholders blocked the **.....** deal; by doubling his share option grant and trebling his allocation of free performance-related shares, the plan would have almost doubled his remuneration to an estimated $18 million.

(a) angel (b) shady (c) sweetheart (d) wheeler

Q10 As costs of energy and other commodities soar, investors should be on the hunt for companies with **.....** power; the ability to pass along higher product costs to consumers gives such outfits an edge and, in the long run, boosts returns.

(a) advertising (b) marketing (c) pricing (d) selling

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Business buzzwords: A basket of goods

Q1 Purchasing power parity theory states that the exchange rate between two countries should ultimately move toward the rate that equalizes the prices of an identical basket of goods and services in each country; the Economist has suggested that the 'basket' is a **.....**, which is produced in about 120 countries.

(a) Big Mac (b) Coca-Cola (c) Hershey bar (d) Yankees cap

Q2 The Bond Market Association has long promoted greater **.....** and has worked hard to provide actual price data to investors, supplying all MSRB price data free of charge on its website www.investinginbonds.com.

(a) accuracy (b) legibility (c) lucidity (d) transparency

Q3 **.....** Rules may be Weakened: Federal banking regulators in the Bush administration are poised to weaken the nation's primary law requiring small banks to serve low-income residents in their own back yards through housing investments and development projects.

(a) Bottom Lining (b) Redlining (c) Silver Lining (d) Streamlining

Q4 The next time somebody taunts you for being a gold **.....**, tell them that the International Monetary Fund believes in gold: fromits website, we read that one ofits principles is, "As an undervalued asset held by the IMF, gold provides fundamental strength to its balance sheet; any mobilization of IMF gold should avoid weakening its overall financial position."

(a) bug (b) card (c) mine (d) rush

Q5 If you want to maximize the amount of money that you are investing (which in turn leads to higher returns), then a **.....** mutual fund is for you: more of your money will go directly toward working for you, rather than finding its way into someone else's pocket.

(a) no-bite (b) no-load (c) no-slice (d) no-toll

Q6 A '**.....** share' is a stock or security that appears to be of high quality and worth, although the company that issued it is actually worth very little.

(a) fool's-gold (b) goldbrick (c) golden goose (d) goldleaf

Q7 The Dow Jones Industrial Average is the oldest and most widely recognized stock market index, and the Dow **.....** ($104.37) is an exchange-traded fund that holds the 30 stocks that comprise the venerable index.

(a) Bluechips (b) Corpus (c) Cow (d) Diamonds

Q8 Although inventory data indicates that U.S. crude and product stocks are at above-average levels, market **.....** remain over the possibility that international oil supplies could be disrupted further as a result of political problems in both Iran and Nigeria.

(a) jitters (b) nerves (c) spasms (d) twitches

Q9 The **.....** stalwarts have money to burn: cash generation in the UK's major listed companies is at record levels, and over the next three years, the FTSE350 will generate close to 200bn in surplus cash, according to new research by KPMG.

(a) Booty (b) Brokerage (c) Fleet Street (d) Footsie

Q10 I'm just on my way out to work when a sudden headache gripped me — could've been one of those migraines that one gets when stock markets fall, which has been coined the '**.....** Count Theory'.

(a) Aspirin (b) Body (c) Head (d) Zero

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Business buzzwords: Investment leverage

Q1 In the case of Oanda they offer you leverage of 50 times your good **.....** money: if you put $1000 into your account, you may buy or sell currencies up to an amount that would require $50,000 cash to actually buy at the time.

(a) buy (b) faith (c) luck (d) times

Q2 The upcoming Google IPO contains a two-tier voting structure that gives Class B shareholders (primarily company founders Larry Page and Sergey Brin) 10 votes for each share while each Class A share being offered only carries one vote; this provision is shark **.....**, intended to make it difficult for outsiders to take over Google or influence the company's operations.

(a) attack (b) bait (c) jaws (d) repellent

Q3 Altria has long been considered a classic widow-and-**.....** stock: great for its stability and big annual dividend, currently about 4.1 percent.

(a) homeless (b) orphan (c) spinster (d) widower

Q4 Central Canada Foods Corporation has agreed to lease terms for its Timberlea plant from 1469818 Ontario Inc., a company controlled by George Michaels, Central's president and majority shareholder in **.....** party transaction.

(a) a concerned (b) an inside (c) an interested (d) a related

Q5 Around Wall Street, the talk is that the U.S. economy is not too hot, not too cool, but just right — the fabled '**.....**' economy that means corporate profits can continue to grow, while inflation stays tame

(a) Goldilocks (b) Hansel and Gretel
(c) Heidi (d) Little Red Riding Hood

Q6 The opening up of new markets and the development from the craft shop to such concerns as U.S. Steel illustrate the same process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one; this process of Creative **.....** is the essential fact about capitalism.

(a) Destruction (b) Insurgency (c) Permutation (d) Transformation

Q7 In financial markets here in London we call it 'The **.....** Trade' — a trader who has lost big and has so far managed to cover up the fact puts on a huge trade, enough to cover all his losses, and buys a first class ticket to Brazil, where there is no extradition to the UK, just in case the trade goes wrong.

(a) Carnival (b) Lambada (c) Rio (d) Terminator

Q8 Today's online video market is stuffed full of entrants with names like Broadsnatch, Eyeka, and Gkko, but video company CEOs like Tom McInerney of Guba agree that a **.....** is coming: "There'll be a lot of casualties in the next year," McInerney predicts.

(a) shakedown (b) shakeoff (c) shakeout (d) shakeup

Q9 A huge number of investors think they are buy-and-holders, but in fact they use a peculiar form of market **.....**, the ICSIA or 'I can't stand it anymore' system; this is probably the most widely used system in the world, and it relies on emotional reactions to market fluctuations.

(a) lagging (b) pacing (c) shadowing (d) timing

Q10 A successful price war was the one Philip Morris began on **.....** Friday, 2nd April 1993: the company cut the price of the world's best-selling cigarette by almost 20% — and in the process knocked almost $10 billion off the market value of the company.

(a) Generic (b) Marlboro (c) Nicotine (d) Red

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Business buzzwords: Takeover remedy

Q1 A **.....** bond is designed to prevent unwanted takeovers by having a maturity that is activated once a takeover is complete; the idea this is that companies will be less inclined to take over a company if they know that afterward they will immediately be forced to pay bondholders.

(a) casualty (b) causality (c) charity (d) chastity

Q2 The flow of **.....** capital in India has increased substantially since 2000, but over 90 percent of the money is invested in late-stage initiatives by mature firms; even the remainder mostly finances new firms replicating proven business ideas, and as a result, very few innovative startups are funded.

(a) free (b) risk (c) share (d) surplus

Q3 A syndicate desk employee, sales representatives or sales traders entered customers' indications of interest in the IPO into the IPO institutional **.....** book, the computer database where all of the institutional indications of interest in the IPO and allocations were recorded.

(a) ante (b) bid (c) pot (d) tender

Q4 The **.....** card option is, for example for bond futures, the option to initiate delivery between 2 p.m. and 8 p.m. in the afternoon during the delivery month of the contract; the point here is that the futures price is settled at 2 p.m. but the trade in the underlying bonds goes on until 8 p.m.

(a) ace (b) face (c) hole (d) wild

Q5 The nucleus accumbens kicked into action two seconds before subjects made a risk-seeking choice that was a mistake (investing in a stock with a bad history); in contrast, the anterior insula was activated just before the volunteers made a less than optimal **.....** choice prompting them to invest in a safe but low-return bond instead of the good stock.

(a) risk-adept (b) risk-adverse (c) risk-averse (d) risk-avoidance

Q6 If a business division falls into the '**.....**' quadrant — stagnant or shrinking industry growth and poor business unit performance — management usually sells it off or slashes it to a bare minimum.

(a) cow (b) dog (c) skunk (d) slug

Q7 **.....** affects many individual investors, who simply have too many stocks (often, too many or the wrong type of mutual funds) in their portfolio; a company's share value could shoot to the moon, but it would have very little impact on the fund's overall performance because of its very small exposure.

(a) Diworsification (b) Portfoliosis (c) Shallowshare (d) Thinpliance

Q8 The **.....** approach is the staple of professional investors worldwide: it involves picking stocks for reasons specific to particular companies, regardless of the prospects of their sector or market — no matter how markets are performing, some stocks have more value than others.

(a) base-worth (b) bottom-up (c) close-view (d) focus-in

Q9 The 'ring **.....**' around the profits of North Sea companies is designed to prevent losses from non-North Sea activities from being set against profits of North Sea activities; one of the rules is that interest can only be deducted from North Sea profits if the capital has been borrowed for a North Sea oil purpose.

(a) chain (b) fence (c) road (d) wall

Q10 One remedy, Walden says, would be to index the state tax rates to inflation: "That would tend to reduce bracket **.....**, and in fact this is what the federal government does with the federal income tax."

(a) creep (b) lag (c) leap (d) shift

Small-business salaries

Q1 Mary Crane at Forbes.com says, "Which way is the economy going? — if executive salaries at smaller companies are any **.....**, the answer is sideways at best."

(a) inclusion (b) indication (c) solution (d) substitution

Q2 According to a new small-business compensation survey released today by Salary.com, **.....** base salaries for most executives at small firms increased this year over last.

(a) median (b) medium (c) moderate (d) modicum

Q3 The average paycheck for marketing managers rose 4.7% to $136,100; head **.....** counters got a 3% bump, up to $155,000; and plant managers took home $80,000, or 1.8% more.

(a) bean (b) corn (c) nut (d) pea

Q4 The annual survey **.....** 11 job functions (not including 'owner') at more than 1,800 organizations, both privately and publicly held, employing one to 500 employees.

(a) spaced (b) spanned (c) spread (d) sprawled

Q5 Ken Kerr, chief executive and financial officer of Kettley Publishing, a small consumer-education company **.....** in Newport Beach, Calif., has filled out the www.Salary.com survey for the past two years.

(a) based (b) domiciled (c) premised (d) stationed

Q6 He says the survey results **.....** with what he's seen in the California small-business community and in his own 30-person firm.

(a) meld (b) melt (c) merge (d) mesh

Q7 "In this region, we're seeing the economy coming back strong; the tide raises all **.....** — small businesses have really felt the impact of that," he says.

(a) boats (b) coasts (c) costs (d) hopes

Q8 Bill Dunkelberg, chief economist for the National Federation of Independent Business is optimistic, too; he says the labor market is the **.....** it's been in thirty years, sans the dot-com years.

(a) fastest (b) highest (c) slackest (d) tightest

Q9 The bad news: while salaries have been on the rise, **.....** too has inflation.

(a) but (b) when (c) so (d) though

Q10 For the trailing 12 months ended in August, the Consumer Price Index ticked up nearly 4% — **.....** salary gains in real-dollar terms.

(a) castrating (b) disembowelling (c) eviscerating (d) neutering

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Various views of accounting

Q1 Commercial, financial and taxation accounting rules **.....** their own purposes and, as a consequence, differences in the results should be expected and accepted.

(a) control (b) guide (c) protect (d) serve

Q2 Commercial accounting rules are used to determine the commercial results of a single entity, and establish, in particular, whether a profit or a loss has resulted for **.....** period.

(a) a given (b) an account (c) an economic (d) an isolated

Q3 The rules are intended to protect the rights of shareholders and creditors and, as a consequence, the **.....** principle occupies an important place.

(a) continence (b) diligence (c) prudence (d) temperance

Q4 Financial accounting and reporting rules are part of a country's capital **.....** regulations.

(a) acquisition (b) asset (c) gains (d) market

Q5 Their objective is to give investors and other stakeholders a reliable and as accurate as possible picture of the financial situation of the economic entity (group); the guiding principle is '**.....**'.

(a) fair play (b) fair position (c) fair presentation (d) fair projection

Q6 Other important rules in this respect are 'substance over form', 'market value measurement', and the factual prohibition of hidden **.....**.

(a) reserves (b) reservoirs (c) returns (d) revenues

Q7 Taxation rules are used to determine taxable profits, and their objective is to define the tax liability of enterprises to the **.....**.

(a) Country (b) Nation (c) Precinct (d) State

Q8 The rules must be susceptible to **.....** by taxpayers and control and enforcement by tax authorities.

(a) comparison (b) complaints (c) complaisance (d) compliance

Q9 Taxation rules for companies are usually designed to preserve economic neutrality, so that business decisions are not **.....** influenced by fiscal measures.

(a) unduly (b) unilaterally (c) usually (d) utterly

Q10 Tax laws reflect general principles of taxation, such as non-discrimination or taxation according to economic capacity, but also **.....** such as availability of funds for payment of the liability and long-term profitability.

(a) practicabilities (b) practicalities (c) practices (d) pragmatics

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Corporate communications

Q1 Paul Chin, in his 'The Evolution of Corporate Communications', realizes that communicating to hundreds, sometimes thousands, of employees within an organization is no **.....** feat.

(a) mean (b) meant (c) mere (d) more

Q2 This challenge is further complicated in organizations with a global **.....**, where corporate headquarters is responsible for delivering the same message to satellite offices in geographically dispersed locations.

(a) industry (b) location (c) outlook (d) presence

Q3 And don't fool yourself in thinking that there's some long process of **.....** when they receive one of these messages; most corporate communications will grab the attention of an employee for no more than a few seconds — if at all.

(a) delegation (b) deliberation (c) disarticulation (d) dissertation

Q4 It's within that very narrow **.....** of opportunity that they will decide whether to read something or toss it aside.

(a) moment (b) option (c) passage (d) window

Q5 Communication is a two-way **.....**; it requires a sender and a receiver: if no one is listening, you're just a crazy person talking to yourself.

(a) handle (b) radio (c) street (d) wire

Q6 Anyone involved with corporate communications needs to be aware of their receivers' habits and **.....** before deciding on message and medium.

(a) druthers (b) ideologies (c) idiosyncrasies (d) peccadillos

Q7 It wouldn't make sense to use technology-based communications with an audience who's not **.....** without first providing them with adequate training.

(a) tech-nerdy (b) tech-ready (c) tech-savvy (d) tech-wary

Q8 In the '90s, the IT industry was **.....** with the concept of push technology, a method of delivering content to users' desktop without requiring them to actively seek it out.

(a) abuzz (b) adrift (c) aghast (d) aloud

Q9 The technology, however, never lived up to its hype and communications fell back to old **.....**: the intranet and e-mail.

(a) stalemates (b) stalwarts (c) standings (d) stewards

Q10 Momentum is also growing in the corporate environment for RSS, where organizations are beginning to see that RSS can be used to pick up where e-mail **.....** off as an internal corporate communicator.

(a) came (b) dropped (c) fell (d) left

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Business buzzwords: Whiplash

Q1 Market **.....** are nursing a bad case of whiplash: most of the 42 strategists surveyed by 'Business Week' a year ago saw their yearend forecasts surpassed in the first few months of 1996 — the consensus view then was for the Dow Jones to rise 5% and end the year at 5430, but the Dow passed 5430 in early February.

(a) adepts (b) Einsteins (c) mavens (d) virtuosos

Q2 Long-struggling Randall Park Mall now is in the hands of a Raleigh, N.C., real estate investor who specializes in buying ailing malls and who, until earlier this year, owned Euclid Square Mall; investor Haywood Whichard bought Randall Park for the type of price that gives spice to the life of real estate **.....**.

(a) bottom-diggers (b) bottom-dwellers (c) bottom-feeders (d) bottom-fishers

Q3 One reason traders are moving to the Forex is the momentum and longevity of trends: currencies tend to trend 1,000 pips or more in a direction, and thenmove back 1,000 pips or more within a 4- to 6-week period, and this type of movement gives the position trader a great opportunity for **.....** the market.

(a) chasing (b) pacing (c) racing (d) tracing

Q4 If the total asset value of your portfolio averaged $1 million and the total value of assets sold during the year equals $200,000, then the portfolio **.....** is 20% or one fifth.

(a) rate (b) return (c) trend (d) turnover

Q5 The purchase of YouTube by Google for $1.65bn (883m) is just the latest in a series of high-profile, high-value deals among internet firms, but does it mean that we are entering another **.....** boom era, like the one in the late 1990s that ended in a stock-market collapse?

(a) dotcom (b) online (c) podcast (d) webnet

Q6 The 1980s was a decade of corporate **.....** as companies sought to buy out or build strategic alliances with competitors; nearly $1.3 trillion was spent on corporate mergers in the 1980s, more than the annual economic output of the UK.

(a) cannibalism (b) hyperactivity (c) megalomania (d) predation

Q7 The Act also restores the power of local governments to issue **.....** bonds, which are general obligation bonds payable from enterprise funds or from a special revenue source or both, with the general obligation of the local government acting as a back-up security.

(a) double-barreled (b) double-handled (c) double-sighted (d) double-troubled

Q8 Dennis N. Abbott, a former trader at BP, admitted that he carried out a strategy to buy large quantities of February 2004 TET propane to become the dominant long-holder of TET propane; he intended that the purchasing strategy would **.....** the market by reducing the supply, permitting him to sell propane at an artificially inflated price.

(a) cage (b) carry (c) corner (d) crate

Q9 Almost 10 years after Telfonos de Mxico (TMX), Mexico's 800-pound **.....**, was privatized, Mexicans still find reasons to hate the phone company; although the Mexican market has been open to competition for four years, the company is still a quasi-monopoly.

(a) canary (b) directory (c) gorilla (d) tortilla

Q10 Since it is nearly Christmas, I thought I would write something about the Boston Snow **.....**: the theory is that if there is snow in Boston on Christmas day then the price of stocks will go up for the coming new year.

(a) Barometer (b) Benchmark (c) Forecaster (d) Indicator

Business buzzwords: Unregistered securities

Q1 An unregistered security may be sold by a broker, but specific documentation must be completed by the owner and presented to a broker before a sell order can be placed; moreover, this **.....** security may not be sold for at least two years from the date of purchase.

(a) letter (b) paper (c) unoffered (d) unofficial

Q2 **.....** violations involve a brokerage house or bank keeping a client's stock in its own name in disregard of its reporting requirements; such an act may allow the client to temporarily bypass his margin requirements, keep secret his position in a company, or stay within limits imposed by other rules.

(a) Loitering (b) Mooring (c) Parking (d) Standing

Q3 Now that investors are loath to believe anything good about a public company, con artists are finding that a new tactic, the '**.....**' scam, is working better; with this strategy, scammers profit by selling while gambling that a stock will decline — and subsequently forcing shares down by spreading nasty rumors about the company.

(a) doom and gloom (b) poop and scoop (c) pump and dump (d) short and distort

Q4 Plug Power (NASDAQ: PLUG) Long Recommendation: Seems to be reaching stops — weak **.....** shaken out — may hold $4 — add $3.50.

(a) elves (b) gnomes (c) hands (d) knees

Q5 In the 1960s and 1970s, a group of bond dealers known as the Memphis Bond Daddies were notorious for their unscrupulous methods of selling tax-exempt bonds to the elderly; eventually closed down by regulators, their role was to dispose of the **.....** generated as Collateralized Mortgage Obligations were sliced into more and increasingly complex tranches.

(a) garbage cans (b) polluted soil (c) raw sewage (d) toxic waste

Q6 Government **.....** shares have their risks and their costs: the full benefits of privatization will not be realized, for example, if management is completely protected from every sort of takeover, and the device could be abused by less scrupulous governments in order to maintain political control over an enterprise while nominally privatising it.

(a) golden (b) lion's (c) master's (d) power

Q7 I personally favour, as long as it is open, what is called the '**.....**', all the cards on the table, everybody in the whole world knows what you are auctioning; the market will adjust immediately at that point and people will pay the price of it.

(a) casino trade (b) foldout trade (c) sunshine trade (d) upfront trade

Q8 My first experience as an investor looking at companies trading below **.....** value was to buy the stock: how could I lose? — one could liquidate the company and make money at the very least.

(a) board (b) cash (c) share (d) true

Q9 The NYSE and the Chicago Mercantile Exchange agreed to impose restrictions when prices begin falling out of control; one safeguard is a shock **.....**, a half-an-hour price floor that goes into effect on the S&P's 500 index whenever it drops on the Merc by the equivalent of about 96 points on the Dow Jones average.

(a) absorber (b) adjustor (c) tactic (d) treatment

Q10 The human genome may go down in history as the biggest **.....** for humanity: it cost a lot and is useless, it does not work, and is so expensive to maintain and grows so big so fast that it will bankrupt the industry as well as entire nations.

(a) golden goose (b) purple cow (c) red herring (d) white elephant

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Business buzzwords: Spin tour

Q1 Shell Oil and a bunch of its friendly top executives are bringing a genuine old-fashioned dog and **.....** show to 50 towns this summer, and their goal is to convince angry consumers that Big Oil is not ripping them off; it's sure to be complete with photo ops and baby kissing, and it ought to be called the Web Minus Zero spin tour.

(a) cart (b) cat (c) frog (d) pony

Q2 The **.....** indicator gets attention at this time every year due partly to the fact that there are so many fans on Wall Street trading desks; even Bob Stovall, who helped popularize it in the 1970s when he served as investment policy director at Dean Witter Reynolds, admits there's not a lot of logic or validity behind it.

(a) Stanley Cup (b) Super Bowl (c) World Cup (d) World Series

Q3 A newer trading strategy is the **.....** spread, which is intended to simulate the profits from a power plant; it was possible from 1996 to 2002 to hedge or sell such a spread on Nymex by shorting electric power and buying the fuel used for generation fuel oil, natural gas, or coal.

(a) juice (b) shock (c) spark (d) watt

Q4 Dunlop Standard Aerospace Holdings plc announced today that it will make an optional **.....** redemption of US$ 23.6 million aggregate principal amount of its 11-7/8% Senior Notes due 2009; the outstanding principal amount of the Senior Notes remaining after this redemption will be US$ 321.4 million.

(a) flexible (b) irrevocable (c) partial (d) serial

Q5 The critical piece of this puzzle, the element that made it all work, was a transaction called a 'price **.....** derivative' between Enron and Raptor, in which Enron committed to give stock to Raptor if Raptor's assets declined in value; but the more Raptor's assets declined, the more of its own stock Enron was required to post.

(a) shift (b) shuffle (c) swap (d) switch

Q6 In a number of **.....** marketing cases, a company has approved an email campaign because the marketer promised that it would send only to people who opted in to receive stock announcements; then the company is surprised to learn that the so-called 'opt-in list' is just a standard bulkmailer's list of addresses scraped from Usenet and the Web.

(a) barrelhouse (b) bulldozer (c) cowboy (d) yahoo

Q7 Six-year futures for light sweet oil and natural gas are among the most important indicators of value for oil and gas producers; such a far-sighted view, imperfect as it may be, is not widely available for the refining **.....**, the margin between crude oil and refined products.

(a) crack (b) gap (c) spill (d) split

Q8 In a **.....** takeover, iBank was suddenly history, and its blue, white and yellow marquee will soon be replaced by the blue and white of Unionbank, following the former's multibillion buy-out of the latter's majority shareholders concluded Friday; "The speed in which it was consummated really caught us off guard," quipped an iBank executive.

(a) blitzkreig (b) formula one (c) Speedy Gonzales (d) split second

Q9 Technology is better than ever and more people than ever before are using it, but still, technology stock prices keep falling, and Wall Street is overcompensating by giving these stocks the cold shoulder: this is where we've gone astray. and it has more to do with the happenings on Wall Street than with problems on **.....** Street.

(a) Geek (b) Sim (c) Tech (d) Web

Q10 Federal Reserve Chairman Alan Greenspan said yesterday that the U.S. economy is 'going through a **.....** patch,' but that it won't hold back a 'broadening' economic expansion that has gained momentum this year.

(a) slow (b) soft (c) weak (d) wet

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Business buzzwords: Food stocks

Q1 Food stocks aren't as exciting as some of the tech names, but they don't go up nearly as much when the market is going crazy and they also don't go down as much because they're not as dependent on the economy; they're steady stocks, which is why Kraft could be a good **.....** holding to diversify your portfolio.

(a) anchor (b) base (c) core (d) staple

Q2 "Much of what happens in history," Nassim Taleb notes, "comes from Black **.....** dynamics, very large, sudden, and totally unpredictable outliers, while much of what we usually talk about is just noise; our track record in predicting those events is dismal, yet by hindsight bias we think that we understand them."

(a) Box (b) Hole (c) Maria (d) Swan

Q3 The Small Order Execution System allows small investors near-instant execution of trades of 1,000 or fewer shares on the Nasdaq, and these SOES **.....** are a growing force in the market, accounting for about 15% of the trades on the Nasdaq Stock Market.

(a) bandits (b) desperados (c) pirates (d) raiders

Q4 When the CEO or minister announces the agency is going to **.....** in the name of operational efficiencies or an expanded range of services, public sector managers suspect they are really hearing "The last approach didn't work, so let's try another".

(a) redesign (b) reform (c) renovate (d) restructure

Q5 'Why Bill Gates?' — this is the question for a small clique of **.....** — Scott McNealy of Sun Microsystems, Larry Ellison of Oracle, Steve Jobs of Pixar; a decade ago, the four geek tycoons were all stumbling around an industry as small as their pocket protectors, but Gates graduated into the history books, while the other three seem headed for footnote status.

(a) compupreneurs (b) iMagnates (c) siliconaires (d) valleynerds

Q6 The director of a funds management company says that smaller companies focusing on a single service like sustainable living, alternative energy, etc. are less likely to be involved in big **.....** like the defense industry and oil.

(a) dirties (b) filthies (c) piggies (d) uglies

Q7 The OS/400 high availability market was a **.....** market before the merger of one-time foes iTera and Vision, and that intense competitiveness continues following the merger.

(a) dog-bite-dog (b) dog-chase-dog (c) dog-eat-dog (d) dog-fight-dog

Q8 Typically Wal-Mart and other retailers debut the eagerly awaited day-after-Thanksgiving specials a few days in advance; Wal-Mart hasn't officially debuted its Black **.....** ads, but the information appears to have been leaked to a few Web sites.

(a) Monday (b) Friday (c) Saturday (d) Sunday

Q9 A dividend **.....** is an arrangement under which sponsors of a project agree to contribute as equity any prior dividends received from the project to the extent necessary to cover any cash deficiencies.

(a) catchup (b) clawback (c) shakedown (d) stakeout

Q10 Since 1975, the number of money management firms that provide research and other products and services in exchange for commissions has grown; the total value of third-party research purchased annually with **.....** dollars is estimated to exceed $1 billion.

(a) elastic (b) paper (c) soft (d) weak

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Business buzzwords: China's mass media

Q1 Driven by increasing investments and consumption, China's mass media industry will grow into **.....** industry with high profits and investment potential in future years; within the industry, newspaper, audio and video products and online games are the fields seeing the fastest growth potential, the blue paper said.

(a) an outburst (b) a phoenix (c) a spring (d) a sunrise

Q2 At some point, investors will recognize that Wal-Mart stock is poised for a rebound, but what's needed to speed up that process is **.....**, and sales of generic drugs may give Wal-Mart just the boost it needs.

(a) a calamity (b) a catalyst (c) an incentive (d) an incitement

Q3 In his book, 'The Logical Trader', author Mark Fisher discusses techniques for identifying potential market tops and bottoms; one, the '**.....**', has nothing to do with food, except that it was conceived over lunch where a number of traders were discussing market set-ups.

(a) burger bun (b) hot tamale (c) petit four (d) sushi roll

Q4 Microsoft has an interesting, if dubious, **.....** accounting scheme where profits from successful quarters aren't reported so that less successful quarters can be padded; this creates a false growth curve that is smooth and steady, not the typical up and down earnings you'd expect from a company that relies on periodic product rollouts.

(a) cookie jar (b) mattress pad (c) petty cash (d) piggy bank

Q5 Perhaps the most famous example of a speculative **.....** is the 'tulipmania' that struck 17th century Holland: Dutch collectors devised a hierarchy of values for the various flowers, the tulip became an object of speculation, and people mortgaged their homes and industries in order to buy the bulbs for resale at higher prices.

(a) bandwagon (b) bubble (c) lunacy (d) pyramid

Q6 Matlock allegedly made or retained no record of having received individual orders from customers, how many shares each had ordered, or when the orders were placed; **.....** the orders allowed Matlock to grant preferential treatment to certain customers, and to himself.

(a) banding (b) binding (c) bunching (d) bundling

Q7 Golden **.....** are to be offered across the ranks in a desperate bid by defence chiefs to stop the haemorrhaging of British troop numbers; the Ministry of Defence is drawing up plans for a massive expansion of a multi-million-pound programme offering bonuses of up to 5,500 if personnel promise to stay in the forces for at least two years longer.

(a) bindings (b) chains (c) handcuffs (d) leashes

Q8 ETFs (Exchange-Traded Funds) do not sell individual shares directly to investors and only issue their shares in large blocks (blocks of 50,000 shares, for example) that are known as **.....** units.

(a) action (b) creation (c) traction (d) sanction

Q9 Several Democratic groups have already begun spending large donations on advertising and get-out-the-vote activities, but Republicans had asked the Federal Election Commission to stop the activities under the campaign law that broadly banned big checks known as '**.....**' from federal elections.

(a) easy money (b) funny money (c) lobby money (d) soft money

Q10 Investments that glittered, but turned into **.....** gold: the metal industry has been tarnished by several high-profile scandals in recent years that have left City banks owed millions of pounds and politicians red-faced.

(a) fool's (b) karat (c) pyrite (d) solid

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An economic profile of the Pacific Rim

Q1 James V. Koch, in Business Horizons (March 1989), explains that it is now **.....** to talk of the Asian economic miracle, a phenomenon that has provided certain countries with the highest real rates of economic growth and the most rapidly rising per capita incomes in the world.

(a) common ground (b) commonplace (c) common sense (d) commonwealth

Q2 The beneficiaries of this miracle are only part of a larger, economically **.....** area known as the Pacific Rim, and the World Bank predicts that the Pacific Rim will be the fastest growing region in the world over the next five years, averaging a real growth rate of 4.3 percent annually compared to an average of only 3.5 percent for all industrialized nations.

(a) fallow (b) febrile (c) fertile (d) fetid

Q3 The Pacific Rim **.....** a group of extremely diverse countries that are united by their common access to the Pacific Ocean and their export-oriented economies.

(a) completes (b) composes (c) comprises (d) compromises

Q4 The United States and Japan dominate the Pacific Rim from an economic standpoint, while the economically immature People's Republic of China, by **.....** of its more than one billion citizens, is a force of growing importance.

(a) light (b) means (c) rights (d) virtue

Q5 Together, these three countries constitute the economic giants of the region; by comparison, the remainder of the countries of the Pacific Rim are economic **.....**.

(a) dwarfs (b) fairies (c) mice (d) motes

Q6 Others in the region, the ASEAN group (Indonesia, Malaysia, the Philippines, Thailand, and Singapore), generally exhibit lower levels of per capita GDP than the NICs (Hong Kong, South Korea, and Taiwan) but are more fully **.....** economically and have had high rates of economic growth in recent years.

(a) instigated (b) instituted (c) integrated (d) investigated

Q7 The British Commonwealth nations of Australia, Canada, and New Zealand are prosperous in terms of their per capita incomes, although they have exhibited only **.....** rates of economic growth in recent years.

(a) major (b) minor (c) moderated (d) modest

Q8 The so-called 'Island Countries', such as Fiji, French Polynesia, Papua New Guinea, and Vanuatu, exhibit traditional native **.....** economies that are small in size and seldom based upon organized markets.

(a) agrarian (b) barbarian (c) pagan (d) unitarian

Q9 Finally, the considerable physical presence of the Soviet Union, Southeast Asian states such as Vietnam, and Spanish-speaking Central and South American countries such as Mexico and Peru **.....** their relatively insignificant economic role in the area to date.

(a) begets (b) belays (c) belies (d) besets

Q10 There are surprisingly few common **.....** among the countries on the Pacific Rim; they are exceedingly diverse ethnically, politically, socially, religiously, and geographically.

(a) cords (b) lines (c) strings (d) threads

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Cross-border corruption

Q1 Bribery has been the leading ethical issue in business activities, and international bribery is more complicated and has greater **.....** than bribery within one country.

(a) repercussions (b) restitutions (c) retributions (d) revelations

Q2 Cross-border corruption has become a serious issue in international business especially in Asia's commercial activities, and is threatening the **.....** of all cross-border business transactions.

(a) entirety (b) entity (c) integration (d) integrity

Q3 Cross-border bribery is bribery aimed at manipulating business decisions made by a public official or a corporate employee across the national border in such a way that they are no longer motivated by the **.....** of the employer.

(a) interest (b) principal (c) principles (d) salary

Q4 The issue of cross-border bribery by American companies was first brought to public attention by the Foreign Corrupt Practices Act in 1977; it was recognized that many American companies were involved in questionable foreign payments in order to gain **.....** over their competitors.

(a) a foothold (b) a lead (c) an edge (d) a point

Q5 It remains unclear, however, whether the Act has had any **.....** effect on the competitiveness of American companies in international business.

(a) detrimental (b) exponential (c) incremental (d) supplemental

Q6 Cross-border corruption exists also in business activities between mainland China and Hong Kong: according to the Independent Commission Against Corruption, in **.....** 50 Hong Kong companies with a production base on the mainland, payments intended to bribe accounted for three to five per cent of their operating costs.

(a) all (b) even (c) some (d) under

Q7 While the Prevention of Bribery Ordinance in Hong Kong gave the ICAC the power to **.....** corruption in Hong Kong, there has been no legislation similar to the FCPA that deals with cross-border corruption.

(a) combat (b) condemn (c) contain (d) control

Q8 Mainland Chinese authorities too show much concern about the issue; the Premier's Office has issued Corruption Prevention Directives to **.....** the problem.

(a) nail (b) secure (c) tackle (d) uncover

Q9 The influence of ethical norms on cross-border business transactions can be examined from three different **.....**: cultural relativism, ethical imperialism (universalism), and the development of contextualized hypernorms.

(a) expectations (b) insights (c) perspectives (d) prospects

Q10 Education can be used to shape people's attitudes towards corruption, but this is a time-consuming process; an **.....** alternative would be to pass legislation to deter business executives from giving or receiving bribes.

(a) expedient (b) expeditious (c) experiential (d) exponential

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Management of transboundary fishing

Q1 In 'The Management of Transboundary Fishery Resources and Property Rights', Gordon R. Munro tackles one of the **.....** questions in the field of rights-based fishing.

(a) knottiest (b) slightest (c) spiniest (d) tightest

Q2 His paper concerns itself with the difficult issue of managing transboundary fishery resources, in which state, **.....** alone individual, property rights may be poorly defined.

(a) and (b) but (c) let (d) not

Q3 The paper aims to **.....** new ground, in that the consequence for the management of transboundary fishing resources of establishing fishermen/company based property rights has never been properly dealt with.

(a) break (b) dig (c) plow (d) seed

Q4 The paper begins with a brief history of the legal position of national ownership over **.....** fishery resources.

(a) coastal (b) deepwater (c) offshore (d) overseas

Q5 Munro reminds us that it is now established by the 1982 UN Convention on the Law of the Sea (CLS) that coastal states have property rights to the fishery resources contained within their Exclusive Economic Zones extending 200 **.....** miles offshore.

(a) linear (b) marine (c) maritime (d) nautical

Q6 This principle established, coastal states such as Canada quickly discovered that the stocks **.....** refused to stay within their EEZ, and hence international management issues arise.

(a) seldom (b) straight (c) stubbornly (d) suddenly

Q7 Two issues concern us here: one is the issue of 'shared stocks', which are fish stocks shared by two or more coastal states whose EEZs are **.....**.

(a) contiguous (b) contingent (c) continuous (d) contrapuntal

Q8 The CLS **.....** coastal states to cooperate in the management of shared fishery resources, but provides little or no guidance as to how the cooperation is to be effected.

(a) admonishes (b) castigates (c) chides (d) reprimands

Q9 The second issue is that of 'straddling stocks', or those that move back and forth between a country's EEZ and the **.....** seas.

(a) broad (b) deep (c) high (d) vast

Q10 The new element which is introduced into resource management when the resource is transboundary is the fact that the resource is subject to **.....** by one, two, or more states which can be expected to interact with one another.

(a) expedition (b) exploitation (c) exploration (d) exposure

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Technology licensing

Q1 Technology licensing is a contractual arrangement in which the licensor's patents, trademarks, service marks, copyrights, trade secrets, or other **.....** property may be sold or made available to a licensee for compensation that is negotiated in advance between the parties.

(a) corporate (b) goodwill (c) intellectual (d) intransigent

Q2 This compensation, or royalties, may be a **.....** sum royalty, a running royalty (royalty that is based on volume of production), or a combination of both.

(a) block (b) front (c) lump (d) simple

Q3 A technology licensing agreement usually enables a firm to enter a foreign market quickly, and **.....** fewer financial and legal risks than owning and operating a foreign manufacturing facility or participating in an overseas joint venture.

(a) avoids (b) endures (c) poses (d) stands

Q4 Licensing also permits U.S. firms to overcome many of the tariff and nontariff barriers that frequently **.....** the export of U.S. manufactured products.

(a) bottle (b) expedite (c) hamper (d) impose

Q5 Technology licensing can also be used to acquire foreign technology, such as **.....** agreements awarding rights to improved technology developed by a licensee.

(a) back-licensing (b) cross-licensing (c) mutual-licensing (d) reverse-licensing

Q6 Franchising is also an important form of technology licensing used by many service industries, where the franchisor (licensor) permits the franchisee (licensee) to employ its trademark or service mark in a contractually **.....** manner for the marketing of goods or services.

(a) categorized (b) demanded (c) specified (d) underwritten

Q7 As a form of 'exporting', technology licensing has certain potential **.....**: one negative aspect of licensing is that control over the technology is weakened because it has been transferred to an unaffiliated firm.

(a) breakdowns (b) carryovers (c) drawbacks (d) screwups

Q8 In considering the licensing of technology, it is important to remember that foreign licensees may attempt to use the licensed technology to manufacture products in direct **.....** with the licensor or its other licensees.

(a) collusion (b) competition (c) compliance (d) cooperation

Q9 In many instances, U.S. licensors may wish to **.....** territorial restrictions on their foreign licensees, depending on U.S. and foreign antitrust laws as well as the licensing laws of the host country.

(a) compose (b) dispose (c) impose (d) repose

Q10 Also, U.S. and foreign patent, trademark, and copyright laws can often be used to bar unauthorized sales by foreign licensees, provided that the U.S. licensor has valid patent, trademark, or copyright protection in the United States or the other **.....** countries.

(a) appointed (b) impugned (c) pertinent (d) poignant

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International accounting standards (1)

Q1 With the activities and interests of investors, lenders and companies becoming increasingly global, the Securities and Exchange Commission is increasing its involvement in a number of forums to develop a globally accepted, high quality financial reporting **.....**.

(a) bulwark (b) framework (c) outline (d) scaffold

Q2 Our efforts, at both a domestic and international level, consistently have been based on the view that the only way to achieve fair, liquid and efficient capital markets worldwide is by providing investors with information that is **.....**, transparent and reliable.

(a) commensurate (b) commercial (c) comparable (d) compatible

Q3 That is why we have pursued a dual objective of upholding the quality of financial reporting domestically, while encouraging **.....** towards a high quality global financial reporting structure internationally.

(a) convention (b) convergence (c) conversion (d) conveyance

Q4 Over the last two decades, the global financial **.....** has undergone a significant transformation.

(a) landscape (b) panorama (c) prospect (d) scenery

Q5 These developments have been **.....**, in part, to dramatic changes in the business and political climates, increasing global competition, the development of more market-based economies, and rapid technological improvements.

(a) accountable (b) amenable (c) answerable (d) attributable

Q6 Our efforts to develop a global financial reporting structure have been guided by the **.....** principle underlying our system of regulation — pursuing our mandate of investor protection by promoting informed investment decisions through full and fair disclosure.

(a) bedrock (b) cornerstone (c) keynote (d) landmark

Q7 In 1988, we issued a policy statement that noted that all securities regulators should work together **.....**, to create sound international regulatory systems that will enhance the vitality of capital markets.

(a) definitively (b) desultorily (c) diligently (d) distinctly

Q8 Currently, issuers wishing to access capital markets in different jurisdictions must comply with the requirements of each jurisdiction, which differ in many **.....**.

(a) angles (b) respects (c) senses (d) views

Q9 Throughout this effort, we have been **.....** in advocating that capital markets operate most efficiently when investors have access to high quality financial information.

(a) headstrong (b) heavyhanded (c) singleminded (d) steadfast

Q10 While the accounting standards used must be high quality, they also must be supported by an infrastructure that ensures that the standards are **.....** interpreted and applied, and that issues and problematic practices are identified and resolved in a timely fashion.

(a) righteously (b) rightfully (c) rigidly (d) rigorously

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International accounting standards (2)

Q1 High quality accounting standards are critical **.....** the development of a high quality global financial reporting structure.

(a) of (b) over (c) to (d) under

Q2 Different accounting traditions have developed around the world in response to varying needs of users for whom the financial information is prepared; in some countries, accounting standards have been **.....** primarily by the needs of private creditors, while in other countries the needs of tax authorities or central planners have been the predominant influence.

(a) drawn (b) shaped (c) sketched (d) written

Q3 Establishing and maintaining high quality accounting standards are critical to the U.S. approach to regulation of capital markets, which depends on providing high quality information to facilitate **.....** investment decisions.

(a) advised (b) advisory (c) informational (d) informed

Q4 High quality accounting standards are essential to the efficient functioning of a market economy because decisions about the allocation of capital rely heavily on **.....** and understandable financial information.

(a) accredited (b) credence (c) credible (d) creditable

Q5 When issuers prepare financial statements using more than one set of accounting standards, they may find it difficult to explain to investors the accuracy of both sets of financial statements if significantly different operating results, financial **.....** or cash flow classifications are reported under different standards for the same period.

(a) decisions (b) operations (c) positions (d) transactions

Q6 Questions about the believability of an entity's financial reporting are likely where the differences highlight how one approach **.....** poor financial performance, lack of profitability, or deteriorating asset quality.

(a) dwells on (b) masks (c) skims over (d) underscores

Q7 Also, the audit is an important element of the financial reporting structure because it subjects information in the financial statements to independent and objective **.....**, increasing the reliability of those financial statements.

(a) autonomy (b) calumny (c) legality (d) scrutiny

Q8 Recent events in the United States have highlighted the importance of high quality auditing standards and, at the same time, have **.....** questions about the effectiveness of today's audits and the audit process.

(a) asked (b) assumed (c) mounted (d) raised

Q9 Audit firms should have a responsibility to **.....** to the highest quality auditing practices, on a world-wide basis, to ensure that they are performing effective audits of global companies participating in the international capital markets.

(a) abide (b) adhere (c) cohere (d) comply

Q10 Historically, audit firms have developed internal quality control systems based on their domestic operations; however, as clients of audit firms have shifted their focus to global operations, audit firms have followed **.....** and now operate on a world-wide basis.

(a) along (b) practice (c) precedent (d) suit

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Optimal hedging

Q1 The article, 'Optimal Hedging and Foreign Exchange Risk', by Nancy Beneda, illustrates the technique of computerized optimization and **.....** modeling to manage foreign exchange risk, and the results indicate that a lower level of risk can be achieved, given a specified level of expected hedging cost, from using optimization modeling.

(a) simulacrum (b) simulation (c) stimulation (d) stimulus

Q2 The focal point of the technique is its ability to identify optimal combinations of hedging **.....** (i.e. futures, options, forward contracts, leaving the position open).

(a) corridors (b) ingredients (c) utensils (d) vehicles

Q3 An optimal combination is one which minimizes the **.....** of the expected cost of the commodity (i.e. foreign currency), given a desired level of hedging cost.

(a) variance (b) varicosity (c) variety (d) variousness

Q4 This paper examines optimal hedging strategies for a **.....** position in the Japanese yen/US$ foreign exchange market.

(a) long (b) post (c) set (d) vertical

Q5 In the **.....** of this paper, the expected hedging cost is the expected cost of the commodity (i.e. foreign currency) using a specified hedging strategy minus the expected cost of the foreign currency when the position is left open.

(a) composition (b) contents (c) context (d) course

Q6 The technique is similar to achieving optimal portfolios: portfolio theory suggests that optimal allocations of **.....** of money exist which minimize the standard deviation of the portfolio for any targeted expected return.

(a) an account (b) an asset (c) a pool (d) a purse

Q7 The optimization methodology increases the hedger's range of choices, and in this way risk managers will have the information needed to choose the desired level of foreign exchange risk which fits **.....** the firm's overall risk strategy.

(a) in with (b) on to (c) throughout (d) up for

Q8 Being able to more accurately measure the total risk which a firm faces will result in a better understanding of the extent to which the firm will be able to handle new **.....** projects.

(a) specialized (b) specialty (c) spectacular (d) speculative

Q9 Risk-return analysis suggests that the amount of gain expected from investing is **.....** related to the level of risk incurred.

(a) absolutely (b) affirmatively (c) inversely (d) positively

Q10 If this concept is applied to hedging, the more risk a hedger is willing to **.....**, the more gain potential from favorable market conditions there will be for the hedger, and the lower the expected hedging cost.

(a) immure (b) imply (c) incur (d) infer

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Top 10 online marketing predictions for 2007

Q1 Social networking (like YouTube and MySpace) will get more and more **.....**; people use specific tools to connect, recommend, rate and communicate within their groups, and for this reason, there are many types of social media now and there will be five times this many by the end of next year.

(a) generic (b) neat (c) niche (d) tight

Q2 **.....** campaign websites (initiated by Spent2000.com) will have a purpose; next year will feature more substantial sites, like Philips's ShaveEverywhere, PassportToFlavor from Kettle Foods, and Snakes on a Plane.

(a) Bacterial (b) Cyclical (c) Spiral (d) Viral

Q3 **.....** content (which enables customers to co-create with their brands) will be a component on most new websites; ultimately, allowing users to post their stories through text, images and video helps to build community and long-term brand loyalty.

(a) User-approved (b) User-friendly (c) User-generated (d) User-sought

Q4 Email marketers will demand to know more advanced strategies for their email programs by asking questions like these: How does this email **.....** in the default settings of the different email environments (AOL, Yahoo, Gmail, Hotmail, etc.)? What content shows up above and below the fold on the email preview?

(a) perform (b) present (c) realize (d) render

Q5 Quality content is more important now than ever before; there is a **.....** of content, and it's only going to get more crowded.

(a) belly (b) blurb (c) glut (d) gust

Q6 Most successful companies will become media companies: more and more companies are starting their own blogs, stepping into their customers' shoes and providing them with more industry knowledge and news rather than simply ramming products down their **.....**.

(a) screens (b) socks (c) throats (d) tubes

Q7 The Democrat majority in Congress swings the tide of online marketing: marketers will push the **.....** far more aggressively in 2007 now that the fear of death by Republican firing squad has been reduced.

(a) bandwagon (b) bubble (c) customer (d) envelope

Q8 Greater integration of video into all websites; the ShaveEverywhere site proves that the use of video is hugely **.....** and effective in converting sales.

(a) enchanting (b) engaging (c) entangling (d) enthralling

Q9 eROI published an email study in early 2006 showing a direct correlation between smaller, more relevant lists and higher open and **.....** through rates; updating email content and starting a conversation will be more important as people move toward seeing their inboxes as sacred places that they don't want violated by one-way advertising messages.

(a) click (b) flick (c) pick (d) tick

Q10 Thoughtful, **.....** marketing is the biggest winner in 2007: ask your company what one nonprofit they want to support, and throw a lot of energy behind it, and you'll see that your employees, customers, and prospects will help you take this cause, and indirectly your company, to the next level.

(a) cause-related (b) effort-related (c) health-related (d) peace-related

Apple advertising philosophy

Q1 It was on September 30, 1997 that Steve Jobs revealed Apple's new marketing strategy, which would entail focusing on Apple's brand; Steve cited Nike commercials that left people with a feeling of physical excellence without ever showing the **.....**.

(a) ad (b) shoe (c) swish (d) Tiger

Q2 The problem with Steve's **.....** is, of course, that Nike doesn't just advertise with television ads, Nike also sponsors athletes, tons of them.

(a) anagram (b) analogue (c) analogy (d) anatomy

Q3 Undoubtedly Apple would have pursued the sponsorship idea, but since people won't willingly watch other people use computers, they were unable to **.....** themselves of that option.

(a) address (b) avail (c) disenchant (d) relieve

Q4 Apple's strategy may have been mistaken, incomplete or a **.....** of genius depending on your perspective.

(a) blow (b) brand (c) stab (d) stroke

Q5 In any event, Apple held the **.....** for years: if you were to take any particular television ad produced between the date of Steve's speech and the most recent July you'll note that they share a common theme.

(a) course (b) field (c) ground (d) plot

Q6 What could a TV spot featuring Einstein, Gandhi, Picasso and a Richard Dreyfuss voiceover have in common with G4 towers surrounded by tanks? — rest assured the common theme is there, but it takes a moment to **.....** the thing out.

(a) badger (b) ferret (c) gopher (d) mole

Q7 Once it **.....** though, it becomes impossible not to notice it in every subsequent ad.

(a) hits (b) plays (c) runs (d) spots

Q8 The theme isn't one of some hidden message or even a **.....** background but rather something that is omitted: specifically, you never see the Apple products actually working.

(a) clear (b) cool (c) known (d) shared

Q9 You'll be treated to spinning Macs, slovenly snails, or silhouettes dancing, but never an actual product doing what it was designed to do: the most **.....** example of this is the spot introducing Airport.

(a) immeasurable (b) incredulous (c) irremediable (d) unfathomable

Q10 While the technology has become commonplace today it was Apple who first **.....** onto the wireless future, yet they never showed Airport operating wirelessly.

(a) clutched (b) glommed (c) wangled (d) yanked

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Quebec tourism

Q1 Between now and 2010 the **.....** for growth in international tourism in French Canada appears excellent.

(a) outcome (b) outlook (c) oversight (d) overview

Q2 Around the world, international tourist arrivals will **.....** from 702 million in 2000 to 1.18 billion in 2010, an increase of 45%.

(a) accelerate (b) elevate (c) escalate (d) replicate

Q3 Tourist clienteles travelling to foreign destinations will become increasingly diversified as a result of the emergence of new **.....** markets.

(a) denominator (b) instigator (c) originator (d) stimulator

Q4 The outlook for domestic tourism is interesting: retirees during this period (especially between 2005 and 2010) will be wealthier than their **.....**.

(a) precedents (b) precursors (c) predeceasers (d) predecessors

Q5 Contrary to the past decade, the active population should benefit from more **.....** income with a lowering of income tax rates; therefore, people will have more money to travel.

(a) dispensable (b) dispersible (c) displaceable (d) disposable

Q6 The increasing number of Canadian retirees will have an impact on travel behaviour, with the emphasis likely to be placed on short trips during the **.....**.

(a) in-season (b) off-season (c) post-season (d) pre-season

Q7 Finally, the population of **.....**, who tend to travel little in Qubec, is growing.

(a) allophones (b) anglophobes (c) francophiles (d) heliotropes

Q8 However, competition will continue to be **.....** on all markets.

(a) febrile (b) feral (c) fierce (d) fiery

Q9 Under the pressure of demographic, social and technological changes, clienteles are becoming diversified and demanding, which is having a major impact on tourism behaviour: interests are multiplying, leading to a rising number of **.....** trips and an upsurge in products and activities.

(a) long (b) group (c) return (d) theme

Q10 More and more often, tourists are seeking **.....**, personalized trips that feature better integrated products and services; currently, the most successful businesses are those that organize their products in the form of experiences (for example, cruises).

(a) immemorial (b) memorable (c) memorial (d) memories

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Business buzzwords: Worst investments

Q1 Investment **.....** of 2002: the three worst-performing funds of the year — Aberdeen Fund of Investment Trusts, Exeter High Income and Aberdeen Progressive Growth — are all invested in split capital trusts.

(a) bimbos (b) dodos (c) donkeys (d) turkeys

Q2 Buying and selling stock rather than looking for dividend income was seen as a new form of entertainment for women in 1720: "Stock-**.....** is now become so laudable, that many great ladies forsake their tea to go to Change Alley", reported one paper, while another announced that "several great ladies repair into the city, and pawn their jewels to buy South Sea".

(a) floating (b) jobbing (c) passing (d) trebling

Q3 In its effort to thwart the takeover attempts of Campeau Corp., FDS unveiled a restructuring plan to sell off its discount chain and other non-department store assets; the retailer said it may also seek a 'white **.....**' by issuing new preferred stock with a value of 15 percent of total outstanding shares in the company.

(a) horse (b) knight (c) squire (d) unicorn

Q4 On one side, double-**.....** offer fund-of-fund vehicles for hedge fund investors and on the flip side they offer contract marketing agreements on the hedge fund side, so it is possible for them to not only make money from their own investors but also clip a marketing fee for putting their fund-of-funds investment with a manager in any given strategy.

(a) dealers (b) dippers (c) teasers (d) troublers

Q5 Most specialty drug companies obtain product rights only for one or two national markets and so cannot fund clinical development and sales expansion by sub-licensing or partnering; they must sell equity to finance 100% of development & marketing costs, resulting in highly **.....** founders and lower returns for all their investors.

(a) depressed (b) diluted (c) disillusioned (d) distraught

Q6 Instead of benefitting the company, the defendants have saddled it with a risky and costly share repurchase program, in order to dispose of its cash and make it less attractive to potential buyers; the plan was designed as a defensive barrier akin to a '**.....**', decreasing the likelihood of any potential acquirer making an offer for the company.

(a) bear trap (b) brick wall (c) cellar door (d) suicide pill

Q7 The ICF is a new private-public partnership, focused on improving the continent's investment **.....**; our mission is to make Africa an even better place to do business, by removing obstacles to domestic and foreign investment and by promoting Africa as an attractive investment destination.

(a) attraction (b) climate (c) pool (d) status

Q8 Since 2000, Market Harmonics has been dedicated to giving traders and investors an edge through an understanding of what truly drives markets — investor psychology; in the research area, we have specialized in tracking market **.....** as the key to successful and profitable trading.

(a) intuition (b) logic (c) nostalgia (d) sentiment

Q9 IRC has agreed to pay $37.4 million to acquire a sliding-scale NSR royalty on the Pascua Lama gold project, expected to become Barrick's third largest gold operation; the acquisition is expected to provide significant growth in cash flow, and by having the world's largest gold producer as its operator, long life and low cash costs, this is truly a **.....** asset.

(a) marquee (b) mezzanine (c) Midas (d) midwife

Q10 Back in the far off days of the early 1980's the general view was that, when battered by a financial market **.....**, investor risk-aversion increased and that it tended to take about a decade for the pain experienced from severe financial loss to ebb.

(a) collapse (b) crash (c) depression (d) recession

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Business buzzwords: Penny stock

Q1 A small group of speculators will accumulate a large number of shares in a penny stock, and once their positions are in place, they will release positive financial **.....** — news so unexpected and titillating it can drastically affect people's perception of the stock; the intent is to get small time investors to start trading irrationally.

(a) fiction (b) gossip (c) noise (d) porn

Q2 We are downgrading Brady Corp. to **.....** perform from outperform, as we believe the issues the company is facing in its OEM business may take several quarters to resolve, which will likely limit stock appreciation until visibility improves.

(a) lukewarm (b) market (c) neutral (d) under

Q3 When she hears stirrings of a corporate takeover by the family's archrival, North Grayhawk, Jocelyn heads to North's ranch to offer a valuable commodity — herself — if he will call off his plans: "He's the man my shark **.....** says is our anonymous corporate raider," she explained.

(a) baiter (b) fighter (c) repeller (d) watcher

Q4 To many, perhaps most, observers of today's legal scene, a 'white **.....**' law firm is nothing more than a large, prominent firm serving a primarily corporate clientele; but those who entered the profession before the 1980s can remember a time when there were those firms and there were the Jewish firms, and the former worked to keep it that way.

(a) collar (b) shirt (c) shoe (d) tie

Q5 When you 'pay **.....** first', you send 10% of your paycheck (your take-home pay) to a separate account before you have a chance to spend it; combined with your tax-deferred savings, this monthly contribution to your long-term savings will make you wealthy over time.

(a) your bills (b) your dues (c) yourself (d) yours truly

Q6 Stop **.....** is a practice by traders and/or market makers whereby they move prices intentionally to hit a specific level in order to trigger the stop orders they know are piled up there; the reason for doing so is to be able to take the other side of those trades and profit by the short-term move the flurry of activity creates.

(a) fishing (b) hunting (c) preying (d) stalking

Q7 This is a good place to start if your company isn't one of the elite investment banks that pay their top traders to attend; this information is critical to trading success, and if you want to make a **.....** a year ($US1million in trading terms) you better start here.

(a) buck (b) clam (c) note (d) skin

Q8 Any 'stock **.....**' is subject to detailed fundamental analysis using a framework based on four key factors of quality, value, growth and change; if detailed analysis demonstrates the opportunity for a stock to achieve a significant return, it becomes a conviction recommendation and is swiftly communicated to product managers for consideration in portfolios.

(a) idea (b) plan (c) scheme (d) thought

Q9 At a time when your career is reaching a peak and you are looking ahead to your own retirement, you may find yourself in the position of having to help your children with college expenses while at the same time looking after the needs of your aging parents: squeezed in the middle, you've joined the ranks of the '**.....** generation'.

(a) hourglass (b) sandwich (c) sponge (d) toothpaste

Q10 The Rule of **.....** is a rule whereby the sum of the inflation rate and the P/E ratio of the Dow Jones Industrial Average is an indicator of the direction of the stock market.

(a) 18 (b) 72 (c) 144 (d) 147

Business buzzwords: Stale inventory

Q1 Some companies allow inventory to become stale through product obsolescence or inattention; it sits on balance sheets, consumes capital to maintain, and is unattractive to potential buyers, and analysts get a good picture of **.....** accounting when inventory turns are slowing over time and consistently below industry averages.

(a) FAIL (b) FIFO (c) FISH (d) FLOP

Q2 For widely held, publicly traded firms, dividends are taken as a signal that the firm is financially healthy; but this 'signaling **.....**' is not applicable to closely held firms, where communication between management and shareholders is more direct and signals are not required.

(a) approach (b) method (c) strategy (d) tactic

Q3 New brokers got the desks nearest the noise of the quote board, but as a broker gained experience and stature he got to move further away from the board; most brokers moved out of the **.....** to a private office when they had enough experience and customers to justify the move to management.

(a) bear garden (b) bear pit (c) bullpen (d) bullring

Q4 Should the U.S. stock market rally falter, some analysts may try to blame it on the **.....** spread, which measures the gap between the prices of U.S. Treasury bills and Eurodollar deposits; this has lately been at its lowest level ever, and that, to some, is an ill omen for interest rates and share prices.

(a) TBED (b) TED (c) TRED (d) USED

Q5 Apple is in the **.....**: Apple Computer is riding a wave that shows no sign of breaking; on March 6, the Cupertino, CA-based computer pioneer celebrated its highest stock price in over three years, buoyed by the popularity of Apple's iPod portable music player and the company's iTunes downloadable music service.

(a) black (b) green (c) pink (d) red

Q6 Missouri's commitment to openness in government is clearly stated in Section 610.011 of the **.....** Law: "It is the public policy of this state that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless otherwise provided by law."

(a) Open Door (b) Show Me (c) Sunshine (d) Transparency

Q7 Ours is an era when huge increases in home values and stock prices make people feel richer and cause them to buy more; they spend more of their regular incomes, borrow more or sell something, most likely stocks, so you can imagine this 'wealth **.....**' as a powerful afterburner that's boosted the economy for roughly 20 years.

(a) driver (b) effect (c) engine (d) result

Q8 Inventory **.....**, a combination of employee theft, shoplifting, vendor fraud and administrative error, cost United States retailers over $31 billion last year according to the latest National Retail Security Survey report on retail theft, which analyzed theft incidents from 118 of the largest U.S. retail chains.

(a) arbitrage (b) drainage (c) shrinkage (d) triage

Q9 In the London equities markets, both the FTSE 100 and the FTSE 250 finished both the day and the week on a positive note; volume was a very high 4.1 billion shares traded, explained by a double **.....** hour in which both stock options and index futures on the main index expired.

(a) dealing (b) dying (c) witching (d) wrapping

Q10 With the SMTP forwarding feature, Fetchmail pulled far enough in front of the competition to potentially become a **.....** killer, one of those classic programs that fills its niche so competently that the alternatives are not just discarded but almost forgotten.

(a) category (b) class (c) slot (d) spot

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Business buzzwords: 2007 market decline

Q1 The market decline on Tuesday, February 27th, 2007, was triggered by the 'Shanghai **.....**', a steep fall in stock prices on China's Shanghai market, which triggered big declines in other stock markets around the world.

(a) Snarl (b) Sneeze (c) Sniffle (d) Snort

Q2 Style **.....** is a serious problem for clients because it distorts asset allocation and undermines performance when styles rotate; value managers who have slowly changed over the past three years toward more favored growth stocks are regretting those moves, but not as much as their clients.

(a) drift (b) shift (c) tack (d) track

Q3 On a recent Friday, the foreign currencies and exchange floor looked like a large frat party without beer: runners in yellow jackets gave each other backrubs, frisked each others' pockets for bid cards, and flung waste paper aside while traders flung themselves around the **.....**, conducting their business by the time-honored means of 'open outcry.'

(a) dais (b) ditch (c) pit (d) stage

Q4 Traders often times will adopt a simple buy low, sell high' range bound approach, but when we strive to pick the next major top or bottom, we may encounter a fairly frustrating event: our trade is stopped **.....** as the market continues to slightly new highs or lows.

(a) down (b) out (c) over (d) up

Q5 China has just announced that it is going to come off the dollar peg currency arrangement, but in fact this is a very **.....** float, since the trading price of the US dollar against the renminbi will now float within a trading band of plus or minus 0.3 per cent, while the band of other currencies against the renminbi will be set by the central bank.

(a) dirty (b) flabby (c) mangy (d) sleazy

Q6 The appropriate procedure in evaluating returns adjusted for risk is to subtract from a fund's return the risk-**.....** return (here taken as the return on United States government money market funds), and to divide the surplus return by the fund's beta, the measure of risk.

(a) base (b) free (c) rule (d) run

Q7 Many start-up companies issue stock warrants or options under one of two scenarios: (1) as a **.....** to induce potential investors to purchase stock in an offering or (2) as compensation for executives, directors or other service providers; when these situations are distinct, the tax treatment is very straightforward.

(a) carrot (b) hook (c) magnet (d) sweetener

Q8 When he was a U.S. attorney, Rudolph Giuliani is credited with patenting the **.....** walk for white-collar defendants: when three prominent Wall Street traders and bankers were accused of insider trading, Giuliani had the defendants arrested at their offices, handcuffed and escorted from the building to a mob of press that had been previously alerted.

(a) cake (b) coke (c) perp (d) prep

Q9 The markets that consistently show the largest amounts of inefficiency are the dollar-pound-yen, dollar-mark-yen, and dollar-yen-franc markets; inefficiencies in **.....** arbitrage imply that risk-free profitable opportunities exist, and attentive traders can take advantage of these.

(a) forex (b) market (c) swap (d) triangular

Q10 Energy exchanges offer **.....** spreads as futures, where both legs of the combination (crude oil and an oil product) can be traded in one single transaction; these derivatives help refineries to offset or manage their risks, but investors can also use these instruments.

(a) crack (b) petro (c) sandwich (d) split

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Business buzzwords: Lost horizons

Q1 An investor with a short horizon should buy stocks in **.....** markets, thus chasing general trends; an investor with a long horizon should reduce her commitment to stocks in the same markets.

(a) bear (b) bull (c) thick (d) thin

Q2 Markets are full of **.....** dogs — stocks of unprofitable companies that at some point fly through the roof,defying gravity: each dog has its day in the sun before reality sets in.

(a) cats and (b) reservoir (c) seeing eye (d) sleeping

Q3 Marty Lipton and Joseph Flom's first big tender fight was the $84 million Colt (Flom) takeover of Garlock (Lipton), where the term 'Saturday Night **.....**' was coined to describe Colt's lightning raid.

(a) Fever (b) Live (c) Poker (d) Special

Q4 With regard to the share transfer document, if the handwriting expert opinion is accepted, it would show that Kokabi was a **.....** shareholder, who was used to secure the allocation of a school plot to a company controlled by Parastaran which would otherwise not have qualified to be allocated.

(a) dumbbell (b) dumbo (c) dumdum (d) dummy

Q5 In a troublesome stock market, many investors seek out something that gives them confidence that a stock will pay off big over the next five or 10 years, allowing them to ignore the bumps and bruises that might come over the short run; typically, these kinds of **.....** stocks have glowing potential, but some things that glow could be radioactive.

(a) holy (b) rosy (c) story (d) sunny

Q6 Despite all the hand-wringing about the dangers of hedge funds, regulators have been reluctant to clamp down; the President's Working Group said that concerns about hedge funds' impact on average investors "can be best addressed through sound practices on the part of the fiduciaries that manage such vehicles." — in other words, **.....**.

(a) caveat emptor (b) non compos mentis (c) non sequitur (d) sine qua non

Q7 Rather than quoting a specific price, a fast **.....** will give a range of prices for an investment marked by the word 'fast' to indicate that the market is moving rapidly.

(a) board (b) pit (c) ring (d) tape

Q8 The leading **.....** bracket banks are US firms Goldman Sachs, Morgan Stanley Dean Witter and Merrill Lynch; these three are regarded as being in a super league of their own, because of the scale and quality of their work across the full range of investment banking business sectors and geographical regions.

(a) blue (b) bulge (c) whopper (d) world

Q9 Much controversy surrounds the question of whether the victim of a breach of contract may seek, as an alternative to the claim for damages, the remedy of **.....** of the profits secured through breach by its perpetrator.

(a) disengagement (b) disfigurement (c) disgorgement (d) distribution

Q10 Wall Street heads toward Christmas sitting on healthy gains for 2006 after another solid week, and some analysts say the so-called Santa Claus **.....** may not be over yet: the blue-chip Dow Jones Industrial Average vaulted to a new all-time closing high Friday of 12,445.52 with a weekly gain of 1.12 percent.

(a) rally (b) reaction (c) recovery (d) revival

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Business buzzwords: Platinum blonde

Q1 By the 1930s, platinum blonde hair was in vogue, and actresses Marian Davies and Jean Harlow personified the look of the early 1930s; oddly, hemlines went down again after the Stock Market Crash of 1929, helping to create the **.....** theory of economics.

(a) Charleston (b) flapper (c) haut couture (d) skirt length

Q2 A **.....** attack succeeds when a user is tricked into forming an inaccurate mental model of an online interaction and thus takes actions that have effects contrary to the user's intentions.

(a) flack (b) phishing (c) stealth (d) terrorist

Q3 'The Mail on Sunday' called Andy Gilchrist, the fire union leader, a 'fat **.....**' for his 82,000 salary, but its editor-in-chief, Paul Dacre, receives a basic yearly salary of 690,000 — so who's fat?

(a) boy (b) cat (c) head (d) slob

Q4 The Companies Act defines '**.....** equity shares' as equity shares issued by the company to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions.

(a) staff (b) stiff (c) sweat (d) sweet

Q5 A European-type payer **.....** gives the owner the right to enter a swap at a predetermined fixed rate, where s/he pays the fixed leg of the contract and receives the floating leg, i.e. the Libor rate, at the expiration (maturity) of the option.

(a) fixation (b) floption (c) legation (d) swaption

Q6 Dell bucked the upward trend in hardware manufacturers by closing lower; like Apple and Gateway, the company saw **.....** initiated by Needham & Co. though the Austin, Tx. based company was rated a 'Hold', which is a somewhat negative rating.

(a) analysis (b) assessment (c) coverage (d) evaluation

Q7 Stock prices used to have a fractional component, which was generally quoted in sixteenths of a dollar (called a **.....** by stock market insiders), but there are no major stock markets that trade in sixteenths nowadays — The NYSE converted to the decimal system on January 29, 2001.

(a) cent (b) chipper (c) sextile (d) teenie

Q8 The report filed with the SEC added details of the 'corporate **.....**' Black and Radler created at Hollinger: it said they treated the company as a 'piggybank' and fashion accessory, with Black using the prestige of the newspapers to gain access to the wealthy, powerful and royal.

(a) execracy (b) hypocracy (c) kleptocracy (d) monocracy

Q9 **.....** is based on an assumption that most stocks will complete the first stage of a movement; some of the stocks will cease to advance and others will continue, and the dealer intends to take as many small profits as possible, not allowing them to evaporate.

(a) Scalping (b) Scraping (c) Skimming (d) Skimping

Q10 It was agreed that in response to the clamor of the outside public, Daniel Drew was to be officially ousted, and a **.....** director put in his place, while he remained in actual charge of their mutual affairs; this was done at the stockholders' meeting of October 18, 1867.

(a) cardboard (b) dummy (c) facade (d) phony

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Business buzzwords: Odd auction

Q1 **.....** auction is characterized by its decreasing price mechanism: the auction starts at a relatively high price and repeatedly decreases the price until a bid is announced by one of the auction participants; the auction is then terminated and the bidder wins the auction.

(a) A Dutch (b) An Irish (c) A Jewish (d) A Scottish

Q2 **.....** workers were your company's onetime peak performers who left your employ for advancement opportunities elsewhere, for more salary or other reasons; with the scarcity of qualified workers, workplace demographics are putting pressure on companies to woo these former workers back.

(a) Boomerang (b) Pendulum (c) Seesaw (d) Yo-yo

Q3 **.....** is the hobby of collecting scrip such as securities, documents and ephemera issued by firms and governments in the past; usually these securities have no value as financial claims, though they may have considerable value for their artistic merit or historical interest.

(a) Scripbundling (b) Scripomania (c) Scripophily (d) Scripping

Q4 Futures traders frequently manipulated prices: from the end of the Civil War until 1879, **.....** (control of enough of the available supply of a commodity to manipulate its price) allegedly occurred with varying success in wheat (1878/9), corn (1868), oats (1874), rye (1868) and pork (1868).

(a) caches (b) corners (c) stockpiles (d) warehouses

Q5 Each quarter, the NYSE publishes circuit **.....** levels at 10 and 20-percent of the average value of the Dow from the prior month: if the market drops beyond these points, trading is stopped for a specified time based on the time of day when the drop occurred.

(a) bender (b) breaker (c) shorter (d) switcher

Q6 A **.....** bond is a bond that is not denominated in yen and is issued in any market by a Japanese financial institution; this type of bond is often bought by Japanese institutional investors.

(a) samurai (b) shibosai (c) shogun (d) sushi

Q7 The investing method known as the **.....** of the Dow, is simply to buy equal dollar amounts of the ten Dow stocks with the highest yield and hold them for one year; for the last 25 years, this canine approach has compounded at an annual rate of 18%, beating the market (15%) soundly.

(a) Dogs (b) Fangs (c) Teeth (d) Wolves

Q8 The SEC has accused the former CFO of Lantronix Inc. of engaging in a scheme to overstate financial results for personal gain through artificially boosting sales by offering distributors special terms to induce them to purchase more product than they needed, which is called channel **.....**.

(a) changing (b) dredging (c) flooding (d) stuffing

Q9 GM has terminated customer leases of the EV-1 high-tech vehicle and sent the cars to the crusher, and it has waged its **.....** earth policy against a technological threat before: in the 1940s, it bought out the electric street car industry and burned all the cars so it could replace them with diesel buses.

(a) scorched (b) scratched (c) seared (d) serrated

Q10 The survivorship **.....** problem has increased in recent years as mutual fund families try to bury poor performance; in 1998 alone, 387 stock and bond funds were merged out of existence, an increase of 43% over the previous year.

(a) bent (b) bias (c) scam (d) slant

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Business buzzwords: Taking delivery

Q1 When used of deliveries on futures contracts, the term '**.....** hands' usually means that the receiving party will probably take delivery and retain ownership of the commodity; when speaking of futures positions, the term usually means positions held by trade interests or well-financed speculators.

(a) large (b) long (c) open (d) strong

Q2 **.....** option is an option that has the ability to change its structure, should certain pre-determined terms of the contract be met: an example would be a put option that automatically changes into an identical call option after the price of the underlying exceeds a certain price.

(a) A catalyst (b) A chameleon (c) An ambivalent (d) An isotope

Q3 Normally, a firm's earnings and dividends grow at some constant rate forever; one category of nonconstant growth stock is **.....** growth stock, which has one or more years of growth above that of the economy as a whole, but at some point the growth rate will fall to the normal rate.

(a) an extraordinary (b) an outperforming (c) an overachiever (d) a supernormal

Q4 **.....** securities are those held by an affiliate of the issuing company — a person, such as a director or large shareholder, who has the power to direct the management and policies of the company in question, whether through the ownership of voting securities, by contract, or otherwise.

(a) Control (b) Majority (c) Restrictive (d) Super

Q5 In less than 40 years, the **.....** economies together could be larger than the G6; by 2025 they could account for over half the size of the G6, though their growth may slow significantly toward the end of the period, with only India seeing growth rates significantly above 3% by 2050.

(a) BIRCs (b) BRICs (c) CIRBs (d) CRIBs

Q6 When Enron **.....** the books, there were rightly no end of indignant columns and talk shows condemning these high-paid fraudsters who massaged the numbers to fit their agenda and bolster their bank accounts.

(a) boiled (b) cooked (c) jockeyed (d) shuffled

Q7 A prestigious **.....** on the New York Stock Exchange is plummeting in value, and industry experts blame the decline on slower volume on the exchange, which shrinks fees, as well as thinner spreads between bid-and-ask prices for stocks traded.

(a) bench (b) floor (c) pit (d) seat

Q8 **.....** involves pooling and structuring predictable cash flows, derived from the transfer and sale of assets, to an entity that is 'bankruptcy remote'; among other benefits, this is an efficient source of off-balance-sheet financing.

(a) Capitalization (b) Centralization (c) Securitization (d) Synchonization

Q9 This $1,000 compromise undermines the principle of campaign finance reform and is awkward to implement: it leads to a situation using dollars to chase **.....**, because significant staff resources are used to try to verify that corporate subsidiaries, for example, are not being used to violate the $1,000 rule.

(a) dimes (b) nickels (c) pennies (d) quarters

Q10 The SEC alleged that George Motz, the President of MFA, engaged in fraudulent trade allocation or '**.....**': Motz allegedly unfairly allocated trades that had appreciated in value to MFA's proprietary trading account and allocated purchases that had depreciated in value to the accounts of his advisory clients.

(a) apple-picking (b) cherry-picking (c) peach-picking (d) plum-picking

Business buzzwords: Listed for destruction

Q1 With the approval of the SEC, the DTCC will be taking the first steps of a multi-year initiative to eliminate non-transferable certificates and help lower expenses for holding such certificates in custody; once an issue is listed for destruction, DTC said it would **.....** all activity on that issue.

(a) cease (b) chill (c) freeze (d) gel

Q2 **.....** stripping is a type of predatory lending brought on by the housing boom: as housing prices and property taxes skyrocket, many homeowners are forced into default; the stripper, in one way or another, satisfies the loan and usually takes the title.

(a) Equity (b) Mortgage (c) Property (d) Wallet

Q3 The Minister of Finance pays the Royal Canadian Mint to produce and distribute all coins; it costs the Mint about 12 cents to produce and distribute a dollar coin, which generates for the government approximately 88 cents in **.....** on each $1 coin sold to financial institutions at face value.

(a) emoluments (b) numismatics (c) remuneration (d) seigniorage

Q4 Reminiscent of the 'Asian **.....**' triggered by Thailand in 1997, which became a full-blown financial crisis, other Asian stock indices reacted to the Thai news with sharp falls on Tuesday: the Bombay Stock Exchange's Sensitive Index dropped 2.5% and Indonesia's Jakarta Composite Index lost 2.9%.

(a) contagion (b) domino (c) epidemic (d) plague

Q5 Yoshiaki Murakami flouted convention once again by launching a hostile takeover bid against Shoei Co., a little-known electronics and real estate company; this **.....** Knight, who heads his own M&A consulting firm, MAC Corp., lambasted Shoei's managers for the company's sluggish stock price.

(a) Black (b) Grey (c) White (d) Yellow

Q6 These organizations may award **.....** capital for especially promising projects that meet their guidelines: this money can be used for initial investment in a project or startup company, for proof-of-concept, market research or initial product development.

(a) birth (b) egg (c) growth (d) seed

Q7 For a company, being '**.....**' means that it is of high enough quality to have the respect of the financial district; although individuals are the ones who come to eventually own companies, a company must first impress the investment bankers and those on Wall Street to make it to the market.

(a) marketable (b) stockable (c) streetable (d) wallable

Q8 A **.....** is a situation in which two events or actions have the effect of nullifying each other; in terms of investment, this could be when the gains in a portfolio equal the losses.

(a) deadend (b) stalemate (c) tie (d) wash

Q9 **.....** companies build and sell or lease commercial real-estate, software, or applications for wide-scale commercial use; they are also referred to as business-to-business (B2B) companies.

(a) Biz-con (b) Com-dev (c) Con-biz (d) Dev-com

Q10 Joe invests in XYZ Corp. because the stock is undervalued; it doubles in price in two months, but Joe holds on to the whole investment, hoping it will double again in the next two months, instead of selling a portion to realize a gain — Joe is a **.....** investor because he is greedy for huge gains and allows his greed to supersede his original investment strategy.

(a) bullish (b) piggish (c) sheepish (d) swinish

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Business buzzwords: The best valuator

Q1 We believe that owner/managers are the best valuators of their business, so when one is willing to trigger a **.....** clause, the best indication of value has been given — an insider has declared his price, and we're ready to respond quickly: we can close transactions in less than 5 days of first making contact.

(a) beartrap (b) buyout (c) shotgun (d) suicide

Q2 Moral **.....** is the risk that the presence of a contract will affect on the behavior of one or more parties; the classic example is in the insurance industry, where coverage against a loss might increase the risk-taking behavior of the insured.

(a) endangerment (b) hazard (c) jeopardy (d) peril

Q3 **.....** Processing (STP), a solution that automates the end-to-end processing of transactions for all financial instruments from initiation to resolution, is set to revolutionize the financial industry; it will streamline back office activities, leading to reduced failures, lower risks, and significantly lower costs per transaction.

(a) Safe Tape (b) Short Transfer (c) Single Time (d) Straight Through

Q4 To complain about abusive **.....** callers, write down the name of the caller, the name of the firm, the date and time of the call or calls, what the caller said to you, and what you said to the caller; you can send your complaint to either the SEC or your state's securities regulator.

(a) cold (b) crank (c) joke (d) junk

Q5 A market dominated by program trading offers lots of sharp, short-term volatility but not much in the way of long-term direction, and the short **.....** is well-suited to this kind of volatility, resting as it does on reading the bets that short sellers are making that specific stocks will fall and then buying the very stocks that the shorts are selling.

(a) squeak (b) squeeze (c) squelch (d) squint

Q6 The two greatest traders that ever lived, Bertram J. Seligman and Jesse Livermore, taught that a successful manipulation must always be in the direction that the market wants to take; any other manipulation not only fails, but will also create a **.....** market that goes further in the direction of its intention than it would have gone in the first place.

(a) coiled (b) rebound (c) sprung (d) wound

Q7 When a market order arrives, the NYSE specialist can offer a price one tick better than the limit orders on the book and trade for his own account; alternatively, the specialist can '**.....**' the market order, which means he guarantees execution at the current quote but provides the possibility of price improvement.

(a) mark (b) match (c) stall (d) stop

Q8 Commodity markets are beginning to show early signs of inflationary trends: the Producer Price Index for October showed the largest gain in 22 months, and in addition to the **.....** in producer prices, the Commodity Research Bureau Index (CRB) has surged 11% since July.

(a) balloon (b) bloat (c) bubble (d) bulge

Q9 Prudential's new chief executive Mark Tucker is to receive a **.....** hello of almost 500,000; Tucker, who was poached from his position as finance director at retail bank HBOS earlier this year, will be paid a special guaranteed bonus of 475,000, which the Prudential declared is a 'one-off'.

(a) golden (b) hearty (c) hefty (d) mellow

Q10 The three traders were accused of the long-forbidden practice of '**.....**', where a broker takes a customer's order to buy or sell soybeans or other commodities but, instead of making the transaction on the open market, the trader arranges a private rigged deal that can bring him an illegal profit.

(a) backstabbing (b) barricading (c) browbeating (d) bucketing

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Science and marketing (1)

Q1 Gitte Meyer of the Copenhagen Business School notes that during the past decades, swarms of scientists from a wide range of fields have migrated from their **.....** and descended onto the marketplace, adapting themselves to marketing practices in the process.

(a) ivory towers (b) leaning towers (c) towering infernos (d) towers of Babel

Q2 With surprising ease, science journalism seems to be adapting too; penduling comfortably between old-fashioned enlightenment, aimed at promoting science as a **.....**, and PR exercises, aimed at selling science on behalf of private interests.

(a) common good (b) common ground (c) commonplace (d) commonwealth

Q3 This development provides **.....** for thought in more than one sense.

(a) food (b) grist (c) meal (d) meat

Q4 In one respect, it prompts a critical question regarding conventional science journalism, marked by a lack of distinction **.....** science popularization: does this kind of science writing in fact differ significantly from marketing practices?

(a) in lieu of (b) per se (c) versus (d) vis-vis

Q5 At first **.....** at least, there does not appear to be a big difference — if any at all — between promoting and selling.

(a) glance (b) glare (c) glimpse (d) glint

Q6 Moreover, it prompts **.....** on what kind of practices journalists, who are committed to enlightenment ideals about the rule of reason — ambiguous as those ideals are — should pursue in modern societies in order to keep the ideals alive.

(a) deflection (b) dejection (c) reflection (d) rejection

Q7 Should they **.....** to conventions and simply continue to promote or to sell science?

(a) bond (b) clasp (c) fix (d) stick

Q8 Or should they acknowledge that to promote what is seen, navely perhaps, but nevertheless as a general benefit, is a far **.....** from selling the same thing, in much the same way, on behalf of vested interests?

(a) cry (b) shout (c) sight (d) view

Q9 The fundamental convention of science journalism is the convention of science transmission; that is, the **.....** that journalists should relate to science by way of transporting scientific facts from scientists to a lay public for consumption.

(a) constriction (b) contradiction (c) prediction (d) prescription

Q10 The convention also contains the **.....** that journalists should not interfere in any way with the scientific facts.

(a) permutation (b) predilection (c) promulgation (d) proscription

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Science and marketing (2)

Q1 Gitte Meyer of the Danish Centre for Bioethics explains that the fundamental convention of science journalism is that of science transmission; science journalists should not concern themselves with questions of knowledge; reflection on such questions should be strictly confined within the scientific **.....**.

(a) community (b) enclave (c) faction (d) method

Q2 From this description, it is fairly easy to spot what is similar between the convention and marketing: neither allows for sceptical and critical questions to be **.....**.

(a) posed (b) posited (c) positioned (d) posted

Q3 The convention may be seen as an **.....** to an old, unwritten contract between science and society.

(a) affix (b) annal (c) annex (d) apex

Q4 That is, the at the same time **.....** and pragmatic agreement that science was a valuable part of society by not being part of society: science was agreed to be, somehow, situated outside society.

(a) diabolical (b) incongruous (c) oxymoronic (d) paradoxical

Q5 Residing in a remote spot, supposed to be above moral disagreement and conflicts of **.....**, science was expected to produce 'pure' knowledge, and this knowledge everybody could rely upon — exactly because it was understood to be disconnected from society.

(a) interest (b) opinion (c) politicians (d) warfare

Q6 **.....** of information had, however, to be established in order for the rest of society to share in the pure light of science; scientific results, thus, had to be transmitted, by scientists themselves, or by journalists.

(a) Lines (b) Nets (c) Threads (d) Webs

Q7 In the early 18th century, science was energetically promoted amongst the public: in London's **.....** houses, lecturers offered demonstrations with globes, orreries and other instruments displaying the marvels of the clockwork universe, while performing chemical, magnetic, and electrical experiments.

(a) coffee (b) port (c) sherry (d) tea

Q8 In the spring of 1713, Newton's protg William Whiston was holding **.....** on mathematics and science at both Douglas's in St. Martin's Lane and at the Marine near the Royal Exchange.

(a) class (b) court (c) fast (d) forth

Q9 In the journal 'The Spectator', Joseph Addison and Richard Steele in 1711 foresaw with delight those times "when Knowledge, instead of being **.....** up in Books, and kept in Libraries and retirement, is thus obtruded upon the Publick; when it is canvassed in every Assembly, and exposed upon every Table."

(a) bound (b) covered (c) sealed (d) tied

Q10 So the convention and the practice of science transmission has quite a long history; it has been motivated by aims of 'pure' enlightenment and of spreading the **.....** of the scientific worldview, but probably it has always been a mixed-purpose enterprise.

(a) gospel (b) gossip (c) grant (d) grasp

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Science and marketing (3)

Q1 To a varying degree the convention and the practice of science transmission has been motivated by aims of promoting and providing support for individual scientists, or by straightforward marketing aims — mirroring the fact that the attitude of science towards the marketplace always was one of **.....**.

(a) ambidexterity (b) ambience (c) ambition (d) ambivalence

Q2 In the 1940s, Robert K. Merton, the American sociologist, described the values of science in this way: "Four sets of institutional imperatives — universalism, communism, disinterestedness, organized scepticism — comprise the **.....** of modern science."

(a) ethane (b) ether (c) ethnics (d) ethos

Q3 By 'communism' he meant that scientific knowledge was regarded as common **.....**.

(a) ground (b) knowledge (c) property (d) sense

Q4 He remarked that "the institutional conception of science as part of the public domain is linked with the imperative for communication of findings; secrecy is the **.....** of this norm; full and open communication its enactment."

(a) antecedent (b) anterior (c) antipathy (d) antithesis

Q5 Thus, clashes between ideals about knowledge as a common good on the one hand and knowledge as an instrument and as the private property of **.....** interests on the other hand is not a new phenomenon.

(a) divested (b) invested (c) reinvested (d) vested

Q6 The case can, indeed, be made that modern science was born with a **.....** of being connected to and alienated from the market-place at the same time.

(a) chasm (b) cleavage (c) schism (d) selvage

Q7 H. Butterfield refers to the end of the 17th century when stating: "The passion to extend the scientific method to every branch of thought was at least equalled by the passion to make science serve the **.....** of industry and agriculture, and it was accompanied by a sort of technological fervour".

(a) case (b) cause (c) plate (d) plight

Q8 Francis Bacon always laid stress on the immense utilitarian possibilities of science, and it is difficult to separate the interest shown in pure scientific truth from the curiosity in respect of useful inventions on the one part, or the inclination to **.....** in fables and freakishness on the other.

(a) dabble (b) dibble (c) double (d) dribble

Q9 A **.....** conclusion from this brief discussion would be that ambiguity towards marketing is inherent to the convention of science transmission in the same way as ambiguity towards the marketplace is inherent to science.

(a) tentative (b) tenuous (c) torturous (d) tortuous

Q10 The convention is a product of ideals about knowledge as a common good, but it encompasses, at the same time, the complicated relationship between science and private interests in the marketplace; it was, so to speak, **.....** with frustrations regarding the issue of public and private interests in relation to knowledge.

(a) bad to the bone (b) born and bred (c) cast in stone (d) cradle to grave

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Group influences on the consumer

Q1 Dr. Lars Perner of the Marshall School of Business reminds us that humans are **.....** social animals, and individuals greatly influence each other.

(a) incorrigibly (b) incredulously (c) inevitably (d) inherently

Q2 A useful framework of analysis of group influence on the individual is the so-called 'reference group' — the term comes **.....** because an individual uses a relevant group as a standard against which oneself is compared.

(a) about (b) from (c) out (d) up

Q3 Reference groups come in several different forms: the **.....** reference group refers to those others against whom one would like to compare oneself; for example, many firms use athletes as spokespeople, and these represent what many people would ideally like to be.

(a) aspirational (b) deferential (c) experiential (d) potential

Q4 **.....** reference groups include people who more realistically represent the individuals' current equals or near-equals — e.g., coworkers, neighbors, or members of churches, clubs, and organizations.

(a) Aligned (b) Associative (c) Sociable (d) Societal

Q5 Finally, the **.....** reference group includes people that the individual would not like to be like.

(a) antisocial (b) dissociative (c) unaligned (d) unsociable

Q6 For example, the store named 'The Gap' was created because many younger people wanted to actively be distinguished from parents and other older and '**.....**' people.

(a) elderly (b) hippy (c) uncool (d) unsquare

Q7 The Quality Paperback Book specifically suggests in its advertising that its members are '**.....**' from conventional readers of popular books.

(a) a breed apart (b) a globe apart (c) a page apart (d) a race apart

Q8 Another **.....** divides reference groups into the informational kind (influence is based almost entirely on members' knowledge), normative kind (members influence what is perceived to be 'right', 'proper', or 'responsible'), or identification kind.

(a) topicality (b) topology (c) typicality (d) typology

Q9 In case of the normative reference group, the individual tends to comply largely for **.....** reasons-dressing according to company standards is likely to help your career, but there is no real motivation to dress that way outside the job.

(a) arcane (b) mundane (c) unitarian (d) utilitarian

Q10 In contrast, people comply with identification groups' standards for the **.....** of belonging-for example, a member of a religious group may wear a symbol even outside the house of worship because the religion is a part of the person's identity.

(a) plan (b) point (c) sake (d) state

Fixed annuities

Q1 In a fixed annuity, the insurance company guarantees the principal and a minimum rate of interest; in other words, as long as the insurance company is financially **.....**, the money you have in a fixed annuity will grow and will not drop in value.

(a) soluble (b) sound (c) solved (d) suited

Q2 The growth of the annuity's value and/or the benefits paid may be fixed at a dollar amount or by an interest **.....**, or they may grow by a specified formula.

(a) payment (b) premium (c) rate (d) term

Q3 And the growth of the annuity's value and/or the benefits paid does not depend directly or entirely on the **.....** of the investments the insurance company makes to support the annuity.

(a) planning (b) performance (c) sale (d) security

Q4 Some fixed annuities credit a higher interest rate than the minimum, via a policy dividend that may be **.....** by the company's board of directors, if the company's actual investment, expense and mortality experience is more favorable than was expected.

(a) declaimed (b) declared (c) promised (d) proposed

Q5 Money in a variable annuity is invested in a fund-like a mutual fund but one **.....** only to investors in the insurance company's variable life insurance and variable annuities.

(a) given (b) legal (c) open (d) opted

Q6 The fund has a particular investment objective, and the value of your money in a variable annuity and the amount of money to be paid out to you-is determined by the investment performance (**.....** of expenses) of that fund.

(a) except (b) less (c) net (d) not

Q7 An equity-indexed annuity is a type of fixed annuity, but looks like a **.....**: it credits a minimum rate of interest, just as a fixed annuity does, but its value is also based on the performance of a specified stock index — usually computed as a fraction of that index's total return.

(a) combo (b) hybrid (c) mutt (d) variety

Q8 A market-value-adjusted annuity is one that combines two desirable features-the ability to select and fix the time period **.....** which your annuity will grow, and the flexibility to withdraw money from the annuity before the end of the time period selected.

(a) by (b) over (c) toward (d) with

Q9 A fixed period annuity pays an income for a specified period of time; the payments depend on the amount paid into the annuity, the length of the payout period, and (if it's a fixed annuity) an interest rate that the insurance company believes it can **.....** for the length of the pay-out period.

(a) supplement (b) support (c) suppose (d) supply

Q10 A lifetime annuity provides income for the remaining life of a person (called the **.....**); no other type of financial product can promise to do this.

(a) annuitant (b) beneficiary (c) policyholder (d) survivor

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Business buzzwords: The street goes nuts

Q1 Coburn operates what they call a 'reverse **.....**' — his firm purchases a small amount of the stock, then starts selling it off through various Wall Street brokers, and when word gets out that SAC is selling, the Street goes nuts and also starts unloading big blocks; then Coburn swoops to buy.

(a) desk (b) exit (c) portfolio (d) whammy

Q2 The retired chairman of furniture maker Herman Miller, Max has long been noted for innovative management practices; for example, he instituted a silver **.....** for employees at his company so that they would be protected if they lost their jobs as a result of a hostile takeover.

(a) goodbye (b) life jacket (c) parachute (d) sofa

Q3 **.....** may be more correctly defined as the total guestroom revenue per available room per day; it is typically calculated simply by multiplying a given hotel's average daily room rate (ADR) by its occupancy rate.

(a) GRARd (b) GuesOC (c) HOTunit (d) RevPAR

Q4 I think you only need two kinds of people to create a **.....**, rich people and nerds: they're the limiting reagents in the reaction that produces startups, because they're the only ones present when startups get started.

(a) Big Apple (b) Silicon Valley (c) Wall Street (d) Web Site

Q5 In the world of penny stocks, '**.....**' are infamous for causing chaos in internet forums as they attempt to disseminate false or misleading information about companies to lower a stock's price.

(a) bashers (b) bloggers (c) bonkers (d) burglars

Q6 Search engines argue that nobody clicks on an ad unless they're interested; however, a lead that takes no action and leaves no contact information can't be considered more than just an advertising **.....**, and that's the basis for a meaningful comparison to publisher CPM rates.

(a) admission (b) concession (c) expression (d) impression

Q7 War **.....** is a slang term for the stocks and bonds of corporations in the defense industry.

(a) babies (b) medals (c) mongers (d) widows

Q8 There are losses because of the lost opportunities when a **.....** deal just doesn't make it through; some of the common causes stem from the areas of under-funded pension plans or tax liabilities that may have originated from a prior restructuring of the target company or prior acquisition.

(a) shady (b) slimy (c) sneaky (d) sticky

Q9 One Night **.....** investment is buying a security with the intention of holding it for the long term, but subsequently panicking and selling it the following day.

(a) Affair (b) Fling (c) Kiss (d) Stand

Q10 The private mezzanine debt securities used to fund middle-market companies include debt with an equity **.....** , which is usually a contingent common equity interest, either by a way of warrants or a conversion option to which registration rights are typically attached.

(a) kicker (b) leader (c) packer (d) stringer

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Business buzzwords: Unethical investment

Q1 Unlike socially responsible investors who hold strong convictions against **.....** stocks, socially irresponsible investors, in their focus on making significant returns, are indifferent to the unethical actions of corporations.

(a) dirty (b) draconic (c) sinful (d) sodomitic

Q2 On February 25, 1862, Congress passed the first Legal Tender Act, which authorized the printing of $150 million in Treasury notes; these bills were printed on only one side and soon became known as '**.....**', and they proved to be universally popular and remarkably sound.

(a) greenbacks (b) sawbucks (c) simoleons (d) wampum

Q3 The best way to profit from the trend is to swap back and forth from silver to gold with the rise and fall in the gold/silver ratio; that strategy will convert a **.....** investment into one that pays dividends, and possibly double the ounces you own over the life of the bull market.

(a) stable (b) stagnant (c) sterile (d) sterling

Q4 Smurfit Kappa, Europe's largest cardboard box manufacturer, defied stock market jitters to open at a 6 percent premium to its initial public offering price; the shares yesterday traded at 17.50 in the **.....** market ahead of its official listing next Tuesday.

(a) grey (b) insider (c) off (d) shadow

Q5 Bache & Co. offers only a 25% reduction to **.....** traders who are willing to make at least two transactions-one buy and one sell-in any 35-day period, and the cut applies only to the second trade, while most brokerage houses still charge about the same fees as before on small trades on a take-it-or-leave-it basis.

(a) come-and-go (b) in-and-out (c) on-and-off (d) up-and-down

Q6 Like so many others who tried to **.....** the tide of the oncoming Depression, Overton made some injudicious and even some unsavory investments; he lost a chunk of his business empire as he fought off bankruptcy, but managed to weather the storm and lived out his final years in financial comfort.

(a) catch (b) halt (c) stem (d) turn

Q7 In an open **.....** lease, you run the risk of owing extra money depending on the value of the property when you return it; this payment is often called a 'balloon payment'.

(a) case (b) door (c) end (d) face

Q8 Using **.....** pricing, the producer-processor starts with the sales price of the processed gas or products, and then subtracts certain costs (such as capital, operating, processing, taxes and transportation) to determine value of the gas when production is complete.

(a) crack spread (b) netback (c) well head (d) wildcat

Q9 Banks surged 3.21 percent, Leasing soared 8.0 percent, Industrials were 0.84 percent up, Construction ended 2.83 percent higher, Miscellaneous rose 1.05 percent, Holding jumped 3.66 percent, but Insurance and Investment **.....** the trend to end 0.56 and 0.85 percent down respectively.

(a) backed (b) bucked (c) stalled (d) stilled

Q10 The rumor of the weekend, of course, was that Cisco was hanging out in Finland kicking the **.....** on a huge potential merger with Nokia, but it seems unlikely that Nokia would ever agree to such a deal unless the asking price is too good to be true.

(a) bucket (b) dust (c) habit (d) tires

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Business buzzwords: Phone rules

Q1 The NYSE will approve the maintenance of such telephone lines only at the **.....** location of a member or member organization; the Exchange will not approve the use of a portable telephone on the Floor.

(a) booth (b) box (c) cage (d) carrel

Q2 In financial markets, they call it 'the Greenspan **.....**' — a belief that if stock or bond prices fall too much, the FRB will help prop them up with quick interest rate cuts to pump more cash into the system; but this confidence is a worrisome legacy after his nearly 18 years helping to steer the economy.

(a) call (b) hedge (c) option (d) put

Q3 Mark Mobius, who manages one of the biggest emerging markets stock mutual funds for FT Investments, said he has bought shares across the **.....** because of opportunities created by a recent slump in global markets; Mobius said he bought shares in Taiwan, Turkey, Brazil, Mexico, Russia and India.

(a) board (b) border (c) table (d) water

Q4 The Peter Lynch strategy, based on John Reese's analysis of Lynch's writings, considers SC a true '**.....**' company, as its earnings growth of 14.71 percent lies within the moderate 10 percent to 19 percent range and its annual sales of $129.3 billion are in the multi-billion dollar level.

(a) solid (b) stable (c) stalwart (d) stolid

Q5 The yen and the Swiss franc were the big winners, with both currencies surging as global equities took a pounding; David Woo at Barclays Capital said the '**.....** to quality' had had a limited impact on risky assets, but that a sell-off in Asian equities suggested that risk reduction was becoming more widespread.

(a) flight (b) return (c) run (d) turn

Q6 The **.....** call price is calculated by assigning pre-determined Government of Canada yield plus a specified number of basis points to the bond; these issues are at a higher risk of being retired during a falling interest rate and when improvements in the issuing company's fiscal situation lead to a re-evaluation of liabilities.

(a) apocalypse (b) Armageddon (c) D-day (d) doomsday

Q7 Frederick Mates, whose $32 million Mates Investment Fund has risen 153% in per-share asset value since the beginning of 1968, the highest growth rate of any fund, is the personification of self-confidence: on one wall of his office, he keeps a framed parody of an old Wall Street slogan: 'Invest, Then **.....**'.

(a) Interest (b) Investigate (c) Reinvest (d) Rest

Q8 The term 'mortgage **.....** roll' covers a variety of transactions that involve an agreement to transfer a mortgage pass-through security in exchange for cash, generally at some future date.

(a) dollar (b) jelly (c) sushi (d) tootsie

Q9 I do not think it premature to conclude that the entire financial industry of this country is riddled with fraud; as Newsweek observed, this is not a case of a few bad apples, it's the **.....** Theory — you see one, you know there's a whole nest of the disgusting Dictyoptera.

(a) Buzzard (b) Cockroach (c) Termite (d) Vulture

Q10 Permanent Insiders are prohibited from purchasing or selling Company securities except as specifically permitted by this Policy; permanent insiders consist of the Company's (a) directors, (b) executive officers and (c) those employees who will be deemed to have ongoing exposure to **.....** insider information because of the nature of their jobs.

(a) consequential (b) material (c) perceptible (d) substantive

Business buzzwords: Compensation

Q1 A golden **.....** is an exceptional compensation package offered by an acquiring company to the top executives of the company being bought, meant to keep them interested in retaining their positions; but it may not be in the best interests of shareholders.

(a) hello (b) life jacket (c) pasrachute (d) pillow

Q2 The **.....** policy combines commercial discretion with legally enforceable mandatory controls; it is required in the operation of many financial services organizations and is, therefore, perhaps as significant to the financial world as Bell-LaPadula's policies are to the military.

(a) Chinese Wall (b) Escape Hatch (c) Lobeter Trap (d) Vow of Silence

Q3 In the first quarter of fiscal 2007, Adobe achieved revenue of $649.4 million and earnings per share were $0.30; the consensus estimates were for $655 million in revenue and $0.29 in eps, which means that for the quarter Adobe missed on the **.....** line but more than made it up by controlling expenses.

(a) black (b) bottom (c) red (d) top

Q4 Securities held by a brokerage firm that meet specific qualifications are used as collateral for securing brokers' loans or customers' margin positions; they are held in safekeeping for clients of a broker/dealer or for the broker/dealer itself in a physical location known as the 'active **.....**'.

(a) box (b) case (c) desk (d) safe

Q5 The Commission's Order finds that various NYSE specialists repeatedly engaged in unlawful proprietary trading, which took various forms, including **.....** the firms' dealer accounts between customer orders and trading ahead for their dealer accounts in front of executable agency orders on the same side of the market.

(a) interpellating (b) interpolating (c) interposing (d) interpositioning

Q6 A **.....** economy has left many private golf clubs desperate for new members; stagnant growth of golf participation during the past five years, a surplus of private courses and the recession are prime reasons this is one of the best buyer's markets for private golf in recent memory.

(a) comatose (b) lethargic (c) sluggish (d) torpid

Q7 The inter-relation of economic empire **.....**, both in terms of control over overseas markets and enterprises, is closely linked to domestic policies: tax cuts for the corporation and rich increase capital for export, and privatized social security adds billions in profits for Wall Street investment banks.

(a) building (b) making (c) raising (d) shaping

Q8 Given that we approach the holiday season and that ANZ has potential further upside, a trading strategy referred to as **.....** may be an appropriate strategy for this stock; this option strategy involves buying a call option and selling two call options all with different strike prices.

(a) a Christmas Tree (b) an Easter Egg
(c) a Thanksgiving Turkey (d) a Valentine

Q9 This book highlights advanced technologies that might help you make decisions on when to buy or sell stocks, track their ups and downs, and analyze your portfolio, while you're at it; but don't forget, though they might give a bit of techie buzz to investing, there are limits to what **.....** science can do to help investors.

(a) computer (b) mental (c) rocket (d) silicon

Q10 **.....** up is a process where the company's assets will be gathered and will be used to pay all debts, and the balance for the cost of this process will be distributed among the shareholders according to their interests in the company.

(a) Sealing (b) Shutting (c) Winding (d) Wrapping

Business buzzwords: Last increment bidding

Q1 The data clearly illustrate that some of the participants in the PJM market are bidding their capacity at well above production costs; the bids include prices approaching 1,000 $/MW, and they also show the so-called '**.....** stick' bidding of the last increment of capacity at a very high price.

(a) carrot (b) hockey (c) popsicle (d) swizzle

Q2 I tell my broker, "Buy Soybeans at 662.50," but then I find out I was filled at 663.00, two ticks off my price: the two ticks is called **.....**.

(a) luggage (b) overage (c) selvage (d) slippage

Q3 When the pot is **.....**, the underwriter has no more of the issue to sell to interested investors; if there is still interest in the issue and nothing left for an underwriter to offer, it is probable that the issue was underpriced and oversubscribed.

(a) burnt (b) clean (c) dry (d) gone

Q4 A leader in sales & contact management since 1995 with over 1 million users worldwide, **.....** Sales Contact Manager makes it easy to succeed by effectively managing your time, customers, and sales.

(a) Maximizer (b) Optimizer (c) Organizer (d) Qualitizer

Q5 The All Industry index may spark some interest, but the most meaningful event will not come from the calendar but rather from the completion of the G-20 meeting: if the **.....** make any aggressive comments about yen weakness, USD/JPY may be in for more selling as the week progresses.

(a) FinMins (b) ForMins (c) LabMins (d) LanMins

Q6 Here, we emphasize the reaction of holders of preferred stock to the call announcement, and examine their decision to sell the convertible rather than convert it; this **.....** effect explains the increase in trading volume and also has important spillover effects into the market-making activity in the underlying common stock.

(a) clientele (b) cumulative (c) rebound (d) redound

Q7 Firms are throwing millions of dollars at university IP portfolios without regard to what is actually in the portfolio — are we seeing another **.....** investment strategy that will take us to another nanotech bubble bursting because they are ill-informed and believe nanotech is still so far off for ROI that only IP is available?

(a) copycat (b) daydream (c) deadend (d) lemming

Q8 A Pork **.....** is an arrangement on the floor of the NYSE whereby clerks cover the booth of a floor broker and accept orders, phone calls, and associated tasks; this arrangement is beneficial to the floor brokers as it allows them to handle business outside the floor while still taking orders and maintaining trading requirements.

(a) Barrel (b) Chop (c) Pie (d) Rind

Q9 Section 13(d) of the Securities Exchange Act of 1934 stipulates that once someone obtains five percent of a firm's stock, that person has 10 days to file a disclosure form; but during this period, the potential bidder can continue to make open market purchases, so **.....** purchases may be larger than 5% of a target firm.

(a) knife edge (b) pintail (c) toehold (d) wedge end

Q10 RBC Dominion Securities is accused of **.....** trading in shares of the firm's parent, Royal Bank of Canada; four of its traders are accused of buying and selling $33 million worth of shares at the same time — improperly taking both sides of the trades — to cut risks they faced because of a series of trading errors and misunderstandings.

(a) back (b) flipside (c) offset (d) wash

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Statistical modeling for decision-making

Q1 Dr. Hossein Arsham of the University of Baltimore explains that in this diverse world of ours, no two things are exactly the same, and a statistician is interested in both the differences and the similarities; i.e., both **.....** and patterns.

(a) departures (b) detractions (c) disorders (d) distractions

Q2 The **.....** tables published by insurance companies reflect their statistical analysis of the average life expectancy of men and women at any given age.

(a) actuarial (b) calculation (c) demogogic (d) graduated

Q3 From these numbers, the insurance companies then calculate the appropriate **.....** for a particular individual to purchase a given amount of insurance.

(a) charges (b) fees (c) gratuities (d) premiums

Q4 The more widely used descriptive statistical techniques are: Frequency Distribution, **.....**, Boxplot, Scattergrams and Error Bar plots, and diagnostic plots.

(a) Histograms (b) Holograms (c) Picograms (d) Pictograms

Q5 In examining distribution of data, you should be able to detect important characteristics, such as shape, location, variability, and unusual values, and from careful observations of patterns in data, you can generate **.....** about relationships among variables.

(a) conjectures (b) conjunctions (c) junctures (d) juxtapositions

Q6 The notion of how one variable may be associated with another **.....** almost all of statistics, from simple comparisons of proportions through linear regression.

(a) penetrates (b) peregrinates (c) permeates (d) permutates

Q7 From the data collection plan, a statistical model can be formulated from which inferences can be **.....**.

(a) drawn (b) implied (c) penned (d) sketched

Q8 As an example of statistical modeling with managerial implications, such as 'what-if' analysis, **.....** regression analysis.

(a) acknowledge (b) consider (c) ponder (d) regard

Q9 Frequently, for example, the marketing managers are faced with the question, 'What sample size do I need?' — this is an important and common statistical decision, which should be given **.....** attention, since an inadequate sample size invariably leads to wasted resources.

(a) all (b) apt (c) due (d) long

Q10 Your organization database contains a wealth of information, yet the decision technology group members can usually **.....** only a fraction of it.

(a) tap (b) taste (c) tell (d) try

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A very brief history of management theories

Q1 Carter McNamara explains that views on management have changed **.....** over the past century — particularly in the past few decades.

(a) abundantly (b) bountifully (c) objectively (d) substantially

Q2 The Scientific Management Theory (1890-1940): At the **.....** of the century, the most notable organizations were large and industrialized, and often they included ongoing, routine tasks that manufactured a variety of products.

(a) term (b) tip (c) top (d) turn

Q3 The United States highly **.....** scientific and technical matters, including careful measurement and specification of activities and results, so management tended to be the same.

(a) achieved (b) awarded (c) prized (d) won

Q4 Frederick Taylor developed the 'scientific management theory', which **.....** this careful specification and measurement of all organizational tasks.

(a) engendered (b) engineered (c) espoused (d) exposed

Q5 Tasks were standardized as much as possible, and workers were rewarded and punished; this approach appeared to work well for organizations with **.....** lines and other mechanistic, routinized activities.

(a) assembly (b) command (c) control (d) picket

Q6 The Bureaucratic Management Theory (1930-1950): Max Weber **.....** the scientific management theory, focussing on dividing organizations into hierarchies to establish strong lines of authority and control; he suggested organizations develop comprehensive and detailed standard operating procedures for all routinized tasks.

(a) embattled (b) embellished (c) emblazoned (d) embodied

Q7 The Human Relations Movement (1930-today): Eventually, unions and government regulations reacted to the rather **.....** effects of these theories, and more attention was given to individuals and their unique capabilities in the organization.

(a) degenerating (b) degrading (c) dehumanizing (d) denigrating

Q8 A major belief included that the organization would prosper if its workers prospered as **.....**, and Human Resource departments were added to organizations. well much before possible

(a) before (b) much (c) possible (d) well

Q9 The behavioral sciences played a strong role in helping to understand the needs of workers and how the needs of the organization and its workers could be better **.....**.

(a) aligned (b) alleviated (c) assigned (d) assuaged

Q10 Various new theories were **.....**, many based on the behavioral sciences (some had names like theory 'X', 'Y' and 'Z').

(a) bred (b) hatched (c) laid (d) spawned

Contemporary theories in management

Q1 Carter McNamara explains that contemporary theories of management tend to account for and help interpret the rapidly changing nature of today's organizational environments; as before in management history, these theories are **.....** in other sciences as well.

(a) precious (b) precocious (c) preserved (d) prevalent

Q2 Contingency theory asserts that when managers make a decision, they must take into **.....** all aspects of the current situation and act on those aspects that are key to the situation at hand: basically, it's the approach of 'it depends'.

(a) account (b) concern (c) effect (d) focus

Q3 For example, if one is leading troops in the Persian Gulf, an **.....** style is probably best, but if one is leading a hospital or university, a more participative and facilitative leadership style is probably preferred.

(a) autistic (b) autocratic (c) automatic (d) autonomic

Q4 In systems theory, a system is a collection of parts **.....** to accomplish an overall goal; if one part of the system is removed, the nature of the system is changed as well.

(a) unified (b) unionized (c) united (d) unitized

Q5 For example, a pile of sand is not a system, because if one removes a sand particle, you've still got a pile of sand; on the other hand, a functioning car is a system because if you remove the **.....**, you've no longer got a working car.

(a) carburetor (b) cartridge (c) combustor (d) compressor

Q6 Systems theory has brought about a significant change, or **.....** shift, in the way management studies and approaches organizations.

(a) paradigm (b) paradox (c) parallax (d) parallel

Q7 Chaos theory recognizes that events indeed are rarely controlled; theorists suggest that systems naturally go to more complexity, and as they do so, these systems become more **.....** (or susceptible to cataclysmic events) and must expend more energy to maintain that complexity.

(a) versatile (b) vertiginous (c) volatile (d) voluble

Q8 As they expend more energy, they seek more structure to maintain stability, and this trend continues until the system splits, combines with another complex system or falls **.....** entirely.

(a) apart (b) asunder (c) down (d) through

Q9 The main **.....** behind this theory is the underlying notion of small occurrences significantly affecting the outcomes of seemingly unrelated events.

(a) precept (b) preview (c) pursuit (d) purview

Q10 Related to financial markets, proponents of chaos theory believe that price is the very last thing to change for a stock, bond, or some other security, and that price changes can be determined through **.....** mathematical equations.

(a) plangent (b) pungent (c) stringent (d) tangent

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The entrepreneurial life cycle (1)

Q1 Robert W. Price writes that the entrepreneurial life cycle repeats itself in businesses of all sizes, from start-ups in a **.....** to corporate entrepreneurship activities in global Fortune 500 companies.

(a) garage (b) garden (c) toolbox (d) trailer

Q2 It starts with an entrepreneur who perceives an opportunity, creates an organization to pursue it, assembles the required resources, implements a practical plan, and **.....** the risks and the rewards, all in a timely manner for all involved.

(a) assumes (b) consumes (c) presumes (d) resumes

Q3 This is the significant difference that **.....** entrepreneurial management apart from other business management practices: in almost all cases, the person making the decisions has personal risk at stake.

(a) draws (b) makes (c) puts (d) sets

Q4 The worst-case **.....** for folks 'at work' is getting fired; the worst case for entrepreneurs is losing their home, personal credit, and lifestyle, as well as the destruction of family relationships.

(a) imbroglio (b) intaglio (c) portfolio (d) scenario

Q5 We define entrepreneurial management as the practice of taking entrepreneurial knowledge and utilizing it for increasing the effectiveness of new business **.....** as well as operating small- and medium-sized businesses.

(a) instigating (b) invigorating (c) venturing (d) verifying

Q6 The heart of entrepreneurial management is continually **.....** these vital management issues: the mission and values statement, the goals and objectives, growth strategy, people and resources, organizational capabilities, financing strategy, and its vision of success.

(a) belaying (b) bobbling (c) jousting (d) juggling

Q7 These vital management issues and activities play **.....** in what we call the entrepreneurial life cycle.

(a) about (b) on (c) out (d) through

Q8 It was once said that entrepreneurship is a lot like driving fast on an icy road, but we prefer to think of entrepreneurship as less **.....** and more methodical.

(a) feckless (b) intuitive (c) prohibitive (d) reckless

Q9 Entrepreneurship is a continual problem-solving process; it is like putting together a huge **.....** puzzle; at first pieces will seem to be missing, obscure, or not clearly recognizable.

(a) anacrostic (b) crossword (c) jigsaw (d) sudoku

Q10 Size, profitability, commitment, complexity, scale of organizational structure, decrease in risk, increase in value, and decrease in **.....** involvement characterize each stage of the entrepreneurial life cycle.

(a) builders' (b) creators' (c) founders' (d) progenitors'

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The entrepreneurial life cycle (2): The seven stages

Q1 Opportunity Recognition: This **.....** period is quite literally the 'pre-start' analysis; it often occurs over a considerable period of time ranging from one month to ten years.

(a) degustation (b) digression (c) generation (d) gestation

Q2 Opportunity Focusing: This is a 'sanity check', a go/no-go stage gate for part-time entrepreneurs because it **.....** out shaky ideas and exposes gaping holes.

(a) fades (b) fixes (c) fleshes (d) forms

Q3 It is important to include objective, **.....** viewpoints because different people can investigate the same opportunity and come to opposite conclusions.

(a) exterior (b) extraneous (c) outer (d) outside

Q4 Commitment of Resources: Most entrepreneurs see commitment as incorporating their business or quitting their **.....** job.

(a) day (b) good (c) only (d) real

Q5 But this stage actually starts with developing the business plan; the process will take between 200 to 300 hours, so squeezing that amount of time **.....** evenings and weekends can make this stage stretch over three to twelve months.

(a) into (b) out of (c) over (d) through

Q6 Market Entry: The entrepreneur is committed with a very simple organization, the resources were correctly **.....** according to the business plan, and the first sales were made.

(a) allocated (b) disbursed (c) reimbursed (d) relocated

Q7 If the business model was profitable, reasonable objectives were met, and the venture is on track for attaining true economic health, then the entrepreneur can chose between a capital **.....** for growth or remaining small with self-financing.

(a) infusion (b) insertion (c) insurgence (d) intrusion

Q8 Full Launch and Growth: Or the venture could remain small, for the simple fact that not all small ventures can or will become big companies; they are not fast growth potential because there is not enough room in the market for growth or their production and management systems are not **.....**.

(a) feasible (b) forcible (c) saleable (d) scalable

Q9 Maturity and Expansion: Now the venture is a market leader at cruising altitude; this professional management team is implementing the venture's growth strategy through global expansion, acquisitions, and mergers as cash is plentiful and inefficiencies are completely **.....** out.

(a) flushed (b) rinsed (c) washed (d) wrung

Q10 Liquidity Event: This **.....** stage is focused on capturing the value created in the previous stages through a business exit; typical exits are an initial public offering or being acquired by a larger publicly traded corporation.

(a) cultivating (b) harvesting (c) harrowing (d) seeding

Business Buzzwords: The 'Book'

Q1 On the NYSE and ASE, the specialist determines the **.....** price by looking at his 'book'; he is supposed to select the one price that clears out the maximum number of orders; i.e. by looking at the buy and sell offers and choosing a single price that will execute the most orders (shares).

(a) buying (b) closing (c) opening (d) selling

Q2 UBS Warburg strategist George Vasic said conversations with soccer moms are good places to gather anecdotal research; "typically, it's a lagging **.....**," he says, "if they're asking me about resource or tech stocks, you know the phenomenon has run its course and has already peaked."

(a) factor (b) indicator (c) market (d) strategy

Q3 Traditionally, there is a premium in which the leading television station gains a bigger share of the advertising market than its audience share — hence the name of this effect among media buyers, 'the power **.....**'.

(a) house (b) pack (c) ratio (d) share

Q4 The stock market has done a remarkable swoon, reducing some sectors to '**.....** bit' stocks (you know... 3/8, 1/2, 3/4) and it would appear (if you read, watch or listen to much of the media reports) that we are in for even more troubling times.

(a) drill (b) inch (c) little (d) part

Q5 Michael Lee Davis of Plano was convicted Wednesday of felony charges that identified him as the ringleader of a 'clean **.....**' scam that led insurance companies to issue more than $5 million worth of life insurance policies to people with life-threatening illnesses.

(a) screening (b) sheeting (c) slating (d) sweeping

Q6 Nuclear investigators from the US and other nations now believe that the **.....** market network run by the Pakistani scientist A. Q. Khan was selling not only technology for enriching nuclear fuel, but also some of the darkest of the bomb makers' arts: the engineering secrets needed to fabricate nuclear warheads.

(a) black (b) cellar (c) gray (d) underground

Q7 I do have a big problem with the fact that Yahoo! has failed to articulate a clear strategy about how the company will be dominant for years to come independently; doing lots of **.....** acquisitions is not a strategy (although I like and use MyBlogLog, Flickr, del.icio.us).

(a) ankle-biter (b) back-biter (c) nail-biter (d) over-biter

Q8 To announce that a forex trader wants to buy he/she may say or type '**.....**'; this would also be known as taking the offer.

(a) Aye (b) Here (c) In (d) Mine

Q9 I've been trying to understand why General Motors is so oppressed by **.....** costs, and I think I finally have got it: GM, a company with 300,000 employees, is supporting the number of retirees appropriate for a company with a workforce of 800,000, almost triple the size.

(a) legacy (b) overrun (c) perquisite (d) sunk

Q10 The **.....** for the Google IPO appeared in 'The Wall Street Journal' on September 15, 2004; it showed an IPO date of August 18, 2004, the day the issue was priced, and a total sale of 22,534,678 Class A shares, somewhat less than the full overallotment would have produced.

(a) advert (b) benchmark (c) obituary (d) tombstone

Business Buzzwords: A Rounding Bottom

Q1 Traders like the rounding bottom in **.....** stock pattern because it can be an indication of a positive market reversal, meaning expectations are gradually shifting from bearish to bullish.

(a) a J. Lo (b) an L.L. Bean (c) an L.S./M.F.T. (d) an S.R.O

Q2 Given the very limited number of buyers for such a large block, Gates would be in a weak bargaining position; he might have to sell the stock diffusely in the market or accept a **.....** price for the block, but in either scenario, he would not achieve full value for his block of shares.

(a) bargain-sale (b) fire-sale (c) garage-sale (d) seat-sale

Q3 Less than a year ago, Gary B. Pruitt, the head of the McClatchy Company, was hailed as the **.....** knight of newspapers; while others saw the industry headed for the dinosaur graveyard, Mr. Pruitt rode in to buy the Knight Ridder papers, or some of them anyway.

(a) gold (b) grey (c) silver (d) white

Q4 The American democracy has been stolen by a new class of **.....** barons, the CEOs of our big corporations: a political system dependent on charity from rich men in hand-tailored suits with $100 million retirement packages is no democracy; it is a kleptocracy and is not what our founding fathers envisioned.

(a) billionaire (b) building (c) red (d) robber

Q5 When starting for the first time, should you invest all your money at once, or **.....** feed it into your portfolio? — one study shows that anyone investing a lump sum in one go would have done better up till now than someone making regular staged payments because the capital would have had longer to grow.

(a) bottom (b) drip (c) filter (d) force

Q6 As suggested by Michaely and Womack (1999), analysts may commit to provide a **.....** shot by increasing the strength of their recommendation in the face of an unfavorable market response to the IPO.

(a) booster (b) long (c) parting (d) slap

Q7 Government regulations prevent tips from **.....**, like corporate executives and board members, for the purpose of profiting off virtually guaranteed changes in a stock's price once the news hits the street; anyone with decent insider information is prevented from profiting from it on the open market.

(a) dips (b) drops (c) taps (d) tops

Q8 In the early 1990s, Anglamark was the first organic alternative in all food categories, covering 80% of products, and this gave Coop a **.....** advantage, but not for very long — because some competitors complied with the minimum environmental requirements only, they were soon able to offer products at lower prices.

(a) first-claimer (b) first-comer (c) first-maker (d) first-mover

Q9 **.....** spread is a position consisting of a combination of put options and call options that collectively create commissions so high that it is almost impossible to turn a profit regardless of which direction the underlier moves; the term originates from the idea of the spread 'eating the investor alive'.

(a) A cannibal (b) An alligator (c) An anteater (d) A sashimi

Q10 Nick Kochan, investigative reporter, describes techniques used by the launderers, such as '**.....**', where large sums of money are broken up into small amounts that can be deposited into banking systems without arousing suspicion.

(a) slurping (b) smurfing (c) spilling (d) splitting

Business Buzzwords: Largest Vendor

Q1 SAP tech **.....** Agassi resigns: The world's largest enterprise software application vendor announced on Wednesday that Shai Agassi is departing at the end of the week as president of SAP's product and technology group.

(a) honcho (b) macho (c) nacho (d) poncho

Q2 True investors will look beneath the surface before they risk their hard earned capital — I mean, really do you expect that I'd dump years' worth of research & DD so I could get into the latest **.....** play?

(a) fifo (b) info (c) momo (d) papa

Q3 D-day finally arrived last week for the Washington Public Power Supply System: with its coffers almost empty, **.....**, as everyone now calls the agency, formally declared that it could not repay $2.25 billion in bonds used to finance partial construction of two now abandoned nuclear power plants in Washington State.

(a) Poops (b) Spews (c) Whoops (d) Yipes

Q4 Robert Rubin, the US treasury secretary, is making contingency plans for a possible government funding crisis later this month; the word is that he's planning to issue a new tranche of paper — the Gingrich bond, which has no maturity, the Dole bond, with no interest, and the **.....** bond, with no principal.

(a) Bush (b) Carter (c) Clinton (d) Obama

Q5 Although the transition from a regulated, inflation-ridden environment to a low-inflation free market provided a **.....** to investors that may be difficult to extend into the future, it does show us the economic conditions that are conducive to high investor returns.

(a) beam (b) bean (c) boom (d) boon

Q6 There is still a compelling case for **.....**, as they offer more room for growth than larger companies and greater safety and stability than smaller companies.

(a) mid-bizzes (b) mid-caps (c) mid-corps (d) mid-incs

Q7 Because this is not an exact science, most investment managers work with several risk categories; these categories are summaries of how the investor feels about investment risk, how much **.....** market fluctuations can be tolerated, and how much they expect to profit when the markets are going up.

(a) downside (b) offside (c) outside (d) upside

Q8 EXFO Electro-Optical Engineering Inc. announced today it has filed a registration statement with the United States Securities and Exchange Commission and a preliminary **.....** with the securities commissions in each Canadian province relating to a proposed initial public offering of 6,000,000 shares of its subordinate voting shares.

(a) draft (b) mission statement (c) prospectus (d) synopsis

Q9 A financial **.....** is an online journal that provides news and information on the finance industry, commenting on news and information, also providing stock analysis based on both fundamental and technical principles; the style is more casual than an article and often reflects the personal opinion of the its writer.

(a) blog (b) forum (c) home page (d) web

Q10 Energy is Regent's largest industry **.....**, at 27 percent of assets, including hydroelectric power companies in Kyrgyzstan.

(a) ante (b) bet (c) gamble (d) wager

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Business Buzzwords: Currency Trading

Q1 Banks and trading platforms are competing to get a bigger slice of the rapidly expanding business of **.....** currency trading, where investors buy and sell without revealing their identity to the market.

(a) anonymous (b) generic (c) ninja (d) pseudonym

Q2 The dot-com **.....** ended when the NASDAQ Composite index peaked at 5,048, more than double its value a year earlier, and what followed was a bloodbath of layoffs and consolidation caused by 'dot bombs' — companies launched with great exuberance to grab as much Internet real estate as they could without mounting a successful revenue model.

(a) bubble (b) dream (c) landmine (d) massacre

Q3 The 1929 stock market crash itself, though large in its own right, was nothing compared to the ensuing **.....** market and devastating depression.

(a) boneyard (b) cemetary (c) funeral (d) graveyard

Q4 General Motors Corp. Chief Executive G. Richard Wagoner would love to snare stylish Italian sports car maker Alfa Romeo from its floundering parent, Fiat Auto, in which GM has a 20% stake: "The Alfa brand is like a sleeping **.....**," says one Fiat senior executive, "We can reactivate it with new models."

(a) baby (b) beauty (c) giant (d) pill

Q5 A Euroland corporate raised financing for a power station project, but the gas-fired plant was exposed to the risk of a rise in gas prices, and the power tariff was linked to the European inflation index; so ABN AMRO structured and traded a **.....** swap with the corporate, matching the profile of the corporate's loan.

(a) bumper car (b) ferris wheel (c) merry-go-round (d) roller-coaster

Q6 Georgia Pacific was especially frustrating to bondholders, as the $2.6 billion of post-junk rated issues were tendered, while the legacy investment-grade fallen **.....** bonds dropped by 12 points after double-A plus rated (buyer) Koch Industries said it would not guarantee the Georgia Pacific bonds.

(a) angel (b) arch (c) hero (d) idol

Q7 More than a hundred companies in America are seeking to redefine the **.....** line — moving away from conventional corporate accounting, where the only consideration is profit, to one that also includes the social and environmental impact the company is having.

(a) bottom (b) fine (c) green (d) red

Q8 Financial News USA news distribution services will get your Virtual **.....** Show in front of potential investors, both retail and institutional: our press release enhancement services give you expanded coverage on the wires as well as the ability to target specific groups via our EmailWire and FaxWire services.

(a) Side (b) Slide (c) Road (d) Trade

Q9 No image better represents the United States stock markets than the **.....**: the little one-inch-wide strip of paper is as synonymous with following the performance of stocks and their markets as it is with heroes' welcomes and parades.

(a) bid slip (b) bookmark (c) post-it note (d) ticker tape

Q10 If you're about to launch into the world of **.....**, or want to boost an existing site's revenue in the coming months, this article is for you.

(a) ebusiness (b) ecommerce (c) ibusiness (d) icommerce

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Business Buzzwords: Price Fixing

Q1 The US Congress passed the Sherman **.....** Act in 1890, and most if not all states have comparable statutes prohibiting monopolistic conduct, price fixing agreements, and other acts in restraint of trade having strictly local impact.

(a) Antitrust (b) Guild (c) Oligopoly (d) Syndicate

Q2 Both parents in a **.....** household want to work fewer hours, but that kind of cutback can mean jeopardizing advancement, so usually one partner works to maintain a career (usually the man) while the other parent scales back the career to provide child care (usually the woman).

(a) chav (b) dewk (c) dink (d) neet

Q3 The broker has to know when to accept a counterparty's price quotation and get the trade done: there are times when a broker just has to lift the offer or **.....** the bid, particularly if the futures market is rocking and rolling — if a glance at the board shows the numbers continually changing, it's not the time to try to finesse the prices.

(a) hit (b) spot (c) strike (d) take

Q4 Known as 'the Oracle of Omaha', **.....** is Chairman of Berkshire Hathaway and arguably the greatest investor of all time; his wealth fluctuates with the performance of the market, but for the last few years he has been reported to be worth over $30 billion, making him the second richest man in the world.

(a) Kenneth Thomson (b) Paul Allen (c) Sheldon Adelson (d) Warren Buffett

Q5 We can feast away on stocks that the big boys might like but don't bother with since a few grams of profit won't help them at all; our goal is to find the most promising small companies that one day will grow large enough to attract the **.....** investors.

(a) colossal (b) elephant (c) humongous (d) jumbo

Q6 Most 'sell-side' active management investment firms produce long term excess returns of zero, blurred by a short term noise band which is sometimes positive, and sometimes negative; in George A. Ackerlof's terms, these firms are **.....**.

(a) bagmen (b) burglars (c) lemons (d) losers

Q7 Under normal operation environment, the **.....** price of a stock on the HKE is determined by taking the median of 5 nominal prices in the last minute of the trading hours: the system will take up 5 snapshots on the nominal prices at 15-second interval starting from 3:59:00 p.m.

(a) average (b) closing (c) opening (d) transaction

Q8 The **.....** effect is related to the weekend market analysis performed by millions of investors and traders: many people think 'linearly', and they believe in trends.

(a) Friday (b) Saturday (c) Sunday (d) Monday

Q9 The more drastic poison pill methods involve taking on large debts that the acquiring company would have to pay off; in rare cases, a company decides that it would rather go out of business than be acquired, so they intentionally rack up enough debt to force bankruptcy — this is known as the **.....** Defense.

(a) Baghdad (b) Jonestown (c) New Orleans (d) Waco

Q10 Kellogg Company has a rich history of corporate **.....** responsibility, a history that has grown and evolved to meet the complexities of today's business world and the challenges of a global society; our founder, W.K. Kellogg, sought to "invest my money in people", and that legacy continues to guide our company and our people.

(a) communal (b) neighborhood (c) social (d) welfare

Elements of Organizational Behavior (1)

Q1 Donald R. Clark explains that the organization's base **.....** on management's philosophy, values, vision and goals.

(a) reclines (b) rests (c) sets (d) sits

Q2 This in turn **.....** the organizational culture, which is composed of the formal organization, informal organization, and the social environment.

(a) drives (b) forces (c) leads (d) whips

Q3 The culture determines the type of leadership, communication, and group **.....** within the organization.

(a) dynamics (b) kinetics (c) physics (d) psychics

Q4 The workers perceive this as the quality of work life which directs their degree of motivation, and the final outcomes are performance, individual **.....**, and personal growth and development.

(a) salutation (b) satiation (c) satisfaction (d) saturation

Q5 In the autocratic organizational model, the basis is power with a managerial orientation of authority, while the employees are oriented towards **.....** and dependence on the boss.

(a) obduracy (b) obedience (c) obeisance (d) observance

Q6 The employee need that is met is subsistence, and the performance result is **.....**.

(a) median (b) menial (c) minimal (d) modest

Q7 In the custodial organizational model, the basis is economic resources with a managerial orientation of **.....**, while the employees are oriented towards security and benefits and dependence on the organization.

(a) finances (b) funds (c) money (d) wages

Q8 The employee need that is met is security, and the performance result is **.....** cooperation.

(a) passive (b) pensive (c) penurious (d) persuasive

Q9 In the supportive organizational model, the basis is leadership with a managerial orientation of **.....**, while the employees are oriented towards job performance and participation.

(a) success (b) succession (c) support (d) supposition

Q10 In the collegial organizational model, the basis is partnership with a managerial orientation of teamwork, while the employees are oriented towards responsible behavior and **.....**.

(a) self-awareness (b) self-consciousness (c) self-control (d) self-discipline

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Elements of Organizational Behavior (2)

Q1 Clark's 'Big Dog's Leadership Page' remarks that although there are four separate organizational models, almost no organization operates exclusively in one; there will usually be a **.....** one, with one or more areas overlapping in the other models.

(a) nominal (b) normal (c) predominant (d) prejudicial

Q2 The first model, autocratic, had its roots in the industrial revolution, and the managers of this type of organization **.....** out of McGregor's Theory X.

(a) elucidate (b) emerge (c) operate (d) originate

Q3 The next three models begin to build on McGregor's Theory Y; they have each evolved over a period of time and there is no **.....** 'best' model.

(a) one (b) simple (c) singular (d) very

Q4 A social system is a complex set of human relationships interacting in many ways; within an organization, the social system includes all the people in it and their relationships to each other and to the **.....** world.

(a) entire (b) outside (c) public (d) real

Q5 Also, the social system does not have **.....**; it exchanges goods, ideas, culture, etc. with the environment around it.

(a) boundaries (b) containment (c) isolation (d) parameters

Q6 Culture is the conventional behavior of a society that **.....** beliefs, customs, knowledge, and practices.

(a) delimits (b) descries (c) encloses (d) encompasses

Q7 It influences human behavior, even though it seldom enters **.....** their conscious thought.

(a) at (b) in (c) into (d) to

Q8 People depend on culture, as it gives them stability, security, understanding, and the ability to **.....** to a given situation.

(a) react (b) reflect (c) reply (d) respond

Q9 Individualization is when employees successfully **.....** influence on the social system by challenging the culture.

(a) excite (b) exempt (c) exert (d) exhort

Q10 The match that organizations want to create is high socialization and high individualization for a creative environment, but this can become quite a balancing **.....**.

(a) act (b) board (c) show (d) stunt

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Asset Allocation

Q1 Ope Agbaje, an ABS analyst at CSAM, comments that traditional approaches to asset allocation have tended to focus on packaging together risk and return into one portfolio in the pursuit of **.....**.

(a) maxiperformance (b) megaperformance (c) outperformance (d) overperformance

Q2 However, there has more recently been a gradual shift towards separating out these two key components into **.....** strategies, whereby the portfolio is composed of highly risk-controlled 'core' products, combined with more flexible satellite' products that are focused on alpha generation.

(a) distinct (b) diffused (c) unequal (d) unique

Q3 This asset allocation strategy is typically composed of a core portfolio that incorporates strategies invested against liquid benchmarks and managed within very **.....** risk parameters.

(a) lax (b) slack (c) taut (d) tight

Q4 Such core strategies include traditional equity and fixed income products that are either passively or actively managed against benchmarks such as the S&P 500 and the JP Morgan Government Bond Index, **.....**.

(a) formally (b) formerly (c) respectfully (d) respectively

Q5 The satellite portion allows the investor to select more aggressive and often less liquid strategies that have **.....** correlations with the core component and provide the portfolio manager with the flexibility to generate attractive returns.

(a) faster (b) finer (c) lesser (d) lower

Q6 Within this space, investors have the opportunity to add more specialist asset classes, including absolute return products, hedge funds, commodities and property depending on individual risk **.....**.

(a) agendas (b) budgets (c) itineraries (d) tables

Q7 Within the fixed income world, a broad range of innovative alpha generating strategies can be employed as the satellite component of a **.....** portfolio.

(a) disbursed (b) distended (c) distributed (d) diversified

Q8 However, while investors are becoming more familiar with asset classes such as convertibles, high yield and emerging **.....** debt, a number of new credit products also make attractive satellite components.

(a) class (b) interest (c) market (d) nation

Q9 One asset class that is beginning to receive more **.....** is asset backed securities (ABS).

(a) attention (b) brokerage (c) effort (d) pressure

Q10 These products have been developed from a financing technique called **.....**, whereby a company will pool its assets together to guarantee the issuance of bonds, which are then sold to investors.

(a) amalgamation (b) securitization (c) synchronization (d) unitization

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Asset Backed Securities

Q1 Ope Agbaje, the ABS analyst at CSAM, goes on to explain that there are a number of important advantages for investors **.....** asset backed securities.

(a) filing (b) holding (c) keeping (d) seeking

Q2 Firstly, they gain exposure to a liquid, fixed income investment in a diversified pool of assets, such as auto loans, which make **.....** alternative to a corporate bond or other fixed income investment.

(a) a lucrative (b) an attractive (c) an elective (d) a seductive

Q3 In some cases **.....** assets, or assets which investors would not ordinarily have access to, such as loans to small and medium enterprises, make up the pool of assets.

(a) bound (b) fixed (c) illiquid (d) restricted

Q4 However, unlike unsecured bonds, which are fully dependent on the operating, payment ability and ultimately bankruptcy risk of a company, asset backed securities to various degrees tend to be **.....** (fully or partly) from those risks.

(a) excluded (b) exclusive (c) remote (d) removed

Q5 Typically, they are legally separated from the originator and rely entirely on the performance of the ring-fenced assets, transferred and **.....** as bond collateral.

(a) guaranteed (b) pledged (c) sworn (d) vowed

Q6 Simply put, the investor buying the securities is not **.....** to the credit risk associated with originator of the assets and, thus, ABS bonds represent one of the more secure forms of fixed income securities from a credit quality standpoint.

(a) engaged (b) entailed (c) exposed (d) extended

Q7 A number of ABS issues also benefit from external protection in the form of insurance, such as a credit enhancement provider that ensures the quality of the issue, as well as a liquidity provider that covers certain cashflow
......

(a) overruns (b) shortcomings (c) shortfalls (d) windfalls

Q8 A further benefit for the investor is that the risk associated with consumer credits, such as credit cards and home loans, can be more easily calculated using advanced quantitative techniques, without the same level of **.....** often associated with other fixed income debt such as corporate bonds.

(a) accuracy (b) objectivity (c) subjectivity (d) subtlety

Q9 This is because a statistical approach can be more relevant for some asset back bonds that have a **.....** underlying collateral consisting of thousands of loans.

(a) disparate (b) homogenous (c) motley (d) unique

Q10 While ABS bonds have long been a key component of many fixed income strategies, the search for new sources of **.....** have led many investors to the ABS market.

(a) assets (b) income (c) interest (d) yield

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Swedish Trade Unions

Q1 Swedish unions do not rely much on formal organizing campaigns; employees join either of their own **.....** or as a result of group pressure.

(a) decision (b) purpose (c) volition (d) willpower

Q2 Being outside a union is a risky business, as unions control much of labour regulation; though any form of **.....** against non-unionized employees is against the law, it can be hidden by employers acting together with unions.

(a) derogation (b) discrimination (c) ostracization (d) segregation

Q3 Unionization rates in the service sector are significantly lower than in industry, at least among blue-collar workers; still, they **.....** around 70 per cent, a figure that is high enough not to cause serious union worry.

(a) hover (b) idle (c) sidle (d) quiver

Q4 Atypical work has **.....** and now accounts for some 30 to 35 per cent of total employment; however, atypical employees are unionized to the same extent as others, perhaps slightly more so.

(a) bloomed (b) blossomed (c) flowered (d) mushroomed

Q5 The reason seems to be that they are more **.....** to exploitation and so have more to gain from union membership.

(a) amenable (b) amicable (c) viable (d) vulnerable

Q6 Effective collective **.....** arrangements exist in all sectors of the economy.

(a) bargaining (b) contracting (c) dealing (d) striking

Q7 Even the temporary work business is unionized and covered by a **.....** collective agreement.

(a) comprehensible (b) comprehensive (c) exhaustive (d) inexhaustible

Q8 The greatest difficulty is to make salaries respond to changes in market demand: the pay structure is highly **.....** in the sense that it is extremely difficult to change the relative level of different categories of employees.

(a) rigged (b) rigid (c) seated (d) set

Q9 If one union manages to negotiate extra high pay increases for its members, perhaps due to market forces, all other unions will immediately demand — and fight hard for — the same increase, threatening to **.....** the initial effect.

(a) redo (b) remake (c) undo (d) unmake

Q10 Unions have a **.....** monopoly on collective pay regulation since there is no free labour market in the sense of a market not governed by collective agreements.

(a) de facto (b) de jure (c) in vitro (d) in vivo

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Business Buzzwords: At the Bombay Stock Exchange

Q1 The Bombay Stock Exchange has shifted certain stocks to the trade-for-trade segment, where you pay Rs 25,000 to take delivery of the shares you bought and the quantity you have sold will be presented for delivery: the reason for the shift is that the exchange wants to curb **.....** trading.

(a) circular (b) reciprocal (c) yo-yo (d) zero sum

Q2 The **.....** Effect hypothesis states that the economic crisis that affected several South American countries in 1995 was caused by an exogenous capital flight triggered by the loss of confidence of foreign investors after the collapse of the Mexican peso in December 1994.

(a) Lambada (b) Tequila (c) Tortilla (d) Zedillo

Q3 The Presidential Election **.....** Theory (PECT) of stock prices suggests that stocks decline soon after a president is elected when harsh and unpopular measures are necessary to bring inflation, government spending and deficits under control for the long-term health of the economy.

(a) Consequence (b) Control (c) Corollary (d) Cycle

Q4 Make certain you have, or if you are an entrepreneur, make certain your existing syndicate has, dry **.....** to see you through hard times; this means putting no more than 25-30% of your total allocation up front, and make certain you have reserves to meet pro rata needs.

(a) flour (b) powder (c) socks (d) vermouth

Q5 Deep-Format, who by smell could only be a Microsoft insider, is leaking about Microsoft's botch job on the Ecma spec; this kind of **.....** could only be from a disgruntled employee on the Office or XML dev team.

(a) blob (b) boob (c) plop (d) poop

Q6 The multitude of mergers and acquisitions has raised issues that need to be considered before the prospect of an acquisition arises; one is the application of the golden **.....** rules of Sec. 280G, regarding severance payments to be made to a corporation's top employees and directors on a change in control.

(a) arches (b) booty (c) life jacket (d) parachute

Q7 William McCormick, chairman and chief executive of CMS Energy Corp, said the company's use of '**.....**' — trades where the same amount of electricity is exchanged at the same price between two players — was apparently aimed at making CMS look more powerful in wholesale power markets than it actually was.

(a) cross-wiring (b) double-dealing (c) round-tripping (d) shadow-boxing

Q8 Asset size explains in part why funds become index **.....**: DeGroot thinks most funds need no more than 50 stocks to be well diversified, after which they begin behaving increasingly like an index fund.

(a) huggers (b) matchers (c) stalkers (d) trackers

Q9 Examples of **.....** leaders are the executives of Enron, who stowed away millions of dollars until they were finally caught.

(a) honeybee (b) leprechaun (c) squirrel (d) stevedore

Q10 Ten or more years ago **.....** was all the rage, spurred by the theories of David Foote; among the many things we were told by its various advocates was that aging baby boomers would invest lots of disposable income in the markets, driving them to dizzy heights.

(a) Babyshares (b) Babybaiting (c) Boomeranging (d) Boomernomics

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Business Buzzwords: Casino Operations

Q1 Shares of Las Vegas Sands Corp. fell after the **.....** on Wednesday, after the casino operator said its first-quarter profit fell: LVS.N shares were down 4 percent at $85 in extended-hours trading.

(a) ball (b) bell (c) mark (d) market

Q2 With the Dow Jones Industrials teetering on the brink of the 12,000 level, **.....** Team commander, Henry Paulson, issued a buy signal; "The president's economic advisers are keeping an eye on the markets," said a White House spokesman, revealing that Bush got a phone briefing from Paulson that day.

(a) Plunge (b) Poke (c) Prod (d) Pump

Q3 When volume on an exchange is so heavy that the tape runs more than five minutes behind, the **.....** price interrupts the delayed prices every 5-10 minutes to show the current price of a heavily traded stock.

(a) flash (b) quick (c) spot (d) zip

Q4 The **.....** strategy places bonds only in very short and very long maturities, making it easy to shift the average maturity of the portfolio.

(a) bottleneck (b) dumbbell (c) hourglass (d) pendulum

Q5 **.....** refers mostly to the stocks on the All Ordinaries index, which is composed of 280 of the most active Australian companies.

(a) Kangaroos (b) Kiwis (c) Koalas (d) Kookaburras

Q6 Opinion **.....** can adversely affect the independence of auditors; it is a different activity than obtaining a second opinion, which has the objective of obtaining the right answer, and is in fact illegal.

(a) combing (b) gleaning (c) shopping (d) trawling

Q7 The economy is coming in for a landing; optimists say it will be the much sought after '**.....** landing' when the economy slows but doesn't skid into recession, but some economists now are forecasting a bumpy landing, or even worse.

(a) slick (b) smooth (c) soft (d) sweet

Q8 The pro forma combination of buy-recommended ConocoPhillips (COP) and buy-recommended Burlington Resources (BR) would create a new company with a stock market capitalization of $100 billion thereby qualifying as the sixth mega **.....** energy company in our coverage.

(a) bite (b) buy (c) cap (d) corp

Q9 Having a **.....** chest of $11.2 billion gives Google freedom to make strategic acquisitions, even overpaying if necessary, and to take a longer-term view with its products and acquisitions, enabling it to push new services out the door now and figure out how to make money off them later.

(a) game (b) hope (c) treasure (d) war

Q10 **.....** are not intended for public distribution: they are meant to be a rough introduction to the company about to issue the new security, thus they are incomplete and not necessarily accurate.

(a) Cheatsheets (b) Dope sheets (c) Greensheets (d) Rap sheets

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Business Buzzwords: South African Labour Laws

Q1 The new law will do away with employers who have abused the independent contractor provision in South Africa's existing labour laws, but NMG-Levy labour consultant Brian Allen says 'legislative **.....**' could affect genuine supplier relationships while wiping out this form of evasion.

(a) overdose (b) overkill (c) overload (d) overrun

Q2 The NYSE applies program trading **.....** whenever the NYSE Composite Index moves 150 points higher or lower than the previous day's closing price; this restriction stays in place until the NYA returns to within 70 points of the previous day's closing price or until the end of the trading day.

(a) blocks (b) brakes (c) checks (d) curbs

Q3 The **.....** Effect, which harkens to the Hebrew slave who prophesied seven years of feast and famine, relates to the market's tendency to have a long-term memory-for example, a rise in stocks tends to be followed by additional increases.

(a) Ben Hur (b) Joseph (c) Moses (d) Spartacus

Q4 I am therefore pleased to report that the second half did indeed show a solid improvement; we managed to more than reverse the first half loss and remain on **.....** for the trading performance to continue along this trend.

(a) course (b) line (c) rise (d) stream

Q5 August was the cruelest month for Dell Inc, when it recalled 4.1 million laptop batteries because of fears they might ignite, announced a shockingly bad quarter and disclosed that the SEC has launched an investigation of its accounting; 'Dell is in the **.....** box' admits founder Michael Dell.

(a) black (b) ice (c) penalty (d) trash

Q6 A **.....** stock is a perfect stock for investment — named after the gorgeous star of the movie '10'.

(a) Bo Derek (b) Jennifer Lopez (c) Marilyn Monroe (d) Sharon Stone

Q7 Most economists think it's unlikely the **.....** effect will be enough to tip the U.S. economy back into recession; after all, the average American already watches four hours of TV a day.

(a) ABC (b) CBS (c) CNN (d) NBC

Q8 There's a saying in the stock world, that goes, "Don't fight the **.....**" — what this means is that when there's powerful selling going on against a stock, only the foolish step in and start buying, because the price is likely to continue to decline.

(a) rush (b) system (c) tape (d) traffic

Q9 Hedge fund managers will often call analysts and present a very persuasive argument as to why a stock deserves an upgraded rating; this **.....** does not always lead an analyst to change his or her rating, but it works enough of the time for the practice to persist.

(a) dogging (b) drubbing (c) hassling (d) hounding

Q10 **.....** Management is the process of identification, analysis and either acceptance or mitigation of uncertainty in investment decision-making.

(a) Bond (b) Broker (c) Portfolio (d) Risk

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Business Buzzwords: Young Companies

Q1 **.....** capitalists mitigate the risk of investing by developing a portfolio of young companies in a single fund.

(a) Invention (b) Investment (c) Venture (d) Vulture

Q2 Sanyo Electric is cooperating with the investigation into its suspected window-**.....** of earnings; Sanyo may have falsified its fiscal 2003 earnings report, writing off far fewer losses than its subsidiaries had and falsely reporting a profit when it was in the red.

(a) cleaning (b) dressing (c) screening (d) waxing

Q3 Price discrepancies, although at odds with mainstream finance, are persistent phenomena in financial markets; these apparent mispricings lead to the presence of **.....**, who aim to exploit the resulting profit opportunities, but whose role remains controversial.

(a) arbitrageurs (b) arbitrators (c) saboteurs (d) segregators

Q4 While we anticipate that a supplemental for FY07 will ultimately be signed into law, we expect uncertainty surrounding the level of DoD funding will continue, and as a result, we have less **.....** into our next fiscal year than we normally would have at this point in the year.

(a) assurance (b) confidence (c) security (d) visibility

Q5 "One of the reasons we have a healthcare crisis is because, as a consumer, I don't have that much **.....** in the game," said Arkansas GOP Gov. Mike Huckabee, "there needs to be a transformation from a third-party insurance system to more financial participation by the patient."

(a) clout (b) coin (c) heart (d) skin

Q6 A lot of investors and fund managers sold the stock only to buy it a few days later at lower prices; but there is brokerage to be paid on both the transactions (while buying and selling), so unless the fund manager will make a lot of money on that stock, **.....** may not be all that prudent after all.

(a) churning (b) crossing (c) shuffling (d) swinging

Q7 The five largest music companies and music retailers agreed to pay $67.4 million to settle a lawsuit over alleged price-**.....** in the late 1990s; prosecutors said that the industry kept consumer CD prices artificially high between 1995 and 2000 with a practice known as 'minimum-advertised pricing'.

(a) fixing (b) freezing (c) setting (d) squeezing

Q8 Insiders are an obvious target for policies designed to provide information security, because they have legitimate uses for communication channels that can also be used to breach security; by restricting the use of these channels, the organisation can create barriers to information **.....**.

(a) bondage (b) breakage (c) leakage (d) spillage

Q9 **.....** pitch is a quick and concise way to communicate who you are, what you do, and why you do it better; it's more than a mission statement — it's understanding your business in a way that gets people excited, involved, and thinking.

(a) A doorway (b) An alley (c) An elevator (d) A sidewalk

Q10 If a trader is in a long position on a currency pair and the exchange rate moves upward in her favor a bit but fails to move past a key resistance level she was expecting as a catalyst for further movement, the trader would probably deem the trade **.....** on a failure and close it out for whatever profit had been earned.

(a) dead (b) down (c) flat (d) frozen

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Business Buzzwords: Japanese Automobiles

Q1 The '**.....**' structuring of assembler-supplier relations historically enabled Japanese auto assemblers to remain lean and flexible while enjoying a level of control over supply akin to that of vertical integration.

(a) kaizen (b) keiretsu (c) zaibatsu (d) zamindari

Q2 **.....** the yield curve, the fixed-income strategy of purchasing a longer-dated security and selling before maturity, is a popular means to achieve excess returns compared to buying-and-holding, despite its implicit violations of market efficiency and the pure expectations hypothesis of the term structure.

(a) Bumping (b) Driving (c) Riding (d) Tracking

Q3 Resident Market Makers would be able to vote to reduce the commission charge for the **.....** (OBO) who keeps the public limit orders in the relevant class of options.

(a) Official Book Orderly (b) Old Boy Official
(c) Option Book Officer (d) Order Book Official

Q4 '**.....** shops' are firms that entice people through various tactics to open trading accounts with them (including misleading job advertisements that promise quick, unrealistic returns), but on contractual terms that are favourable towards these firms.

(a) Bucket (b) Bully (c) Cadge (d) Cellar

Q5 **.....**-industry theory posits that small or less productive firms in developing countries require protection to catch up to foreign competitors, and this theory is often cited as a validation for government-sponsored protection from trade and foreign direct investment.

(a) Infant (b) Initial (c) Spoonfed (d) Subsidy

Q6 Small capitalization public companies need access to savvy investors in micro and small cap stocks who are actively seeking the next **.....**, but the typical investor thinks that he should avoid the small cap market, that he would never have the insight, inside knowledge, skill or luck to find a blockbuster performer.

(a) threebagger (b) fourbagger (c) sevenbagger (d) tenbagger

Q7 Bankruptcy courts are receptive to granting certain protections for the **.....** horse bid because of the risk and expense incurred in making the first bid and the interest it generates for the assets.

(a) bucking (b) racing (c) rocking (d) stalking

Q8 A persistent growl from the bear camp two years ago was that the U.S. economy was headed for a 'double-**.....** recession', meaning the economy was in danger of sliding back into a period of negative growth after having climbed out of it.

(a) bubble (b) dip (c) scoop (d) trouble

Q9 Ultimately, Louis Rukeyser's TV show, 'Wall Street Week', made investing look too easy: you can't rely on **.....** to tell you when to be in or out of the market.

(a) elves (b) entertainers (c) ghosts (d) hosts

Q10 Nicknamed "The Junk Bond King", Michael **.....** is credited with founding the high-yield debt market but was banned for life from the securities industry.

(a) Faraday (b) Fox (c) Milken (d) Moore

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Global Production Systems

Q1 The global and national economies, as well as individual industries and firms, have **.....** a tremendous amount of restructuring in the past several decades.

(a) overhauled (b) overseen (c) undergone (d) underwritten

Q2 Until the 1970s, the global economy was primarily composed of national companies operating mainly within their **.....**, and the system was characterized by shallow integration versus the deeper integration of today, in which global production systems distribute production across the globe.

(a) borders (b) factories (c) limits (d) precincts

Q3 **.....** across firms and countries have strengthened as trade has greatly expanded and production has moved southward.

(a) Boundaries (b) Bridges (c) Lineages (d) Linkages

Q4 No longer does a single firm control all of a company's activities, but rather the system operates from a network-centric **.....** and a firm is disconnected from the customers it serves for instance, Nike now has 900 suppliers and 650,000 workers spread over 50 countries.

(a) objective (b) perimeter (c) perspective (d) vantage

Q5 But while there has been a diffusion of production, the control has solidified on the retail side as a result of consolidation among top-**.....** firms and a proliferation among potential suppliers.

(a) flight (b) gun (c) ten (d) tier

Q6 The increase in world agricultural trade is partly a result of the greater market access that produce receives as compared to other agricultural products, especially under **.....** trade agreements such as NAFTA and the Lome Convention.

(a) eventual (b) potential (c) preferential (d) sequential

Q7 Accompanying this increased trade has been a restructuring of the market from a fragmented industry with low **.....** of entry to a market dominated by retail oligopolies that control over half of the fresh produce sold.

(a) barriers (b) methods (c) obstacles (d) rates

Q8 This has caused a change towards greater quality, supply **.....** efficiencies, and product differentiation.

(a) chain (b) production (c) route (d) side

Q9 The result of this concentration and higher standards has been a decline in **.....** who are unable to meet all the new requirements and a downward pressure on prices and wages, a widening gender gap in terms of wages, and increased insecurity among workers in the industry.

(a) dirt farmers (b) landowners (c) truck gardeners (d) smallholders

Q10 Technological advancements happen at such a rapid rate that it is hard for a country to **.....** up and remain competitive.

(a) catch (b) keep (c) level (d) stay

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Global Production and the Labour Market

Q1 The share of trade in world GDP has been increasing with a shift from **.....** to manufactured goods and a growing importance of intermediary goods as a result of outsourcing.

(a) accommodations (b) commodities (c) commonalities (d) communications

Q2 This increase in outsourcing has been accompanied by rising income inequality (25% of which is **.....** to outsourcing) and historic high rates of profits and profit share.

(a) an attribute (b) a tribute (c) attributable (d) attritional

Q3 To **.....** greater gains from trade, countries are seeking to increase their value-added position as they expand their industrialization, but have often found difficulty in upgrading.

(a) capture (b) contract (c) control (d) corral

Q4 The newly industrializing Asian countries have had success in upgrading, whereas Latin America and **.....**-Saharan Africa have had difficulty (e.g., Mexico has been able to expand exports but only with a small amount of value-added).

(a) Mid (b) South (c) Sub (d) Trans

Q5 China's rapid rise **.....** an additional threat for most developing countries outside of Asia that have had trouble upgrading.

(a) portends (b) poses (c) posits (d) posts

Q6 The 1990s saw only a **.....** growth in per capita income outside of Asia and a rise in income inequality within countries as a result of the Washington Consensus of export-led manufacturing growth, deregulation, and liberalization.

(a) maugre (b) meager (c) measly (d) menial

Q7 And as China participates even more fully in the global economy, developing countries will not be able to compete with China's abundant supply of cheap labor and developed infrastructure and will therefore be **.....** affected.

(a) adversely (b) conversely (c) inversely (d) obversely

Q8 The increased market linkages that now characterize the global economy have caused considerable product and labor market **.....**: many industries are now characterized by oligopolies on top and increased supplier competition at the bottom.

(a) acerbities (b) anomalies (c) antonymies (d) asymmetries

Q9 It is an endogenous process that is sustainable because of barriers to entry on the top, an abundant supply of labor on the bottom, and the entry of more firms on the **.....** level even though many industries already have excess global capacity.

(a) base (b) field (c) first (d) ground

Q10 This has led to a value-added **.....** for developing countries that face obstacles to industrial upgrading, pressure downstream to keep prices low because of low margins, and pressures on labor markets to keep wages low.

(a) squeeze (b) squelch (c) squint (d) squirt

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Corporate Social Responsibility

Q1 As tales of labor abuse in developing countries by multinational companies have **.....** the headlines in developed countries, some of these companies have adopted voluntary corporate social responsibility codes.

(a) caused (b) forced (c) made (d) set

Q2 These codes are **.....** taken by companies over and above their legal obligations to treat the stakeholders of the firm ethically and in a responsible manner.

(a) initializations (b) initials (c) initiations (d) initiatives

Q3 This is a move beyond the narrow view of pursuing only short-term profit-maximizing objectives to a broader view of greater social responsibility, but while these codes promote **.....** work standards, they do not necessarily mean more jobs.

(a) decent (b) deceptive (c) decreased (d) drastic

Q4 Companies are not implementing these new corporate social responsibility standards solely for **.....** reasons, but rather there is a burgeoning market for standards in which companies will provide standards if consumer will pay more for this benefit.

(a) altricial (b) altruistic (c) ulterior (d) unrealistic

Q5 But the demand curve for standards is kinked, with consumers not willing to pay **.....** much more for standards but would cause a huge adverse impact if a company allowed for major labor violations.

(a) as (b) that (c) them (d) up

Q6 The persistence of violations and consumers' desire for adequate labor conditions has led to the **.....** of vigilantes and verifiers (organizations that check that companies are actually following their reforms, such as the Fair Labor Association and Social Accountability International).

(a) procession (b) production (c) profusion (d) proliferation

Q7 For any effort by either the vigilantes or the verifiers to be successful, it needs to involve the workers in **.....** since they are the ones who confront the conditions on a daily basis.

(a) depth (b) fact (c) question (d) situ

Q8 The standards market has an inherent limitation, since it relies on consumers in developed countries to take action; it therefore limits the number of affected products, and since the worst **.....** occur in the informal sector, there is much that corporate codes of conduct will be unable to change.

(a) abuses (b) constrictions (c) excuses (d) restrictions

Q9 While voluntary corporate codes of conduct are a start, they are not enough to fully **.....** the problem.

(a) address (b) advance (c) ascend (d) assess

Q10 National action (and perhaps legislation) can improve the **.....** of corporate codes and monitoring, in areas such as transparency, consultations by auditors and monitors with local authority, and consistent enforcement of labor standards.

(a) inroads (b) outcomes (c) overviews (d) upgrades

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The LS9203 Omni-Directional Presentation Scanner

Q1 With stiff competition and commodity price constraints, service is your greatest **.....**: that means fast checkout and stocking what your customers want.

(a) delineator (b) determiner (c) differentiator (d) discriminator

Q2 Your instincts are good, but it's still a guessing **.....** to match your inventory with customers' preferences, because you have no way to precisely track what they're buying.

(a) game (b) play (c) quiz (d) trick

Q3 Retailers with stores of all sizes are overcoming these challenges by transforming their business processes, abandoning paper-based sales and inventory tracking for electronic data **.....** systems.

(a) cache (b) capture (c) content (d) cover

Q4 While mobile technologies offer new ways to effectively manage inventory and **.....** retail operations, complex and expensive systems may not fit the needs of your organization.

(a) blueline (b) mainline (c) skyline (d) streamline

Q5 Instead, you need a tool that's affordable, reliable, integrates into your **.....**-of-sale (POS) environment easily and can be used without extensive training.

(a) place (b) point (c) port (d) post

Q6 Symbol's easy-to-use LS9203 omni-directional scanner speeds checkout and improves sales and inventory management in retail operations where **.....** space is limited.

(a) cashier (b) control (c) counter (d) customer

Q7 Designed to work as both a presentation and handheld scanner, the LS9203 enables your employees to scan bar codes hands-**.....**, as well as bring the scanner to the merchandise to quickly scan several items at once and avoid lifting heavy products.

(a) free (b) full (c) off (d) on

Q8 With automated scanning, you eliminate pricing errors caused by manual input mistakes, reduce profit-eroding shrinkage and discourage '**.....**' by requiring a manager's approval before offering special deals for friends and relatives.

(a) befriending (b) dreamboating (c) lovebirding (d) sweethearting

Q9 With increased **.....** into what your customers are buying, you encourage repeat business by providing the products your customers want, when they want them.

(a) veritability (b) versatility (c) viability (d) visibility

Q10 And the LS9203's small **.....** leaves you enough space to set up product displays at the checkout counter, so your customers are able to easily pick up last-minute items.

(a) footfall (b) footpad (c) footprint (d) footstand

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Nanotube Technology

Q1 CNTs (carbon nanotubes) have probably been around for a lot longer than was first realized, but **.....** microscopy at that time was not advanced enough to distinguish them from other types of tubes.

(a) electric (b) electrolytic (c) electron (d) electronic

Q2 The first method for producing CNTs and fullerenes in **.....** quantities was by applying an electric current across two carbonaceous electrodes in an inert gas atmosphere.

(a) reasonable (b) refinable (c) required (d) righteous

Q3 This method is called plasma arcing: it involves the evaporation of one electrode as cations followed by **.....** at the other electrode.

(a) deliquescence (b) deposition (c) dilation (d) dilution

Q4 The carbon arc discharge method is the most common and easiest way to produce CNTs, but it produces a complex mixture of components and requires further purification to separate the CNTs from the soot and the **.....** catalytic metals present in the crude product.

(a) recovered (b) recrudescent (c) resident (d) residual

Q5 This method creates CNTs through arc-vaporization of two carbon rods placed end to end, separated by approximately 1mm, in an enclosure that is usually filled with **.....** gas at low pressure.

(a) inept (b) inert (c) inset (d) intent

Q6 Another method of nanotube synthesis involves plasma arcing in the **.....** of cobalt with a 3% or greater concentration.

(a) catalyst (b) circumference (c) presence (d) proximity

Q7 The nanotube product is a compact cathode deposit of rod-like **.....**.

(a) analogy (b) graphology (c) morphology (d) topology

Q8 However, when cobalt is added, the nature of the product changes to a web, with strands of 1mm or so thickness that stretch from the cathode to the walls of the reaction **.....**.

(a) vassal (b) vessel (c) vestibule (d) vestige

Q9 The **.....** by which cobalt changes this process is unclear, however one possibility is that such metals affect the local electric fields and hence the formation of the five-membered rings.

(a) machinations (b) machinery (c) mechanics (d) mechanism

Q10 Arc-discharge and laser vaporization are currently the principal methods for obtaining small quantities of high quality CNTs, but both methods suffer from **.....**: the CNTs are difficult to purify, manipulate, and assemble for building nanotube-device architectures for practical applications.

(a) backups (b) breakups (c) breakdowns (d) drawbacks

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Company Mergers

Q1 The question is often asked why one huge company should want to take over another massive organisation just for the sake of **.....** or overthrowing a business rival.

(a) tipping (b) tapping (c) topping (d) toppling

Q2 The winner may well have plenty of resources and **.....** at its disposal to carry out the take over but there has to be another reason.

(a) stages (b) platforms (c) supports (d) floors

Q3 It may well have the **.....** market share in that area with no opposition from any other competitor.

(a) leading (b) directing (c) driving (d) guiding

Q4 In that case why should it want to carry out its plan and do the **.....** thereby inheriting all the problems that the other company has experienced?

(a) deed (b) action (c) deal (d) process

Q5 It is possible that it has had a good year and at the end of the financial year it has produced an excellent **.....** of results that has pleased its shareholders.

(a) package (b) packet (c) crowd (d) set

Q6 Another reason of course is that it just wanted to do what the shareholders wanted by **.....** to their wishes.

(a) pandering (b) pleasing (c) placating (d) promoting

Q7 In that case it won't necessarily increase its profits or **.....** its reputation in the business world.

(a) build (b) bolster (c) boot (d) barter

Q8 It may indeed suffer an initial **.....** in business and profits may be substantially reduced.

(a) download (b) downfall (c) downpour (d) downturn

Q9 Any company on reflection should think seriously before splashing **.....** and spending huge sums of money.

(a) out (b) off (c) over (d) in

Q10 The reality is that any company bent on a takeover should be wary of losing business and clients because there may well be a mass **.....** of customers.

(a) expulsion (b) exile (c) exodus (d) explosion

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Business Buzzwords: Con Men

Q1 Connie tried selling her family's camper on an Internet auction site, only to have a con man make off with it while sticking her with a **.....** check — the buyer sent a check for $10,500 and sent a driver to pick up the camper, so Lang turned it over, but two weeks later found out the check had bounced.

(a) paper (b) plastic (c) rubber (d) vinyl

Q2 In the charges brought against RT Capital, members of that firm admitted their actions were against the public interest: those actions apparently consisted of 53 cases of causing the price of a security to end the day on an up tick — a high **.....**.

(a) bench (b) close (c) mark (d) street

Q3 Parties to an Exchange for Physical trade, which is another form of **.....** trade permitted by most exchanges, have considerable leeway in reporting; EFP transactions can occur at any time, during and after market hours, and there is no time restriction to report an EFP to the exchange.

(a) a downstairs (b) an inside (c) an outside (d) an upstairs

Q4 The methods used by Katz created a false and misleading appearance of trading activity or an artificial price for the securities of Caprice, and included the execution and clearing of orders through other member firms (a '**.....** Trade') to disguise the players in the market place.

(a) Buggy (b) Jitney (c) Rickshaw (d) Tuk-tuk

Q5 Bridge Mobile Alliance provides a regional **.....** shop that supports enterprises with regional mobile needs; this means that instead of having to liaise with multiple parties, you can approach any alliance member to consolidate all your needs and requirements.

(a) one-deal (b) one-piece (c) one-stop (d) one-way

Q6 Trend followers know the trick of letting their profits **.....** is key to trading: once you learn that to maximize your profits you must be willing to give up some part of your accumulated profits, you are on your way to sustained success, and refusing to give up a part of that accumulated income due to fear is a big mistake.

(a) ride (b) run (c) sift (d) sit

Q7 A political split suggests legislative **.....** in Washington, which is not a bad situation for the financial markets; equity investors tend to favor a divided government since it usually suggests less government intervention in the economy and stock market.

(a) breakthrough (b) comeuppance (c) gridlock (d) torpor

Q8 For purposes of this rule, "agency **.....** transaction for an advisory client" means a transaction in which a person acts as an investment adviser in relation to a transaction in which the investment adviser acts as a broker-dealer for both the advisory client and another person on the other side of the transaction.

(a) back (b) cross (c) mirror (d) pair

Q9 **.....** investing, where small investors mimic the top pros, may be growing more popular than ever; as markets have gone nowhere over the past five years they went down and then recovered the solution is to find people who you think are making money and attach yourself to them.

(a) Apronstring (b) Coattail (c) Shirttail (d) Shoestring

Q10 One of U.S. management's big complaints is against union **.....**; last week the American Institute of Management warned that unions are not alone in insisting on unnecessary jobs — management itself is widely guilty of the practice.

(a) featherbedding (b) goldbricking (c) lollygagging (d) pussyfootiing

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Business Buzzwords: Hostile Deal

Q1 That scenario would include the make-your-best-offer propositions like Verizon and MCI, the '**.....** knight' attempts to upset existing agreements like Blockbuster's, and straightforward hostile deals, which have been rather rare recently.

(a) black (b) gray (c) white (d) yellow

Q2 Leaders on both sides of the Pacific agree on the need to encourage long-term investments in factories and businesses and to minimize the boom and bust effects of so-called '**.....** money', the term for funds from investment companies, banks, and currency traders seeking a high rate of return on a short-term commitment.

(a) easy (b) fast (c) hot (d) tall

Q3 Zinc just recently achieved a nominal all-time high and along with its fellow base metals counterparts has bucked the commodities trend in recent months, having an amazing run in its own **.....** market.

(a) alloy (b) back (c) bull (d) side

Q4 Does Your Boss Play **.....**? — An account manager thought he was starting off well during his first week at a large advertising agency in Los Angeles, but just a few weeks later, his boss abruptly called him into his office and addressed him using a demeanor and tone he'd never experienced in his 17-year business career.

(a) Abbot and Costello (b) Freud and Jung (c) Jekyll and Hyde (d) Laurel and Hardy

Q5 The eagerness for quick riches is hard to squelch; indeed, after an investing bubble, **.....** bubble where investors rush in to buy all over again isn't uncommon.

(a) a baby (b) a double (c) an echo (d) an empty

Q6 The IMF estimates money **.....**, the process drug traffickers use to introduce proceeds of the sale or distribution of controlled substances into the legitimate financial market, to amount to between 2 and 5 percent of the world's GDP, about $600 billion annually.

(a) cleaning (b) laundering (c) polishing (d) washing

Q7 "For now, let me just say that a strategic **.....** point is a time in the life of a business when its fundamentals are about to change; that change can mean an opportunity to rise to new heights, but it may just as likely signal the beginning of the end." (Andrew S. Grove)

(a) crux (b) inflection (c) pivot (d) triple

Q8 The **.....** scheme continues to work on the 'rob-Peter-to-pay-Paul' principle, as money from new investors is used to pay off earlier investors until the whole scheme collapses.

(a) Feebate (b) Lapping (c) Paranjape (d) Ponzi

Q9 **.....** prefer low interest rates as a means of encouraging growth within the economy because this tends to lead to increased demand for consumer borrowing and spurs an increase in consumer spending; they believe the negative effects of low interest rates are negligible in the larger scheme of things.

(a) Bears (b) Bulls (c) Doves (d) Hawks

Q10 The **.....** rate in 1974 was about 7-8 percent, but today that rate is about 33 percent; even well established leadership companies can be swept away very, very fast now.

(a) cobble (b) crumble (c) topple (d) tumble

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Business Buzzwords: Competitive Advantage

Q1 An important theme of research related to the industry **.....** is that strategies for achieving competitive advantage differ depending on the stage: firms compete primarily on alternative product designs and positioning early in the history of an industry, whereas cost becomes a more important basis of competition in later stages.

(a) development (b) evolution (c) flowchart (d) lifecycle

Q2 Yahoo! and MSN are both good examples of **.....** because both have sites in different languages specifically targeted at the people of several countries.

(a) culturalization (b) glocalization (c) ramification (d) specialization

Q3 It appeared that Old Mutual had fallen prey to a bear **.....**, where short sellers had entered the market for Old Mutual shares and had closed out their positions early this week; Poole said, "The market reacted very badly to our announcement, and we take losing 10 % of our price seriously."

(a) attack (b) market (c) raid (d) scare

Q4 "An obsession with wealth has led to **.....** epidemic", says Oliver James, "the virus is a set of values which increase our vulnerability to psychological distress, placing a high value on acquiring money and possessions, looking good in the eyes of others and wanting to be famous."

(a) a Mad Cash Disease (b) a Moneyosis (c) an Affluenza (d) a Newmonia

Q5 In 1982, Barry Minkow started his own rug-cleaning business called **.....** Best and eventually turned it into a public company with a paper value of more than $200 million; he was given a hero's welcome on Wall Street, but in December 1988, he was convicted on 57 counts of fraud and sentenced to 25 years in jail.

(a) AAAA (b) BBBB (c) XXXX (d) ZZZZ

Q6 The seller of T Bond futures does not have to notify the clearing house until 8 pm about his intention to deliver, so if bond prices decline after 2 pm, the seller can notify the clearing house of his intention to deliver the cheapest bond that day or he can wait for the next day: this option is called the **.....** card play.

(a) down (b) high (c) hole (d) wild

Q7 The **.....** accounting employed by iMergent could be the reason why the company has lost all coverage from major brokerage houses and now reports numbers to the public without independent scrutiny; in 2005, it confessed a huge restatement of prior earnings and rolled up a mass of prior years' unreported losses.

(a) abracadabra (b) hocuspocus (c) hoodoo (d) voodoo

Q8 A **.....** bond is one whose interest and principal payments are made from a fund into which a company sets aside money over time, in order to retire its preferred stock, bonds or debentures.

(a) saver (b) sinker (c) storage (d) surety

Q9 A Brookfield real estate agent was charged Thursday in federal court with trying to get a $75,000 **.....** in the form of a percentage of the sale if the bidder's proposal was accepted, in exchange for giving out confidential bid information on the sale of a $30 million state office building in Madison.

(a) backup (b) blackmail (c) kickback (d) rebate

Q10 Investors are starting to worry that Symantec, which makes the popular Norton brand of anti-virus software, is in danger of being **.....**: Microsoft has made some rumblings lately about stepping up its presence in security software.

(a) Appled (b) Deleted (c) McAfeed (d) Netscaped

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Business Buzzwords: Credit-derivative Trades

Q1 Fourteen high profile Wall Street investment banks, including a former Federal Reserve regional board member, have gathered in New York to tackle the growing monster of unmatched credit-derivative trades, so Wall Street might ultimately fix this derivatives **.....** before it explodes.

(a) dirty-bomb (b) roadside-bomb (c) smart-bomb (d) time-bomb

Q2 The phrase '**.....** crime' was coined in 1939 during a speech given by Edwin Sutherland to the American Sociological Society. Sutherland defined the term as "crime committed by a person of respectability and high social status in the course of his occupation."

(a) flea-collar (b) high-collar (c) square-collar (d) white-collar

Q3 Why would people want to own General Motors or Ford, just because those stocks are down a lot, when they could own best-of-**.....** Toyota, which is taking share and making big profits? — I know they are drawn by the low dollar amount of the American carmakers, but Toyota is the cheapest and the best, a rare find.

(a) all (b) breed (c) class (d) line

Q4 **.....** Deal for Kuwait Parazylene: 18 banks have signed up to the $1.4 billion financing for Kuwait Parazylene Production Company (KPPC).

(a) Ally (b) Club (c) Party (d) Venture

Q5 Considering the few extra percentage points of return that most **.....** index funds may give you, you're better off sticking with a conventional index fund; that's where you'll find lower risk and expenses, plus minimal tax liabilities.

(a) amplified (b) augmented (c) embellished (d) enhanced

Q6 The company recorded a provision for risk of (34.7) million euros, mainly generated by the discontinuation of production at the Bernin site and focus of the optical business on foundry services, the **.....** resulting from acquisitions, a litigation with one customer and employee severance costs.

(a) badwill (b) losses (c) publicity (d) setbacks

Q7 Partially as a result of the back-of-the-**.....** business model approach, many eConsultants had not considered the situation thoroughly and lacked one of the most fundamental ideas behind any new company — a better mousetrap.

(a) cuff (b) envelope (c) hand (d) napkin

Q8 We have analyzed connected transactions between Chinese publicly listed firms and their state-owned enterprise (SOEs) shareholders and shown how resources are **.....** from minority shareholders of the firm to the state.

(a) shuffled (b) sidled (c) trundled (d) tunneled

Q9 The bear call **.....** can be seen as writing a call with protection against an unexpected rise in the market; in this instance, the trader may write a call around the money, and take a call out-of-the-money, which effectively provides a ceiling to the potential loss if the market should rise.

(a) counter (b) cover (c) hedge (d) spread

Q10 In a Mortgage Dollar Roll transaction, the investor sells the securities that he was to receive from the dealer in the front month for one price and buys the same securities from the dealer at a lower price for settlement in the next month: the difference between the two prices is known as the **.....**.

(a) bomb (b) drop (c) fake (d) split

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Business Buzzwords: High Valuation

Q1 High valuation means a bigger potential price fall for a **.....** stock.

(a) bungee (b) parachute (c) submarine (d) torpedo

Q2 The **.....** leader is a pricing strategy which involves selling products/services at a price that will generate little or no profit and in some cases not even cover all associated costs (marketing, overheads, direct costs, etc).

(a) bargain (b) discount (c) loss (d) sale

Q3 **.....** Comes Off Starbucks: Shares in Starbucks fell to their lowest level since late 2005 as investor concerns about slower sales and profit growth continued to chip away at the once highflying stock.

(a) Fizz (b) Fluff (c) Foam (d) Froth

Q4 Not all these houses are ugly and shoddy: though most are badly proportioned pastiches of different styles, some are built with attention to detail and materials, but, as the epithet **.....** suggests, they're just too big-for their lots, for their neighborhoods and for the number of people who actually live in them.

(a) Gargantuan (b) Humonghouse (c) Lilliputian (d) McMansion

Q5 American bankers for decades operated by the **.....** rule; they could afford to be that precise because federal and state laws set the strict rules by which they operated and protected them from competitors, and the power and prestige of bankers remained as secure as their vaults, while profits were steady and certain.

(a) 2+2 (b) 3-6-3 (c) 9/11 (d) 24-7

Q6 Going public with a bear **.....** is a great strategy for acquiring a target whose management isn't inclined to sell; it forces a corporate board to consider any reasonable bid because directors have a responsibility to provide shareholders with the best financial returns.

(a) flattener (b) hug (c) spread (d) trap

Q7 The good and bad of **.....**: Tax refunds may be welcome to most taxpayers, but technically speaking, it's not wise to give the government interest-free loans.

(a) indemnification (b) intaxification (c) intensification (d) investigation

Q8 On the negative side, the market is a stone's throw from refreshing the overvalued, overbought, overbullish, yields-rising condition we've dubbed '**.....**'.

(a) boyoboy (b) oabooby (c) onobobby (d) ovoboby

Q9 Life expectancy for men aged 60 is more than five years' longer in 2005 than it was anticipated to be in mortality projections made in the 1980s, and this problem threatens the solvency of the life and pensions industries; the amounts exposed to **.....** risk in the UK pensions industry alone are estimated to be 2,520 billion.

(a) liveability (b) longevity (c) senility (d) seniority

Q10 We have taken a direct sentiment measure, i.e., market sentiment index constucted by 'Investors Intelligence': each week weekly newsletter opinions on the future market movements are grouped, and we use the **.....** ratio as a proxy of sentiment.

(a) bull-bear (b) buy-sell (c) gain-loss (d) hawk-dove

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Workforce Planning Methodology

Q1 Mertz, Joshua and Grumbach's study of the oral health workforce involved an extensive literature and legislative review, as well as interviews with 20 key **.....**.

(a) freeholders (b) policyholders (c) shareholders (d) stakeholders

Q2 The literature review exposed the main theoretical concepts behind workforce planning and was used to assess current DHPSA policy in the **.....** of the policy's legislative history.

(a) content (b) context (c) intent (d) subtext

Q3 The study provides a synthesis of the alternative personnel planning methodologies (supply-based, demand-based and needs-based), and examines data availability to **.....** these methods.

(a) invent (b) invest (c) supplant (d) support

Q4 The practical application of these methods is found primarily in the DHPSA and National Health Service Corps (NHSC) programs, the primary governmental efforts to **.....** in oral health personnel planning.

(a) enact (b) engage (c) enlist (d) enquire

Q5 The study details the legislative history and institutional development of the current DHPSA criteria and compares the performance of the policy against its expressed goal to identify areas of **.....** need.

(a) unaware (b) unknown (c) unmet (d) unsought

Q6 The legislative directive for monitoring and addressing oral health workforce issues has evolved over the past 60 years from focusing on defining 'manpower shortages' to an emphasis on measuring **.....**.

(a) inbreeding (b) outpatients (c) overkill (d) underservice

Q7 However, the programs developed in **.....** to legislation have not evolved to reflect this change.

(a) reaction (b) reply (c) response (d) retort

Q8 While a variety of **.....** methodologies for measuring shortages exist, there are little data currently available upon which to base a new method.

(a) altered (b) alternate (c) alternating (d) alternative

Q9 Dental health personnel planning is a process to determine appropriate numbers, types and distribution of providers needed to achieve certain health goals and is rooted with the social **.....** to use limited resources appropriately.

(a) imperative (b) implication (c) importance (d) impression

Q10 This study suggests the need for a revision of oral health care workforce monitoring and planning methods and a **.....** of assessment efforts and programmatic responses.

(a) realignment (b) reassignment (c) reconfinement (d) reconsignment

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Information Services Management

Q1 Van Deventer and Martha Johanna explain that knowledge economy management literature is **.....**, but very little of the retrieved literature relates to the application of management philosophies within the library and information services industry.

(a) productive (b) profitable (c) profound (d) prolific

Q2 The assumptions that **.....** this research are in the first instance that, if it is not reported in the literature, it is questionable whether library and information services are implementing the new management practices.

(a) underlie (b) underpin (c) understudy (d) underwrite

Q3 For the purpose of this study it was presumed that the advantages of these knowledge economy management philosophies are **.....** that they should also be applicable within the back office environment.

(a) more (b) much (c) so (d) such

Q4 The most suitable methodology was identified as a **.....** version of Kaplan and Norton's balanced scorecard, based on the philosophy of the intangible asset monitor and including aspects of the value chain scoreboard.

(a) alloyed (b) amalgam (c) halfbreed (d) hybrid

Q5 An opinion was **.....** that the monitoring of intellectual capital growth needs to take place at both the individual and the organizational level if monitoring is to be of real objective value.

(a) explained (b) exploited (c) explored (d) expressed

Q6 Implementation of the management practice (intellectual capital management) occurred in two phases and stretched over a period **.....** on 18 months.

(a) around (b) close (c) near (d) right

Q7 A situation analysis was done at the start of the research period; Kaplan and Norton's adapted scorecard framework was then utilized to **.....** objectives for each of the two implementation phases.

(a) base (b) draw (c) give (d) set

Q8 An adapted version of Sveiby's Affrsvrlden model was utilized to identify specific implementation actions and initiatives to be **.....**.

(a) done (b) given (c) made (d) taken

Q9 From the weaknesses, a number of priority actions were identified while the strengths provided a good **.....** as to what could be considered the good practice that should be continued.

(a) lead (b) line (c) track (d) trail

Q10 In brief, it is possible to say that intellectual capital management has been an appropriate management philosophy to use within the chosen service environment, and it is appropriate to recommend that its principles and practices be **.....** out to the rest of the service unit.

(a) doled (b) handed (c) passed (d) rolled

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Capital Cost Allowance

Q1 David Trahair, C.A. explains that although most expenses are deductible in the year you paid them, there are types of purchases that are **.....** differently.

(a) accounted (b) bought (c) measured (d) treated

Q2 For example, purchases of property such as computers, office furniture, buildings, and manufacturing equipment are not usually written **.....** in the year of acquisition.

(a) down (b) in (c) off (d) up

Q3 These types of properties will **.....** or become obsolete over a number of years; in recognizing this, you can make a yearly deduction for their cost for income tax purposes called capital cost allowance.

(a) turn out (b) turn over (c) wear down (d) wear out

Q4 All property of a capital nature that you purchase must be grouped in a class **.....** to that item. and all property in that class is grouped together and the total cost is used to determine the amount of capital cost allowance.

(a) especially (b) special (c) specific (d) specified

Q5 Classes typically use a **.....** balance to depreciate property and each class is designated a maximum fixed percentage for the year; there are 44 classes of property with rates in the classes varying from as low as 4% to as high as 100%.

(a) declining (b) decreasing (c) receding (d) reclining

Q6 If your taxation year is less than twelve months, then the allowable deduction amount will be **.....** to a portion of the maximum amount allowed.

(a) appropriated (b) apropos (c) prioritized (d) prorated

Q7 Generally, for the year of acquisition the half-rate rule applies, so only 50% of the maximum deduction amount of a particular class can be **.....**.

(a) claimed (b) listed (c) made (d) reserved

Q8 **.....** can occur if, when you sell the property, the sale price is more than the total of the undepreciated capital cost (U.C.C.) for that class at the beginning of the period and there were no more items left in that class.

(a) Recapture (b) Reclamation (c) Refund (d) Reimbursement

Q9 **.....** loss will occur if you have an undepreciated capital cost for a class but have no more physical property. (i.e. you could have sold an asset for less than its U.C.C.).

(a) An intentional (b) An interim (c) A temporary (d) A terminal

Q10 This amount is deductible from your business income for the year that you **.....** of the property.

(a) declared (b) depreciated (c) despaired (d) disposed

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Ecosystem Restoration

Q1 Ecosystem restoration has existed as a nascent niche study for at least 70 years, but it didn't really pick up **.....** until the practice of environmental mitigation brought serious dollars into the picture.

(a) fire (b) force (c) steam (d) tracks

Q2 As ecosystem restoration grew into an industry, the demand for quality standards and **.....** research grew.

(a) regular (b) relentless (c) righteous (d) rigorous

Q3 During this period, there was a lot of debate over its **.....**: is it an art, a science, an industry, or all three — or is restoring ecosystems playing God?

(a) crossbreeding (b) forbearing (c) overhauling (d) underpinning

Q4 Should we try to restore a system back to a certain point in time that we deem to be **.....**, or should we merely try to restore the health of its underlying systems, so it can pursue whatever trajectory is appropriate for current circumstances?

(a) capable (b) comparable (c) perilous (d) pristine

Q5 In all of this, there's been much emotion, much soul-**.....**, much business, much science, much poetry, and much politics.

(a) searching (b) selling (c) taking (d) trading

Q6 The English language has over three times as many synonyms for restoration as it does for new development, maintenance, and conservation combined: that should tell us something about how important the renewal portion of the natural lifecycle is to our **.....**.

(a) commerce (b) conscience (c) physique (d) psyche

Q7 An economy that's based primarily on **.....** — in a country with finite borders — is a strategy that can only lead to depauperization, degradation, and war.

(a) sprawl (b) sprout (c) stray (d) strew

Q8 Nowadays, the growth of ecosystem, watershed, and fishery restoration industries, budgets, and sciences far **.....** the growth of their counterparts related to extraction of virgin resources.

(a) outdoes (b) outperforms (c) outshines (d) outstrips

Q9 So why are our trade schools and universities still **.....** out skills and degrees that don't address the fastest-growing sector of the economy?

(a) drawing (b) pumping (c) spilling (d) tapping

Q10 For the first time in human history, we can put **.....** numbers to the value of the damage of environmental transgressions; NOAA has pioneered the application of this trend by applying a three-stage fine to those who destroy turtle grass beds in Florida.

(a) hard (b) full (c) straight (d) strong

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The New York Hospitality Industry

Q1 "New York City's hospitality industry is **.....** fire," the global chairman of brokerage services at CB Richard Ellis, Stephen Siegel, said, "People from around the world want to visit New York and of course, they all need places to stay."

(a) about (b) in (c) on (d) under

Q2 Supply cannot meet the demand which has been created by **.....** more than 41 million visitors to the city in 2006.

(a) no (b) some (c) the (d) yet

Q3 According to industry leaders, 44 million visitors — a record number — are expected this year, helping to **.....** the hospitality fire.

(a) burn (b) fuel (c) kindle (d) singe

Q4 Owners and operators in the hospitality **.....** are saying they have not experienced such impressive cash flow, hotel property selling prices, and availability of financing for close to a decade.

(a) area (b) arena (c) section (d) sector

Q5 Even after several years of **.....** growth, real estate experts say the market is improving so far in 2007.

(a) absolute (b) affirmative (c) positive (d) potential

Q6 "Occupancy levels have been close to capacity for the second year in a row, and room rates had another year of double-**.....** growth," the president of Lodging Advisors, Sean Hennessey, said.

(a) bed (b) digit (c) standard (d) unit

Q7 In **.....** of this, more and more people assume the pace of improvement must moderate; and yet, for the first quarter of 2007, occupancy is up about 1 percentage point over last year, and room rates are up 12%.

(a) case (b) lieu (c) light (d) proof

Q8 The Manhattan hotel market is **.....** hot, with demand for hotel rooms far outstripping supply.

(a) flame (b) pot (c) stove (d) white

Q9 During the past several years, several thousand hotel rooms have been lost from the city's inventory due to the **.....** of existing hotels to residential use.

(a) conservation (b) conversion (c) restoration (d) reversion

Q10 As the New York lodging market continues to experience increases in average rates, and as the robust residential market slows down a bit, we are now seeing that hotel economics begin to **.....** out the feasibility of new hotel development.

(a) draw (b) eke (c) pencil (d) sketch

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The Hospitality Industry

Q1 According to Michael Stoler, an influx of capital into the New York real estate market is **.....** the hotel market.

(a) dogging (b) driving (c) hounding (d) riding

Q2 "The availability of funds both on the debt and equity sides from the **.....** of lending institutions and opportunity funds for hotel projects in the Big Apple is plentiful," the principal of Eastern Consolidated, Alan Miller, said.

(a) peccadillo (b) penchant (c) pleonasm (d) plethora

Q3 Numerous groups are seeking to be part of the tremendous wave of hospitality demand we are experiencing, from the construction of ground-**.....** hotels or the conversion of existing buildings to the repositioning of certain hotel assets.

(a) floor (b) out (c) up (d) zero

Q4 The market is **.....** in capital chasing hotels.

(a) aboard (b) ashore (c) awash (d) away

Q5 With the strong need for more rooms in Manhattan, **.....** with the fact that there are no longer any undesirable' neighborhoods, the entire island south of 125th Street from river to river represents a good hotel site.

(a) complete (b) complicated (c) conducive (d) coupled

Q6 Highgate Holdings is planning to convert the Chinatown Holiday Inn at 138 Lafayette St. into a **.....** hotel.

(a) bazaar (b) bistro (c) boutique (d) buvette

Q7 "The **.....** of hotels is probably at an all-time high, which might lead to increased competitiveness and price wars," Mr. Hennessey said.

(a) deadline (b) lifeline (c) pipeline (d) timeline

Q8 It will likely hurt those hotels that have benefited from the **.....** of Manhattan's demand.

(a) compression (b) expression (c) impression (d) repression

Q9 The greater risk is that the city's economy **.....**, and what many of the newly minted hoteliers don't realize is that a small drop in revenue can cause a huge drop in profitability.

(a) falters (b) festers (c) filters (d) flickers

Q10 When the slowdown eventually comes, a reverse **.....** effect is expected whereby the properties living off of the Manhattan-displaced demand, particularly those without adjacent commercial development, will feel the downturn first.

(a) rattle (b) ripple (c) waffle (d) wobble

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A Tourism Partnership

Q1 South West Wales Tourism Partnership is the Regional Tourism Partnership serving South West Wales; the Welsh Assembly Government initiated the formation of 4 RTPs across Wales to receive **.....** resources and responsibilities for tourism marketing and development.

(a) devolved (b) evolved (c) involved (d) revolved

Q2 Four Regional Tourism Partnerships (RTPs) were established in Wales in 2001, **.....** with the four regional economic fora areas.

(a) coexistent (b) contingent (c) cooperant (d) coterminous

Q3 The partners in SWWTP are all the local authorities and a broad spread of tourism, hospitality and leisure industry representatives from across the Region; SWWTP acts as the lead **.....** supporting tourism in South West Wales.

(a) backbone (b) body (c) bulwark (d) buttress

Q4 Key elements within the Partnership's aims include the need to maximise potential and eliminate wasteful competition for the benefit of the consumer and the trade and to encourage integration of public and private sector resources by **.....** a distinct regional bias in decision-making.

(a) coddling (b) coercing (c) nursing (d) nurturing

Q5 The SWWTP drives forward the SWW Regional Tourism Strategy, 'Open All Year', which is now in **.....**.

(a) being (b) line (c) place (d) site

Q6 SWWTP is a not-for-profit company limited by guarantee; every 3 years elections **.....** to all with an interest in tourism will be held across the region to choose one-third of the industry representatives.

(a) given (b) granted (c) open (d) voted

Q7 The SWWTP works within strict **.....** cost limits, and so its core staff is limited to 3.5 (Director, Project Manager, Office Manager, and part-time Administrative Officer).

(a) conducting (b) engaging (c) running (d) streaming

Q8 The SWWTP will act as an enabling and **.....** body, working through others to deliver its objectives.

(a) commissioning (b) concessional (c) subordinating (d) supplantive

Q9 Targets are set for individual projects from training to marketing, based on leverage for both investment and return on expenditure **.....**; conversion and tracking studies are built into the activity.

(a) endured (b) ensured (c) incurred (d) inferred

Q10 SWWTP took a decision to minimise expenditure on corporate public relations and instead works with its partners to **.....** news and opportunities.

(a) disburse (b) disintegrate (c) dispense (d) disseminate

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US Cultural and Heritage Tourism Management

Q1 Ten years ago **.....** blueprint for cultural and heritage tourism was adopted by more than 1,500 dedicated political and industry leaders and practitioners as part of their national agenda for the travel industry.nt

(a) an incendiary (b) an incipient (c) a seminal (d) a sentient

Q2 In their Cultural Tourism in the United States white paper, the authors **.....** a definition for cultural and heritage tourism — "travel directed toward experiencing the arts, heritage, and special character of a place".

(a) cached (b) captivated (c) encapsulated (d) encoded

Q3 Its adoption at the 1995 conference initiated new relationships between **.....** partners-the cultural, heritage and tourism sectors-who sought to fulfill its key values and vision of a sustainable industry with appropriate growth.

(a) incompatible (b) incongruous (c) unlikely (d) unruly

Q4 Collaborations spread across the country following the paper's **.....** of action steps, and the results have surpassed expectations.

(a) calendar (b) catalogue (c) roadmap (d) trailhead

Q5 Six regional forums catalyzed state action on cultural and heritage tourism, cultural and heritage tourism staff positions were established at convention and visitors bureaus, and **.....** research on the impact of cultural and heritage tourism was spawned.

(a) base-lining (b) groundbreaking (c) keel-laying (d) sodbusting

Q6 Over the last decade, travel industry research confirms that cultural and heritage tourism is one of the fastest growing segments of the travel industry; for some travelers, cultural and heritage experiences are **.....** added, enhancing their enjoyment of a place and increasing the likelihood that they will return.

(a) always (b) extra (c) specials (d) value

Q7 For a growing number of visitors, however, who are tired of the **.....** of places around the world, authentic experiences are an important factor and motivator for their travel decisions and expectations.

(a) homogenization (b) juxtaposition (c) ramification (d) standardization

Q8 The industry today encompasses cultural and heritage specialists, who are an important resource for the travel and tourism industry in providing these customers with accurate, **.....** interpretation of local assets.

(a) clear-sighted (b) insightful (c) out-of-sight (d) unsightly

Q9 **.....** but often invisible component of the cultural and heritage sector are the artists, performers, writers and other creative workers whose skills and vision bring to life our nation's genius and ideas.

(a) A compatible (b) An incorrigible (c) An inevitable (d) An integral

Q10 Cultural and heritage tourism also provides a means of preserving and perpetuating our nation's cultural heritage through education, increased revenues and audiences, and good **.....**.

(a) citizenship (b) craftsmanship (c) salesmanship (d) stewardship

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Cultural Brokerage

Q1 Wu and Haywood's paper presents the findings of a study of Canadians who have visited China and the tour operators who **.....** the trips in an attempt to understand the need for 'cultural brokerage'.

(a) alleviate (b) facilitate (c) lionize (d) stylize

Q2 Research has revealed that cultural differences are important factors that appeal to and attract international tourists; many seem to **.....** the novelty of the experience.

(a) garner (b) garnish (c) relinquish (d) relish

Q3 However, the success of these foreign **.....** can be undermined if the travel experience and the encounters are not carefully managed.

(a) interludes (b) intrigues (c) soirees (d) sojourns

Q4 The intent is to help Canadian tourists and Chinese hosts better understand each other; when Canadian tourists are better able to pre-educate themselves about Canadian and Chinese cultural differences, they will be able to visit China with a greater peace of **.....**.

(a) heart (b) mind (c) soul (d) thought

Q5 The greater the differences in the cultural background of travelers, the more likely it is that their behaviour will be misunderstood and lead to **.....** (Reisinger & Turner, 1998).

(a) faction (b) friction (c) inaction (d) reaction

Q6 Experiencing a second culture can be beneficial, since such **.....** is said to broaden one's perspective, promote personality growth and provide insight into the culture of origin through a contrast with other world-views.

(a) exposure (b) imposition (c) posture (d) repose

Q7 Milman and Pizam (1988) argue that actual tourism and travel experience is not only composed of physical activities, but also a wide range of **.....** activities pertaining to the mind.

(a) cognitive (b) psychic (c) psychological (d) recognizable

Q8 Since national cultures have certain dominant values, it can be taken for **.....** that international tourists will differ from their hosts in numerous ways (Pizam & Sussmann, 1995; Reisinger & Turner, 1998).

(a) consideration (b) fact (c) granted (d) truth

Q9 To orientate tourists to exotic host cultures, it may be necessary to engage a 'culture broker', a **.....** who functions as a link between diverse cultural systems.

(a) mediator (b) medium (c) middleman (d) moderator

Q10 It has been noted that the temporariness of international tourists' cross-cultural encounter may cause tourists and hosts to take a more tolerant view of the strange or threatening fancies and **.....** of the other.

(a) fables (b) foibles (c) fragilities (d) frailties

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Ecotourism in Vietnam

Q1 There are many critics of ecotourism, who see it as a form of environmental **.....** that allows continued exploitation of natural environments by mass tourism: mass tourism cloaked in a green name.

(a) exorcism (b) exoticism (c) opportunism (d) ostracism

Q2 Ecotourism is certainly a buzzword, and is becoming as **.....** as the word natural' on the supermarket shelf.

(a) aggravating (b) aggressive (c) ambiguous (d) ambitious

Q3 Here is another definition of ecotourism: A form of tourism inspired primarily by the natural history of an area, including its **.....** cultures.

(a) aboriginal (b) anthropological (c) indigenous (d) ingenuous

Q4 The ecotourist practices a non-consumptive use of wildlife and natural resources and contributes to the visited area through labour or financial means aimed at directly benefiting the conservation of the site and the economic **.....** of the local residents.

(a) goodwill (b) habiliment (c) upkeep (d) wellbeing

Q5 The visit should strengthen the ecotourist's appreciation and dedication to conservation issues in general, and to the specific needs of the **.....**.

(a) locale (b) parish (c) precinct (d) vicinity

Q6 Ecotourism also implies a managed approach by the host country or region which commits itself to establishing and maintaining the sites with the participation of local residents and using the **.....** of the enterprise to fund the area's land management and community development.

(a) efforts (b) outcome (c) proceeds (d) results

Q7 Further, it is important to emphasise that ecotourism does not equal nature tourism; rather it is a distinct **.....** of the more general nature tourism sector.

(a) cache (b) creche (c) niche (d) notch

Q8 One of the reasons for continued debate on the merits of ecotourism to achieve sustainable development is that there is no blueprint for successful ecotourism development in all of its **.....**.

(a) carats (b) charts (c) facets (d) facts

Q9 Sites and potential projects need to be considered on a case by case basis, as many local factors — environmental, human, political, economic, social, cultural etc — will work for the benefit of, or to the **.....** of, an ecotourism project.

(a) deterrent (b) detriment (c) malefaction (d) mismanagement

Q10 A big difficulty for countries like Vietnam is the idea that in order to achieve a sustainable ecotourism, planners and policy makers must impose limits, and in a country with a huge domestic population, the concept of limiting numbers appears almost **.....** and is certainly controversial.

(a) counterproductive (b) irrational (c) ludicrous (d) unbelievable

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Portfolio Statistics

Q1 The **.....** coefficient, which ranges in value between 1 and -1, is a very versatile pattern-matching technical indicator; it is a statistic that is used to measure goodness-to-fit, and we will be using it to compare actual price data against either specific chart patterns, or other price data.

(a) collaboration (b) collocation (c) correction (d) correlation

Q2 This rule kicks in when two substantially identical stocks or securities are acquired; remember that the window is 61 days — 30 days before and 30 days after the sale at a loss — so if you own a stock, buy the call and then within 30 days sell the stock at a loss, the loss will be disallowed under the 30-day **.....** sale rule.

(a) back (b) fire (c) wash (d) yard

Q3 The **.....** minimum tax (or AMT) is an extra tax some people have to pay on top of the regular income tax; the original idea behind this tax was to prevent people with very high incomes from using special tax benefits to pay little or no tax.

(a) additive (b) alternative (c) appropriate (d) augmented

Q4 The NYSE's Automated Pricing and **.....** System, which processes odd lot orders, does not forward orders to the floor, but automatically executes the orders based upon the prices of trades in round lots and forwards inventory information to the appropriate specialists on the floor, who use this information to manage their positions in the market.

(a) Recording (b) Reporting (c) Rerouting (d) Retaining

Q5 Equity **.....** is annual sales divided by equity, a measure of the ability to grow without additional capital investment; companies with a high profit margin generally have a low figure for this statistic.

(a) accumulation (b) return (c) sufficiency (d) turnover

Q6 During the Great Depression, many US banks collapsed, with almost half of them failing through bank runs, as banks rarely have enough cash available to cover all of their deposits simultaneously; the Banking Act of **.....** following shortly afterward made such enduring structural changes as the establishment of the FDIC.

(a) 1929 (b) 1930 (c) 1932 (d) 1933

Q7 The Central Registration **.....** is a computerized system that includes the employment, qualification, and disciplinary histories of more than 400,000 securities professionals who deal with the public; consumers can get CRD information about a sales representative by visiting our Web site.

(a) Deposit (b) Deposition (c) Depository (d) Depot

Q8 The seven members of the Board of **.....** of the Federal Reserve System are nominated by the President and confirmed by the Senate, and a full term is fourteen years.

(a) Commissioners (b) Directors (c) Governors (d) Regents

Q9 The success of **.....** bonds is hard to deny: in the short span of 10 years, they have moved from a novel approach as a replacement for high-level excess property coverage to a growing trend in property protection from disaster.

(a) cap (b) cat (c) pro (d) prop

Q10 The **.....** bond, where the interest and principal payments are adjusted by inflation, is a popular investment tool; if held to maturity, it provides a certain real rate of return (i.e. the rate of nominal interest over inflation), but its market value, nevertheless, still fluctuates with the level of real interest rates in the intervening period.

(a) index (b) series (c) surety (d) tracker

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Futures and Options

Q1 The CFTC is an agency created in 1974 to regulate US futures and options exchanges; in its authorizing statute, the **.....** Exchange Act, Congress recognized that these markets are important to our economy, and that fraud and manipulation impinged upon the market's ability to perform vital functions of price discovery and risk management.

(a) Commodity (b) Foreign (c) Investment (d) Mercantile

Q2 The back of both the Powerball and Wildcard 2 tickets sold in Idaho say in part, 'SIGN THIS TICKET IMMEDIATELY. This ticket is **.....** instrument; anyone possessing a winning ticket may claim the prize.

(a) a bearer (b) an anonymous (c) an individual (d) a signature

Q3 **.....** Sales Outstanding (DSO) is a way of transforming the accounts receivable number into a handy metric that can be compared with other companies in the same industry to determine which player is managing its receivables collection better.

(a) Days (b) Debited (c) Direct (d) Discount

Q4 Rule 10b-4 prohibits **.....** tendering of this type; it provides that a person tendering shares must be net long in all shares tendered both at the time of tender and as of the offer's cutoff date, and had Merrill Lynch executed the sell short order, Bobker would have been in violation of the rule.

(a) balanced (b) compromised (c) hedged (d) withheld

Q5 In **.....** auctions, a seller has multiple, identical items to sell, specifying the minimum price and the number of items available; bidders bid at or above that minimum for the quantity they are interested in purchasing, and at the close of the auction, the highest bidders purchase the items at the lowest successful bid.

(a) Dutch (b) French (c) Russian (d) Scottish

Q6 Some credit cards let you borrow cash in addition to making purchases on credit, and most companies treat these cash **.....** and your purchases differently; for instance, the APR may be higher than the APR for purchases.

(a) advances (b) allowances (c) rebates (d) receipts

Q7 The Employee Retirement Income **.....** Act of 1974 (ERISA) is a federal law that sets minimum qualifications for pension plans in private industry; it does not require any employer to establish a pension plan — it only requires that those who establish plans must meet certain minimum conditions.

(a) Security (b) Settlement (c) Standards (d) Surety

Q8 The objectives of **.....** cash flow analysis are to determine the net present value of a stream of expected future cash revenues and expenditures, and the rate of return which the expected future cash flows will yield on a given level of initial cash investment.

(a) anticipated (b) discounted (c) forwarded (d) planned

Q9 For yen-denominated bonds, the Samurai and the **.....** bond markets have coexisted since the 1970s; the former aims at mobilising financial resources from domestic investors of the issuing market, whereas the latter aims at mobilising financial resources from the broader base of international investors.

(a) Black Ship (b) Bushi (c) Euroyen (d) Oversea

Q10 The income statements for the current interim period and cumulatively for the current fiscal year to date have been revised, and **.....** statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year have been added.

(a) comparative (b) equivalent (c) mirror (d) supplemented

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Comptroller General

Q1 The head of the **.....** is David M. Walker, Comptroller General of the United States, who was appointed October 1998 and whose term of office expires in October 2013.

(a) CBO (b) FDIC (c) GAO (d) SEC

Q2 The Investment Company Act of **.....** regulates the organization of companies, including mutual funds, that engage primarily in investing, reinvesting, and trading in securities, and whose own securities are offered to the investing public.

(a) 1933 (b) 1934 (c) 1939 (d) 1940

Q3 NASD **.....**, Inc. advised member firms to amend their historical performance communications to add either updated performance figures or clear disclosure that current performance is less than the figures shown when a security experiences an 'abrupt negative change in performance'.

(a) Audit (b) Regulation (c) Reportage (d) Securities

Q4 It was, say federal regulators, a classic case of **.....** fraud: Brazilian-Americans in the Boston area peddled dubious investments to other Brazilian-Americans in part by appealing to their common heritage and religion.

(a) affinity (b) compatriot (c) fraternity (d) patriotic

Q5 Form **.....** is a quarterly report filed with the US Securities and Exchange Commission that includes unaudited financial statements and provides a continuing view of the company's financial position during the year; it must be filed for each of the first three quarters of the company's fiscal year.

(a) 3-Q (b) 4-Q (c) 10-Q (d) 12-Q

Q6 This written policy outlines the proper procedures for requesting records from the Pennsylvania State Police (PSP) under Pennsylvania's Right-to-**.....** Law, 65 P.S. 66.1-66.9.

(a) Justice (b) Know (c) Protest (d) Representation

Q7 The Bureau of the Public Debt announced today that Series **.....** Savings Bonds would no longer be offered to the public after August 31, 2004; issued since 1980, they were available in exchange for Series E or EE bonds and paid interest to their owners semiannually.

(a) DD (b) FF (c) GG (d) HH

Q8 A Victim **.....** Statement can be written or oral, and not only provides the court with essential data which leads to appropriate sentences and suitable restitution, but also allows the victim to articulate the pain, anguish, and financial devastation the crime has caused.

(a) Impact (b) Implication (c) Indictment (d) Injury

Q9 We examine the impact of instalment receipts trading on the underlying stocks' volatility; IRs are a **.....** security that evidences the purchase of an underlying security on an instalment basis, and they have been used to facilitate large secondary stock offerings in Canada.

(a) daughter (b) derivative (c) sibling (d) subordinate

Q10 The rationale for imposing **.....** liability on the trusts that hold securitized predatory loans is compelling when it comes to foreclosures: if a securitized trust, not the original lender, is the one seeking foreclosure, the holder-in-due-course rule prevents the borrower from asserting defenses based on wrongdoing at origination.

(a) assignee (b) lendee (c) referee (d) trustee

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Discount Bonds

Q1 The basis of a bond initially equals the total purchase price; for a discount bond, the basis increases at the rate of the accrued **.....** discount until it reaches the principal value at maturity.

(a) average (b) coupon (c) listed (d) market

Q2 Security consultants can offer their expertise to a broader market, but recommendations are not entirely unproblematic, as perverse incentives may tempt certain actors to **.....** the security ratings of their competitors.

(a) bad mouth (b) deadhead (c) downgrade (d) underwhelm

Q3 The house selling the Catholic bonds published in its formal advertisement that 36% of the inhabitants of the German Reich were Roman Catholics, while the house offering the Protestant bonds asserted in its newspaper reproduction of the bond **.....** that more than two-thirds of the German population was Protestant.

(a) brochure (b) circular (c) flyer (d) leaflet

Q4 The Cost-of-Living **.....** (COLA) is determined by the U.S. Department of Labor, which calculates the change in the Consumer Price Index (CPI) for urban wage earners and clerical workers from the third quarter average of the previous year to the third quarter average for the current year.

(a) Accrual (b) Addition (c) Adjustment (d) Amendment

Q5 In a **.....** sales escrow for the sale of a business, a legal notice to creditors is advertised in an approved legal advertising newspaper in the judicial district where the business is located; this is to allow creditors 12 business days to file claims for payment with the escrow.

(a) bulk (b) final (c) gross (d) net

Q6 When loan officers have little hard information to work with, they must estimate a client's earnings and judge intangible elements such as trustworthiness to determine if s/he is a candidate for a **.....** loan; these evaluations may be derived from subjective qualities such as the strength of the client's handshake or how well s/he makes eye contact.

(a) benevolent (b) blind (c) character (d) individual

Q7 A Yankee Certificate of Deposit necessarily involves a foreign bank with a branch in the United States, while **.....** Certificate of Deposit involves an American bank with an off-shore branch.

(a) a Confederate (b) a Dixie (c) a Eurodollar (d) an Expat

Q8 The Real Estate Settlement Procedures Act (RESPA) will apply in any transaction in which a buyer is obtaining a federally insured mortgage from a financial institution; this requires use of a **.....** statement developed by the Department of Housing and Urban Development.

(a) closing (b) contractual (c) settlement (d) summary

Q9 The public mission and the defining goal of the **.....** National Mortgage Association (FNMA) is to help more families achieve the American Dream of homeownership by providing financial products and services that make it possible for low-, moderate-, and middle-income families to buy homes of their own.

(a) Family (b) Federal (c) Financed (d) Franklin

Q10 **.....** compounding is the limit of taking shorter and shorter compounding periods: compound every hour, every minute, every second, etc, and as you continue this sequence, the formulas get worse and worse, but you are approaching a formula simpler than any of the other compound interest formulas.

(a) Continuous (b) Foreshortened (c) Infinitesimal (d) Logarithmic

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Money System

Q1 In a **.....** money system, money is not backed by a physical commodity like gold; instead, the only thing that gives the money value is its relative scarcity and the faith placed in it by the people that use it.

(a) barter (b) fiat (c) paper (d) tender

Q2 The U. S. federal securities laws require publicly traded companies to disclose information on an ongoing basis; the annual report on Form **.....** provides a comprehensive overview of the company's business and financial condition and includes audited financial statements.

(a) 8-K (b) 8-Q (c) 10-K (d) 10-Q

Q3 Germany's Heidelberg Cement has attempted to shut out any rivals for its 8 billion takeover of Hanson by mounting a **.....** raid that increased its controlling stake to more than 29 per cent; traders at Deutsche Bank spent 1.4 billion buying 125.63 million Hanson shares in the open market at 1,100p.

(a) dawn (b) dusk (c) midnight (d) night

Q4 We are selling the A model, which cost us under $20,000 apiece, to the Saudis for B model prices, about $46,000 apiece, in order to develop the C model; this type of back **.....** financing avoids the Congressional authorization process and provides the Pentagon with an additional source of revenue.

(a) door (b) hand (c) lot (d) room

Q5 Suppose the interest cost on ICICI's DDB is 15 per cent; a non-refunding provision would prevent ICICI from offering new bonds at an interest rate of less than 15 per cent and using the proceeds to redeem the DDBs, and thus helps investors lower their **.....** risk.

(a) call (b) flow (c) short (d) term

Q6 Out of the three major American stock exchanges, **.....** is known to have the most liberal policies concerning company listing, as most of its companies are generally smaller; it also specialises in the trading of ETFs and hybrid/structured securities.

(a) AMEX (b) CME (c) NASDAQ (d) NYSE

Q7 A **.....**-coupon bond is a bond whose coupon rate equals going market rates and consequently sells at or near par.

(a) current (b) full (c) set (d) zero

Q8 **.....** is very closely related to operating profit and often the same; it may include some profits or losses that are excluded from operating profit.

(a) EBIT (b) EBT (c) GI (d) NI

Q9 Technically speaking, **.....** amounts to the characterization of an expense as having been necessary to the production of a product or delivery of a service; in other words, of all the expenses your business will incur in a given month, some of those expenses will go into this category and some will stay in the category of normal operating expenses.

(a) CODA (b) COGS (c) FICO (d) FIFO

Q10 Typically, an investment banking **.....** nowadays provides world-wide, either in divisions of the bank or in associated companies, corporate finance and advisory work, normally in connection with new issues of securities for raising finance, take-overs, mergers and acquisitions.

(a) co-op (b) group (c) syndicate (d) venture

Tax Credits

Q1 Beginning on July 1, 1998, taxpayers may be eligible to claim a nonrefundable **.....** Learning Credit against their federal income taxes, for the qualified tuition and related expenses of the students in the taxpayer's family who are enrolled in eligible educational institutions.

(a) Lifetime (b) Ongoing (c) Postsecondary (d) Tertiary

Q2 Non-**.....** assets are divided into two categories: produced assets and non-produced assets.

(a) financial (b) fixed (c) tangible (d) tenable

Q3 The most comprehensive insurance policy is guaranteed **.....** cost coverage, which will pay to rebuild your home even if the cost to rebuild is more than your policy limit.

(a) reconstruction (b) reimbursement (c) renovation (d) replacement

Q4 **.....** efficient market allows investors to make transactions that move the market further toward the overall goal of prudent capital allocation without being chiseled down by excessive frictional costs, which would reduce the risk/reward profile of the transaction.

(a) An essentially (b) An operationally (c) A readily (d) A virtually

Q5 Stock dividends and splits have basically three occurrences: **.....** date, record date and payment date; to qualify for split the investor must be the owner on the record date, and therefore, the stock must be purchased at the appropriate time before the record date to qualify.

(a) announcement (b) inception (c) presentation (d) settlement

Q6 The increasing popularity of index funds has created a market **.....** that has artificially raised S&P 500 prices above the levels dictated by economic fundamentals; it thus threatens to interfere with the key function of financial markets — getting investors to put their cash into the most economically promising investments.

(a) inaccuracy (b) inapplicability (c) ineffectiveness (d) inefficiency

Q7 Price **.....** set by the market establish boundaries where security prices are allowed to move within a trading day, and so provide a cooling off period; however, since they prevent immediate one-day large price changes, they may cause price adjustments to spread out over a longer period of time.

(a) barriers (b) curbs (c) edges (d) limits

Q8 Technical analysis would include any analysis associated with the determination of investor sentiment and psychology, such as graphs of price and volume, while **.....** analysis attempts to measure (although not quantify) less tangible aspects, such as management's ability, business models, etc.

(a) abstract (b) practical (c) qualitative (d) subjective

Q9 FOR VALUE RECEIVED, We, the undersigned, the promisors and mortgagors, jointly and severally agree as follows: To pay to the order of State of Ohio, Promisee and Mortgagee, its successors and assigns, at such other place as may be designated by the holder of this mortgage **.....**, interest at the rate of 12 percent per annum.

(a) contract (b) deed (c) note (d) receipt

Q10 **.....** accounts are accounts with commercial banks and credit unions that pay interest but cannot be used directly as money (by, for example, writing a cheque); these accounts let customers set aside a portion of their liquid assets that could be used to make purchases while earning a monetary return.

(a) Cash (b) Credit (c) Debit (d) Savings

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Payable on Demand

Q1 The **.....** draft is most commonly used in international trade; payment is on demand or on presentation of negotiation documents to the paying bank or importer, although in practice, the bank may pay within three working days after receipt and review of the negotiation documents.

(a) charge (b) cheque (c) sight (d) straight

Q2 FAST serves as **.....** Agent and Registrar, performing the functions of original issue, cancellation and reissuance of stock certificates; we utilize a state of the art computer system, which is specifically designed to handle high-volume transfers and provide up-to-date shareholder records.

(a) a Control (b) an Investor (c) a Repository (d) a Transfer

Q3 The balance on a **.....** card account is payable in full when the statement is received and cannot be rolled over from one billing to the next; because you cannot carry a balance, the card doesn't have a periodic or annual percentage rate, so there is no rate for a card issuer to disclose.

(a) debit (b) cash (c) charge (d) credit

Q4 The big manufacturers of telecom equipment don't want to see part of their potential market shrivel up and die, so they're leaping into the vacuum left by the capital markets and committing billions in **.....** financing for equipment to shore up cash-strapped service providers.

(a) merchandiser (b) supplier (c) vendor (d) wholesaler

Q5 A 403(b) plan is a retirement plan similar to a 401(k) plan, but one which is offered by **.....** organizations.

(a) multinational (b) non-profit (c) private (d) unincorporated

Q6 Also known as liquidation (converting assets into money) or a straight bankruptcy, **.....** 7 Bankruptcy is the most common form of bankruptcy filing; under this part of the Code, all non-exempt property of the debtor is sold and the proceeds of the same are distributed to the creditors.

(a) Act (b) Chapter (c) Paragraph (d) Section

Q7 If your total losses exceeded your gains, then the remaining amount can be applied in later years at a clip of $3,000 per year, for as long as you live or until they expire; what you have with these old losses is a particularly gruesome kind of asset — the tax loss **.....**.

(a) callback (b) carryforward (c) offset (d) update

Q8 The Federal **.....** Market Committee decided to keep its target for the federal funds rate at 5-1/4 percent; its predominant policy concern remains the risk that inflation will fail to moderate as expected, and future policy adjustments will depend on the evolution of the outlook for both inflation and economic growth.

(a) Economic (b) Investment (c) Open (d) Reserve

Q9 A widely used approach for calculating hedge ratios for Treasury futures contracts assumes that the contract will be settled with the currently cheapest-to-deliver note or bond; with that single-deliverable assumption, the futures' PVBP (price value of a **.....** point) is the converted, forward PVBP of $100,000 par of the cheapest to deliver.

(a) basal (b) base (c) basic (d) basis

Q10 In deciding which risks to take on, you should weigh opportunities against the downside; one standard measure of return on risk is the **.....** ratio, named after the Nobel Laureate professor and calculated using standard deviation and excess return to determine reward per unit of risk.

(a) Markowitz (b) Miller (c) Schelling (d) Sharpe

Accounting for Depreciation

Q1 **.....** Depreciation represents the expense related to the fixed assets still carried on the books of the company; sometimes the term 'reserve for depreciation' is used.

(a) Accumulated (b) Acquired (c) Consolidated (d) Cumulative

Q2 A firm buying stock seldom had sufficient money balances to complete the required payments; instead it relied on its bank for **.....** loans, but as NYSE volume grew, banks and their regulators became alarmed at the amount of credit being extended to support securities transactions.

(a) day (b) drop (c) short (d) spot

Q3 Many futures contract months of the same commodity trade simultaneously on the market, sometimes even years into the future; the contracts other than the current one are called the **.....** months, even though they are for future months.

(a) back (b) front (c) last (d) past

Q4 A **.....** swaption gives the buyer the right to receive the swap's fixed rate of interest and pay the floating rate of interest; this is a bullish position in bonds, as you profit if rates fall in the future.

(a) call (b) put (c) rate (d) take

Q5 Reconciling **.....** to the General Ledger boils down to making sure you know what you owe and what you don't — it's crucial for maintaining business health; it is a fundamental task that can reduce working capital needs and minimize bank borrowings, but it can be a labor-intensive process.

(a) assets (b) bad debts (c) cash flow (d) payables

Q6 It is the consensus of the committee that all banking institutions are capable of providing the basic treasury management and banking services requested; some banks require a smaller **.....** balance for no fee services, but their interest rates are adjusted to offset any significant difference in cost.

(a) affirmative (b) compensating (c) positive (d) stabilizing

Q7 An employee stock **.....** plan gives you the right to buy a certain number of shares of your employer's stock at a stated price over a certain period of time; often, the shares 'vest' over a period of several years, meaning that some fraction of the shares can be exercised in the first year, another fraction in the second year, etc.

(a) occupational (b) opportunity (c) optimum (d) option

Q8 Section 1035 of the IRS Code allows the movement of non-qualified monies from certain financial products to others without an income tax consequence; this 1035 **.....** allows non-qualified monies from an annuity to move to another annuity, or from a life insurance policy to another life insurance policy.

(a) Conversion (b) Exchange (c) Rule (d) Transfer

Q9 In the case of market orders in the active bonds, whose prices are reported on the right side of the quotation board, the broker after noting the latest price on the board, goes directly to the bond **.....** and effects a sale at the most favorable bid or asked price he can obtain.

(a) box (b) crowd (c) floor (d) quarter

Q10 Descending **.....** are a bearish indication formed when a stock begins a downward trend and makes successively lower lows as it declines.

(a) bottoms (b) elevators (c) flights (d) stairs

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Cutting Your Losses

Q1 The most popular variation of the reverse convertible has a contingent **.....** protection built in: this means that as long as the stock does not fall by more than a certain amount, the investment is fully protected.

(a) bottom out (b) downside (c) low end (d) redline

Q2 **.....** period is the length of time required to recover the cost of an investment, usually measured in years; other things being equal, the better investment is the one with the shorter period — it is considered less risky.

(a) Discharge (b) Offset (c) Payback (d) Recoup

Q3 The credit balance in a margin account is known as a **.....** credit because it cannot be withdrawn by the customer, since it is held as collateral to secure the broker's loan of funds and securities to the customer; it is comprised of the proceeds from short sales and the margin requirement.

(a) bound (b) captive (c) fictitious (d) virtual

Q4 This is the first rule in buying **.....**-linked notes: Peg it to a stock that you would like to own.

(a) deposit (b) equity (c) investment (d) share

Q5 The Hulbert rating is a rating by Hulbert Financial Digest of how well the recommendations of various market **.....** have performed.

(a) factors (b) letters (c) makers (d) offers

Q6 The SEC Full **.....** Program ensures investors are provided material information to make informed decisions about a company — both when it initially offers stock to the public and on a regular basis as it continues to report information about its business operations.

(a) Declaration (b) Deposition (c) Disclosure (d) Divulgence

Q7 The SEC's Division of Market Regulation stated that when market conditions are not 'normal', such that OTC Market Makers would not be required to display limit orders within 30 seconds of receipt, then "limit orders **.....** at the opening must be displayed as soon as practicable under the circumstances."

(a) blocked (b) frozen (c) held (d) stopped

Q8 The Form **.....**, U.S. Individual Income Tax Return, is the starting form for personal (individual) Federal income tax returns filed with the Internal Revenue Service (IRS) in the United States; the first one was published for use for the tax years 1913, 1914, and 1915.

(a) 1040 (b) 1116 (c) 2441 (d) 2555

Q9 A **.....**-kind exchange requires that you close in escrow through a qualified intermediary such as a title company; the title company holds the proceeds from the first closing in its escrow account until you're ready to close on the replacement property.

(a) exact (b) like (c) one (d) same

Q10 Investors in mortgage **.....** of single-family loans may have only limited information about the individual loans.

(a) packages (b) parcels (c) pools (d) portfolios

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Pension Plan

Q1 A non-**.....** plan is a defined benefit pension plan that is not guaranteed.

(a) backed (b) insured (c) secured (d) warrantied

Q2 The policyholder is paying more than the cost of pure protection during the early years of the policy — the excess of the premiums, above the cost of pure protection, is what builds up the savings **.....** of the policy.

(a) account (b) element (c) portion (d) segment

Q3 This **.....** of Title is being furnished to the City of Fort Lauderdale for use by said party in the recording of a deed (or easement) document to be executed by insert name relating to the properties described herein and for no other purpose.

(a) Affidavit (b) Opinion (c) Proof (d) Validation

Q4 Cash-settled index **.....** do not relate to a particular number of shares; rather, the underlying instrument is usually the value of the underlying index of stocks times a multiplier, which is generally U.S. $100.

(a) funds (b) futures (c) options (d) trackers

Q5 The purpose of the attached Stock **.....** form is to transfer or change the ownership of stock; separate forms are required for each stock certificate that has a different format of the owner's name(s), a different CUSIP number, or a different company name.

(a) Assignment (b) Conveyance (c) Power (d) Voucher

Q6 After six consecutive weeks in which the closing price has been greater than the opening price, the trend on the Nasdaq is up, and prices are at new 4 1/2-year highs; the importance of trend cannot be overstated, and price **.....** is how trends get started and how they are maintained.

(a) percolation (b) performance (c) perseverance (d) persistence

Q7 The general consensus is that **.....** research is a naturalistic, interpretative approach concerned with understanding the meanings which people attach to actions, decisions, beliefs, values etc., and understanding the mental mapping process that respondents use to make sense of and interpret the world around them.

(a) fundamental (b) holistic (c) intuitive (d) qualitative

Q8 **.....** value is what it would cost to buy a particular item from a retail vendor, considering its age and condition — for instance, to buy a car from a used car dealer, furniture from a used furniture shop, or electronic equipment on eBay.

(a) Actual (b) Intrinsic (c) Purchase (d) Replacement

Q9 **.....** letter of credit is one in which the draft drawn thereagainst is payable on presentation, while a time or acceptance credit is one in which the draft is payable only when the stipulated number of days after date of acceptance has elapsed.

(a) An inked (b) An instant (c) A sight (d) A simple

Q10 Tax **.....** accounting is a recordkeeping technique investors can use to track the cost of each security in a portfolio by factoring in purchase and sale dates, corporate action events and wash sales; it provides investors with accurate tax reporting and helps them improve the after-tax performance of their portfolios.

(a) base (b) factor (c) lot (d) return

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Monopoly

Q1 According to Cornell University Law School, trusts and monopolies are **.....** of wealth in the hands of a few.

(a) amassings (b) concatenations (c) concentrations (d) masses

Q2 Such conglomerations of economic resources are thought to be injurious to the public and individuals because such trusts minimize, if not **.....** normal marketplace competition, and yield undesirable price controls.

(a) marginalize (b) maximize (c) obfuscate (d) obliterate

Q3 These, in turn, cause markets to stagnate and **.....** individual initiative.

(a) drip (b) sap (c) skip (d) tap

Q4 To prevent trusts from creating **.....** on trade or commerce and reducing competition, Congress passed the Sherman Act in 1890.

(a) containment (b) curtailment (c) refrains (d) restraints

Q5 The Sherman Act is the main source of **.....** law.

(a) antitrust (b) commercial (c) monopolistic (d) oligarchic

Q6 The Sherman Act is a Federal **.....** and as such has a scope limited by Constitutional constraints on the Federal government.

(a) bylaw (b) edict (c) regulation (d) statute

Q7 The commerce clause, however, allows **.....** a very wide interpretation and application of this act.

(a) about (b) for (c) on (d) with

Q8 The Sherman Act applies to all transactions and business involved in **.....** commerce.

(a) international (b) internecine (c) interstate (d) intestate

Q9 Most if not all states have comparable laws prohibiting monopolistic conduct, price fixing agreements, and other acts that constrain trade having strictly local **.....**.

(a) compact (b) contract (c) impact (d) influence

Q10 The Massachusetts Act reads: it shall be unlawful for any person **.....** in commerce, to make a sale of goods on the condition that the purchaser thereof shall not deal in the goods of a competitor of the seller, where the effect of such sale or such condition may be to lessen substantially competition or tend to create a monopoly in any line of trade.

(a) embroiled (b) enacted (c) engaged (d) entwined

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Negotiating a Contract with Employees

Q1 Prior to selecting a bargaining strategy, an employer must identify its goals: is it important to obtain more favorable economic terms, less restrictive contract **.....**, or both?

(a) language (b) semantics (c) syntax (d) vocabulary

Q2 An employer must also determine if it has the proper person sitting at the bargaining table on its **.....**.

(a) behalf (b) board (c) chair (d) committee

Q3 Is it time to introduce a new face as the company spokesperson to show the union that **.....** are changing?

(a) fashions (b) rules (c) staff (d) times

Q4 Alan I. Model asserts that there are several considerations that every employer must **.....** before it sits down to bargain.

(a) acquire (b) ask (c) assess (d) aver

Q5 A review of judicial and administrative rulings will help determine if contractual provisions may have been modified or even **.....** by the courts or the National Labor Relations Board (NLRB).

(a) ambiguated (b) mollified (c) neutralized (d) nullified

Q6 Obtain the input of operating managers and line supervisors as to how they administer the labor agreement; often the best insights on the company's bargaining position come from the **.....** lines.

(a) assembly (b) blue (c) drawn (d) front

Q7 If the company is **.....** to an agreement that was negotiated by a multi-employer bargaining group, the company must determine before the beginning of negotiations whether to negotiate as part of the group or as an individual employer.

(a) partial (b) party (c) primary (d) privy

Q8 Construct a financial model that computes the specific cost components; this action is vital in determining the **.....** of any bargaining goals and objectives.

(a) importunity (b) impotence (c) primacy (d) priority

Q9 Know your **.....**: use contacts in the labor arena to learn about the union and its officers.

(a) adversary (b) advisor (c) intermediary (d) mediator

Q10 This information may help identify any intra-union pressures **.....** on a union negotiator that may facilitate or hinder attempts to reach a deal.

(a) hefting (b) leaning (c) squeezing (d) weighing

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Failing in IT

Q1 Shamus McGillicuddy writes that it's OK to fail: Every year, Hollywood studios release movies that **.....** at the box office.

(a) bomb (b) dive (c) plod (d) squander

Q2 Record companies **.....** albums no one wants to play.

(a) etch (b) force (c) press (d) seal

Q3 The auto industry introduces cars that **.....** — remember the Ford Edsel?

(a) flood (b) gas (c) pump (d) tank

Q4 Businesses in every vertical industry take risks when they **.....**; when they try something new, they know there's a chance for failure.

(a) initiate (b) innovate (c) realize (d) renovate

Q5 But in information technology, CIOs rarely feel they have the **.....** room to fail.

(a) breathing (b) learning (c) living (d) standing

Q6 CIOs need to **.....** back when their companies expect a 100% success rate, said Tom Halbouty, vice president and CIO of Pioneer Natural Resources.

(a) draw (b) hit (c) pull (d) push

Q7 When a project fails, put the failure within a context that a company understands; at Pioneer, IT project failures can be compared to the number of wells drilled that came up **.....** — plenty!

(a) cold (b) dry (c) empty (d) flat

Q8 He said if he tries to create a system that creates animated **.....** of underwater drilling projects and puts them out on the Web for his worldwide users to use, he has to expect some risk.

(a) duplications (b) restorations (c) stimulations (d) visualizations

Q9 "No one has done it before, and I'm not sure I'm going to pull it **.....**," he said.

(a) off (b) on (c) out (d) over

Q10 John F. Cole, CIO of Kansas City, Mo.-based Midwest Consulting Group Inc., agreed with Halbouty's notion that CIOs must be prepared for the occasional failure; but on the **.....** side, Cole said CIOs should also be sure they are communicating the successes.

(a) B (b) flip (c) off (d) other

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Roscas

Q1 Informal groups cannot rely on external enforcement to insure that members **.....** by their obligations.

(a) abide (b) agree (c) assist (d) attest

Q2 It is generally assumed that these problems are solved by social sanctions' and **.....** effects.

(a) computational (b) computed (c) reputational (d) reputed

Q3 Roscas are one of the most commonly found informal financial institutions in the developing world; in the absence of an external (social) sanctioning mechanism, roscas are never sustainable, even if the **.....** member is excluded from all future roscas.

(a) defacing (b) defeating (c) defecting (d) defining

Q4 It is **.....** assumed that informal groups, such as roscas, rely on social sanctions to solve their enforcement problems.

(a) perfunctorily (b) practically (c) topically (d) typically

Q5 We examine this notion more carefully and distinguish between expulsion from future roscas cycles and **.....** social sanctions.

(a) expedient (b) exponential (c) extraneous (d) extrapolated

Q6 We first demonstrate that theoretically expulsion in itself is never a sufficient **.....**.

(a) curtailment (b) deterrent (c) incitement (d) involvement

Q7 We then ask whether institutional features of these groups are chosen in some part to prevent members from **.....** on their responsibilities.

(a) defalcating (b) defaulting (c) defalcating (d) deflecting

Q8 We focus on the allocation of ranks, and we show that a random allocation of ranks, though preferred by a majority of members, tends to **.....** the incentives to welch.

(a) exacerbate (b) exonerate (c) extend (d) extol

Q9 They are therefore sustainable only if the **.....** of social sanctions on their members are sufficiently high.

(a) costs (b) expenses (c) prices (d) values

Q10 We provide some evidence in favour of our hypothesis, since individuals who are more **.....** to those sanctions tend to participate in roscas where the order of ranks is randomly drawn at each cycle.

(a) friable (b) fulsome (c) viable (d) vulnerable

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Entrepreneurial Behavior

Q1 The term 'entrepreneur' was introduced to economics by Richard Cantillon in 1755; since then, entrepreneurship and its central **.....**, the entrepreneur, have been the focus of numerous studies, including the qualities of entrepreneurial behavior, and corporate entrepreneurship.

(a) figure (b) icon (c) image (d) symbol

Q2 Recently, a new stream of literature has formed **.....** strategic entrepreneurship (Hitt et al. 2002a; Meyer and Heppard).

(a) amid (b) around (c) through (d) toward

Q3 This new area of research is different from what has been traditionally **.....** as strategic management research.

(a) identified (b) listed (c) pigeon-holed (d) recorded

Q4 Instead of focusing on the **.....** that can be used to sustain competitive advantage (i.e., existing market position), strategic entrepreneurship is about recognizing and taking advantage of new profit opportunities.

(a) mechanics (b) mechanisms (c) techniques (d) tectonics

Q5 A firm that manages for strategic flexibility and constant renewal is able to **.....** above-average profits and thus is rewarded for its entrepreneurial behavior.

(a) engender (b) generate (c) permutate (d) proliferate

Q6 The return to entrepreneurial behavior is entrepreneurial rent, and unlike most factor costs, entrepreneurial rents are noncontractible; this is because the entrepreneur **.....** judgments to allocate resources in an uncertain environment.

(a) considers (b) exercises (c) passes (d) reserves

Q7 Because the judgments are framed in an uncertain environment, the judgments themselves are uncertain and are thus ex **.....** noncontractible.

(a) ante (b) cathedra (c) gratia (d) officio

Q8 Because entrepreneurship is not as **.....** as other factors, the analysis of payments to entrepreneurial behavior is complex.

(a) homogenous (b) homologous (c) homolytic (d) homophobic

Q9 The aim of Ross and Westgren's paper is to include entrepreneurship in a model of the firm while reducing this dimensionality to two categories, arbitrage and innovation; they highlight what the entrepreneur receives for these activities and what governs their **.....** from the stream of profits.

(a) composition (b) computation (c) importation (d) imputation

Q10 Following this model, entrepreneurial rents are then **.....** calculated for a three-site hog production farm.

(a) empirically (b) hypothetically (c) impulsively (d) perfunctorily

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Payment Programs

Q1 Over the next three years, the Public Health Agency of Canada will manage **.....** payment programs in excess of $5 million for such programs as the Federal Initiative to Address HIV/AIDS and the Aboriginal Head Start programs for Aboriginal pre-school children.

(a) community (b) offset (c) public (d) transfer

Q2 Desjardins venture capital **.....** partnership is a fund that invests in the industrial, life sciences, telecommunications and information technology sectors; its mission is to support businesses demonstrating high potential with venture capital, expert advice and access to our network.

(a) commercial (b) general (c) growth (d) limited

Q3 While each lending situation is unique, many banks utilize some variation of evaluating the five C's when making loan decisions: character, capacity, capital, **.....** and collateral.

(a) cash flow (b) closure (c) conditions (d) credit

Q4 If you hold securities in physical certificate form and want to transfer or sell them, you will need to sign the certificates or securities powers; before a transfer agent will accept the transaction, however, it will insist on signature **.....** in order to limit its liability if a signature turns out to be forged.

(a) affidavits (b) guarantees (c) verifications (d) witnesses

Q5 The **.....** Life Underwriter (CLU) is a professional financial advisor specializing in developing effective solutions for individuals, business owners and professionals in the areas of income replacement, risk management, estate planning, and wealth transfer.

(a) Casualty (b) Certified (c) Chartered (d) Commercial

Q6 Finite-**.....** real estate investment trusts (FREITs) are a type of equity REIT which have a stated goal of liquidating the real estate portfolio by a specific date; their primary investment goal is to maximize potential capital gain.

(a) life (b) limit (c) term (d) time

Q7 John Maynard Keynes is reputed to have had extraordinary skills as an investor in the stock market; the **.....** index indicates that Keynes was an outstanding portfolio manager, beating the market by a large margin.

(a) Actim (b) Jensen (c) Merck (d) Ryerson

Q8 The **.....** Volume Index was introduced by Norman Fosback and is often used to identify bull and bear markets; it is based on the assumption that the uninformed crowd dominates trading on active days and highlights days when volume is up from the day before.

(a) Positive (b) Previous (c) Proactive (d) Progressive

Q9 If you are self-employed or own a small business with less than 10 employees, a **.....** Employee Pension IRA may offer an easy-to-maintain way to help build retirement savings for you and your employees; as with Traditional IRAs, SEP IRA earnings grow tax-deferred until withdrawal at retirement.

(a) Secured (b) Simplified (c) Single (d) Summary

Q10 The software-as-a-service company began trading at $7 (3.83) a share on the Nasdaq stock market, knocking a few dollars off the $9 to $11 price **.....** set last month.

(a) limit (b) line (c) range (d) run

Merit Raises

Q1 The University of Washington has agreed to shell out $17.45 million in **.....** pay to faculty members who did not receive a merit raise four years ago.

(a) back (b) hind (c) past (d) rear

Q2 On January, 1, 2002, Matlock, Inc. issued its 10 percent bonds in the face amount of $1,500,000, maturing on January 1, 2012.; the bonds were issued for $1,329,000 to yield 12 percent, resulting in a bond **.....** of $171,000.

(a) discount (b) markdown (c) reduction (d) rollback

Q3 Essentially, **.....** bonds represent a normal bond, but with an embedded option that is implicitly sold to the issuer by the investor and entitles the issuer to retire the bonds after a certain point in time; this option introduces uncertainty to the lifespan of the bond.

(a) callable (b) cashable (c) reclaimable (d) retrievable

Q4 Deutsche Bank takes **.....** based on Credit Risk Management's assessment when it determines that the loans are uncollectible, considering information such as the occurrence of significant changes in the borrower's financial position or the insufficiency of the proceeds from collateral to pay the loan.

(a) charge-offs (b) mark-offs (c) set-offs (d) trade-offs

Q5 The Royal Bank of Scotland has led the landmark 125 million sterling index-**.....** bond issue for Tescol; RBS Financial Markets was the sole bookrunner for the Tesco deal, which mirrors closely the maturity and interest rate payments of the Treasury 2.5% 2016 gilt.

(a) bound (b) linked (c) secured (d) tagged

Q6 The TFCS provides on-line access to the FRCS, enabling payments to mortgagees to be made to financial institutions that have access to the FRCS; the payment can also be made to financial institutions that do not have access to the FRCS through **.....** financial institutions or Federal Banks.

(a) affiliated (b) correspondent (c) equivalent (d) intermediary

Q7 **.....** earnings tax is an additional tax on earnings that a business holds in an attempt to avoid the higher income taxes the owners would be subject to if the earnings were paid out to them as dividends.

(a) Accumulated (b) Acquired (c) Recognized (d) Retained

Q8 The Senate Finance Committee Chairman, Charles Grassley, who is a Republican Senator from Iowa, said that they are passing the huge increase in the national debt limit because "It is necessary to preserve the **.....** faith and credit of the federal government".

(a) free (b) full (c) real (d) true

Q9 A significant difference between silver and gold is that silver has underperformed relative to gold so far this year; the silver chart looks 'uglier' than the gold chart right now, and with a series of lower highs and a trendline break, the **.....** risk is as obvious as the Marquis de Sade's nose.

(a) downright (b) downside (c) outright (d) outside

Q10 If you are trying to decide whether to buy a corporate bond paying an annual coupon interest of 8% or a municipal bond paying an annual coupon interest of 5%, how do you decide? — you must calculate an equivalent taxable **.....**.

(a) gain (b) payout (c) return (d) yield

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Underwritten by Lloyds

Q1 The Apex **.....** Bond is targeted specifically for employees with a criminal record and is underwritten by Lloyds; this policy can only be taken out by employers on behalf of a named employee within a specific post.

(a) Fidelity (b) Honesty (c) Integrity (d) Loyalty

Q2 'Descending **.....**' describes a chart pattern where each new high price for a security is lower than the former high price; in other words, from the stock's high price, it falls and then rises, but the price never reaches the stock's previous high price.

(a) crests (b) heads (c) peaks (d) tops

Q3 After unexpectedly strong demand, makers of everything from laptops to cell phones are paying more for key parts; this industry **.....** isn't likely to dampen the tech recovery — overall, prices of computers continue to decline, albeit at a slower pace than usual.

(a) belch (b) cough (c) hiccup (d) sneeze

Q4 Entities with securities exercisable or convertible into common shares have a **.....** capital structure and must present basic and diluted earnings per share amounts, according to the FASB.

(a) complex (b) composite (c) compound (d) comprehensive

Q5 Generally, **.....** company is a company (corporation, business trust, partnership, or limited liability company) that issues securities and is primarily engaged in the business of investing in securities; its performance will be based on (but it won't be identical to) the performance of the securities and other assets that the company owns.

(a) a CPT (b) an incorporated (c) an investment (d) a PLC

Q6 CHICAGO (Dow Jones) — Chicago Board of Trade corn futures settled **.....** down Tuesday in several nearby months, plunging near midday as forecasts predicting rain for the eastern U.S. Midwest this weekend pushed prices sharply lower, analysts said.

(a) bottom (b) flat (c) limit (d) margin

Q7 The need to understand and measure the determinants of market maker bid/ask **.....** is crucial in evaluating the merits of competing market structures and the fairness of market maker rents.

(a) scopes (b) sheets (c) spans (d) spreads

Q8 Mortgage **.....** are still near historical lows — you can refinance into a 30-year mortgage for under 7% at the moment.

(a) fees (b) levies (c) liens (d) rates

Q9 A non-interest-**.....** note is issued at a discount to its face value and requires the maker to pay the face value of the note at maturity; to the payee (lender) the note is a note receivable and to the maker the note is a note payable.

(a) bearing (b) carrying (c) holding (d) yielding

Q10 **.....** account is a type of brokerage account that allows you to trade puts and calls; to open this type of account, your broker will require you to sign a statement that you understand and acknowledge the risks associated with derivative instruments.

(a) A futures (b) A hedge (c) An option (d) A swaps

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Debt Reduction

Q1 Finance Minister Paul Martin announced today that the federal government reduced its debt by $17.1 billion in 2000-01, the largest debt **.....** in history by a Canadian government.

(a) drawback (b) drawdown (c) payback (d) paydown

Q2 If dividends are not paid within the specified period, then before the company pays off its common shareholders, it shall have to distribute the **.....** dividend to the preference shareholders.

(a) accrued (b) accumulated (c) acquired (d) aggregated

Q3 The **.....** spread between corporate bonds and U.S. treasury bonds increased from 1.09 percent (Aaa-rated bonds) and 1.69 (Baa-rated bonds) in July 1998 to 1.84 percent (Aaa) and 2.65 percent (Baa) in October 1998.

(a) default (b) quality (c) risk (d) value

Q4 A writ of **.....** shall issue only upon court order on motion of a party claiming the right to possession of chattels; such order may be entered by the court only after it finds that the party in possession appears about to abscond or about to destroy, secrete or otherwise dispose of the chattels.

(a) habeus corpus (b) mandamus (c) quo warranto (d) replevin

Q5 The US Bureau of Economic Analysis dished out some discouraging news recently, saying that Americans had a negative savings **.....** of 0.5 percent for 2005, the first time that's happened since the Great Depression; our saving habits have been doing a gradual slide since May 1985 when we saved 11.1 percent of our disposable income.

(a) balance (b) increase (c) pace (d) rate

Q6 Employee stock purchase **.....** can be a good deal for those who participate; like incentive stock options, they can make it possible for you to buy stock at a bargain price without reporting income until you sell the stock.

(a) discounts (b) plans (c) rebates (d) schemes

Q7 Are you taking advantage of all the tax benefits Uncle Sam has to offer? — the goal of tax **.....** is to help you minimize your federal income tax liability as much as you are allowed by tax law.

(a) devaluing (b) evading (c) planning (d) reducing

Q8 In Ontario, land **.....** tax is imposed on the acquisition of an interest in land by registered conveyance or unregistered disposition; the tax is calculated on the value of the consideration for the transfer, sometimes deemed to be the fair market value of the land.

(a) assignment (b) exchange (c) settlement (d) transfer

Q9 The **.....** report of the debate in Congregation on 10 March on the general resolution concerning the Report of the Commission of Inquiry is set out herein: "MR VICE-CHANCELLOR: Before we begin the debate, I should express on behalf of Congregation our gratitude to..."

(a) construed (b) explicit (c) paraphrased (d) verbatim

Q10 It appears that the US federal annual $10,000 gift-tax **.....** will finally increase to $11,000 in 2002, and anyone who has an estate vulnerable to estate taxes or who is funding high-cost college expenses should consider use of this benefit.

(a) deduction (b) exclusion (c) exemption (d) redemption

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The White Metal

Q1 If the silver market longs get back in and buy the heck out of the markets to teach the big sellers a lesson, restoring trading to above the 2-year trend line, a failed 'bear **.....**' will have occurred; but if the cheap raid ends up paying off for the big sellers, it could send silver down a series of stale long sell stops and shake up the market's complacency.

(a) sale (b) spread (c) trail (d) trap

Q2 1040 **.....** is the simplest version of Form 1040, U.S. Individual Income Tax Return, used by taxpayers with no deductions, no adjustments, income of only wages, interest, or unemployment compensation, and no dependents.

(a) AA (b) EZ (c) IQ (d) OK

Q3 The **.....** Board Options Exchange (CBOE) was founded in 1973 as the first U.S. options exchange and trading begins on standardized, listed options; April 26, the first day of trading, saw 911 contracts traded on 16 underlying stocks.

(a) Charleston (b) Chicago (c) Cincinnati (d) Cleveland

Q4 **.....** rate mortgages could be the perfect deal if you're unsure which way interest rates are going; they also help if you're planning ahead or working to a budget — you know exactly what your monthly repayments will be, perfect for the control freak in you.

(a) Fit (b) Fixed (c) Set (d) Variable

Q5 A **.....** stock company is a company (usually unincorporated) which has the capital of its members pooled in a common fund; transferable shares represent ownership interest and shareholders are legally liable for all debts of the company.

(a) common (b) joint (c) limited (d) venture

Q6 Amid other international efforts to help Sierra Leone recover from a decade-long civil war, the **.....** Club of official bilateral creditor nations agreed in October to cancel about $72 mn of the West African country's foreign debt, estimated in 1999 at around $888 mn.

(a) London (b) Paris (c) Stockholm (d) Washington

Q7 A **.....** Premium Deferred Annuity (SPDA), a retirement planning product, is an interest-earning annuity contract between you and an insurance company; in return for an initial investment, the company promises to pay you the investment plus accrued interest on the maturity date of the annuity.

(a) Simple (b) Single (c) Standard (d) Stated

Q8 Unless you give your broker specific instructions to the contrary, orders to buy or sell a stock are '**.....** orders' — those that have been placed but not executed during regular trading hours will not automatically carry over into after-hours trading or the next regular trading day.

(a) day (b) limit (c) one-shot (d) up-time

Q9 A company's first annual **.....** must be within 18 months of incorporation, and the one after that must be within 15 months of the previous one.

(a) audit (b) meeting (c) report (d) review

Q10 Nothing is more worrisome than dealing with **.....** taxes; in such a situation, you need tax debt relief through IRS tax debt settlement help.

(a) back (b) base (c) board (d) bond

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Assessing Yourself and Your Business Idea

Q1 Four basic factors influence a successful business **.....**: a qualified entrepreneur, a profitable business idea, a thorough business plan, and adequate capital.

(a) start-in (b) start-off (c) start-out (d) start-up

Q2 Before you proceed, you should assess both your own entrepreneurial skills and the **.....** of your business concept.

(a) variability (b) versatility (c) viability (d) voracity

Q3 If it is not **.....** for you and your business concept to succeed, you will not need to spend time writing a business plan and seeking financing.

(a) feasible (b) friable (c) risible (d) runcible

Q4 Many studies have been conducted and even more articles written on 'the right **.....**' for being an entrepreneur — the primary characteristics of successful business owners.

(a) staff (b) starch (c) stretch (d) stuff

Q5 Self-confidence: the aspirant believes in own ideas and abilities, and **.....** that belief to others.

(a) carries (b) commutes (c) confers (d) conveys

Q6 Risk-taking: the aspirant can **.....** status quo, explore options and pursue opportunities.

(a) abandon (b) desert (c) escape (d) renounce

Q7 Decision-making: the aspirant has the ability to make **.....** choices even in a stressful environment.

(a) predicated (b) predictable (c) prudent (d) prudish

Q8 Persistence: the aspirant can **.....** pursue goals regardless of the energy and commitment required.

(a) tenaciously (b) tentatively (c) tortuously (d) torturously

Q9 Goal-**.....**: the aspirant can envision a desired outcome, as well as plan and implement the activities required to achieve it.

(a) dominated (b) guided (c) inspired (d) oriented

Q10 Begin improvement by reading business magazines and books, enrolling in educational programs, and seeking out a **.....** who exhibits the traits you need most.

(a) master (b) mediator (c) mentor (d) moderator

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Portfolio-focused Management

Q1 Portfolio management has traditionally been **.....** about getting new products to market and prioritizing budgets for R&D.

(a) all (b) clear (c) into (d) set

Q2 Improving efficiency and effectiveness in those areas is one of the key benefits of a systematic approach to portfolio management and explains why, in R&D-heavy industries, portfolio management is considered a critical management function in its own **.....**.

(a) case (b) right (c) style (d) way

Q3 Portfolio management can be the vital bridge between strategy and operations and the key method **.....** which cross-functional and cross-departmental coordination and strategic alignment can be achieved.

(a) by (b) for (c) from (d) on

Q4 In order to handle the complexity of the functions performed and through the pressures of growth and **.....** of scale, companies have become completely organized around specific functions like Finance, R&D, Supply chain, Manufacturing, etc.

(a) economics (b) economies (c) measures (d) mensurations

Q5 Budgets, target setting and the employees themselves have all become departmentalized by functional area, and this leaves top management with the task of ensuring that the sum of all those functions actually **.....** value for the shareholders.

(a) assesses (b) conveys (c) creates (d) instills

Q6 The basic principle is that the market value of a company is driven by the expected future net income from sales of products and services and the **.....** that top management's primary goal is to optimize the value of a company.

(a) assent (b) assessment (c) assumption (d) assurance

Q7 It seems obvious that any strategic targets one might have set for maximization of the value of a company have to be translated to a product portfolio and through that into net future revenue **.....**.

(a) bonds (b) funds (c) pools (d) streams

Q8 The simple fact that strategy turns into revenue only through having the right products in the marketplace at the right time and at the right price should put your current and future product portfolio **.....** in the middle of your whole company's focus.

(a) dab (b) down (c) square (d) squat

Q9 However, transparency into the complete portfolio, the currently commercially marketed one as well as the planned products, is often lacking due to geographic fragmentation and inconsistencies between information systems **.....** the data about these products.

(a) caching (b) capturing (c) digitalizing (d) digitizing

Q10 The different functions that are very product-**.....** (R&D, Sales/Marketing, Supply Chain), tend to use different definitions and tools when it comes to product-related planning.

(a) aligned (b) centric (c) conscious (d) friendly

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Derivatives Primer

Q1 The purpose of this primer is to clarify some of the key characteristics of the over-the-**.....** (OTC) derivatives markets.

(a) column (b) counter (c) country (d) course

Q2 A clearer picture of these markets will help legislators and regulators write better legislation and rules for the **.....** regulation of OTC derivatives markets.

(a) potential (b) prospective (c) providential (d) prudential

Q3 Derivatives are financial contracts whose value is linked to the price of an underlying commodity, asset, rate, index or the occurrence or **.....** of an event.

(a) enormity (b) magnitude (c) plenitude (d) reliability

Q4 The term 'derivative' is used to refer to the set of financial instruments that includes futures, forwards, options and swaps, and the combination of a derivative with a security or loan is called a hybrid instrument or alternatively a **.....** security.

(a) sculptured (b) straightened (c) straitened (d) structured

Q5 Exchanges have traditionally been defined by 'pit' trading through open **.....**, but exchanges have recently adopted electronic trading platforms that automatically match the bids and offers from market participants to execute trades in a multilateral environment.

(a) outburst (b) outcry (c) upshot (d) upthrust

Q6 The trading of derivatives (traditionally futures and options) on exchanges is conducted through **.....** and not dealers.

(a) bourses (b) brokers (c) intercourse (d) intermediaries

Q7 The OTC markets are organized **.....** several different lines: the first is called a 'traditional' dealer market, the second is called an electronically brokered market and the third is called a proprietary trading platform market.

(a) along (b) by (c) for (d) into

Q8 The OTC markets have traditionally been organized around one or more dealers who '**.....** a market' by maintaining bid and offer quotes to market participants.

(a) form (b) make (c) place (d) set

Q9 The quotes and the negotiation of **.....** prices are generally conducted over the telephone, although the process may be enhanced through the use of electronic bulletin boards by the dealers for posting their quotes.

(a) execution (b) exit (c) expected (d) extended

Q10 The trading process of negotiating by phone, whether end-user-to-dealer or dealer-to-dealer, is known as **.....** trading because only the two market participants directly observe the quotes or execution.

(a) bilateral (b) binomial (c) diagonal (d) dialogue

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Currency Valuation and Strategic Hedging

Q1 The US dollar's current weakness is making hedging risk very **.....** for corporates in North America, while their counterparts in Europe don't have the same advantage.

(a) abundant (b) attractive (c) egregious (d) elusive

Q2 However, an active and strategic approach to hedging means that Europeans should not be **.....**, Didier Hirigoyen exhorts.

(a) determined (b) deterred (c) detracted (d) distracted

Q3 The current weakness of the US Dollar **.....** major currencies has revived the debate around net investment hedging as well as earnings translation risk.

(a) and (b) re (c) versus (d) with

Q4 Although North American companies' hedging opportunities are now generally benefitting from favourable market conditions, European corporations may not have to **.....** away from managing these risks.

(a) balk (b) flinch (c) leap (d) shy

Q5 A solid currency valuation assessment combined with a structured hedging framework can lead to a successful programme; this approach however **.....** a slightly more dynamic methodology than is common in the corporate world.

(a) commands (b) demands (c) regulates (d) stipulates

Q6 Between internal policy constraints and accounting regulation, most companies have chosen to be mostly passive, implementing hedging strategies in a systematic manner or not at all, but rarely **.....** into consideration market conditions in the decision making process.

(a) bringing (b) drawing (c) placing (d) taking

Q7 While it is fair for companies to state that they are not involved in the currency market to 'punt' on the direction of exchange rates, it is also fair to say that hedging should not be done in **.....** either.

(a) a limbo (b) an instant (c) a trice (d) a vacuum

Q8 While understanding the mechanisms and characteristics of the FX market is key to a sound hedging policy, remaining aware of currency valuation and including it in the risk management process can add value to a firm **.....**.

(a) as a last resort (b) at a glance (c) in the long run (d) on the scorecard

Q9 The PPP currency valuation model, modified to reflect the assumption that a currency pair has, on average, traded at fair value over the 20 years preceding the measurement point, offers some **.....** into the long-term behaviour of exchange rates and their tendency to mean-revert on an inflation adjusted basis.

(a) insight (b) oversight (c) overview (d) purview

Q10 For example, the EUR/USD exchange rate has, over the past 14 years, **.....** in a broad band around the PPP implied rate.

(a) glided (b) hovered (c) soared (d) stooped

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Documentation Analysis

Q1 In many projects that use Cognitive Work Analysis methodologies, one of the first steps is bootstrapping, in which the analysts familiarize themselves with the **.....**.

(a) bailiwick (b) domain (c) perimeter (d) realm

Q2 Bootstrapping typically involves an analysis of documents (manuals, texts, technical reports,etc.), and documentation analysis can be a critically important method, one that should be utilized as a **.....** of necessity

(a) mandate (b) matter (c) medium (d) mode

Q3 Documentation Analysis can be a time-consuming process, but can sometimes be indispensable in knowledge **.....** (Kolodner, 1983).

(a) election (b) elicitation (c) instigation (d) institution

Q4 In a study of aerial photo interpreters, interviews about the process of terrain analysis began only after an analysis of the **.....**-available basic knowledge of concepts and definitions; to take up the expert's time by asking questions such as 'What is limestone?' would have made no sense.

(a) actually (b) evidently (c) openly (d) readily

Q5 Although it is usually considered to be a part of bootstrapping, documentation analysis **.....** occurs throughout the entire research programme.

(a) invaluably (b) invariably (c) inveterately (d) invitingly

Q6 For example, in a weather forecasting case study (Hoffman, Coffey, & Ford, 2000), the bootstrapping process focused on an analysis of published literatures and technical reports that made reference to the **.....** of forecasters.

(a) cognition (b) gnosis (c) incognito (d) recognizance

Q7 However, documentation analyses of other types occurred throughout the **.....** of the project-analysis of records of weather forecasting case studies, analysis of Standard Operating Procedures documents, analysis of the Local forecasting Handbooks, etc.

(a) remainder (b) remains (c) reminder (d) remnants

Q8 Documentation Analysis can be suggestive of the reasoning of practitioners, and hence contribute to the **.....** of reasoning models.

(a) foraging (b) forging (c) foundering (d) founding

Q9 Documentation Analysis can also be useful in the attempt to construct knowledge models, since the literature may include both useful categories for field knowledge and important specific '**.....**' of field knowledge.

(a) gewgaws (b) ragtag (c) knickknacks (d) tidbits

Q10 And finally, Documentation Analysis can be useful in the identification of leverage points-aspects of the work where even a modest **.....** of or improvement in technology might result in a proportionately greater improvement in the work.

(a) effusion (b) extrusion (c) infusion (d) intrusion

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Performance Appraisal

Q1 Archer North notes that the history of performance appraisal is quite brief; its roots in the early 20th century can be traced to Taylor's pioneering Time and **.....** studies.

(a) Motion (b) Motive (c) Motor (d) Movement

Q2 As a distinct and formal management procedure used in the evaluation of work performance, appraisal really **.....** from the time of the Second World War — not more than 60 years ago.

(a) dates (b) emanates (c) originates (d) springs

Q3 Yet in a broader sense, the practice of appraisal is a very ancient art; in the scale of things historical, it might well **.....** claim to being the world's second oldest profession!

(a) give (b) lay (c) make (d) set

Q4 There is, says Dulewicz (1989), "a basic human tendency to make judgements about those one is working with, as well as about oneself" — appraisal, it seems, is both **.....** and universal.

(a) endemic (b) eternal (c) inevitable (d) invincible

Q5 In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and **.....**.

(a) aggressively (b) arbitrarily (c) impeccably (d) inherently

Q6 The human **.....** to judge can create serious motivational, ethical and legal problems in the workplace.

(a) capacity (b) condition (c) inception (d) inclination

Q7 Performance appraisal systems began as simple methods of income **.....**.

(a) adjudication (b) adjustment (c) judgement (d) justification

Q8 The process was firmly linked to material outcomes: if an employee's performance was found to be less than ideal, a **.....** in pay would follow.

(a) cut (b) dent (c) shave (d) slice

Q9 On the other hand, if their performance was better than the supervisor expected, a pay rise was in **.....**.

(a) due (b) form (c) order (d) view

Q10 Pay rates were important, but they were not the only element that had an impact on employee performance; it was found that other issues, such as **.....** and self-esteem, could also have a major influence.

(a) esthetics (b) ethics (c) morale (d) morals

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Bond Issues

Q1 An issuer may choose to redeem a **.....** bond when current interest rates drop below the interest rate on the bond; that way the issuer can save money by paying off the bond and issuing another bond at a lower interest rate.

(a) callable (b) convertible (c) renewable (d) retractable

Q2 In the bond market, we refer to a bond-**.....** yield, which means that if a bond yields 6% on a semiannual basis, its BEY is 12%: the semiannual yield is simply doubled.

(a) equity (b) equivalent (c) expansion (d) extension

Q3 Morgan Stanley Dean Witter & Company said yesterday that it would use a new stock **.....** system beginning March 18th: the firm's analysts will characterize stocks as 'overweight', 'equal-weight' or 'underweight', replacing the old 'strong buy', 'outperform', 'neutral' and 'underperform'.

(a) dubbing (b) rating (c) sussing (d) tagging

Q4 If you think your financial adviser or brokerage firm has mismanaged your account or otherwise breached your contractual relationship, you can contact the firm's **.....** department, which is responsible for making sure the company's business activities are in line with the law.

(a) complaint (b) compliance (c) legal (d) logistics

Q5 You do not qualify for the head of household **.....** status because you and your spouse have not lived apart for the last 6 months of the taxable year and are not considered unmarried.

(a) filing (b) polling (c) ranking (d) taxing

Q6 Tax **.....** items are tax deductions which must be computed in calculating the Alternative Minimum Tax liability under federal tax laws; they include, for corporations, deductions for accelerated depreciation, investment tax credits, and increases in loan loss reserves by banks and savings institutions.

(a) preference (b) prescribed (c) referral (d) relevant

Q7 Now, Moneypore makes it as easy as clicking a mouse button: with the Moneypore Desktop **.....**, you can keep an eye on your stocks and how they're doing even while you're checking mail, catching up on the news or any of the other things you do online.

(a) Downloader (b) Feed (c) RSS (d) Ticker

Q8 The TradeTrack Simulation Engine reviews the price-action history of all US stocks, identifying past trading signals and testing various trading strategies; the purpose of **.....**-testing is to illustrate what might happen if you were to trade on a specific trading signal according to well-defined trading strategies.

(a) back (b) base (c) fore (d) front

Q9 The undersigned has read and understands the above-mentioned document and agrees to abide by the agreement in the capacity of **.....**; in affixing his or her signature below, s/he may also be held accountable for all terms and conditions of the rental agreement/lease described above.

(a) a cosigner (b) a lessee (c) an underwriter (d) a third party

Q10 The Supreme Court has held that the allottees of flats built by the State housing boards or development authority are bound by the **.....** clause if the final revision results in higher cost; a three-judge Bench held that the authorities were entitled to collect the increased cost from the allottees with interest.

(a) elevation (b) escalation (c) expansion (d) extension

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Odd-lot Orders

Q1 Where a person gives, either for his own account or for various accounts in which he has an actual monetary interest, buy or sell odd-lot orders which aggregate 100 shares or more, such orders shall, as far as possible, be consolidated into **.....**-lot units.

(a) common (b) full (c) job (d) whole

Q2 A **.....** move occurs when a commodity opens up or down its maximum allowed move and does not trade again until the next session; the resulting bar or candlestick would simply be a small dash.

(a) edge (b) limit (c) margin (d) wall

Q3 The upsurge in investment **.....** was driven by a general improvement in the local business environment and transnational corporations' plan to invest on the mainland in anticipation of emerging business opportunities following China's accession to the WTO.

(a) flows (b) issues (c) streams (d) tides

Q4 Simply put, market-**.....** funds aim to deliver above-market returns with lower risk by hedging bullish stock picks with an equivalent, but diversified, number of bearish, or short, bets.

(a) balanced (b) matched (c) neutral (d) offset

Q5 In forecasting models, **.....** is the process of removing the effects of accumulating data sets from a trend to show only the absolute changes in values and to allow potential cyclical patterns to be identified; this is done using regression and other statistical techniques.

(a) antitrend (b) detrend (c) distrend (d) untrend

Q6 The SEC believes that if economics and sound regulation dictate the establishment of an exclusive central processor for the **.....** tape or any other element of the national market system, provision must be made to insure that this is not under the control or domination of any particular market center.

(a) combination (b) comparison (c) composite (d) compound

Q7 A marketable non-**.....** property is a property without an earning expectancy, but is of a type that is commonly bought and sold, and has a value generated by its expected use(s) and/or consumption.

(a) consumptive (b) generation (c) investment (d) productive

Q8 A typical option **.....** (the bid/ask quotes on all the current options for a stock) can easily have 100 or 150 options; leaving aside the fact that each option is quoted on three or four exchanges, for any two-option strategy you choose, there will be 10,000 to 20,000 possible combinations of choices.

(a) chain (b) pool (c) set (d) suite

Q9 We're looking for tangible assets that could be liquidated at a price that would justify the market value of the entire company: examples of these '**.....** assets' would be oil and gas leases that are not yet generating cash, or real estate purchased in the 1950s and still listed at cost basis on the balance sheet.

(a) covert (b) hidden (c) secret (d) unlisted

Q10 After you pay the remittance amount and handling charge at the post office, a postal money order is delivered to the **.....** address; the latter can then cash this money order at a local post office.

(a) client's (b) lendee's (c) payee's (d) purchaser's

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Options Strategy

Q1 A price **.....** is created when a person buys and sells call options on the same stock or buys and sells puts on the same stock; it gets its name from the vertical movement of prices, and in this options strategy, the strike prices are different but the months are the same.

(a) break (b) hike (c) shift (d) spread

Q2 **.....** acquisitions are usually of noncompeting companies where one's product is a necessary component or complement of the other's; such acquisitions can achieve procompetitive efficiency benefits, lowering transaction costs and leading to synergistic improvements in design, production and distribution.

(a) Blanket (b) Industry (c) Overhead (d) Vertical

Q3 To **.....** is to express an asset or liability in terms of a currency or denomination other than the one in which it usually trades.

(a) nominate (b) quantise (c) recast (d) transpose

Q4 With a sell **.....** order, the limit orders will increase in price, allowing the trader to take advantage of increasing prices, thereby locking in higher returns.

(a) grade (b) level (c) scale (d) step

Q5 The 12b-1 **.....** was born in 1980 under the authorization of the Securities Exchange Commission; its name is derived from the section in the Investment Company Act of 1940 that allows a mutual fund to pay distribution and marketing expenses out of the fund's assets.

(a) charge (b) fee (c) levy (d) rate

Q6 An unblemished credit history with a positive credit report will be the leading contender for **.....** loans; a good credit history will ensure you get the loan with no collateral.

(a) personal (b) prestige (c) signature (d) sobriquet

Q7 Charitable **.....** Trusts offer current income tax deductions and a reduction of capital gains taxes: charities become the income beneficiaries, receiving a steady stream of income during the owner's lifetime, but at the owner's death, named beneficiaries receive the bulk of the CLT's assets.

(a) Lead (b) Legacy (c) Life (d) Limit

Q8 When you finance or lease a vehicle, your creditor or lessor holds important rights on the vehicle until you've made the last loan payment or fully paid off your leasing obligation; if your payments are late or you default on your contract in any way, your creditor or lessor may have the right to **.....** your car.

(a) reassume (b) reclaim (c) replevin (d) repossess

Q9 **.....** traders rapidly buy and sell stocks throughout the day in the hope that their stocks will continue climbing or falling in value for the seconds to minutes they own the stock, allowing them to lock in quick profits, which is extremely risky and can result in substantial financial losses in a very short period of time.

(a) Day (b) Short (c) Speed (d) Trend

Q10 **.....** or cover letter accompanies a larger item, usually a document, provides the recipient with a specific context in which to place the larger document and simultaneously gives the sender a permanent record of having sent the material.

(a) A conveyance (b) An expository (c) A remittance (d) A transmittal

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New Juggernaut

Q1 CHICAGO, July 10, 2007 — Even before the Chicago Mercantile Exchange's $11.9 billion purchase of the crosstown **.....** won final approval from shareholders, industry experts were speculating on possible acquisitions ahead for the new juggernaut of the financial exchange industry.

(a) Board of Trade (b) CNA Financial Corp (c) Ebix.com Inc (d) GATX Corp

Q2 The **.....** market exists wherever one currency is traded for another; by far the largest financial market in the world, it includes trading between large banks, central banks, currency speculators, multinational corporations, governments, and other financial markets and institutions.

(a) denomination (b) forex (c) overnight (d) specie

Q3 Managers' power to influence bids can be strong if they act in concert, threatening a hostile bidder with a mass exodus (the '**.....** defense'); faced with a mass exodus of management, acquirers may be unwilling to proceed with the bid, because they often need existing management to train new management.

(a) Dead Hand (b) Jonestown (c) Macaroni (d) Parachute

Q4 STONE HARBOR- A referendum election for a bond **.....** appropriating millions of dollars for various improvements in the borough overturned the proposal June 26: of the 819 registered voters, 497 turned out to vote.

(a) bylaw (b) ordinance (c) regulation (d) statute

Q5 The Pension Benefit Guaranty **.....** protects the retirement incomes of nearly 44 million American workers in 30,330 private-sector defined benefit pension plans; it was created by the Employee Retirement Income Security Act of 1974.

(a) Association (b) Bank (c) Corporation (d) Fund

Q6 A Section 457 **.....** compensation plan for employees of state and federal governments and agencies is similar to a 401(k) plan, except there are never employer matching contributions and the IRS does not consider it a qualified retirement plan.

(a) deferred (b) delayed (c) disciplined (d) distended

Q7 The annual **.....** statement is a yearly statement to borrowers that details the remaining principal and amounts paid for taxes and interest.

(a) balance (b) indebtedness (c) loan (d) mortgagor

Q8 In October 1931, the New York Stock Exchange de facto prohibited short sales at a price lower than the previous sale; that is, short sales could not be executed on **.....**.

(a) downbeats (b) downgrades (c) downticks (d) downtimes

Q9 US **.....** tax is deducted from our payroll in order to cover a portion of our retirement income when we reach age 65, but also as a survivor benefit, should we become disabled or die as a result of work — in which case the surviving spouse and children would receive a monthly income supplement.

(a) Health and Welfare (b) Health Insurance (c) Social Security (d) Social Welfare

Q10 **.....** preferred stock contains a provision that allows the corporation to buy back and retire the preferred stock at a specified price, sometimes at a premium; the stockholders have no choice but to resell the stock to the corporation when it exercises this provision.

(a) Callable (b) Convertible (c) Reconcilable (d) Revertible

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CRTs

Q1 Gifts to a charitable **.....** trust (CRT) can be made in cash, but more often consist of highly appreciated stock, real estate or a closely held business interest; it pays income to the beneficiary for a fixed period or for life, and at the end of the trust, the remaining assets pass to the charities you have chosen.

(a) recipient (b) remainder (c) residual (d) retirement

Q2 The attached tables illustrate the cash flows for an interest **.....** loan in its first 10 years under different inflation scenarios: Figure One illustrates the base case, Figure Two shows a potential 'low inflation' scenario and Figure Three a 'high inflation' scenario throughout the 10-year period.

(a) adjusted (b) calibrated (c) graded (d) indexed

Q3 The fill **.....** order is used by customers wishing an immediate fill, but at a specified price; our floor broker will bid or offer the order three times and immediately return either a fill or an unable.

(a) and nil (b) at will (c) or kill (d) the bill

Q4 **.....** trade account status exists when the purchase and sale or sale and purchase of the same security on the same day in a single account takes place; liquidation of overnight positions and repurchase (or sale) are not considered.

(a) A daylight (b) An offset (c) An onboard (d) A singleton

Q5 In order to successfully build models of mortgage **.....** that capture prepayment, delinquency and default behavior, we must decide upon common, generally accepted definitions for each of these behaviors.

(a) contingency (b) exposure (c) liability (d) risk

Q6 Gold has retrenched below its 20-day moving average of $659.31 to a six-month low of $643.20 where it is now holding but vulnerable to further selling; the **.....** has also driven gold below its 50-day and 200-day moving averages of $664 and $646, respectively.

(a) downfall (b) downtrend (c) dropoff (d) falloff

Q7 In a market where agents trade via **.....** order book, there is no market maker or specialist who provides bid and ask quotes; instead, any sellers/buyers can place offers/bids in this book and wait until the orders get executed, or they can trade immediately by placing a market order against the existing bids/offers.

(a) a limit (b) an open (c) a running (d) a standing

Q8 A full **.....** enables early round investors to preserve the value of their initial investment in a down round — they get additional 'free' shares so that their effective share price equals the new lower price, thus avoiding a markdown in the value of their investment.

(a) deck (b) house (c) monty (d) ratchet

Q9 The 12(b)-1 fee is not like a sales commission, where the investor's initial purchase is reduced by the charge; it is deducted from the assets of the fund; many call this fee a hidden **.....** because it decreases a shareholder's earning power each year without showing up overtly as a sales commission.

(a) bite (b) drag (c) load (d) toll

Q10 Your profit or loss depends on the difference between your cost **.....** and the price at which you sold your investment; in the normal scheme of things, the former is your original purchase price, but sometimes you can make adjustments to that figure to make it larger.

(a) basis (b) factor (c) figure (d) value

Employee Performance Appraisal

Q1 Performance appraisal usually takes the form of a periodic interview in which the work performance of the subordinate is examined and discussed, with a view **.....** identifying weaknesses and strengths as well as opportunities for improvement and skills development.

(a) at (b) for (c) of (d) to

Q2 In many organizations — but not all — appraisal results are used, either directly or indirectly, to help determine **.....** outcomes.

(a) award (b) price (c) prize (d) reward

Q3 That is, the appraisal results are used to identify the better performing employees who should get the majority of available **.....** pay increases, bonuses, and promotions.

(a) credit (b) merit (c) seniority (d) service

Q4 By the same **.....**, appraisal results are used to identify the poorer performers who may require some form of counseling, or in extreme cases, demotion, dismissal or decreases in pay.

(a) effect (b) event (c) time (d) token

Q5 Organizations need to be aware of laws in their country that might restrict their capacity to **.....** employees or decrease pay.

(a) degrade (b) derogate (c) dismiss (d) downsize

Q6 Whether this is an appropriate use of performance appraisal — the assignment and justification of rewards and penalties — is a very uncertain and **.....** matter; few issues in management stir up more controversy than performance appraisal.

(a) contentious (b) licentious (c) pretentious (d) tendentious

Q7 There are many **.....** sources — researchers, management commentators, psychometricians — who have expressed doubts about the validity and reliability of the performance appraisal process.

(a) disputable (b) disputed (c) reputable (d) reputed

Q8 Some have even suggested that the process is so inherently **.....** that it may be impossible to perfect it (Derven, 1990).

(a) blemished (b) flawed (c) mutilated (d) scarred

Q9 At the other **.....**, there are many strong advocates of performance appraisal; some view it as potentially "the most crucial aspect of organizational life" (Lawrie, 1990).

(a) camp (b) extreme (c) frontier (d) hand

Q10 Between these two views lie various schools of belief; while all **.....** the use of performance appraisal, there are many different opinions on how and when to apply it.

(a) endorse (b) preach (c) subscribe (d) underwrite

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Q1 Feared by learners, discounted by educational **.....**, short-changed by instructional designers, tests are, nevertheless, an essential element of learning.

(a) czars (b) mandates (c) panderers (d) pundits

Q2 We may call them quizzes, drills, examinations, assessments, competence monitors, or demonstrations of mastery; we may **.....** them as games or puzzles; yet, they remain an essential ingredient for gauging a learner's progress.

(a) cloak (b) flog (c) hype (d) sell

Q3 In a study of 400 vocational-technical learners in Pennsylvania, Internet-conducted tests showed no differences in scores, redesign needed, or any **.....** due to gender, economic disadvantage or educational disability, relative to the same test on paper.

(a) bias (b) bigotry (c) segregation (d) sexism

Q4 William Horton Consulting advises that costs for **.....** a 100-question paper test to Internet delivery are about $1500 to $2500 USD.

(a) converting (b) conveying (c) recasting (d) revising

Q5 Costs for **.....** and scoring the test are $2 USD per test-taker.

(a) condoning (b) conducing (c) conducting (d) controlling

Q6 One good reason for testing is to let learners **.....** progress toward their goals.

(a) gauge (b) guess (c) see (d) sense

Q7 One bad reason for testing is to fulfill **.....** and expectations: it's a course; therefore, it must have tests.

(a) illusions (b) prerequisites (c) promises (d) stereotypes

Q8 After a high-level analysis of why you are testing and what you hope to measure, you can make **.....** decisions on what kind of test to use.

(a) mensurable (b) minor (c) reversible (d) tactical

Q9 Some of these decisions will require balancing your **.....** objectives against the stark limitations of your authoring tools and the reality of your budget and schedule.

(a) airy (b) lofty (c) mighty (d) nifty

Q10 When teaching adults, my preference is to not record scores unless required to certify performance of learners; in general, treating adult learners as responsible, **.....** beings yields better results.

(a) conscientious (b) conscious (c) consequential (d) contentious

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Corporate Credit Cards

Q1 Vincent Eavis explains that corporate payment card usage can be divided, but not limited, into two distinct categories: general business travel and entertainment activities (T&E cards) and business **.....** activities (purchasing or p-cards).

(a) acquirement (b) acquisition (c) preferment (d) procurement

Q2 T&E spending varies according to a business's needs, whereas the proportion of purchasing that is now done on p-cards rather than by traditional **.....** payment methods is continuously increasing.

(a) cash (b) direct (c) invoice (d) receipt

Q3 T&E expenses comprise the second largest controllable expense item for companies after salaries, consuming approximately 50 to 80 basis **.....** of a company's revenues.

(a) costs (b) fractions (c) points (d) units

Q4 For T&E cards, the balance must be **.....** in full upon presentation of the statement, or within certain defined payment terms, typically around 25 days beyond statement date.

(a) approved (b) audited (c) checked (d) cleared

Q5 This means no money is made on **.....** interest as with the consumer credit card model.

(a) rebated (b) remaining (c) returned (d) revolving

Q6 These cards tend to be for travel and entertainment expenses such as air travel, hotels, rail, car hire and restaurants; the company **.....** card payments on behalf of the individual cardholder, which is known as corporate liability.

(a) bears (b) extends (c) forwards (d) settles

Q7 There are also mid-way solutions such as joint and **.....** liability, where both parties (company and individual) can be liable.

(a) several (b) single (c) specific (d) sundry

Q8 Typically, since corporate T&E cards are for business expenses, the preferred option to enable control should be corporate liability: the further liability extends to the individual, the less the company is going to be able to exert control and thereby **.....** the potential benefits.

(a) grasp (b) pluck (c) reap (d) seize

Q9 P-cards are never paid **.....** an individual's bank account.

(a) against (b) at (c) into (d) under

Q10 P-cards can eliminate several steps in the purchase-to-order process, and this eliminates the purchase order paper **.....**, which can save costs of anywhere from 60 to 100 per transaction.

(a) chase (b) cycle (c) glut (d) trail

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Shared Service Centres

Q1 Shared service centres (SSCs) are not a new phenomenon within the financial services industry; indeed they have become an established part of the business process **.....** for many large multinationals, says Hugh Davies of Citi.

(a) landscape (b) portrait (c) scenery (d) viewpoint

Q2 For corporates, the underlying principle is the pursuit of highly efficient operations and service through re-designing and centralising common processes; if a company has **.....** activities across its organisation — combined with multiple bank interfaces — it will have less control and visibility over its operations.

(a) desperate (b) discreet (c) discrete (d) disparate

Q3 This is of particular concern at a time when companies face **.....** obligations under regulations such as Sarbanes-Oxley, when they must demonstrate high levels of accountability and transparency throughout the organisation.

(a) compliance (b) complicated (c) contractual (d) convergence

Q4 There is also the desire among corporates for improved company-wide cost management, as they face increased pressure to obtain extensive cost savings from middle- and back-office operations, as well as better visibility over **.....** capital.

(a) asset (b) labour (c) revenue (d) working

Q5 While greater economies of **.....** and cost efficiencies are derived from centralised processing, corporate treasurers are taking on an increasingly strategic role within the company.

(a) effect (b) nations (c) saving (d) scale

Q6 This is resulting in improved use of information and is ensuring that SSCs are becoming an essential tool that can provide visibility and transparency of **.....** information across the company for the creation of value and competitive advantage.

(a) accessible (b) actionable (c) operable (d) objectionable

Q7 Harmonisation of financial infrastructures as a result of the single **.....** payments area (SEPA) is also an opportunity to rationalise accounts and legal structures, and therefore derive further efficiencies from SSCs.

(a) economic (b) euro (c) European (d) expense

Q8 The SSC platform and the related systems built around it are an excellent way to **.....** the fundamentals of SEPA and adapt quickly to realise the benefits.

(a) embed (b) embroil (c) ensconce (d) entrench

Q9 Establishing an SSC and centralising functions does not necessarily mean the removal of traditional payment and collection **.....** that are required by local operating companies where supplier and customer relationships are maintained.

(a) documents (b) instruments (c) offices (d) utensils

Q10 The rationalisation of banks and systems will lead to the concentration of risk, and in order to **.....** this risk, the standardisation of interfaces and formats is absolutely critical.

(a) inculcate (b) instigate (c) manumit (d) mitigate

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Financial Supply Chain Management

Q1 According to Ray Moore of HSBC, the efficient management of information across the financial supply chain (FSC) is a critical **.....** in getting goods to market early and at the lowest cost.

(a) bottleneck (b) circumstance (c) enabler (d) factorial

Q2 As international supply chains become longer and more complex, the risks and costs **.....** with fulfilment continue to increase.

(a) committed (b) endemic (c) inherent (d) specific

Q3 The focus of many supply chain management initiatives to date has been the physical processes and logistics costs that are easier to track, but this focus is increasingly shifting towards FSCs and the less **.....** costs hidden in payments, risk management and working capital management processes that are equally important.

(a) variable (b) venerable (c) viable (d) visible

Q4 Banks are under increasing pressure to demonstrate how core competences can be better applied to improving the efficiency of the FSC: this can be defined as the 'purchase-to-pay' process from the buyer **.....**.

(a) inspection (b) perspective (c) respectively (d) suspected

Q5 In order to meet the challenge, banks are re-**.....** traditional trade services and developing new solutions to meet a constantly evolving trade environment and rising customer expectations about what banks can do for them.

(a) incorporating (b) installing (c) instigating (d) invigorating

Q6 Most large buyer organisations either source from low cost countries or have established managed services or production facilities that take advantage of lower labour and operating costs, and the pressure to source from these countries and source direct to eliminate expensive trading intermediaries continues to **.....**.

(a) amount (b) emerge (c) merge (d) mount

Q7 The initial **.....** about vastly reduced unit costs has, however, been tempered in recent years, as corporates take a more sophisticated approach to the calculation of total fulfilment cost, which includes all logistics, working capital and finance related costs involved within its supply chain.

(a) anesthesia (b) euphoria (c) hysteria (d) inertia

Q8 The **.....** approach — often the characteristic of an aggressive buyer — is being replaced with the realisation that there are greater business benefits associated with working more collaboratively with suppliers to help them improve efficiencies and reduce their costs.

(a) adversarial (b) effectual (c) entrepreneurial (d) influential

Q9 The focus for many organisations has been streamlining and automating the physical supply chain in order to reduce costs; for **.....** practice organisations, the reduction of 1-2% of total costs of fulfilment is critical to keeping a competitive edge.

(a) all (b) best (c) in (d) past

Q10 However, as physical supply chains are optimised, savings become harder to realise; this is when the focus shifts to FSC opportunities; the quantum **.....** to streamlining the FSC, where organisations could save 2-3% plus potential savings by taking paper out of the system, is now being taken by many corporates.

(a) approach (b) field (c) leap (d) mechanics

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Analysts and Pundits

Q1 Some analysts and pundits use a stock's price-to-**.....** ratio to decide whether to recommend an equity: if the ratio is below 1.0, it's often considered attractive, and if the ratio is higher than 1.0, it may be deemed overpriced.

(a) book (b) convert (c) list (d) market

Q2 Gold for the year was up about 23% and Silver was up 46%; the HUI failed to provide the leverage it usually offers to metals, increasing by only 13%, but these are still impressive **.....** returns, since a record-breaking year for the Dow Jones produced only a 16.7% return and the Nasdaq gained just 10%.

(a) actual (b) alloy (c) annual (d) average

Q3 **.....** is an investment approach that seeks to match the investment returns of a specified stock or bond market benchmark by holding all or a representative sample of those securities; it is a 'passive' investment approach emphasizing broad diversification and low portfolio trading activity.

(a) Coasting (b) Coattailing (c) Indexing (d) Tailgating

Q4 Despite reports that mining giant Rio Tinto is lining up bankers for a bid for Alcan Inc, an industry observer believes the Canadian aluminum giant may be preparing a '**.....** earth policy' to make itself less attractive to potential suitors; Alcan's board has rejected Alcoa's US$28.1-billion hostile takeover offer.

(a) scorched (b) seared (c) singed (d) spoiled

Q5 With a market **.....** order, the investor allows the floor broker to use his own discretion as to the exact timing of the execution; if the broker expects a decline in price, s/he may wait to buy, figuring that a better price will soon be available, but there is no guarantee that a such an order will be filled.

(a) demand (b) not held (c) on hand (d) on hold

Q6 **.....** arbitrage is basically buying and simultaneously selling in four or more markets, profiting from a temporary difference; this is a riskless profit for the investor/trader.

(a) Complex (b) Compound (c) Convertible (d) Covered

Q7 A back-end **.....** can be a flat fee (meaning everyone pays the same amount of money when taking money out of the mutual fund) or a sliding-scale fee (meaning that the longer you keep your money in the mutual fund, the smaller the fee you have to pay when you take it out).

(a) bite (b) boost (c) load (d) loop

Q8 **.....** retirement plan is not an IRS plan subject to the eligibility, participation, and non-discrimination provisions set forth in the Employee Retirement Income Security Act and the Internal Revenue Code of 1986 and the regulations thereunder; as such, it is said to be devoid of governmental red tape.

(a) An employee-based (b) An employer-based (c) A non-certified (d) A non-qualified

Q9 Options are traded in units called **.....**, each of which entitles the option buyer/owner to 100 shares of the underlying stocks upon expiration.

(a) bundles (b) centuries (c) contracts (d) fractions

Q10 The Director position is responsible for the **.....** analysis of our derivatives portfolio, which includes 1) statistical analysis to measure the effectiveness of hedges, 2) projection of Net Investment Income and Net Investment Gain/(Loss), and 3) attribution analysis of actual reported financial results versus market factors.

(a) accumulated (b) cumulative (c) qualified (d) quantitative

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Repos

Q1 Rockwell Collins, Inc. today announced it bought back four million shares, or approximately 2.3 percent of its outstanding common stock, from UBS AG London Branch in conjunction with an accelerated share **.....** agreement at an initial cost of $49.10 per share for a total cost of $196 million.

(a) reciprocation (b) reimbursement (c) repurchase (d) reversion

Q2 The plaintiffs, shareholders of Tellabs, Inc, filed a lawsuit against the company, alleging that the chief executive had made false statements about the company's business and financial results sufficient to support a 'strong inference' of **.....** — the mental state embracing an intent to deceive, manipulate, or defraud.

(a) certiorari (b) cui bono (c) habeas corpus (d) scienter

Q3 The Federal Reserve is performing tighter monetary policy by **.....** reserves from the banking system; their goal is to slow the growth of the money supply, which will immediately impact short-term interest rates, but not long-tem rates.

(a) bolstering (b) draining (c) flushing (d) scouring

Q4 You can now get information about your tax **.....** online — this site allows you to determine if your return has been received, if your final amount matches the amount you claimed, and if it has been mailed; simply log on using your social security number and the amount you claimed on your 2006 tax return.

(a) rebate (b) refund (c) repayment (d) retirement

Q5 **.....** Stock has a par value of $100 per share, either preferred or common; stocks are generally issued with a zero par value, as they are traded in the market; the par value is not zero only when the stock is purchased directly from the company.

(a) Full (b) Round (c) Set (d) Unit

Q6 Vertical **.....** charting is a technical analysis tool which charts the high, low, and close of a given security each day, in an attempt to spot patterns that might help predict future price movements.

(a) line (b) range (c) share (d) shift

Q7 This United States tax form is used for, among other purposes, reporting payments made to independent Contractors; the ubiquity of the form has also led to slang use of the phrase '**.....**' to refer to the contractors themselves.

(a) 1040 (b) 1099 (c) 2106 (d) 2555

Q8 **.....** shares do not impose a front-end sales charge, but they may charge higher expenses that investors are assessed over the lifetime of their investment in a fund; they also normally impose a contingent deferred sales charge, which you pay if you sell your shares within a certain number of years.

(a) B Level (b) B Rank (c) Class B (d) Grade B

Q9 The term **.....** Letter shall mean a letter from the purchaser of the Property to Secured Party stating that: (i) the purchaser is aware that the Property has not been registered under the Securities Act of 1933, and (ii) the Property is being acquired for the purchaser's own account and not with a view to the sale or distribution thereof.

(a) Accordance (b) Contract (c) Investment (d) Security

Q10 A self employed person can establish a **.....** Plan, and make tax deductible contributions entered on Form 1040, Line 28, and the tax deductible contributions and any interest or gains thereon are not taxed until withdrawn; the two types of Plans are defined contribution plans and defined benefit plans.

(a) Balboa (b) Colombo (c) Keogh (d) Providence

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Consumer Spending

Q1 The hypothesis is that consumer spending drives economic cycles and is therefore a leading indicator for the stock market; for example, Mr. Ellis presents a chart relating quarterly annualized change in **.....** Consumption Expenditures (PCE) to quarterly change in the S&P 500 index.

(a) Personal (b) Prevalent (c) Private (d) Public

Q2 CFD positions held past 5PM EST (New York time) will require a service charge set at 4% to 12% per annum of the notional value of the position, depending on the product; if a position is closed before 5PM EST, there will be no cost of **.....** charge.

(a) carry (b) filing (c) keep (d) storage

Q3 Today, the Special **.....** Right (SDR) has only limited use as a reserve asset, and its main function is to serve as the unit of account of the IMF and some other international organizations; it is neither a currency, nor a claim on the IMF, but a potential claim on the freely usable currencies of IMF members.

(a) Demand (b) Denomination (c) Deposit (d) Drawing

Q4 With **.....** bond, the interest on the bond is reinvested at the same rate as the principal and is returned to the customer only when the bond is redeemed; hence, it is analyzable as a fixed sum invested at a fixed rate of compound interest for a fixed time period.

(a) a consolidated (b) a coupon (c) an accrual (d) an accumulation

Q5 Managing the portfolios of your clients and working with brokers or money managers, you can use this software to maintain the investment **.....** of all transactions; the statement from your broker (money manager) forms the basis for input into the system and maintains the record of each financial instrument from the time it enters the portfolio until its disposal.

(a) annal (b) history (c) itinerary (d) journal

Q6 In accordance with the provisions of Minnesota Statutes, Section 373.45, Subd. 3, a county that issues bonds covered under the County Credit Enhancement Program must deposit with the paying **.....** three business days before the date on which each payment is due on the bonds an amount sufficient to make that payment.

(a) agent (b) bank (c) entity (d) party

Q7 Bond **.....** follow a few quirky conventions; for instance, prices are given as percentages of face value, with fractions like 1/32 as the last digits, not decimals.

(a) charts (b) imprints (c) quotes (d) sales

Q8 Using a pre-defined **.....** of accounts that you find in a bookkeeping or accounting software package may work fine for your business, or you may find that you need to adapt or accommodate it to more closely fit the way you want to keep track of and report on your business.

(a) chart (b) content (c) glossary (d) table

Q9 If you get a notice from the company to whom you have been making monthly payments that your loan is being transferred, it is likely that the ownership of your loan has not changed; just that one big mortgage **.....** company has bought a portfolio of rights from another.

(a) allocating (b) assigning (c) funding (d) servicing

Q10 The falling **.....** payable numbers indicate that suppliers are demanding faster payments from Gander Mountain; most likely, the suppliers are worried about not getting paid, one sign that there's a problem with the business.

(a) accounts (b) amounts (c) days (d) debts

Call and Put Options

Q1 There are various ways to use a **.....** spread, but for our purposes, we'll discuss its normal use: this is when we sell a front-month, lower-strike call option and buy a longer-term, higher-strike call option or when we sell a front-month higher-strike put option and buy the longer-term, lower-strike put.

(a) diagonal (b) horizontal (c) temporal (d) vertical

Q2 The Exchange indicated that a '**.....** order imbalance' is one resulting in a price change from the last sale of the lesser of 10% or three points for stocks between $10 and $99.99, and five points for stocks $100 or more, unless a Floor Governor deems circumstances warrant a lower parameter.

(a) consequential (b) critical (c) significant (d) substantial

Q3 If a brokerage firm is unable to locate an account owner and the account has remained inactive for the period of time specified by state law, the firm must report it to the state, which then claims the account through a process called '**.....**', whereby the state becomes the owner of the account.

(a) escarpment (b) escheatment (c) estrangement (d) exactment

Q4 The final **.....** goes to anyone who got a red herring within 25 days.

(a) offer (b) option (c) prospectus (d) tender

Q5 One of the fundamental laws of a capitalist economy is that **.....** market-one where every player has access to all product and pricing information — is the ideal market; this market will, over time, converge towards the best pricing for the best products with the best level of services.

(a) a free (b) an open (c) an optimal (d) a transparent

Q6 Unlike sales taxes that appear on a cash register receipt, **.....** taxes are those charges that are not expressly clear to the taxpayer; for example, the average price of a gallon of gas is $1.49 and 43 cents of that amount represents taxes — that 37% tax rate does not appear on your receipt.

(a) buried (b) closed (c) hidden (d) veiled

Q7 Philip Morris has a yield of 5% and a payout (dividend divided by estimated 2001 earnings) of only 52% (for **.....** dividend, we multiply the latest quarterly dividend by four); it is not that Philip Morris is so generous, but the rich yield reflects the uncertain prospects of the tobacco industry.

(a) accumulated (b) calculated (c) extended (d) indicated

Q8 The Fair **.....** Reporting Act (FCRA), enforced by the FTC, is designed to promote accuracy and ensure the privacy of the information used in consumer reports; businesses that supply information about you to CRAs and those that use consumer reports also have responsibilities under the law.

(a) Civic (b) Client (c) Credit (d) Customer

Q9 The ITS participants also proposed to develop a '**.....** order information system', based on the existing ITS, that would require specialists to aggregate and enter orders for display, and brokers executing a block trade outside the best bid or offer would be required to satisfy the LOIS orders.

(a) legal (b) limit (c) line (d) load

Q10 A market **.....** order is another very common order because a lot of spread betting clients like to finish up the day with a flat position in their account.

(a) at last (b) at rest (c) on close (d) on hold

Pass-through

Q1 The most common type of pass-through is a mortgage-**.....** certificate, where homeowners' payments pass from the original bank through a government agency or investment bank to investors.

(a) backed (b) based (c) conveyed (d) covered

Q2 A 'limited partner', who is prohibited from taking part in management and has no liability for debts beyond his/her investment, is a true **.....** partner; however, without a limited partnership agreement, s/he is responsible for the debts of the partnership as a general partner.

(a) passive (b) pillow (c) secret (d) silent

Q3 Multiple listing of equity options that were already being traded as of January 20, 1990, was phased in over a period of time ending in late 1994; thus, by the end of 1994, each option **.....** could list any equity option class.

(a) chain (b) exchange (c) floor (d) trader

Q4 The legal requirements will usually pose no problem, but the lack of a market minimizes the enthusiasm for and utility value of the non-**.....** stock option plan; still, it offers the most flexibility for the owner-management of a private company to select key personnel and option pricing arrangements to suit management objectives.

(a) aligned (b) profit (c) qualified (d) refundable

Q5 MIND C.T.I. Ltd, a leading provider of convergent end-to-end billing and customer care product based solutions for carriers worldwide, today announced the record date and **.....** date of the previously declared and announced cash dividend of $0.20 per share.

(a) disbursement (b) payment (c) remittance (d) settlement

Q6 When this provision is in a lease, a landlord has the power to collect the maximum rent allowed under regulations in effect at the time; the **.....** clause provides that if the regulations are altered during the time of the lease, the tenant must pay the new fee computed pursuant to the revised regulations.

(a) balloon (b) escalator (c) kiting (d) parachute

Q7 With a **.....** option, usually the underlying and strike price currency is the foreign one and the currency in which the derivative pays out is domestic, calculated as the option's intrinsic value; this type of investment is paid at a fixed exchange rate, protecting the investor from fluctuations.

(a) bermuda (b) chameleon (c) quanto (d) vanilla

Q8 **.....** reserves must be held in the form of vault cash and if vault cash is insufficient, also in the form of a deposit with a Federal Reserve Bank; an institution that is not a member of the FRS can maintain that deposit directly with a Reserve Bank or with another institution in a pass-through relationship.

(a) Anticipated (b) Demand (c) Limit (d) Required

Q9 I look for a **.....**-to-cash-flow ratio of less than 15 for a large company that can't grow rapidly; for smaller companies, I look at things in more detail because many small companies can go from a dramatic loss to excellent cash flow in one year if they are adding customers without raising costs too badly.

(a) asset (b) equity (c) price (d) growth

Q10 Companies often **.....** their stock when they believe the price of their stock exceeds the amount smaller individual investors would be willing to pay for the stock: by reducing the price of the stock, companies try to make their stock more affordable to these investors.

(a) devalue (b) pad (c) reissue (d) split

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Cash Management in Pakistan

Q1 The implementation of a real-time gross settlement system will automate the current interbank settlement of large-value payments at the State Bank of Pakistan and will minimise credit and liquidity risks; dial-up proprietary systems are in **.....**, taken over by more robust, functionally enriched Web-based platforms.

(a) demise (b) despair (c) disarray (d) dishabille

Q2 According to Shahid A Syed, Pakistan's economy delivered another year of robust growth in 2005-06, despite the **.....** earthquake on 8 October 2005 and in the midst of an extraordinary surge in oil prices.

(a) dangerous (b) dastardly (c) debilitating (d) devastating

Q3 With growth at 6.6% in 2005-06, the economy has expanded at an average rate of 7% a year in the past four years and over 7.5% a year for the last three, thus **.....** itself as one of the fastest growing economies in Asia.

(a) positing (b) positioning (c) proclaiming (d) promoting

Q4 The vote of confidence of the international debt capital markets in Pakistan's economic policy, reform agenda and outlook is evident from the successful launch of new 10-year and 30-year **.....** bonds totalling US $800m.

(a) domestic (b) municipal (c) oppidan (d) sovereign

Q5 The SBP has been pursuing a broadening of access of financial services to all segments of society as an important strategic objective: initiatives have been taken to develop a legal framework for **.....** institutions to help the poor, and a focus on SMEs and Islamic finance issues.

(a) altruistic (b) microfinance (c) philanthropic (d) welfare

Q6 Despite considerable progress towards its goal of fostering a sound and dynamic financial system, a number of areas still demand further attention; SBP has kept its focus on consolidating reforms introduced in preceding years and lifting the regulatory and supervisory framework to meet international best **.....**.

(a) agendas (b) alliances (c) practices (d) programs

Q7 The extensive focus on enhancing the supervisory capacity in recent years has helped SBP to achieve, either fully or largely, **.....** status for 28 of the 30 Basel core principles for effective banking supervision.

(a) complaint (b) complementary (c) compliant (d) complimentary

Q8 Federal taxes in Pakistan, like most taxation systems in the world, fall into two broad categories, direct and indirect; direct taxes primarily **.....** income tax, along with a supplementary wealth tax.

(a) compose (b) comprise (c) consist (d) contain

Q9 All public companies, other than banking companies, incorporated in Pakistan, are **.....** for tax at a corporate rate of 39%; however, the effective rate is likely to differ on account of allowances and exemptions related to such factors as the industry, location and exports.

(a) arraigned (b) assessed (c) attached (d) audited

Q10 The real-time gross settlement system known as the Pakistan Real-time Interbank Settlement Mechanism is at an advanced stage of installation, and its implementation will make the payments systems much more efficient and **.....**, offering transactional features that are hard to achieve under the current settlement systems.

(a) reactant (b) refulgent (c) reluctant (d) resilient

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Banking in China

Q1 While globalization has sparked a buying **.....** in emerging markets generally, China has been the front-runner in raising new capital in the banking sector, explains Keith Pogson of Ernt & Young.

(a) spell (b) spill (c) spree (d) spray

Q2 China's record-breaking performance in raising more than US$46bn is all the more stunning given that, just two years ago, the challenge of cleaning up balance sheets and non-performing loan portfolios was **.....** next to impossible by the international investment community.

(a) convinced (b) deemed (c) evinced (d) seemed

Q3 China's financial institutions have historically suffered the disadvantage of having dual operating roles: the authorities viewed them not simply as banks, but also as a major **.....** for providing capital to state-run companies.

(a) byway (b) conductor (c) factor (d) vehicle

Q4 China's banks kicked **.....** their structural reforms ahead of receiving capital injections from the central government.

(a) off (b) out (c) through (d) up

Q5 During the past five years, they have streamlined their organizations through closure of less efficient branches and scaling back their workforces through **.....** and early retirement, among other factors.

(a) attrition (b) elimination (c) liberation (d) retribution

Q6 For example, China Construction Bank and ICBC closed more than 11,500 and 12,900 branches respectively, and each reduced its workforce by over 100,000 employees; the financial restructuring of these banks was **.....** in China's banking history.

(a) unpreceded (b) unprecedented (c) unpreconceived (d) unpremeditated

Q7 The initial recapitalization from 2003-2005 amounted to at least RMB608bn, consisting of an injection of capital through State Administration of Foreign Exchange (SAFE) investment, new shares subscribed to by the National Social Security Fund, and accumulated losses **.....** by the Ministry of Finance.

(a) reconciled (b) refurbished (c) renovated (d) replenished

Q8 In addition to capital injections by the Chinese government, restructuring was accomplished in a two-stage **.....**-out of non-performing loans; initially, approximately RMB420bn of Loss-Classified NPLs were written off from the four banks' accounts.

(a) carve (b) cut (c) slash (d) slice

Q9 Alliances with foreign banks turned out to be a vital **.....** in the success of the IPOs, as they provided Chinese banks with technical assistance and, most importantly, equity stakes that offered additional credibility and reassurance to other investors when the banks came to market.

(a) apparatus (b) concomitant (c) incorporation (d) ingredient

Q10 From a **.....** combined outlay of estimated US$500m at the end of 2003, foreign investors have now committed as much as US$18bn to the Chinese banking sector in the past 12 months alone.

(a) neglected (b) negligent (c) negligible (d) negotiable

Singapore Banking

Q1 Mahesh Kini of HSBC says that a stable government is committed to Singapore's multi-**.....** growth by focusing on various sectors.

(a) flanged (b) hinged (c) pronged (d) ranged

Q2 Singapore's 2006 budget outlines many **.....** for businesses operating in Singapore in the financial and related sectors.

(a) coercives (b) correctives (c) incentives (d) invectives

Q3 In the **.....** is the Integrated Resorts project, a large entertainment complex featuring casinos, amusement parks, hotels, and convention centres, which is due to open in 2010.

(a) ballpark (b) blueprint (c) grapevine (d) pipeline

Q4 Such large government-backed initiatives and the drive to create a new tourism hub in Singapore **.....** well for the large tourism industry, which saw nine million tourists arrive on Singapore's shores in the past year.

(a) bide (b) bode (c) hied (d) hold

Q5 The MAS, in a step to liberalise commercial banking in Singapore, has provided qualifying full bank status to some foreign banks to provide a full **.....** of financial services to individuals and corporates and issued wholesale bank status to a number of foreign banks to serve commercial customers.

(a) hand (b) house (c) staff (d) suite

Q6 Singapore is also seeing a trend to establish global treasury centres; Singapore's infrastructure, political stability and favourable time zone, located centrally in the Asia-Pacific region, have greatly benefited multinational corporations in supporting a global cash **.....**.

(a) deployment (b) leverage (c) position (d) strategy

Q7 Another growing trend is for companies to **.....** their supply chain and cash management to attain greater efficiencies.

(a) harmonize (b) hygienize (c) sanitize (d) synchronize

Q8 Singapore's finance industry has fully **.....** Internet technology and is capitalising on this phenomenon to the fullest extent as a relatively inexpensive distribution and delivery medium to grow market share and improve profitability.

(a) embalmed (b) embraced (c) ensconced (d) entailed

Q9 Besides online banking services, these banks as well as other companies that act as intermediaries and **.....**, have developed business-to-business, business-to-consumers, and even person-to-person transaction service initiatives.

(a) aggregators (b) attenuators (c) talliers (d) terminators

Q10 Singapore has one of the highest Internet **.....** rates worldwide and all major banks provide Internet banking platforms and many also provide host-to-host capabilities to link up to companies' back-office operations for file transfers.

(a) infatuation (b) infiltration (c) penetration (d) procreation

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Islamic Finance

Q1 With the modern Islamic financial services industry enhancing its sophistication, an increasingly affluent Muslim-investor population has started to express its desire for more investment products that **.....** to Islamic principles.

(a) absolve (b) absorb (c) adhere (d) admit

Q2 Coinciding with this surge in demand is the more significant role that Islamic finance plays in the global financial community; with respect to the breadth and range of products and services offered, the distinct line that once separated Islamic financial institutions from their conventional counterparts is **.....**.

(a) blurring (b) drifting (c) erasing (d) smudging

Q3 The basic principle of Islamic banking is the prohibition of riba (**.....** or interest); it also prohibits dealing in liquor, pork, gambling, pornography and anything else that Shari'a (Islamic law) deems haram (unlawful).

(a) avarice (b) principal (c) usury (d) venery

Q4 While permitting the individual the right to seek his economic well being, Islam makes a clear distinction between what is halal (lawful) and what is haram (forbidden) in pursuit of such economic activity; in **.....** terms, Islam forbids all forms of economic activity that are morally or socially injurious.

(a) bare (b) broad (c) certain (d) clear

Q5 While acknowledging the individual's right to ownership of legitimately acquired wealth, Islam makes it obligatory for the individual to spend his wealth judiciously and not to **.....** it, keep it idle or to squander it.

(a) cache (b) conceal (c) harbour (d) hoard

Q6 While allowing an individual to retain any surplus wealth, Islam seeks to reduce the margin of the surplus for the well being of the community as a whole, in particular the **.....** and deprived sections of society by participation in the process of zakat.

(a) despicable (b) destitute (c) disparaged (d) distraught

Q7 While making allowance for the ways of human nature and yet not yielding to the consequences of its worst propensities, Islam seeks to prevent the accumulation of wealth in a few hands to the **.....** of society as a whole, by its laws of inheritance.

(a) decadence (b) deterrence (c) detriment (d) discouragement

Q8 Viewed as a whole, the economic system **.....** by Islam aims at social justice without inhibiting individual enterprise beyond the point where it becomes not only collectively injurious but also individually self-destructive.

(a) elaborated (b) elicited (c) enacted (d) envisaged

Q9 It has been over two decades since Islamic banks first appeared as active players in the global financial market, and today Islamic banking and finance has become a force to be reckoned **.....**.

(a) at (b) on (c) with (d) (none)

Q10 Although the Middle East is still home to most of the world's 275-plus Islamic banks, a growing number of banks operating in the marketplace are **.....** elsewhere.

(a) domesticated (b) domiciled (c) predicated (d) premised

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Organizational Consulting

Q1 In our sixty years combined experience, Clear Impact Consulting Group, Inc have assisted thousands of leaders and their organizations in enhancing overall effectiveness; during the assessment phase we gather a great deal of information and **.....** the essence of it in the context of your overall goals.

(a) decant (b) distill (c) inject (d) instill

Q2 In addition to confidential interviews, we use diagnostic tools that not only give us initial information, but also set into **.....** ways for teams to continuously gather essential information, including our Clear Impact High Performing Teams Checklist.

(a) movement (b) place (c) right (d) stone

Q3 Teams are often bogged down with addressing energy-**.....** symptoms rather than being able to focus on root causes of obstacles to optimal success and fulfillment.

(a) sapping (b) seeking (c) seeping (d) sopping

Q4 Most teams need to be more in tune with their customers, more aware of what they're projecting and through what **.....** they're seeing, as well as having tools to most effectively interact with their customers.

(a) angles (b) eyes (c) filters (d) spectacles

Q5 There's a tool we've developed over the last 7+ years called 100% Responsibility that has a consistently powerful impact on teams and organizations; it puts 'blame' and 'victim' off **.....** while assisting people to take healthy individual and collective ownership for business results.

(a) bounds (b) limits (c) the table (d) the wall

Q6 Our intention is to help **.....**-start an ongoing process that greatly reduces power struggles and needless conflict, while increasing the innovation and excitement that comes from the possibility of successfully making a difference.

(a) jump (b) stop (c) team (d) up

Q7 The Enneagram, when used correctly, is a remarkably powerful, respectful, and dynamic system; it describes a path of healthy development for each type of person, and shows each type how they can build on their strengths and avoid their **.....**.

(a) deadfalls (b) pitfalls (c) pratfalls (d) windfalls

Q8 It helps people identify their blind **.....** at the same time that they are building on their unique gifts.

(a) rages (b) sides (c) spots (d) trusts

Q9 Integration of the Enneagram allows teams and organizations to optimize individuals' strengths, take advantage of synergy, improve teamwork, enhance mutual understanding and respect, improve leadership, enhance communication, and increase morale, productivity, and employee **.....**.

(a) inaction (b) intention (c) reaction (d) retention

Q10 Finally, we've learned that teams learn best in an Action Learning **.....**: learning is only relevant if it enables managers and leaders to take more effective action.

(a) format (b) milieu (c) niche (d) scale

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Business Systems Contingency Policy

Q1 All departments should develop and maintain procedures that will ensure an appropriate level of customer service in the **.....** of unexpected business systems failure.

(a) chance (b) event (c) option (d) view

Q2 Traditionally, disaster recovery planning focused on the physical aspects of computer-based systems, particularly the CPU and closely coupled **.....**, e.g. disc banks.

(a) accessories (b) appliances (c) paraphernalia (d) peripherals

Q3 Although this approach remains valid, the **.....** of disaster recovery has considerably widened in recent years.

(a) gap (b) range (c) reach (d) scope

Q4 This change of emphasis has resulted in the need for a pragmatic service level delivery rather than plans, **.....** documented and often untested.

(a) albeit (b) despite (c) in fact (d) much less

Q5 Departments are now so reliant upon computer-based systems for normal daily operations that small systems failures can cause **.....** level of disruption to customers and staff.

(a) a disproportionate (b) an equivalent (c) an irremediable (d) an unacceptable

Q6 A balance must be **.....** between a 'business as usual' approach, with its associated high cost, and recourse to a 'survival' mode of operation with the objective of 'business as usual' within a reasonable period.

(a) cast (b) forged (c) met (d) struck

Q7 Due to the wide variety of business applications across departments, it is not possible to provide **.....** guidelines for the management of unexpected failure and disruption of computer-based business systems; there are, however, some general guidelines that are globally applicable.

(a) definable (b) defined (c) definite (d) definitive

Q8 All **.....** plans must be tested; critical components of the plan should be tested once a year, and test plans must ensure that the testing itself does not cause a 'disaster'.

(a) contingency (b) endangerment (c) eventuality (d) predicament

Q9 Plan for key personnel not to be present at the test — this aspect is often overlooked, with all key personnel **.....** days beforehand for the test.

(a) plumped (b) primed (c) primped (d) pumped

Q10 **.....** the 'walk-through' method for testing the plan prior to putting it into operation; do not declare the testing completed until the whole production system has been re-instated.

(a) Deploy (b) Direct (c) Display (d) Distribute

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How to Avoid Making Decisions (1)

Q1 Recourse to someone or even something else: For example, in contrast to astrology, one must accept the fact that success is not due to a **.....** concourse of stars at our birth, but due to a steady trail of sparks from the grindstones of hard work, determination, good planning, and perseverance.

(a) fixed (b) fortuitous (c) precipitous (d) prepoinderant

Q2 False hopes: False hope and fear are two sides of the same **.....** — we can promise according to our hopes that are under our control only (and have some degree of certainty on its outcome), but we avoid making decisions according to our fears of the outcomes.

(a) camp (b) coin (c) face (d) street

Q3 Do not think about it: The decision-makers who are waiting for something to **.....** up might start with their shirt sleeves; you can either take action, or you can hang back and hope for a miracle.

(a) come (b) pop (c) show (d) turn

Q4 Do anchoring: Give **.....** weight to some information instead of waiting as long as possible in order to have all the information.

(a) disproportional (b) disreputable (c) unexceptional (d) unintentional

Q5 **.....**-cost conscious: Repeat the same decision because you have invested so much in this approach (or your current job) that you cannot abandon it or make another decision (or look for a better position).

(a) High (b) Hire (c) Sunk (d) Sure

Q6 Look for confirming evidence: Seek out the information to support an existing preselection and **.....** opposing ones.

(a) decry (b) denigrate (c) discount (d) dissuade

Q7 Pray for a miracle: Emerson said, "As men's prayers are a disease of the will, so are their **.....** a disease of the intellect."

(a) creeds (b) deeds (c) greeds (d) needs

Q8 Be over-confident: This makes you optimistic and then you make high risk decisions; as Henri Poincare said, "Doubt everything or believe everything — these are two equally convenient strategies, and with either, we dispense **.....** the need to think for ourselves."

(a) for (b) to (c) with (d) (none)

Q9 Be too prudent: Our doubts are traitors and make us lose opportunities by fearing to make our decision — and not only that, but it is **.....**; it transmits itself to others who depend on you.

(a) contagious (b) contractual (c) epidemic (d) pandemic

Q10 Misrepresentation: Use argument that seems scientific — for example, compute and use the average salary as a typical representative of salary rather than the **.....**.

(a) medial (b) median (c) medium (d) meridian

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How to Avoid Making Decisions (2)

Q1 Pass the **.....**: Pass off the responsibility of making the decision to someone else; do not make decisions by yourself, but bring in someone to blame if things go wrong.

(a) baton (b) buck (c) torch (d) tray

Q2 Have second thoughts: Second thoughts have **.....** more useful decisions than all the difficult circumstances and overwhelming obstacles fate could ever throw at you; and undermining your authenticity by succumbing to someone else's second thoughts is a subtle and seductive form of self-abuse.

(a) abhorred (b) aborted (c) abused (d) abutted

Q3 Succumb to failure: Believe that the choices you will make are predestined and you are **.....** to fail (one gets used to failure) versus the result of hard work and thought.

(a) bound (b) determined (c) expected (d) seen

Q4 Set up a committee: A committee is a **.....** down which ideas are lured and then quietly strangled; the greatest things are often accomplished by individual people, not by committees.

(a) coq au vin (b) corps d'elite (c) coup de grace (d) cul-de-sac

Q5 False decentralization: this could take place when an authoritative manager assigns accountability to a new 'director of' for every new decision-making problem, but does not **.....** any authority.

(a) delegate (b) derogate (c) indicate (d) instigate

Q6 Commonsense-based decisions: If you start making decisions on the basis of **.....** wisdom or chatter in the hall, generally speaking, you will make the wrong decision; what is called common sense is almost always uncommon.

(a) conventional (b) conversational (c) individual (d) institutional

Q7 Failure to understand the problem: This is caused by, among other things, subjectivity, irrational analysis, lateness or **.....**, lack of sensitivity, and lack of focus.

(a) predestination (b) preoccupation (c) procrastination (d) proliferation

Q8 Rationalization to limit the course of actions: This strategy is very popular — **.....** the cards to make one alternative clearly right and remove all risk.

(a) cut (b) deal (c) shuffle (d) stack

Q9 Information: Some information gathered is not valid — decisions are often made first and information sought to support the solution, or much of the information gathered is **.....** to the decision-making.

(a) inconsequent (b) incorrigible (c) irrelevant (d) irreverent

Q10 False alternative: This attempts to **.....** the decision-maker into a corner from which there is no escape except to accept the alternative.

(a) box (b) frame (c) screw (d) wrestle

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System Development Life Cycle

Q1 As Russel Kay tells it, once **.....** a time, software development consisted of a programmer writing code to solve a problem or automate a procedure.

(a) after (b) at (c) in (d) upon

Q2 Nowadays, systems are so big and complex that teams of architects, analysts, programmers, testers and users must work together to create the millions of lines of **.....**-written code that drive our enterprises.

(a) custom (b) hand (c) machine (d) self

Q3 The system development life cycle models work well when automating the activities of clerks and accountants, but they don't work nearly as well when building systems for **.....** workers — people at help desks, experts trying to solve problems, or executives trying to lead their company into the Fortune 100.

(a) knowledge (b) sessile (c) think-tank (d) white-collar

Q4 The waterfall model assumes that the only role for users is in specifying requirements, and that all requirements can be specified in advance; unfortunately, requirements grow and change throughout the process and beyond, calling for considerable feedback and **.....** consultation.

(a) indicative (b) insistent (c) iterative (d) itinerant

Q5 The fountain model recognizes that although some activities can't start before others — such as you need a design before you can start coding — there's a considerable **.....** of activities throughout the development cycle.

(a) overflow (b) overlap (c) undertow (d) underuse

Q6 The spiral model emphasizes the need to go back and **.....** earlier stages a number of times as the project progresses; it's actually a series of short waterfall cycles, each producing an early prototype representing a part of the entire project.

(a) recalibrate (b) regurgitate (c) reinstate (d) reiterate

Q7 In the rapid application development model, initial emphasis is on creating a **.....** that looks and acts like the desired product in order to test its usefulness.

(a) genotype (b) holotype (c) phenotype (d) prototype

Q8 The **.....** model divides the product into builds, where sections of the project are created and tested separately.

(a) fractile (b) fractional (c) incidental (d) incremental

Q9 This approach will likely find errors in user requirements quickly, since user feedback is **.....** for each stage and because code is tested sooner after it's written.

(a) extracted (b) insisted (c) queried (d) solicited

Q10 The synchronize and stabilize method combines the advantages of the spiral model with technology for overseeing and managing source code; this method allows many teams to work efficiently in **.....**; this approach was defined by David Yoffie of Harvard University and Michael Cusumano of MIT.

(a) paradigms (b) parallax (c) parallel (d) paratroops

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Database Management Systems

Q1 An organisation uses a computer to store and process information because it hopes for speed, accuracy, efficiency, economy etc. beyond what could be achieved using clerical methods; the objectives of using a DBMS must in **.....** be the same although the justifications may be more indirect.

(a) essence (b) quality (c) spirit (d) substance

Q2 Early computer applications were based on existing clerical methods and stored information was **.....** in much the same way as manual files.ed

(a) parsed (b) partitioned (c) petitioned (d) pigeon-holed

Q3 But the computer's processing speed gave a potential for relating data from different sources to produce valuable management information, provided that some standardisation could be imposed over departmental boundaries: the idea emerged of the **.....** database as a central resource.

(a) individualized (b) integrated (c) intercalated (d) isolated

Q4 Data is captured as close as possible to its point of origin and transmitted to the database, then **.....** by anyone within the organisation who requires it.

(a) exacted (b) extended (c) extracted (d) extruded

Q5 However many **.....** have become attached to this idea in practice, it still provides possibly the strongest motivation for the introduction of a DBMS in large organisations.

(a) codicils (b) contingencies (c) postulates (d) provisos

Q6 A DBMS gives some protection against change by taking care of basic storage and retrieval functions in a standard way, leaving the applications developer to concentrate on specific organisational requirements; changes in one of these areas need not have **.....** elsewhere.

(a) repercussions (b) resistance (c) resonance (d) reverberations

Q7 In general a DBMS is a substantial piece of software, the result of many man-years of effort, but because its development costs are spread over a number of purchasers it can probably provide more facilities than would be economic in **.....** product.

(a) a cut-and-dried (b) a made-to-measure (c) an off-the-rack (d) a one-off

Q8 The points discussed above are probably most relevant to the larger organisation using a DBMS for its administrative functions, the environment in which the idea of databases first originated; in other **.....** the convenience of a DBMS may be the primary consideration.

(a) contents (b) contests (c) contexts (d) contretemps

Q9 The purchaser of a small business computer needs all the software to run it in package form, written so that the minimum of expertise is required to use it, and the same applies to departments (e.g. Research & Development) with special needs which cannot be **.....** by a large centralised system.

(a) fortified (b) gratified (c) qualified (d) satisfied

Q10 When comparing database management systems it is obvious that some are designed in the expectation that professional DP staff will be available to run them, while others are aimed at the total **.....**.

(a) apprentice (b) novice (c) recruit (d) trainee

TRANs

Q1 The Tax Revenue **.....** Note (TRAN) is a tax-free bond that is issued on a one-year basis specifically for the purpose of improving cash flow to public entities heavily reliant on sporadic property tax distributions.

(a) Accumulation (b) Accrual (c) Advance (d) Anticipation

Q2 As a way to attract orders from brokers, some exchanges or market-makers will pay your broker's firm for routing your order to them, perhaps a penny or more per share: this is called 'payment for order **.....**'.

(a) fetch (b) flow (c) shift (d) shunt

Q3 A **.....** merger can harm competition by making it difficult for competitors to gain access to an important component product or to an important channel of distribution — this is called a 'bottleneck' problem.

(a) forward triangular (b) horizontal (c) reverse triangular (d) vertical

Q4 A 19c3 stock is a stock that was listed on one of the national securities exchanges, such as the NYSE, after April 26, 1979, **.....** SEC rule 19c3, which forbids exchange members from participating in off-board trading.

(a) absolving it from (b) admonishing it from (c) including it in (d) incorporating it in

Q5 **.....** interest is calculated on the original principal only; accumulated interest from prior periods is not used in calculations for the following periods, and this type of interest calculation is normally used for a single period of less than a year, such as 30 or 60 days.

(a) Basic (b) Initial (c) Simple (d) Standard

Q6 The Fair Debt Collection **.....** Act (1977) is a federal law that outlines what information debt collectors can gather on you, and contains specific rules on how debt collectors can communicate with you; these rules are designed to protect you from abuse, harassment, false and misleading tricks and other illegal actions.

(a) Practices (b) Procedures (c) Tactics (d) Techniques

Q7 Rule 405 is the NYSE codification of '**.....** your customer' rules, which require that a customer's situation be suitable for any investment being made.

(a) advise (b) check (c) know (d) match

Q8 **.....** Injury Protection covers the person named in the policy as the 'named insured', residents of the named insured's household related by blood, marriage or adoption, and passengers or pedestrians; these people will be eligible for medical insurance payments no matter who is at fault in the car accident.

(a) Panoramic (b) Personal (c) Private (d) Public

Q9 The Special **.....** Right is an international reserve asset, created by the IMF in 1969 to supplement the existing official reserves of member countries; SDRs are allocated to member countries in proportion to their IMF quotas and serve as the units of account of the IMF and other international organizations.

(a) Depositing (b) Drawing (c) Tendering (d) Trading

Q10 During the **.....** period of a fixed deferred annuity, your money, less any applicable charges, earns interest at rates set by the insurance company or in a way spelled out in the annuity contract; during the payout period, the amount of each income payment to you is generally set when the payments start and will not change.

(a) accumulation (b) collection (c) deposit (d) premium

Fire Insurance

Q1 If insurance data suggests that a serious fire is likely to occur once in 25 years, then the **.....** rate of occurrence is 1/25 = 0.04.

(a) annualized (b) average (c) expanded (d) extrapolated

Q2 Here's something to consider for those of you who may be selling covered calls on stocks you already own: some folks are reluctant to sell covered calls on stocks because they are concerned about having the stock called **.....** from them.

(a) away (b) out (c) over (d) (none)

Q3 **.....** yield is the dividend or coupon rate stated as a percentage of the security's present market price: for common stock, it is calculated by dividing its annual dividend by its market price, and for preferred stocks, the contractual dividend is divided by the market price.

(a) Anticipated (b) Expected (c) Indicated (d) Projected

Q4 Loans from a foreign parent to a Canadian subsidiary cannot fit within the exemption, so corporations have attempted to structure intercorporate debt in other ways, including '**.....**' loans, where cash is loaned from a foreign parent to an arm's length foreign company that then lends to the Canadian subsidiary.

(a) back-to-back (b) belly-to-belly (c) side-to-side (d) top-to-bottom

Q5 The interest earned during the first year is found with the formula for simple interest; if the deposit earns **.....** interest, the interest earned in the second year is calculated from the total amount on deposit at the end of the first year.

(a) accumulated (b) compound (c) extended (d) multiple

Q6 A company whose shares are traded on the so-called '**.....** sheets' is commonly one that does not meet the minimal criteria for capitalization and number of shareholders that are required by the NASDAQ and OTC and most exchanges to be listed there.

(a) black (b) pink (c) red (d) yellow

Q7 When a dealer sells or leases a car, he always receives cash, whether it's directly from the customer, or from a **.....** company or bank who has loaned a customer the money.

(a) finance (b) investment (c) lading (d) underwriting

Q8 The odd lot **.....** of one eighth or one quarter of a point was one of the ways that the odd lot broker made money, but these days there are no odd lot brokers; small stock trades, whether for 50 shares or 100 shares, are handled by computers rather than by people.

(a) addition (b) differential (c) discount (d) premium

Q9 Like the 401(k), the 12 **.....**-1 fund is named after a section of a federal law — in this case, the Investment Company Act of 1940; the charge is for marketing and distributing the fund — in other words current investors foot the bill to win new investors.

(a) a (b) b (c) c (d) d

Q10 The cost of debt **.....** which has already been issued is the rate of interest (the internal rate of return) which equates the current market price with the discounted future cash flow from the security.

(a) allowance (b) capital (c) liability (d) service

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Asset Ownership

Q1 **.....** receipt is issued by an approved depository to a clearing corporation on behalf of an investor evidencing ownership of the underlying call, interest, stock or bond; upon assignment, the depository agrees to deliver the underlying property to the clearing corporation against the aggregate assignment value.

(a) A credit (b) An escrow (c) A retainer (d) A trustee

Q2 Because accounts receivable is a use of your company's cash, close attention should be paid to the **.....** receivables; when you find that they are greater than your sales terms, the first step in analyzing your problem is to age your accounts receivable by multiples of your terms.

(a) charged (b) current (c) days (d) debts

Q3 An income payment' under a guaranteed income bond contract is treated as a full **.....** if it is the final benefit under the contract.

(a) satisfaction (b) settlement (c) summation (d) surrender

Q4 To maintain their exposure to JGBs, investors should arrange to enter a market **.....** open order onto the Tokyo Stock Exchange for its morning session the following business day; as we close positions against the TSE's opening price, using such an order will ensure that there is no loss of price exposure from this procedure.

(a) at (b) on (c) to (d) (none)

Q5 **.....** credit is defined as the maximum amount of all loans an individual can have outstanding at one time, beyond which a lender is unwilling to provide additional loans.

(a) Crest (b) High (c) Peak (d) Top

Q6 The candlestick techniques we use today originated in the style of technical **.....** used by the Japanese over 100 years before the West developed the bar and point-and-figure analysis systems; in the 1700s, a Japanese trader in futures discovered that the markets were strongly influenced by the emotions of the traders.

(a) charting (b) logging (c) psyching (d) tracking

Q7 The venture division reaches a consensus on whether to pursue the investment further; if the decision is to continue, an investment **.....** is written, summarizing the opportunity and the factors leading to the decision, and if a majority of the subcommittee approves the investment, a commitment is made to the partnership.

(a) memorandum (b) motion (c) proposal (d) prospectus

Q8 Even if your stock reaches or passes through the **.....** price, your order may not execute if there are orders ahead of yours at the same price: the orders in line ahead of you must be filled first and there may not be enough stock available to fill your order when its turn comes.

(a) cap (b) ceiling (c) limit (d) zone

Q9 An investor who buys **.....**-backed securities provides loans to the homebuyer (or business) as a consequence.

(a) asset (b) debt (c) lender (d) mortgage

Q10 Non-resident **.....** are subject to U.S. tax on U.S. sourced income only and are able to claim benefits of tax treaties.

(a) aliens (b) citizens (c) foreigners (d) immigrants

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Option Contracts

Q1 An option **.....** is an individual who pays a premium for the right to buy or sell the underlying instrument under the terms of an option contract.

(a) bearer (b) bidder (c) holder (d) owner

Q2 **.....** checks are advertised as being 'safer than cash', because the issuers promise to replace them if they're lost or stolen; however, the reality is often more harsh, because if the issuer decides that you've been negligent, it may refuse to pay up.

(a) Bank (b) Cashier's (c) Personal (d) Traveler's

Q3 The **.....** to sales ratio takes the current market capitalisation of a company and divides it by the sales it made in the last 12 months (the market capitalisation is the current market value of a company).

(a) earnings (b) equity (c) price (d) share

Q4 I, Terry Semel, the CEO of Yahoo! Inc, certify that I have reviewed this **.....** report on Form 10-Q of Yahoo! Inc. and based on my knowledge, the financial statements and other information included fairly present the financial condition, results of operations and cash flows of the registrant for the period presented in this report.

(a) annual (b) monthly (c) quarterly (d) semiannual

Q5 If a defaulter wants to continue to repay the overdue loans, she can do so by converting the overdue amount into a Flexible Loan, which is actually a **.....** loan, and a borrower can negotiate the repayment plan according to her capacity to pay.

(a) reassigned (b) redistributed (c) rescheduled (d) restructured

Q6 By **.....**, we mean cyclical fluctuations: for example, retail sales tend to peak for Christmas and then decline after the holidays, so time series of retail sales will typically show increasing sales from September through December and declining sales in January and February.

(a) periodicity (b) recurrence (c) rotation (d) seasonality

Q7 **.....** Bond Obligations (CBOs) are investment-grade bonds backed by a collection of junk bonds with different levels of risk, called tiers, that are determined by the quality of junk bond involved; CBOs backed by highly risky junk bonds receive higher interest rates than other CBOs.

(a) Collateralized (b) Compromised (c) Consolidated (d) Coordinated

Q8 Procter & Gamble Co. said it will buy the Gillette Co. in a stock **.....** worth $57 billion, creating the world's largest consumer products company with 21 brands with $1 billion to $5 billion each in annual sales; P&G will pay 0.975 P&G shares for each share of Gillette, valuing the stock at a premium of 18 percent.

(a) shift (b) shuffle (c) swap (d) switch

Q9 It's the end of the financial year, so you'll need to start getting your receipts and bank statements in order in preparation for filing your tax **.....**.

(a) refund (b) requirement (c) result (d) return

Q10 Financial Analysis is the examination of a company's financial statements: internal **.....** analysis is performed to identify how the company's performance has changed over a period of time, and external comparative analysis is conducted to measure the company's performance relative to its competitors.

(a) course (b) growth (c) spot (d) trend

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Erosion and Decay

Q1 A strategy that might reduce the impact of time erosion is the **.....** spread: the combined position of one long option and one short option is less susceptible to the effects of time decay.

(a) punctual (b) stretch (c) temporal (d) vertical

Q2 Apex is **.....** loan obligation — a derivative security whose underlying instrument is a commercial loan — that LJM2 has with First Union, which since has been acquired by Wachovia Bank.

(a) a collaterized (b) a mortgaged (c) an amalgamated (d) an extended

Q3 Should the FRB help bail out billionaire hedge fund managers and millionaire traders — the very people who bought the risky mortgages that led to the current market panic? — that, in essence, is the question swirling around Ben S. Bernanke as he confronts the first crisis of his 18 months as **.....** chairman.

(a) Bancorp (b) Fed (c) SEC (d) Treasury

Q4 There are many different ways to own gold, but one of the most popular gold bullion coins is South Africa's **.....**; introduced in 1970, it was the world's first gold bullion coin, and is denominated in ounces of pure gold rather than having a face value.

(a) Gulden (b) Kence (c) Krugerrand (d) Randmark

Q5 The maximum loss from a market peak to a market nadir, commonly called the maximum **.....**, measures how sustained one's losses can be.

(a) drawdown (b) dropoff (c) fallout (d) setback

Q6 **.....** ADR is a depositary receipt program established at the discretion of the issuer, which selects the depositary; the depositary's role is formalized in accordance with a Deposit Agreement between the depositary bank and an issuer.

(a) An Underwritten (b) An Undistributed (c) A Sponsored (d) A Subsidized

Q7 This daily updated chart is your resource for tracking the **.....** unit values of the Investment Division of the New York Life Variable Annuity; for more complete performance including average annual total return, please click on the New York Life Variable Annuity Performance Summary.

(a) accumulation (b) average (c) compounded (d) premium

Q8 NASHVILLE — The state's strong financial situation had Gov. Phil Bredesen looking forward to his annual meetings with New York bond **.....** agencies on Wednesday; Bredesen said he hopes the agencies will continue to assign Tennessee a positive outlook.

(a) brokering (b) issuing (c) rating (d) selling

Q9 HR carbon and HSLA plate imports totalled 530,789 tonnes valued at $457.4 million; **.....** YTD import volumes would result in an estimated 579,000 tonnes of imports for all of 2004, which would represent an increase of 64 percent over 2003.

(a) annualizing (b) extending (c) intercalating (d) interpolating

Q10 The Securities and Exchange Commission (SEC) has approved the Philippine Stock Exchange Inc.'s (PSE) **.....** listing rules for companies acquiring the listing status of a listed company; the new rules will provide the necessary guidelines for compliance and will take effect on September 28, 2006.

(a) backdoor (b) free pass (c) gate crasher (d) insider

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Bonds

Q1 Bondholders have a legal priority to the RTA's local tax revenues, above and beyond any commitment the RTA may wish to make with its subareas that no subarea will pay another subareas' debt; if Sound Transit's bond **.....** is prudent, that would present only a modest risk to the subareas not benefited by the bonds.

(a) portfolio (b) ratio (c) tender (d) title

Q2 A simple **.....** average is formed by computing the average (mean) price of a security over a specified number of periods; for example, a 5-day average is calculated by adding the closing prices for the last 5 days and dividing the total by 5.

(a) flowing (b) moving (c) shifting (d) sliding

Q3 **.....** coverage covers damage to your car if it is stolen, or damaged by flood, fire, or animals; it pays to fix your vehicle less the deductible you choose, and to keep your premiums low, select as high a deductible as you feel comfortable paying out of pocket.

(a) Comprehensive (b) Exclusive (c) Extensive (d) Inclusive

Q4 Warning signs of a weakening trend that coincide with a weakening of fundamentals supports the perception that a price trend **.....** may occur.

(a) recession (b) retraction (c) retreat (d) reversal

Q5 ODOT uses a fuel **.....** clause on projects where fuel usage is in excess of 25,100 gallons, establishing a base fuel price and a monthly fuel price: if the monthly fuel price drops to more than 25 % of the base price, the clause creates a downward adjustment of the fuel pay item.

(a) conservation (b) conversion (c) deceleration (d) deescalation

Q6 The Divisions of Corporation Finance and Investment Management of the SEC provide filers with opinions on filings where they believe the filing could be improved or enhanced; these **.....** letters set forth staff positions on a particular filing only and do not constitute an official expression of the Commission's views.

(a) admonition (b) annotation (c) comment (d) critique

Q7 A **.....** bank has no recourse if it pays a counterfeit check; it may never send the item back to the bank of first deposit after the 24-hour deadline.

(a) drawee (b) receipt (c) recipient (d) withdrawal

Q8 Bonds are '**.....** to maturity' when the proceeds of the refunding issue are deposited in an account for investment in an amount sufficient to pay the principal of and interest on the issue being refunded on the original interest payment and maturity dates.

(a) escrowed (b) prerefunded (c) reinvested (d) uncalled

Q9 Many bonds permit the borrower to pay off the bond before its stated maturity date; this **.....** bond is generally bad for the bondholder, because the likely reason for the payoff is that interest rates have declined, so the bondholder will not be able to reinvest the proceeds at the same rate as the original bond.

(a) called (b) claimed (c) recalled (d) reclaimed

Q10 A financial **.....** is a professional who helps clients maximize their net worth by proper asset allocation, using stocks, bonds, mutual funds and insurance products to meet their needs; many receive a commission, although fee-based planning is becoming increasingly popular in the industry.

(a) adviser (b) broker (c) consultant (d) dealer

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Trading Authorization

Q1 **.....** trading authorization gives a designated person the power to place orders in an account, request disbursements, and/or to make inquiries concerning the account, such as obtaining account balances.

(a) Full (b) Outright (c) Total (d) Unqualified

Q2 A high **.....** is high-priced and highly speculative stock that moves up sharply over a short period; a possible example is the stock of unproven high-technology companies.

(a) diver (b) flyer (c) hopper (d) jumper

Q3 Issuance of the securities is usually approved in the authorizing resolution, and sale is usually authorized in a separate document, the 'sale' or 'award' resolution; all such resolutions, read together, constitute the **.....** resolution, which describes the nature of the obligation, the issuer's duties and the issuer's rights.

(a) bond (b) gross (c) option (d) share

Q4 Managed option **.....** mutual funds buy stocks and sell or 'write' options on them, pocketing the payments, or 'premium'; some funds are already yielding 9%-11%, which is awfully attractive in today's low-yield market.

(a) inclusive (b) income (c) increase (d) interest

Q5 Economists have for some time recognized that investment expenditures can result in increases in income much larger than the original investment expenditure: this effect has been named the investment **.....**.

(a) amplifier (b) generator (c) multiplier (d) propagator

Q6 The nature of that rally is going to be extremely important, because if it's just a dead cat **.....**, then I would say we were in for real trouble.

(a) bounce (b) bound (c) bourse (d) bout

Q7 The borrower — the person concerned for taking the real estate by paying a part of the total money on a contract basis — is often called the **.....**; s/he then pledges real property to the lender, which is usually put forward in the shape of a security against the debt for the rest of the value of the property.

(a) debtor (b) lendee (c) lessee (d) mortgager

Q8 Our **.....** brokerage services are geared toward the long-term investor: whether it's for retirement, college planning, building wealth, preserving capital or a combination of requirements, we'll help you with a complete wealth management package, including trading, hedging, private equity, research ideas, and restricted stock.

(a) across-the-board (b) all-inclusive (c) full-service (d) one-stop

Q9 Many investors react to bad news and sell their TSP stock funds after reading a headline or noticing a big drop in the prices of their TSP funds for the previous day, but **.....** the market will often result in lowering your overall return as you sell your stock funds at lower prices based on an immediate emotional reaction.

(a) chasing (b) leading (c) sensing (d) tracking

Q10 The **.....** to earnings ratio (P/E) is the most widely quoted number when investors attempt to put a value on a share; you will often see something like "Dodgy.com trades at a forward P/E of 10, making it look fully valued," or "Epic! has a trailing P/E of 30, which makes it look cheap in comparison with other companies in the sector."

(a) par (b) portfolio (c) price (d) profit

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Current Assets

Q1 A final liquidity ratio, the defensive interval, determines how long a company would be able draw on **.....** assets to meet its day to day expenses; this can be especially useful when evaluating small technology companies or biotechnology companies that may have strong patents but no significant revenue as yet.

(a) quick (b) real (c) soft (d) swift

Q2 A contract cannot be **.....** by one party unless both parties can be placed in the same situation and can stand upon the same terms as existed when the contract was made; the most obvious instance of this rule is where one party (by taking possession, etc) has received a benefit from the contract.

(a) reneged (b) rescinded (c) retracted (d) revived

Q3 A property can have multiple loans or liens against it; the loan which is registered with county or city registry first is called the first position trust deed, and the lien registered second is called the second **.....**.

(a) claim (b) mortgage (c) prerogative (d) suit

Q4 **.....** evolve rules that depend on technical market indicators only; in contrast, fundamentalists evolve rules that only take fundamental indicators into account.

(a) Chartists (b) Drafters (c) Graphers (d) Purists

Q5 A Section **.....** Plan, available only to companies with 25 or fewer employees, permits a maximum contribution of the lesser of 15% of compensation or $30,000, and employees have the option of taking the employer contribution in cash, but must then pay income tax on it.

(a) 401(k) (b) 403(b) (c) 405(b) (d) 408(k)

Q6 **.....** security is one held by an investor who is likely to hang onto it for a long time.

(a) An absorbed (b) A consumed (c) A digested (d) An inhaled

Q7 With the sale of Chrysler complete, DaimlerChrysler will change its stock **.....** on Frankfurt and New York exchanges this week; starting Thursday, the automaker's stock ticker will be changed from DCX to DAI on the DAX-30 index of companies in Frankfurt and on the New York Stock Exchange.

(a) icon (b) logo (c) mark (d) symbol

Q8 The first tax **.....** prepared for the territory bears the date of October 6, 1800, and the names of only twelve taxable dwellers within the Holland Purchase appear on it; the hamlet cannot have been of much consequence to the collector of taxes, for the total amount he could collect there under that assessment was $4.55.

(a) account (b) bill (c) index (d) roll

Q9 The cost of equity **.....** decreases because of globalization for two important reasons: first, the expected return that investors require to invest in equity to compensate them for the risk they bear generally falls, and second, the agency costs that make it harder and more expensive for firms to raise funds become less important.

(a) capital (b) interest (c) issuance (d) shares

Q10 Option grants usually have **.....** periods; companies usually set a three to five year period, which means that a grant of 3,000 options with a three year period will give you the right to purchase a thousand shares of the company's stock over each of the next three consecutive years.

(a) assigment (b) entitlement (c) qualifying (d) vesting

The FRB

Q1 The consensus view at the start of the quarter was that the U.S. economy would slow and the FRB would ease interest rates, but this view shifted gradually toward a neutral Fed **.....**, and in fact the FRB made no move to increase or decrease rates in the period.

(a) bias (b) outlook (c) perspective (d) prospect

Q2 "It would be good to have a steady stream of income of three quarters of what I made when I was working," says William Gentry, associate professor of economics at Williams College, "but **.....** is not the only way to have a financially secure retirement without a company pension or some other type of defined-benefit plan."

(a) annuitizing (b) bequeathing (c) economizing (d) speculating

Q3 The development and introduction of Long-term Equity **.....** Securities by CBOE in 1990 added a whole new range of options possibilities, many suited for conservative stock investors; Index LEAPS let you trade, hedge or invest in the 'entire' stock market or select industry sectors for a time that can be measured in years.

(a) Accrual (b) Accumulation (c) Anticipation (d) Attenuated

Q4 Note, however, that the **.....** Volume Index is not a contrarian indicator: even though the PVI is supposed to show what the not-so-smart-money is doing, it still trends in the same direction as prices.

(a) Positive (b) Price (c) Public (d) Purchase

Q5 Federal **.....** loans, first disbursed July 1, 2006, are fixed-rate, low interest loans available to undergraduate students attending accredited schools at least half time; they are the most common source of college loan funds.

(a) Perkins (b) Plus (c) Sallie Mae (d) Stafford

Q6 The **.....**-test ratio measures the ability of a company to use its near cash to immediately extinguish its current liabilities; this ratio indicates a firm's capacity to maintain operations as usual with current cash or near cash reserves in bad periods.

(a) Acid (b) Boost (c) Spark (d) Tick

Q7 Under the **.....** withholding rules, the business or bank must withhold on a payment if you have given the payer an incorrect or no taxpayer ID number, or if the IRS has notified the payer to start withholding on interest and dividends because you had not reported all of your interest or dividend income in prior years.

(a) auxiliary (b) backup (c) retroactive (d) standby

Q8 ABX Air, Inc. acknowledged the receipt of an unsolicited **.....** of interest from ASTAR Air Cargo Holdings, LLC to acquire all of the outstanding shares of ABX Air for $7.75 per share in cash; no formal offer has yet been made.

(a) declaration (b) expression (c) indication (d) notification

Q9 During this time, Mizuho Sec. placed a **.....** order for the sell order, but because a system irregularity existed that became apparent during such extraordinary circumstances, the order was not processed, and executions continued to be sequentially completed without interruption.

(a) cancel (b) hold (c) market (d) stop

Q10 A payment-**.....**-kind security is a bond which pays interest in the form of additional bonds, or preferred stock which pays dividends in the form of additional preferred stock.

(a) for (b) in (c) of (d) with

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Vehicle Coverage

Q1 **.....** insurance covers vehicle damage or loss from fire, theft (except by an employee or member of your household), vandalism, falling or flying objects, malicious mischief, lightning, windstorm, earthquake, hail, impact with animals or missiles, riot, civil commotion, and rising water.

(a) Blanket (b) Comprehensive (c) Umbrella (d) Universal

Q2 **.....** capital is things that have value but do not do anything by themselves; they are used to pay for things because there is always more of it and people always want it.

(a) Book (b) Financial (c) Synthetic (d) Theoretical

Q3 Back in 1993, the lumber market found itself trading limit **.....** for several days; traders that were short lumber futures at that time were unable to buy back their contracts in order to exit the market.

(a) out (b) over (c) up (d) (none)

Q4 In the universe of cyberspace the demand for efficient consumer transactions has lead to the establishment of **.....** money, an electronic replacement for cash; it has been defined as a series of numbers that have an intrinsic value in some form of currency.

(a) digital (b) internet (c) simulated (d) virtual

Q5 The bill of exchange is a written order by the **.....** to pay money to the payee; bills of exchange are used primarily in international trade, and are written orders by one person to his bank to pay a specific sum on a specific date sometime in the future.

(a) bearee (b) bearer (c) drawee (d) drawer

Q6 Your average cost of **.....** is not an absolute indicator of your bank's profitability, but you can use it to spot unhealthy trends, and if you are able to lower costs compared to prime, you may have an advantage that you can exploit by offering loan prices lower than your competition.

(a) funds (b) interest (c) investment (d) loans

Q7 **.....** planning is the process by which an individual or family arranges the transfer of assets in anticipation of death; it aims to preserve the maximum amount of wealth possible for the intended beneficiaries and flexibility for the individual prior to death.

(a) Estate (b) Inheritance (c) Postmortem (d) Trust

Q8 With a non-**.....** credit card, you can make charges just as you would any other credit card, but you have to pay your balance in full every month; the most popular such card is American Express.

(a) carrying (b) compounding (c) renewing (d) revolving

Q9 The capital markets have recognized the tangible benefits to the State's economy of meeting the infrastructure and educational goals of the program and the University's success in implementing them; a milestone occurred in 2002 with the achievement of the high-**.....** 'double A' credit-rating category from Moody's for its bonds.

(a) grade (b) level (c) profile (d) quality

Q10 An individual **.....** pension trust is a type of allocated pension plan funding arrangement under which plan trustees purchase individual level premium annuity contracts for each member of the plan.

(a) cooperative (b) coordinated (c) participation (d) policy

The Growth of Business in Asia

Q1 The rapid growth in manufacturing and trade in Asia has lead to the rise of domestic companies with **.....** Asia Pacific operations in addition to sales in Europe and the US.

(a) downsized (b) L-size (c) outsize (d) sizeable

Q2 Many larger Asian companies, namely Chinese, Indian, Japanese, Korean and Taiwanese conglomerates, have become global **.....** names.

(a) common (b) family (c) household (d) popular

Q3 On the other hand, there has also been a surge in foreign direct investment in Asia from European and US multinational companies, as they **.....** in joint-venture arrangements with Asian firms to access local markets.

(a) coincide (b) disperse (c) partner (d) sign

Q4 India's R&D industry continues to expand **.....**, confirming India's dominance in the software, technology and business process outsourcing (BPO) arena and expects to control 51% of the global outsourcing market for software and back-office services by 2008.

(a) expeditiously (b) experimentally (c) exponentially (d) extravagantly

Q5 Meanwhile, China **.....** in comparison with only 4.9% of the outsourcing market.

(a) fades (b) fails (c) pales (d) shades

Q6 The **.....** of China's regulations drive many foreign businesses to base their regional treasuries in Singapore or Hong Kong, while Malaysia and China are looking to attract companies to set up onshore SSCs.

(a) intimacies (b) intricacies (c) vagaries (d) varieties

Q7 Interaction with local banks in Asia is unavoidable, but some local banks are not able to send Swift messages such as the MT940 or the MT942 and this can make it difficult to obtain good **.....** of cash flows and account balances.

(a) velocity (b) versatility (c) viability (d) visibility

Q8 However, this is becoming increasingly rare as local Asian banks are rapidly adopting foreign bank standards; especially, with foreign banks buying into local banks, the transfer of technology is **.....** standards, albeit within each country.

(a) eulogizing (b) homogenizing (c) institutionalizing (d) rationalizing

Q9 Meanwhile, global banks are aggressively **.....** their claim in the Asian financial markets; they are lobbying for central banks to introduce standardised regulations.

(a) making (b) marking (c) staking (d) stating

Q10 According to Clinton Lee, regional advisor and director at ABN AMRO's Transaction Banking, a common **.....** among most Asian countries is their absorption rate of newer technologies to accelerate the pace of organisational change.

(a) denominator (b) detonator (c) enumerator (d) numerator

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Communications Problems in Disasters

Q1 One of the most consistent observations about disasters is that communication is inadequate; an in-depth 1986 study suggests that this is a **.....** problem.

(a) contiguous (b) contingent (c) continuing (d) continuous

Q2 One crucial type of information that needs to be shared is that related to a determination of the priority of needed disaster countermeasures and, therefore, resource **.....**.

(a) alleviating (b) allocation (c) relocation (d) restructuring

Q3 Research on disasters suggests that many communications problems are 'people' problems, rather than equipment problems; communication equipment may be in short **.....**, but more often than not a physical means of communication is available.

(a) shrift (b) stock (c) substance (d) supply

Q4 Examples of 'people' problems in communication include the '**.....** syndrome', or 'we're the only ones on this island'.

(a) David Copperfield (b) Don Quixote (c) Huckleberry Finn (d) Robinson Crusoe

Q5 Organizations are accustomed to operating **.....** and fail to change this approach in disasters where multiple organizations are involved and are dependent on one another; each person gives priority to the information needs of his own organization rather than that of the overall response effort.

(a) alternately (b) alternatively (c) automatically (d) autonomously

Q6 Terminology and procedures used to exchange information vary among different organizations; there is a hesitancy to depend on other organizations, often due to lack of trust or familiarity, or due to political, jurisdictional, and personal **.....**.

(a) disputes (b) distances (c) drives (d) druthers

Q7 The importance of pre-disaster contact helps to explain a seemingly **.....** observation made in a number of disasters, that smaller communities with fewer resources tended to coordinate their disaster responses better than larger, more urban areas.

(a) paradoxical (b) partial (c) practical (d) pragmatic

Q8 Unfortunately, the urgency of the disaster situation often **.....** the time necessary to exchange preliminary information on-the-spot.

(a) precedes (b) precludes (c) predicts (d) prevents

Q9 The result is that, unless preliminary contact has been addressed before the disaster, there is a **.....** to depend on the activities of other organizations and a failure to coordinate and communicate with them.

(a) recalcitrance (b) reluctance (c) repulsion (d) resistance

Q10 When one is dependent on other team members, particularly in life-**.....** situations, he needs to feel confident in their competence and reliability, and developing this level of trust often requires pre-incident contact over a period of time.

(a) challenging (b) constraining (c) terminating (d) threatening

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Electronic Commerce (2)

Q1 Electronic commerce is an emerging model of new selling and merchandising tools in which buyers are able to participate in all phases of a purchase decision, while **.....** through those processes electronically rather than in a physical store or by phone (with a physical catalog).

(a) stepping (b) striding (c) traipsing (d) trotting

Q2 Electronic commerce is coming **.....**: electronic sales in a recent quarter are double those of the entire previous year.

(a) of age (b) to a head (c) to term (d) up roses

Q3 In some instances, companies create electronic-commerce capabilities out of a fear of falling behind competitors or as a result of the general **.....** to expand the use of an existing Internet presence.

(a) momentum (b) moratorium (c) motion (d) movement

Q4 But the primary value proposition is the **.....** of increased revenue from new markets and creation of new, lower-cost, electronic-distribution channels.

(a) portent (b) presence (c) profit (d) prospect

Q5 From a customer's perspective, the purpose of an electronic-commerce system is to enable that customer to locate and purchase a desired good or service over the Internet when the customer is interested in making the purchase; its function is no more or less than providing a **.....** store.

(a) baseline (b) platform (c) portal (d) virtual

Q6 From a merchant's perspective, the key function of an electronic-commerce system is to generate higher revenues than the merchant would achieve **.....** the system.

(a) besides (b) except (c) via (d) without

Q7 The benefits to the service provider of hosting electronic-commerce services include **.....** revenue for helping clients develop electronic-commerce offerings (Web sites, catalogs, storefronts) for the customer's hosted offering.

(a) enablement (b) enactment (c) escarpment (d) establishment

Q8 In this scenario, the home shopper still needs Internet access and an access **.....**, but the service provider could provide any or all of the remaining components on behalf of the merchant.

(a) apparatus (b) device (c) equipment (d) utensil

Q9 The electronic-commerce platform chosen by the service provider must support a variety of tasks: the creation of a standard environment for storefronts and advertising sites, the provision of a secure transaction environment, the authorization of credit and **.....** payments, and the provision of billing systems.

(a) clean (b) clear (c) simple (d) single

Q10 Many small- and medium-sized businesses are struggling with the high cost of **.....** to electronic commerce: creating a complete on-line selling environment can require considerable time, money, and technical expertise.

(a) accession (b) admission (c) egress (d) entry

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IT Project Failures

Q1 According to M Bronte-Stewart, IT projects have a bad reputation for going over budget and schedule, not **.....** expectations and for providing poor return on investment (Clegg et al, 1997; Keil et al, 1998; Fielding, 2002; The Register, 2002; Jaques, 2004).

(a) performing (b) producing (c) raising (d) realising

Q2 Planning and organising projects, selecting suitable software and hardware, and designing effective websites are important business decisions, yet firms often do not take adequate precautions or advice before making **.....** of faith, spending large sums of money on inappropriate, unwanted or badly implemented IT systems.

(a) acts (b) bonds (c) leaps (d) light

Q3 Many large IT systems contracts are in dispute or have been suspended: a project to replace the British Army, Navy and Air Force inventory systems with a single system was **.....** to a halt after 130m had been spent.

(a) brought (b) down (c) led (d) steered

Q4 The more IT projects are seen to go wrong, the more the public learns to expect problems and delays, the more developers may think that much of their work is likely to be a waste of effort, and the more those holding the **.....** strings may view any IT project as a worry and probably a poor return on investment.

(a) apron (b) draw (c) purse (d) shoe

Q5 IT staff can become **.....**, lose goodwill and fail to accept or follow the advice of managers: for all these reasons we should be looking for ways to reduce the incidence and effects of failure.

(a) cynical (b) ironical (c) sarcastical (d) satirical

Q6 The OASIG (1996), a DTI-supported special interest group concerned with the organisational aspects of IT, interviewed a group of leading researchers and consultants who between them had over 900 years of professional work in the field, and were **.....** on the experiences of over 14,000 organisations.

(a) banking (b) borrowing (c) drawing (d) leaning

Q7 The report to the UK's Economic and Social Research Council published the following **.....** findings on the eventual outcomes of IT projects: 80% to 90% do not meet their goals, 80% are delivered late and over budget, and 40% fail or are abandoned.

(a) disgusting (b) dissenting (c) distracting (d) disturbing

Q8 The report went on to suggest some of the main reasons why IT projects seem to fail; one is that the Management agenda is too limited in that most IT investments are technology **.....** and the main investment motive is only to cut costs.

(a) coloured (b) edged (c) filled (d) led

Q9 It is alarming that significant numbers of IT projects still fail to deliver benefits on time, within budget and **.....** expectations; a great deal of the 24 billion or so being spent on IT each year in the UK (BCS 2004) is being wasted.

(a) as (b) for (c) to (d) (none)

Q10 One way to improve this situation is to carry out a risk estimation exercise that gives a standardised **.....**, so that the process can be discussed and focussed on important characteristics; results can be compared and users can build up an expertise of experience in evaluating projects' potential for success.

(a) blueprint (b) mandate (c) paradigm (d) template

Enterprise Resource Planning

Q1 David Caruso, director of enterprise applications research for AMR Research Inc, explains that although pundits, vendors, and buyers alike frequently **.....** the concept, ERP backbone is likely one of the most misunderstood terms in the software industry.

(a) condone (b) conjure (c) intone (d) invoke

Q2 In general, people view ERP backbone in one of two ways: in terms of the applications included in the suite, or as the system's underlying architecture or **.....**; both views have merit, but current development activity indicates a trend toward the latter model as the dominant theme over the long term.

(a) carpentry (b) flooring (c) plumbing (d) rafters

Q3 During the past several years, many buyers have made system selections to reduce overall systems ownership costs: they standardize on a single technical platform to ease the maintenance **.....** and reduce required modifications.

(a) burden (b) outlet (c) shift (d) turnover

Q4 Typically, these systems will form a shared services model that a corporation will deploy consistently across the organization, but beyond the shared services, many site-specific requirements become evident as CIOs analyze the unique requirements of manufacturing plants and the **.....** of their information system needs.

(a) disarray (b) disparity (c) diversion (d) division

Q5 Most organizations would prefer to purchase all business applications from a single provider, but the **.....** of the matter is that many of them must look beyond the offerings of ERP vendors.

(a) case (b) fact (c) gist (d) point

Q6 Frequently, global organizations must integrate successful plant-level ERP systems, localized applications such as payroll systems **.....** to a country's specific legal requirements, and complex problem-solving systems such as advanced planning systems.

(a) accustomed (b) customed (c) tailored (d) tracked

Q7 Also, additional third-party applications for specialized needs such as transportation, distribution, and scheduling are common; integrating applications in this way, of course, is called building a 'best-of-**.....**' solution.

(a) batch (b) blend (c) breed (d) bunch

Q8 As an alternative to the single vendor, some companies will consider their business application requirements on a **.....** basis.

(a) case-by-case (b) one-by-one (c) piece-by-piece (d) shop-by-shop

Q9 In any case, the **.....** theme is to select the strongest application or best functional fit for how a business manager might want to run a given business function or process.

(a) overarching (b) overmastering (c) overpowering (d) overreaching

Q10 For IT managers, the quest for the best solution is analogous to a search for the Holy **.....**.

(a) Font (b) Grail (c) Rood (d) Sepulchre

No Free Lunch

Q1 The most important principle upon which to premise an investment **.....** is to recognize that there is no free lunch — all investing involves trade-offs; for every perceived reward, there is some associated risk, whether perceived or not.

(a) aesthetic (b) ethic (c) morality (d) philosophy

Q2 The Dow Jones Industrial Average is a price-**.....** index of 30 blue chip stocks.

(a) adjusted (b) balanced (c) related (d) weighted

Q3 A limit-**.....**-close order is a type of limit order to buy or sell shares near the market close only if the closing price is trading better than the limit price.

(a) at (b) for (c) on (d) to

Q4 If you have defaulted on a debt in the past and you have either reached a compromise with a creditor to settle your debt, or the creditor has deemed the debt to be non-collectable and has stopped attempts to recover, you may receive **.....** of Debt (1099-C) form from the IRS.

(a) a Cancellation (b) a Discharge (c) a Dissolution (d) an Abandonment

Q5 **.....** is an equitable remedy that wipes out the existing contract and restores the parties to their prior situation; it can occur as a result of innocent or fraudulent representation, mutual mistake, lack of legal capacity, an impossibility to perform a contract not contemplated by the parties, or duress and undue influence.

(a) Redaction (b) Regression (c) Rescission (d) Retraction

Q6 Starting from the spot month to the most **.....** month option series of the same underlying strike price and call/put type, if the fixing price is smaller than or equal to the fixing price of the preceding option series, it will be adjusted to a value not lower than the fixing price of that series.

(a) distant (b) future (c) remote (d) terminal

Q7 This Plan provides for the issuance of non-**.....** stock options which are not intended to qualify as 'incentive stock options' within the meaning of Section 422 of the Internal Revenue Code of 1986; it is an employment incentive for persons of experience and ability and whose services are considered valuable.

(a) convertible (b) regulated (c) statutory (d) taxable

Q8 April 1996 amendments to Regulation T of the Board of Governors of the Federal Reserve System delegated authority to option exchanges to set option **.....** requirements in their rules, provided such rules are approved by the Securities and Exchange Commission.

(a) chain (b) conversion (c) limit (d) margin

Q9 The **.....** portfolio concept is important in a variety of financial theories, including Modern Portfolio Theory (MPT); according to the MPT, investors should concentrate on choosing portfolios based on overall risk-reward concepts, rather than focusing on the attractiveness of individual securities.

(a) generic (b) ideal (c) market (d) universal

Q10 To calculate the **.....** ratio, take the current assets and subtract the inventory; what you are left with are the items that can be converted into cash immediately; then, divide the result by the current liabilities.

(a) A/T (b) P/L (c) quick (d) short

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Stock Priority

Q1 **.....**-preferred stock is a preferred stock issue that has less priority in claiming dividends and assets in liquidation than another issue of preferred stock.

(a) Second (b) Semi (c) Simple (d) Subordinate

Q2 **.....** earnings per share were calculated according to IAS 33.24 by dividing net income by the average number of shares outstanding, less treasury stock and include the effect of outstanding options, taking into account the share price at the balance sheet date.

(a) Accrued (b) Adjusted (c) Diluted (d) Distributed

Q3 In order to become a **.....**, a person must pass the General Securities Representative Exam (also known as the 'series 7 exam').

(a) financial advisor (b) financier (c) floor manager (d) stockbroker

Q4 The standard U.S. **.....** tax return is Form 1040, and U.S. citizens and residents who realize gross income in excess of a specified amount (adjusted annually for inflation) are required by law to file Federal income tax returns (and pay remaining income taxes if applicable).

(a) business (b) household (c) individual (d) single

Q5 The net book value of an asset will never fall below the salvage value (the estimated value of the asset at the end of its useful life), meaning that once an asset is fully **.....**, no further expenses will be taken during its life.

(a) amortized (b) depreciated (c) exhausted (d) utilized

Q6 A **.....** is a straight line that connects two prominent peaks or troughs in the price action of an underlying tradable; no other price action must penetrate the line between the two start points, and in this way it marks a support or resistance area where price has turned and has not been violated.

(a) base line (b) line graph (c) line rider (d) trend line

Q7 So-called **.....** stock is between voting and nonvoting stock; its holders may vote only on specific questions or on some corporate matters, but not on the election of the board of directors.

(a) semivoting (b) vacillating (c) vetoing (d) vitiating

Q8 **.....** CD pays the holder a fraction of any fall in a given market index.

(a) A Bear (b) A Jumbo (c) An Inverse (d) A Yankee

Q9 **.....** number, whose system is owned by the American Bankers Association and operated by Standard & Poor's, consists of nine characters and identifies most securities, including stocks of all registered U.S. and Canadian companies, as well as U.S. government and municipal bonds.

(a) A CUSIP (b) A DUNS (c) An EINECS (d) A USDOT

Q10 MON SEP 10, 2007: The Fed may not touch the fed **.....** rate out of concern that a cut could feed inflationary pressures and weaken the dollar; instead, Fed policy-makers might offer up more of the same medicine they did on August 17, when they surprised markets by cutting the less-used discount rate.

(a) funds (b) reserve (c) tax (d) term

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LIFFE

Q1 The London **.....** Financial Futures and Options Exchange (LIFFE, pronounced 'life' as in 'human life', and never 'liff-eee') was the name of a futures exchange based in London, prior to its takeover by Euronext in January 2002; Euronext subsequently merged with the NYSE in April 2007.

(a) Incorporated (b) Integrated (c) International (d) Investors'

Q2 **.....** of attorney is your legal permission for another adult to act on your behalf; the permission can be granted for a specific, limited purpose and period of time or for much broader purposes (such as handling all of your financial affairs) and an unquantified period of time (such as until your death).

(a) A certificate (b) An order (c) A power (d) A transfer

Q3 From the day the **.....** index options started trading on the Chicago Board Options Exchange on March 11, 1983, the new market, now known in the trade by its ticker symbol OEX, became a phenomenon for several reasons: for one, no other options or futures have become so popular in so brief a time.

(a) S&P 100 (b) S&P 400 (c) S&P 500 (d) S&P 600

Q4 **.....** cost is the total cost of obtaining a property, equipment or client; when used in reference to a property or equipment it includes incentives, discounts, and closing costs but excludes sales tax, and in terms of obtaining a new client it refers to promotion costs such as list rental fees and direct-mailing.

(a) Acquisition (b) Attainment (c) Procurement (d) Purchase

Q5 Through backward **.....**, Midas Touch ensures that customers get their value for money; this practice has been introduced to exercise control over fabric procurement and manufacturing activities, and it also ensures that all Midas Touch products gain a consistent quality and are not delayed in delivery.

(a) acquisition (b) integration (c) production (d) supervision

Q6 With aid flowing in from the West, Ukraine is in a position to pay **.....** rates for the Russian natural gas it consumes, President Vladimir Putin said; the politically-driven decision is also good economics, with Ukraine competing with other export routes and consumers for the best deal rather than by courting favors from Moscow.

(a) exorbitant (b) market (c) premium (d) standard

Q7 The process for a bond **.....** is as follows: DOA prepares the new replacement bond/note for an amount that equals the current outstanding amount of the EIF loan; several minor changes are made in the original bond/note language to reflect the final loan amount and the replacement of the original bond/note.

(a) call (b) maturity (c) rollover (d) swap

Q8 The Profit & Loss from a long or short option position held to expiration is a function of underlier value at expiration; it can be depicted with a graph, which is called a **.....** diagram.

(a) payoff (b) payout (c) Venn (d) Voronoi

Q9 Although most firms have only one type of common stock, in some instances a multiple capital **.....** is used to meet the special needs of the company; small, new companies seeking funds from outside sources frequently use different types of common stock.

(a) array (b) complex (c) issue (d) structure

Q10 David M. Walker, **.....** General of the United States, is the nation's chief accountability officer and head of the U.S. Government Accountability Office (GAO), whose mission is to help improve the performance and assure the accountability of the federal government for the benefit of the American people.

(a) Attorney (b) Brigadier (c) Comptroller (d) Inspector

Producing the Goods

Q1 The Cost of **.....** includes costs that can be attributed to producing the goods or providing the services of the entity; these costs may be fixed or variable costs, and disclosure of information about them in conjunction with revenue from the sale of goods provides information about the entity's gross margin.

(a) Manufacture (b) Operations (c) Overhead (d) Sales

Q2 Our quality and diverse **.....** flow comes from our community of members — venture capitalists, sponsors, incubators and universities, who invest in investment opportunities that focus on any segment with high growth opportunity; at our meetings, the presenting entrepreneurs have exposure to 100 potential investors.

(a) cash (b) deal (c) fund (d) option

Q3 The search for government revenue in fiscally tight times tempts legislators to raise revenue by imposing unusually high excise taxes on cigarettes, liquor, gambling, etc; this type of charge, often called a **.....** tax, appeals to voters who view it as a way of discouraging consumption of certain objectionable products.

(a) guilt (b) habit (c) sin (d) vice

Q4 The owner's **.....** account is considered as more like an expense account, since when you take money out, you charge that account; it is a contra account, working against your owner's equity account — you charge it when you take equity out of your business.

(a) debit (b) drawing (c) liability (d) working

Q5 The **.....** Tax is a tax on your right to transfer property at your death; it consists of an accounting of everything you own or have certain interests in at the date of death — the fair market value of these items is used, not necessarily what you paid for them or what their values were when you acquired them.

(a) Beneficiary (b) Bereavement (c) Elegy (d) Estate

Q6 When coupled with a stock's current price, a readily available piece of information, the **.....** high, explains a large portion of the profits from momentum investing; nearness to this figure dominates and improves upon the forecasting power of past returns (both individual and industry returns) for future returns.

(a) 1-year (b) 4-quarter (c) 12-month (d) 52-week

Q7 This statement of financial **.....** was prepared in accordance with accounting principles generally accepted in the US, which require management to make estimates and assumptions that affect the amounts reported in the statement for the period presented; actual results could differ from management's estimates.

(a) composition (b) condition (c) presentation (d) situation

Q8 To compensate for lost income from delinquent taxpayers, county governments offer tax **.....** at public auctions.

(a) deeds (b) liens (c) rebates (d) sales

Q9 The high-low **.....** is calculated by dividing the weekly number of stock highs and lows by the number of total issues traded; a 10-week moving average is applied to smooth out the swings.

(a) index (b) indicator (c) rate (d) ratio

Q10 Whether you're searching for buy-to-let or an auctioned repossession, you could find your **.....** property here; we list houses, flats and apartments all over the UK that can offer potential from full redevelopment through to buy-to-let.

(a) estate (b) investment (c) mortgage (d) resale

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Shareholder Liability

Q1 As a shareholder in a **.....** company, if it were to become insolvent (equivalent to bankruptcy in the US) you would only be liable to contribute the amount remaining unpaid on the shares (usually zero, as most shares are issued fully paid).

(a) limited (b) private (c) public (d) registered

Q2 The idea of the price-earnings **.....** is that it tells you how many years you would have to wait to get your money back on your investment; if, for example: Goodco's current share price is 1.08 and the EPS is 6p, its P/E is 18 — this means that if you buy a share, and its EPS stays at 6p, you will 'get your money back' over 18 years.

(a) indicator (b) percentage (c) quotient (d) ratio

Q3 The amount of the penalty-free withdrawals that you can take from your IRA varies considerably, depending on which of the three IRS-approved methods you use to calculate the withdrawals; these three methods are 1) the life expectancy method, 2) the amortization method, and 3) the **.....** factor method.

(a) annuity (b) expectancy (c) longevity (d) mortality

Q4 **.....** mortgage is a security over movable articles of property held by the lender giving the lender recourse against the property in the event of default by the borrower.

(a) A bonded (b) A chattel (c) An estate (d) An umbrella

Q5 **.....** investor is a wealthy, sophisticated investor who does not meet SEC net worth requirements but requires less protection because of large financial resources; only 35 such investors can be included per investment.

(a) An independent (b) A nonaccredited (c) An unaffiliated (d) An unapproved

Q6 The company will want to make sure it has sufficiently reserved shares of equity to compensate and motivate its workforce, but while a large option **.....** will make it less likely that it runs out of available options, size is taken into account, and can effectively lower the true pre-money valuation.

(a) package (b) pool (c) program (d) provision

Q7 When you're searching for stocks with high dividend yields, one quick check you should always make is to look at the company's **.....** ratio, which tells you what percentage of earnings management is doling out to shareholders in the form of dividends: if the number is above 75%, consider it a red flag.

(a) payout (b) premium (c) return (d) yield

Q8 In Nomura's Equity **.....** Department, some 60 analysts in Japan follow listed companies, analyzing their corporate value and making judgments regarding their current and future value as investments; other activities include meetings to provide timely information to domestic and foreign institutional investors.

(a) Report (b) Research (c) Revaluation (d) Review

Q9 We have had a fair number of couples requesting **.....**-to-die insurance to make sure funds are available for a child with special needs for their care and financial security after the death of both parents.

(a) ready (b) right (c) second (d) spouse

Q10 A quick **.....** is the purchase and sale of an investment held for only a very brief period of time, such as in day trading, fix-and-flips, contract assigning, and contract flipping.

(a) deal (b) fix (c) switch (d) turn

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Data Mining

Q1 Data mining, the extraction of hidden **.....** information from large databases, is a powerful new technology with great potential to help companies focus on the most important information in their data warehouses.

(a) predictive (b) preventive (c) proactive (d) provocative

Q2 Data mining tools estimate future trends and behaviors, allowing businesses to make knowledge-**.....** decisions.

(a) driven (b) laden (c) loaded (d) ridden

Q3 The automated, prospective analyses offered by data mining move beyond the analyses of past events provided by **.....** tools typical of decision support systems.

(a) introspective (b) intuitive (c) reminiscent (d) retrospective

Q4 Data mining tools can answer business questions that traditionally were too time-consuming to resolve; they **.....** databases for hidden patterns, finding information that experts may miss because it lies outside their expectations.

(a) scale (b) scoop (c) score (d) scour

Q5 Data mining derives its name from the similarities between searching for valuable business information in a large database — for example, finding linked products in gigabytes of store scanner data — and mining a mountain for a **.....** of valuable ore.

(a) furrow (b) streak (c) trough (d) vein

Q6 Both processes require either **.....** through an immense amount of material, or intelligently probing it to find exactly where the value resides.

(a) paging (b) sifting (c) threading (d) weaving

Q7 Data mining tools sweep through databases and identify previously hidden patterns like **.....** data that could represent data entry keying errors.

(a) anadromous (b) analogous (c) anomalous (d) anonymous

Q8 The technique that is used to perform these feats in data mining is called modeling, and this act of model building is something that people have been doing for a long time, certainly before the **.....** of computers or data mining technology.

(a) access (b) advent (c) ascent (d) avowal

Q9 If someone told you that he had a good model to predict customer usage, the first thing you might try would be to ask him to apply his model to your customer **.....**, where you already knew the answer.

(a) base (b) drive (c) file (d) log

Q10 With data mining, the best way to accomplish this is by setting aside some of your data in a **.....** to isolate it from the mining process; once the mining is complete, the results can be tested against the isolated data to confirm the model's validity.

(a) cell (b) disk (c) folder (d) vault

Ukraine Banks

Q1 Dmitry Shishkin of Standard Bank is positive that there will be a resolution to the political **.....** in Ukraine: the two opposing sides, the President and the Parliament, are looking to reach a compromise.

(a) correctness (b) leanings (c) stalemate (d) suicide

Q2 They are being pushed in that direction not only by the weariness of the people on the streets, but also by businesses that back **.....** the respective sides and which are growing increasingly impatient about the possible negative impact on the Ukrainian economy arising from political uncertainty.

(a) down (b) from (c) up (d) (none)

Q3 A walk to Independence Square in Kiev revealed that sporadic groups of young people on the square (very remotely resembling anything politically motivated) are greatly outnumbered by **.....** crowds in the huge modern shopping centre occupying two floors underneath the square.

(a) bubbling (b) bumbling (c) bursting (d) bustling

Q4 Not surprisingly, international markets have so far showed remarkable **.....** in the face of the political developments in Ukraine, very much to the irritation of many local players who were hoping to make a quick profit on an expected drop in asset prices.

(a) reluctance (b) resilience (c) resistance (d) resonance

Q5 The most likely resolution of the political standoff would be a behind-the-**.....** agreement between the President and the ruling coalition, leading to an election approved by the Constitutional Court.

(a) fences (b) lines (c) scenes (d) walls

Q6 Given the tightness of the **.....** credit (the spread gap between 10-year Ukrainian and Russian CDS is just 5 bps wider than it was prior to the President's decree), there is little attraction in directional trades.

(a) federal (b) fiat (c) regnant (d) sovereign

Q7 Ukraine has relatively few Eurobonds, and the **.....** of them are issued by banks.

(a) bulk (b) bunch (c) mass (d) most

Q8 Alfa Bank (Ukraine) is part of the Russian financial and industrial **.....** Alfa-Group; this Ukrainian bank cannot only rely on the support of its parent company in Russia, but is a rapidly growing and profitable entity in its own right.

(a) cartel (b) complex (c) concern (d) conglomeration

Q9 UkrSibBank is the third-largest bank in Ukraine, with a controlling 51% stake held by BNP Paribas; the remaining 49% belongs to two Ukrainian businessmen, who also hold substantial stakes in the country's metallurgical and chemical industries, the **.....** of Ukrainian export.

(a) backbone (b) background (c) source (d) spine

Q10 According to its financial plans for 2007, Ukraine will borrow about US$1.2bn externally; this has not been done so far as the political **.....** has put these plans on hold.

(a) tortuousness (b) torture (c) transition (d) turbulence

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A Brief History of DSS

Q1 Information Systems researchers and technologists have built and investigated Decision Support Systems (DSS) for approximately 40 years; D.J. Power's paper **.....** and explores the developments in DSS from the model-driven DSS in the late 1960s to the implementation of Web-based DSS in the mid-1990s.

(a) annals (b) chronicles (c) elaborates (d) monologues

Q2 Different people perceive the field of Decision Support Systems from various **.....** points and report different accounts of what happened and what was important (cf., Arnott & Pervan, 2005; Eom & Lee, 1990b; McCosh & Correa-Perez, 2006; Power, 2003; Power, 2004a; Silver, 1991).

(a) access (b) interest (c) perspective (d) vantage

Q3 In **.....**, a major historical turning point was Michael S. Scott Morton's (1967) dissertation field research at Harvard University; Morton's study involved building, implementing and then testing an interactive, model-driven management decision system.

(a) afterthought (b) hindsight (c) recollection (d) retrospect

Q4 Fellow Harvard Ph.D. student Andrew McCosh asserts that the concept of decision support systems was first **.....** by Scott Morton in February 1964 in a basement office in Sherman Hall, Harvard Business School in a discussion they had about Morton's dissertation.

(a) accentuated (b) admitted (c) articulated (d) ascribed

Q5 The pioneering work of Dantzig, Engelbart and Forrester influenced the feasibility of building computerized decision support systems; in the 1960s, they developed the first hypermedia-groupware system called NLS, which provided for on-screen video teleconferencing and was a **.....** to group decision support systems.

(a) foreboding (b) forecasting (c) forefather (d) forerunner

Q6 In 1960, J.C.R. Licklider published his ideas about the future role of multiaccess interactive computing in a paper titled 'Man-Computer **.....**'; he saw close man-computer interaction as enhancing both the quality and efficiency of human problem-solving, and his paper provided a guide for computer research to follow.

(a) Symbiosis (b) Syncretism (c) Synonymy (d) Synthesis

Q7 In 1974, Gordon Davis published his **.....** text on Management Information Systems; he defined a Management Information System as 'an integrated, man/machine system for providing information to support the operations, management, and decision-making functions in an organization'.

(a) deferential (b) differential (c) influential (d) referential

Q8 In 1979, John Rockart of the Harvard Business School published a ground-**.....** article that led to the development of executive information systems (EISs) or executive support systems (ESS); Rockart developed the concept of using information systems to display critical success metrics for managers.

(a) breaking (b) laying (c) planting (d) seeding

Q9 Donovan and Madnick (1977) classified DSS as either institutional or **.....**: the former supports decisions that are recurring, while the latter supports querying data for one time requests.

(a) ad hoc (b) in vivo (c) pro bono (d) quid nunc

Q10 Finally, Sprague and Carlson's (1982) book 'Building Effective Decision Support Systems' was an important **.....**: it further explained the DSS framework of data base, model base and dialog generation and management software, and provided a practical overview of how organizations should build DSS.

(a) benchmark (b) headstone (c) landmark (d) milestone

Prepaid Cards

Q1 James Le Brocq of Alliance & Leicester Commercial Bank says that prepaid cards (or **.....**-value cards) have been in existence for some years, with the US leading the way in finding applications in both the private and public sectors.

(a) accredited (b) added (c) stated (d) stored

Q2 The European prepaid market is currently only in its **.....**, but this is set to change with the number of cards in circulation estimated to grow at over 110% a year for the next four years.

(a) adolescence (b) dotage (c) infancy (d) puberty

Q3 It is predicted that by the end of 2010 the use of prepaid cards across the eurozone will **.....** 2.3 billion transactions with a 75bn turnover.

(a) catalyze (b) fabricate (c) generate (d) initialize

Q4 Prepaid cards represent money on deposit and function in much the same way as conventional debit cards; however, the key difference is that funds are not stored in an account that is directly linked to the card holder, but are **.....** onto the card and held at a remote database with a financial services provider.

(a) doled (b) heaped (c) loaded (d) pasted

Q5 In this **.....** there is no actual value stored on the card itself; they do not act as a substitute for cash, so lost or stolen cards can be easily stopped and replaced.

(a) content (b) fashion (c) respect (d) style

Q6 Clearly such revolutionary payments technology will have a significant impact on UK corporates, with uses falling into several categories, including expenses, payroll and ad-hoc remittances, as well as customer-based payments such as gifts, refunds and **.....**.

(a) extortion (b) gratuities (c) incentives (d) scruples

Q7 In all cases significant benefits **.....**.

(a) accrue (b) apply (c) assume (d) attach

Q8 The advantages of using prepaid cards for employee expense accounts are significant: as well as the general cost savings that are realised in all cases when switching from paper-based payments, employers using prepaid cards can **.....** significantly more control over expenses.

(a) attract (b) enforce (c) exert (d) garner

Q9 Payments can be **.....** by corporate providers, allowing them to limit the scope of where goods and services can be purchased, while a record of all transactions is automatically generated and stored.

(a) firewalled (b) hamstrung (c) nailed down (d) ring-fenced

Q10 Also, employee travel abroad can be easily facilitated as the cards can be loaded with a currency of **.....** — thus eliminating costs associated with using a debit or credit card outside of its issuing domicile.

(a) choice (b) convention (c) medium (d) mode

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Object-Oriented Programming Languages

Q1 Many modern programming languages depend largely or exclusively on the concept of objects: a close **.....** binding of data to the operations that can be performed upon that data.

(a) automatic (b) enigmatic (c) pragmatic (d) syntactic

Q2 In these Object-Oriented languages — C++, C#, Java, Eiffel, Smalltalk, Visual Basic.NET, Perl, and many others programmers create classes, each of which defines the behavior and structure of a number of similar objects; then they write code that creates and **.....** objects that are instances of those classes.

(a) articulates (b) eradicates (c) generates (d) manipulates

Q3 One reason why objects are a powerful programming technique — the reason most often **.....** in the early literature on Object-Oriented Programming — is that programmatic objects map naturally to real world objects.

(a) flouted (b) routed (c) scouted (d) touted

Q4 This mapping between objects in the real world and more **.....** code objects encourages programmers to think in the problem domain, rather than in computer science terms.

(a) abstract (b) abstruse (c) oblique (d) obtuse

Q5 This benefit has perhaps been overstated, however; unless you're building a simulator of a real-world process, such **.....** 'real-world' objects form just the surface of your system.

(a) profligate (b) spectral (c) surrogate (d) virtual

Q6 The complexity of your design lies underneath that surface, in code that reflects business rules, resource allocation, algorithms, and other computer science concerns; if you only use objects to reflect the real world, you **.....** yourself with a lot of work.

(a) bilk (b) fool (c) leave (d) set

Q7 Coupling refers to the ways in which and degrees to which one part of the system relies on the details of another part: the tighter the coupling, the more changes in one part of the system will **.....** throughout the system, while with loose coupling, the interfaces between subsystems are well defined and restricted.

(a) leak (b) ripple (c) seep (d) wander

Q8 **.....** refers to the degree in which elements within a subsystem form a single, unified concept, with no excess elements: where it is strong, there is easier comprehension and thus more reliable code.

(a) Adaptation (b) Adherence (c) Cohabitation (d) Cohesion

Q9 Some Object-Oriented languages are less rigid than others in how much they require you to design around objects, but OO languages certainly support these quality **.....** if you take the time to pursue them.

(a) attributes (b) contributions (c) tribulations (d) tributes

Q10 It seems that every new OO language author **.....** the need to distinguish their language by coming up with new terminology.

(a) feels (b) gets (c) senses (d) urges

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Optimal Hedging

Q1 The optimal hedge consists of a position in a single **.....** whose strike price is independent of the level of expense the institution is willing to incur for its hedging program.

(a) industry (b) market (c) option (d) share

Q2 If the journal entries are error-free and were posted properly to the general ledger, the total debit balances should equal the total credit balances, and if they don't, then an error has occurred somewhere in the process; the total of the accounts on the debit and credit side is referred to as the **.....** balance.

(a) preliminary (b) provisional (c) tentative (d) trial

Q3 A **.....** settlement allows you to invest in another person's life insurance policy: you purchase the policy (or part of it) at a price that is less than the death benefit of the policy, and when the seller dies, you collect the death benefit.

(a) funereal (b) sepulchral (c) terminal (d) viatical

Q4 Shares of The McClatchy Co. dropped 3.2 percent in trading Monday, falling to a 52-week **.....**; the stock fell 66 cents to $20.21 in lighter-than-average trading volume, and then it dipped another 6 cents in after-hours trading.

(a) base (b) close (c) low (d) record

Q5 A Fed **.....** is a Federal Reserve Board action designed to make more credit available by adding reserves to the banking system.

(a) boost (b) feed (c) lift (d) pass

Q6 **.....** market value is the aggregate worth, in dollars, of a group of securities held in a cash or margin brokerage account, calculated using the prior trading day's closing prices of each security in the account; the figure includes most common investment vehicles, but excludes commercial paper, options, annuities and precious metals.

(a) Base (b) Current (c) Long (d) Sum

Q7 Preferred **.....** Organization (PPO) plans are the number one choice for millions of Americans: there is freedom of choice among in-network providers, lower out-of-pocket costs (copay only for most in-network office visits) and a strong emphasis on preventive health.

(a) Patient (b) Physician (c) Practitioner (d) Provider

Q8 Commodities prices rose across the **.....** in the week that the US Federal Reserve cut interest rates to prop up the domestic economy: crude oil surged to an all-time high and gold hit its highest level in 28 years, while strong demand from China and other developing countries helped boost all commodities.

(a) aisle (b) board (c) floor (d) market

Q9 **.....**-stock futures are a way to reap the benefits of a stock's performance without actually owning the stock; one of the advantages they enjoy is that they are cheaper to trade and easier to use for hedging strategies than options.

(a) Semi (b) Short (c) Single (d) Solo

Q10 Agilent lived up to the high billing most industry watchers expected in its initial public offering: shares climbed as high as about 50 in morning trading, and yesterday the company raised the price range of the shares coming to the market to $26 to $28 per share; the stock priced **.....** at $30 last night, Merrill Lynch said today.

(a) in (b) out (c) over (d) (none)

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Oil Curves

Q1 "Modest demand growth combined with no significant supply increases has caused oil inventories to decline sharply, creating **.....** in the oil forward curve," said Jeffrey Currie of Goldman Sachs; in such a market, oil for delivery in the near term is more expensive than for later shipment.

(a) backwardation (b) behindment (c) reductability (d) retropricing

Q2 Should securities held in a collective deposit be repaid on the basis of a lottery, the bank shall distribute the **.....** securities pro-rata amongst the holders of the securities, whereby it shall ensure that all depositors enjoy an equal treatment.

(a) charged (b) cleared (c) discharged (d) drawn

Q3 The Trust provides investors with the opportunity to purchase a security representing a proportionate undivided interest in a portfolio of securities consisting of substantially all of the common stocks, in substantially the same weighting, of the S&P 500 Index, each unit of which is referred to as a Standard & Poor's **.....** Receipt.

(a) Depositary (b) Distribution (c) Integral (d) Investiture

Q4 Many consumers are unaware of the importance of retaining **.....** bank checks, through which account holders have a record of who actually signed the back of the check to redeem its face value; this signature is universally required for resolving countless business transaction disputes.

(a) cancelled (b) circulated (c) claimed (d) conveyed

Q5 When a claimant delays in filing an application for benefits, the **.....** provisions may allow the late application to be recognized as having been made earlier than it actually was; the purpose is to allow a claimant to be put in the position he or she would have been in had the delay in filing their claim for benefits not occurred.

(a) antedate (b) backlog (c) hindsight (d) retrospect

Q6 The Peer to Patent project allows people to alert the US Patent Office when material is found proving an invention is not new — this pioneering project aimed at improving the quality of patents must be made **.....** if it is to work, according to the project's manager; currently the project is only voluntary.

(a) compensatory (b) comprehensive (c) compulsive (d) compulsory

Q7 The higher the loan amount, the bigger the thud if your loan goes belly up, and reducing the **.....** ratio is one way lenders cut their risk; to that end, they generally insist on more than the usual 20 percent down on jumbo loans over $500,000, requiring you to make at least a 25-percent cash down payment.

(a) interest-to-principle (b) investment-to-assessment
(c) loan-to-value (d) mortgage-to-market

Q8 If quick growth is necessary, raising money through the sale of stock may provide the best opportunity for fast action; however, wider equity participation implies **.....** of ownership, which may not be acceptable to some business owners.

(a) a dilution (b) a diminuation (c) an expansion (d) an extension

Q9 The Roanoke Valley ranks consistently lower than the national average, according to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living **.....**, which compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

(a) Index (b) Indicator (c) Scale (d) Standard

Q10 The US federal income tax system is a 'pay as you go' system: you're required to pay tax over the course of the year rather than waiting until April 15, and the general rule is that you have to pay **.....** tax if your withholding doesn't cover 90% of your tax liability.

(a) added (b) estimated (c) graduated (d) preempted

Futures Contracts

Q1 CME created the world's first **.....** futures contracts by introducing futures on seven foreign currencies in May 1972; the original currency contracts included CME British pounds, CME Canadian dollars, CME Deutsche marks, CME French francs, CME Japanese yen, CME Mexican pesos and CME Swiss francs.

(a) commercial (b) exchange (c) financial (d) liquid

Q2 Capital Cost Allowance may be deducted annually in Canada, which is in no way reflective of the expected useful life of the asset, but is an arbitrary determined amount specified in the Income Tax Act; because it is a deduction from income for tax purposes, CCA acts as a tax **.....** in the year in which it is claimed.

(a) contra (b) credit (c) rebate (d) shield

Q3 Any purchase where the down payment is less than 20% is considered a high-**.....** mortgage, and the mortgage must be insured by the Canada Mortgage and Housing Corporation (CMHC) or Genworth Financial Canada (Genworth).

(a) rate (b) ratio (c) return (d) risk

Q4 To vote as a stockholder **.....** record, please click on the vote link above; registered stockholders typically have their shares held in stock certificate form or in book-entry form by IBM's transfer agent, EquiServe Trust Company, N.A.

(a) for (b) in (c) of (d) on

Q5 A **.....** bid is, for a single-price auction, a bid to purchase a stated par amount of securities at the highest yield or discount rate awarded to competitive bidders; for a multiple-price auction, it is a bid to purchase securities at the weighted average yield or discount rate of awards to competitive bidders.

(a) collaborative (b) noncompetitive (c) passive (d) residual

Q6 As to Type III securities which are currently defined as securities that "a bank may purchase and sell for its own account subject to a 10 percent limitation, but may neither deal in nor underwrite", the proposal merely redefines it as **.....** security that does not qualify as a Type I, II, IV or V security.

(a) a depository (b) an acquisition (c) an investment (d) a reservoir

Q7 A limited **.....** account is an arrangement in which a client has given his/her broker the ability to make certain types of trades without prior consent; such an arrangement is only recommended if the investor has a high degree of trust in the broker's honesty and professional ability.

(a) disciplinary (b) discretionary (c) plenipotentiary (d) probationary

Q8 In managing a large portfolio with options on different underlying contracts, the **.....** risk is of great importance; one tool is a Value at Risk framework to measure and manage that risk, i.e. to estimate a measure in money with a given degree of confidence of how much one can lose from one's portfolio over a given time horizon.

(a) vagrancy (b) variability (c) versatility (d) volatility

Q9 If enough banks and investors become sufficiently reluctant to lend, the '**.....** effect' will go into reverse: total credit will contract, so bank deposits will contract, so the supply of money will contract, all with the same degree of leverage with which they were intially expanded.

(a) doppler (b) duplicator (c) magnifier (d) multiplier

Q10 Option **.....** are determined by open outcry in the trading pits of commodity exchanges such as the Chicago Board of Trade, New York Cotton Exchange, Chicago Mercantile Exchange, and the Kansas City Board of Trade.

(a) payments (b) plans (c) premiums (d) principals

Financial Records

Q1 **.....** clerks screen timecards, compute pay by subtracting allotments from gross earnings, close out files when workers retire, resign, or transfer; and advise employees on income tax withholding and other mandatory deductions; finally, they prepare and mail earnings and tax-withholding statements for employees' use in preparing income tax returns.

(a) Paycheck (b) Paymaster (c) Payment (d) Payroll

Q2 The Index of **.....** Production is a fixed-weight measure of the physical output of the nation's factories, mines, and utilities; one of the bigger wildcards in this report is utilities, which can be quite volatile due to swings in the weather.

(a) Gross (b) Industrial (c) Primary (d) Resource

Q3 Annuity **.....** are the shares you own in variable annuity subaccounts during the period you're receiving income from the annuity; the number is fixed at the time that you buy the income annuity contract, or when you annuitize your deferred variable annuity.

(a) bands (b) cells (c) tiers (d) units

Q4 A tax **.....** is a 'statement of supplementary details'; more specifically, it is a form on which you provide information and complete calculations, so that you can transcribe the results onto another form.

(a) application (b) return (c) schedule (d) table

Q5 The SEC scrapped the so-called **.....** period rule, allowing companies poised to sell stock or bonds to promote the securities to investors; the Depression-era rule almost derailed Google Inc.'s $3.47 billion initial public offering in August after Playboy published an interview with the company's founders.

(a) dormant (b) gagged (c) quiet (d) tacit

Q6 The NYSE set about clarifying the procedure by which members may acquire securities and pay their employees a commission for reselling them; last week an Exchange committee made ready to listen to the case of any member desiring to engage in the practice politely but correctly called '**.....** distribution'.

(a) secondary (b) sequential (c) subsequent (d) subsidiary

Q7 The rule is 'one-way': that is, fully **.....** earnings per share should exclude those securities whose conversion, exercise, or other contingent issuance would have the effect of increasing the earnings per share amount.

(a) diluted (b) extended (c) recognized (d) subscribed

Q8 China's central bank Sunday raised the amount banks must set aside in reserves, reducing the money available for lending, in the latest move to rein in the investment boom; the deposit reserve **.....** will be raised by 0.5 percentage point to 11 percent starting on May 15, the People's Bank of China said.

(a) base (b) level (c) limit (d) ratio

Q9 The **.....** pattern, also called the 'coil', appears in three varieties, ascending, descending, and symmetrical; converging trendlines of support and resistance give all three patterns their distinctive shape, and this occurs, Kahn explains, because "the trading action gets tighter and tighter until the market breaks out with great force."

(a) parabola (b) triangle (c) vector (d) wedge

Q10 The CFTC's market **.....** program is intended to preserve the economic functions of futures and option markets by identifying situations that could pose a threat of manipulation and initiating preventive actions.

(a) reconnaissance (b) reconnoitering (c) scrutinization (d) surveillance

Market History

Q1 On Monday of last week, the Dow Jones Industrial Average hit a record high while declining stocks overwhelmed advancing stocks by a two to one margin; that ominous divergence has never occurred in the past 75 years of market history and as a consequence, we are moving to a full **.....** market defensive mode.

(a) bear (b) deer (c) spot (d) thin

Q2 To ensure that seats on the NYSE are used properly, the preparation and approval of **.....** agreement between the brokerage firm that provides the financing for the seat and the employee of the company who purchases the right to use the seat is vital, and it must be meet the qualifications established by the NYSE.

(a) a BPA (b) an ABC (c) an ISO (d) an SEC

Q3 Trading was halted for more than three hours yesterday at five New York futures and options exchanges because of an electrical short in some damaged cables; to combat the problem, officials at the **.....** Exchange Center improvised a temporary solution, and all five exchanges are expected to open as usual on Monday.

(a) Commercial (b) Commodities (c) Industrial (d) Mercantile

Q4 When a Federal **.....** occurs traders have a number of days to bring the account balance or margin back to a less leveraged position, or the brokerage will be forced to liquidate positions to an acceptable level.

(a) Call (b) Claim (c) Fiat (d) Order

Q5 In the next few days, if these news reports have any credibility, I would think that a counter bid would be coming through, but I do not think the Tatas should be in a hurry to raise their offer until we see any real competition — at current valuations, it is fair because without the **.....** stock, it is worth much less.

(a) deal (b) draw (c) short (d) side

Q6 Price **.....** of a Basis Point refers to the change in the price of a bond if the yield changes by 1 basis point (0.01%).

(a) Adjustment (b) Conversion (c) Shift (d) Value

Q7 From time to time a small business, especially one performing contracting services, will be asked to **.....** his work in advance; simply put, this is a third party obligation promising to pay if a vendor does not fulfill its valid obligations under a contract, a financial guarantee that he will honor the business contract.

(a) bond (b) pledge (c) seal (d) warrant

Q8 A judgment in an action to **.....** title is binding and conclusive on all persons known or unknown who were parties to the litigation and who have a claim to the property.

(a) assign (b) fix (c) quiet (d) settle

Q9 At expiry of the contract, the sellers of the future can deliver any bond with this residual maturity at a predetermined price, so only one of the bonds contained in the basket, the **.....**-to-deliver, tends to be chosen.

(a) best (b) cheapest (c) first (d) soonest

Q10 Nonbusiness **.....** must be totally worthless to be deductible, becoming worthless when the surrounding facts and circumstances indicate there is no longer any chance the amount owed will be paid.

(a) accounts receivable (b) bad debts (c) impairment charge (d) interest earned

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The UAE

Q1 The UAE has gained much media **.....** lately as a leading marketing and trans-shipment hub for multinational companies serving the Middle East and North Africa.

(a) attention (b) attraction (c) support (d) surveillance

Q2 Overall, nearly US$72.3bn in goods were imported in 2006, most **.....** from India, followed by China and Japan.

(a) drawing (b) flowing (c) rippling (d) stemming

Q3 By year's end, the US expects to **.....** nearly a 20% share of the UAE's import market.

(a) access (b) claim (c) demand (d) sway

Q4 The UAE is a Federal Sovereign State, formed in 1971, consisting of seven **.....** — Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Fujairah and Ras Al Khaimah — and governed by the Supreme Council of the Federation, which is made up of their seven rulers.

(a) caliphates (b) emirates (c) sheikdoms (d) sultanates

Q5 A contracting **.....** to GATT since 1964, the UAE joined the World Trade Organization (WTO) in 1996.

(a) agent (b) member (c) party (d) signer

Q6 The main federal legal instruments on investment in the UAE are the Commercial Companies Law and the Trade Agencies Law and these laws contain **.....** limiting and regulating the participation of foreign investors in the UAE domestic economy.

(a) acts (b) provisions (c) riders (d) segments

Q7 Specifically, the Trade Agencies Law designates that importing and distribution activities are reserved for **.....** UAE 'agents'.

(a) exclusive (b) expansive (c) expensive (d) extensive

Q8 However, a significant portion of trade moves through the UAE's free zones (22 in late 2005) where foreign investors can **.....** 100% ownership, operate in a tax-free environment and be exempt from the licensing, agency, and national majority-ownership obligations that apply in the domestic economy.

(a) accept (b) admire (c) endure (d) enjoy

Q9 Recently, changes have been made to the **.....** of the Trade Agency Law and reforms are being actively discussed such as adoption of competition legislation, structural reforms, and further liberalization of the services sector.

(a) force (b) reach (c) scope (d) span

Q10 The financial sector is developing rapidly, in part through the creation of financial free zones such as the Dubai International Financial Center, a financial free zone regulated by Dubai and **.....** now to more than 100 financial services and associated companies.

(a) center (b) core (c) home (d) hub

Supply Chain Reengineering

Q1 A supply chain can be defined as a network of autonomous or semiautonomous business entities **.....** responsible for procurement, manufacturing and distribution activities associated with one or more families of related products.

(a) collectively (b) communally (c) disparately (d) distinctively

Q2 Different entities in a supply chain operate subject **.....** different sets of constraints and objectives.

(a) of (b) over (c) to (d) under

Q3 However, these entities are highly interdependent when it comes to improving performance of the supply chain in terms of objectives such as on-time delivery, quality **.....**, and cost minimization.

(a) assurance (b) continuance (c) endurance (d) insurance

Q4 As a result, performance of any entity in a supply chain depends on the performance of others, and their **.....** and ability to coordinate activities within the supply chain.

(a) goodness (b) goodwill (c) willingness (d) willpower

Q5 A global economy and increase in customer expectations regarding cost and service have influenced manufacturers to **.....** to improve processes within their supply chains, often referred to as supply chain reengineering (Swaminathan, 1996).

(a) strain (b) stress (c) strike (d) strive

Q6 Supply chain reengineering efforts have the potential to impact performance in a big **.....**.

(a) block (b) factor (c) rush (d) way

Q7 Often they are undertaken with only a **.....** view of the future, and it is essential to perform a detailed risk analysis before adopting a new process.

(a) passive (b) phlegmatic (c) preternatural (d) probabilistic

Q8 In addition, many times these reengineering efforts are made under politically and emotionally **.....** circumstances.

(a) charged (b) checkered (c) distraught (d) disturbed

Q9 As a result, decision support tools that can analyze various alternatives can be very useful in **.....** quantifying gains and helping the organization make the right decision (Feigin, An, Connors, & Crawford, 1996).

(a) impartially (b) partially (c) partly (d) patently

Q10 Benchmarking solutions provide insights into current trends but are not prescriptive; this leaves simulation as the only **.....** platform for detailed analysis for alternative solutions.

(a) valuable (b) veritable (c) versatile (d) viable

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Global Information Systems

Q1 An information system can be defined as a set of interrelated components working together to collect, store, **.....**, process, and disseminate information for the purpose of facilitating planning, control, coordination, and decision making in businesses and other organisations (Laudon & Laudon, 1993).

(a) recollect (b) resort (c) restore (d) retrieve

Q2 Therefore, a global information system is an expansion of an information system that operates across geographical and time **.....**.

(a) aspects (b) boundaries (c) factors (d) limits

Q3 In addition, Palvia et al. have also defined the global information system as "a computerised system which **.....** the business strategy of a multinational organisation and deals with components of the international market as a single market and not as individual markets" (Palvia et al., 1992).

(a) designs (b) displays (c) supports (d) sustains

Q4 In a traditional business information system, the set of interrelated components are usually referred to as hardware, software, data, processes, and people (Shelly, 2001); however, it is necessary to consider a few additional components that are significant to information systems in the global **.....**.

(a) context (b) hypertext (c) pretext (d) subtext

Q5 Functional architecture **.....** all business functions covered in a global information system and defines important concepts and relationships among the components (Treese & Stewart, 1998); it is needed to allow flexibility for the development of the system in the future.

(a) refines (b) reviews (c) specializes (d) specifies

Q6 In a global environment, computer systems no longer consist of a single large computer servicing an organisation's needs; instead, multiple computers are used to manage and process information, and ideally, the various computers should function and be managed as a single system with the processing distributed **.....** the computers.

(a) across (b) along (c) through (d) within

Q7 The essential components of network architecture are compatible hardware and software; by **.....** with the telephone system — for two households to communicate, they must use telephones that operate on the same electrical principles, with the same cabling system (hardware), and speaking the same language (software).

(a) alignment (b) analogy (c) comparison (d) contrast

Q8 The design of any network architecture is often based upon the OSI (Open Systems Interconnect) seven-layer network model (Day and Zimmermann, 1983) that was **.....** by the International Standards Organisation.

(a) amplified (b) codified (c) ratified (d) signified

Q9 Groupware technology is technology designed to **.....** the work of groups; this technology can be applied to communicate, cooperate, coordinate, solve problems,compete, or negotiate.

(a) ameliorate (b) delegate (c) escalate (d) facilitate

Q10 Although management seems to be a political perspective, the organisation could be in trouble if there is no proper management scheme that oversees the operation of the GIS; global information system management can be seen as the **.....** for closing the gaps between the global information system and the global business strategy.

(a) bridge (b) gate (c) plank (d) thread

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Information Security

Q1 The US Nuclear Regulatory Commission must protect classified and sensitive unclassified non-safeguards information (SUNSI) related to U.S. government programs for the physical protection and safeguarding of nuclear materials or facilities to ensure that such information is protected against unauthorized **.....**.

(a) disclaimer (b) disclosure (c) entrance (d) exposure

Q2 The lowest level of classified information is Confidential; the **.....** higher is Secret, and the highest is Top Secret. Confidential and Secret information will also be either NSI or RD and may be marked C-NSI or S-RD, for example.

(a) more (b) next (c) second (d) (none)

Q3 Classified information at the NRC is of two types: National Security Information classified by an Executive Order, whose compromise would cause some degree of **.....** to national security; and Restricted Data classified by the Atomic Energy Act, whose compromise would assist in the design, manufacture or utilization of nuclear weapons.

(a) breach (b) cleft (c) damage (d) slippage

Q4 Some classified material at NRC and at the facilities it regulates is classified by other government agencies, and the NRC is not **.....** to declassify such information without the permission of the originating agency.

(a) emboldened (b) empowered (c) recommended (d) restricted

Q5 Access to classified information requires a personnel security clearance (NRC 'Q' or 'L') equal to or higher than the level of information and a **.....**-to-know.

(a) have (b) need (c) right (d) want

Q6 Procedures for obtaining an NRC facility security clearance for **.....** regulated by the Commission are contained in 10 CFR Part 95; procedures in 10 CFR Part 25 apply to persons who may require access to classified information related to a license or to a certificate, or to an applicant for a license or certificate.

(a) alliances (b) allies (c) enemies (d) entities

Q7 NRC contractors who require access to classified information are subject to security terms and conditions as specified in **.....** commitments.

(a) conditional (b) contractual (c) negotiable (d) notarized

Q8 Safeguards Information is a special category of sensitive unclassified information authorized by Section 147 of the Atomic Energy Act to be protected; while SGI is considered to be sensitive unclassified information, its handling and protection more closely **.....** the handling of classified Confidential information.

(a) mimic (b) monitor (c) recall (d) resemble

Q9 Sensitive unclassified non-safeguards information (SUNSI) is information that is generally not publicly available and **.....** a wide variety of categories (e.g., personnel privacy, attorney-client privilege, confidential source, etc.)

(a) encapsulates (b) encompasses (c) engenders (d) envelopes

Q10 Information about a licensee's physical protection or material control and accounting program for special nuclear material not otherwise **.....** as Safeguards Information or classified as National Security Information or Restricted Data is required by 10 CFR 2.390 to be protected in the same manner as commercial or financial information.

(a) designated (b) designed (c) prepared (d) presented

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Turkish Banking

Q1 Last year was a good year for the Turkish economy, which has proven to be resilient against monetary readjustments that in the past would have caused problems; the present government, tied up with the upcoming elections and the EU **.....** talks, still manages to master inflation rates and maintain economic growth objectives.

(a) access (b) accession (c) success (d) succession

Q2 Due to ongoing legislative and budgetary efforts, a **.....** International Monetary Fund (IMF) report and a cautious but positive Organization for Economic Co-operation and Development (OECD) report on corporate governance were obtained, according to Paul Wouters of Bener Law Office.

(a) reassuring (b) reinstating (c) reinsuring (d) resurging

Q3 Foreign direct investment is improving and on the local financial markets, several new international **.....** have established themselves (amongst others, Fortis and Dexia); these firms import the required energy, knowledge and expertise, new types of financial instruments and will enhance competition and innovation.

(a) buyers (b) dealers (c) planners (d) players

Q4 Such **.....** are much needed by the comparatively inexperienced local financial markets (both conventional and Islamic) that — sometimes also hindered by reluctant regulatory bodies — struggle to innovate.

(a) incentives (b) incursions (c) interventions (d) inventions

Q5 Dubai Islamic Bank encountered a **.....** in trying to acquire MNG Bank (transaction value estimated at US$160m), but Kuwait-based The International Investor (TII) succeeded in taking over Adabank (formerly owned by the UZAN group) for a total of TL45.1m (US$32m).

(a) deadlock (b) roadblock (c) sandtrap (d) setback

Q6 Adabank had been seized by the Banking Supervision and Regulation Agency (BDDK) in July 2003 as part of the Imar Bank investigations and was put up for public **.....** by the Saving and Deposits Insurance Fund (TMSF).

(a) auction (b) ridicule (c) scrutiny (d) tender

Q7 Kuveyt Turk was in the newspapers several times last year with important Murabahah financings; it is rumoured that it will **.....** its balance sheet and — depending on market conditions — could be a candidate for an IPO in 2008-2009.

(a) address (b) dress (c) redress (d) undress

Q8 In May 2006 Bank Asya conducted probably the most successful IPO in Turkish history: US$150m raised for 20% of the shares, valuing the bank at US$800m, with US$7.5bn offers, making it 50 times **.....**.

(a) overextended (b) overinvested (c) overpromoted (d) oversubscribed

Q9 Aside from these Participation Banks, a growing number of Islamic finance houses now have a **.....** in Turkey; institutions such as Amlak Finance, Dubai Bank and the National Bank of Kuwait have established representative offices or formed partnerships in order to take an active role in the development of the sector in Turkey.

(a) corner (b) foot (c) presence (d) wedge

Q10 In December 2006, the Qatar-based Doha Bank joined the league by officially opening an office in Istanbul; this followed the strategic alliance between Dubai Bank and Turkey's Daruma Corporate Finance to co-operate in structuring, executing and distributing **.....** compliant corporate finance and merchant banking services.

(a) Burka (b) Quran (c) Ramadan (d) Shariah

Hedge Fund Operational Risk

Q1 As of 2006, assets under management of the hedge fund industry totaled US$1.2 trillion; with this rapid growth in the number and diversity of hedge fund managers, investors must understand the importance of conducting a thorough **.....** diligence assessing the overall merits of a particular manager.

(a) clear (b) due (c) sharp (d) (none)

Q2 Mike Rasmussen of Capricorn explains that previously the major focus has been on only understanding the investment strategy; however, increasing inflows of institutional capital and the growing numbers of well-publicised fraud cases has led to sophisticated investors **.....** the operational risk behind their investment.

(a) addressing (b) expressing (c) lamenting (d) segmenting

Q3 Regulators and investors alike are paying more attention to hedge funds, as this relatively new asset class is growing at a tremendous pace with **.....** interest from the retail investor to public pension plans.

(a) acute (b) fervent (c) keen (d) lofty

Q4 Therefore it is equally important to understand the investment strategy that seeks risk-adjusted returns, as it is to identify the operational risk that negatively **.....** your investment.

(a) addresses (b) challenges (c) exposes (d) involves

Q5 With the tremendous scope of differing strategies that are currently available, investors need to understand where possible weaknesses such as weak controls, poor providers and lacking internal information may lie: each one of these factors if they are not monitored or resolved can result in a **.....** on performance.

(a) drag (b) drug (c) load (d) lock

Q6 When making an investment decision, you should be well informed on the quality of the hedge fund manager and take **.....** that sufficient attention has been given to operational as well as investment issues.

(a) comfort (b) pleasure (c) satisfaction (d) umbrage

Q7 It is important that a hedge fund has a chief operations officer whose dedicated function is to address all operational issues of the hedge fund. the primary reason for this is that the trading manager should be responsible for producing **.....**, not the day-to-day running of the business.

(a) alpha (b) beta (c) gamma (d) delta

Q8 It is essential to understand how a hedge fund has established the internal controls that regulate trading; hedge funds with prime brokers, for example, understand the efficiency of 'best **.....**' practice with straight through processing capabilities to limit manual interaction.

(a) elimination (b) elocution (c) execution (d) exemption

Q9 Additionally, there needs to be a clear **.....** between those responsible for trading and trade reporting, to limit the possibility of trade discrepancies.

(a) communication (b) distinction (c) integration (d) segregation

Q10 With the expanding number of hedge funds and financial opportunities available to investors, understanding the operational risk of any investment must be examined; however, **.....** in mind that from a universe of 9,000 hedge funds, the top 100 account for nearly two thirds of the entire industry's US$1.2 trillion in assets.

(a) bear (b) carry (c) have (d) set

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Traffic Estimation and Prediction Systems

Q1 Intelligent transportation could be seen as a high-tech search for the road less **.....**.

(a) driven (b) followed (c) traveled (d) used

Q2 It **.....** for improved traffic flow to ensure safer, quicker, less expensive, and more energy-efficient travel.

(a) forces (b) forges (c) strikes (d) strives

Q3 Many intelligent transportation systems (ITS) are being designed to better manage traffic on frequently used roads to reduce **.....** and achieve these goals.

(a) congestion (b) constriction (c) construction (d) contention

Q4 Inside cars, navigational systems with display panels are intended to guide drivers around **.....** traffic and help them avoid accidents.

(a) cramped (b) heavy (c) long (d) thick

Q5 Traffic management technologies are designed to communicate with drivers on busy interstate highways through navigational systems and **.....** message signs.

(a) variable (b) viable (c) virtual (d) visible

Q6 The Federal Highway Administration (FHWA) **.....** a Dynamic Traffic Assignment (DTA) research project to develop advanced software tools that will be used to address complex traffic control and management issues in the information-based, dynamic ITS environment.

(a) initiated (b) installed (c) instigated (d) invested

Q7 Under the DTA project, ORNL's Energy Division, along with researchers at both the University of Texas at Austin and MIT, are developing real-time Traffic Estimation and Prediction System (TrEPS) software tools; the goal is to help traffic management centers (TMCs) anticipate and **.....** traffic problems.

(a) avert (b) converge (c) convert (d) reverse

Q8 TrEPS uses traffic surveillance data in **.....** with advanced traffic models to estimate and predict traffic network conditions and to generate guidance for travelers.

(a) alliance (b) conjunction (c) line (d) tandem

Q9 "The typical operations of traffic management centers tend to be relatively reactive in **.....**," says Bill Kn, ORNL program manager for intelligent transportation systems at the National Transportation Research Center (NTRC).

(a) crisis (b) fact (c) nature (d) view

Q10 "Using real-time traffic data from road sensors monitoring the number of cars and their speed, TrEPS predicts traffic conditions in the near future; thus, it could help TMCs become more proactive by alerting them to control measures that **.....** to poor traffic flow."

(a) cater (b) deal (c) lead (d) react

The Risks of Technology

Q1 Technology has given us constant, real-time access to vast amounts of data; it has **.....** the capital markets to extraordinary heights (and depths) and made ordinary products, such as phones, cameras, televisions and computers, do extraordinary things.

(a) powered (b) projected (c) propped (d) pulled

Q2 Yet, warns Bruce Lynn of The Financial Executives Consulting Group, there is a darker, riskier side to technology: did it contribute to the dotcom **.....**?

(a) debacle (b) miracle (c) oracle (d) treacle

Q3 And what about its role in the ongoing **.....** of the mortgage-backed securities markets now (2007) affecting the US, Germany and France?

(a) blowup (b) copout (c) meltdown (d) turnover

Q4 Treasury professionals spend many hours making cash, debt or investing decisions by setting various control limits and using the latest **.....** of portfolio management.

(a) credos (b) gambits (c) mottos (d) tenets

Q5 It is possible that treasury's ability to perform these tasks in the future is being **.....** by the very tool being used to reach those decisions, namely technology.

(a) cauterised (b) jeopardised (c) lionised (d) polarised

Q6 Does the use of more technology '**.....** boxes' simply shift risk from one area (market or credit risk) to another (operations) because some systems do not play well with others or because IT resources to fix these issues become available only after a problem is discovered?

(a) black (b) control (c) file (d) soap

Q7 Are the tools we use (i.e. technology) really to blame or does the fault lie with the tool's operator because what is being produced does not address the issue **.....** hand?

(a) at (b) by (c) in (d) to

Q8 The various systems vendors would have you believe that more technology is better; every treasurer is promised that s/he will be able to call up large amounts of data from the company's servers or data warehouses, analyse it, and then distribute reports via email around the world before anyone's **.....** becomes cold.

(a) browser (b) coffee (c) nose (d) trail

Q9 What appears to be forgotten in the pursuit of technology is the issue of the '**.....** link': not all systems will be up to date all of the time, they speak different 'languages', and they may be missing data and/or contain errors.

(a) external (b) missing (c) severed (d) weakest

Q10 In this age of web-based, real-time information, the combination of new systems with old can create unacceptable levels of operating risk, especially for senior managers responsible for certifying that their company has well-established financial controls, that they have examined them and that they **.....**.

(a) care (b) do (c) should (d) work

Risk in the FX Market

Q1 The average volume in FX markets is around US$2 trillion, which poses **.....** challenge to developing and maintaining robust cross border currency settlement process; a robust cross-currency settlement process is therefore a need of the day.

(a) a forcible (b) a formidible (c) an indomitable (d) an invincible

Q2 The Group of 10 (G-10) have identified issues in the riskless settlement of cross-border and multi-currency FX transactions, and thanks to their efforts, efficient settlement systems have since evolved that today try to address specific FX risks by incorporating risk **.....** processes.

(a) allegation (b) delegation (c) litigation (d) mitigation

Q3 These provide a **.....** level to the participants in global FX markets, according to K. Shivram and G. Ramaswamy of Cognizant Technology Solutions.

(a) cohort (b) comfort (c) contact (d) content

Q4 FX trading and settlement poses many forms of risk, but it is the settlement risk that most needs to be addressed: the dollars involved in settlement risk are huge, a large bank having almost three times the **.....** to settlement risk that it has to credit risk.

(a) access (b) disclosure (c) excess (d) exposure

Q5 FX settlement risk clearly has a credit risk **.....**: whenever a party cannot make its payment of the currency it sold conditional upon its final receipt of the currency it bought, it faces the possibility of losing the full principal value involved in the transaction.

(a) dimension (b) dissension (c) distention (d) distortion

Q6 FX settlement risk also includes a liquidity risk: if a party does not receive the currency it purchased when it is due, it would need to cover and finance this shortfall until its counterparty **.....** its obligation.

(a) filled (b) honored (c) respected (d) sealed

Q7 The FX market is also unique in comparison to other financial markets in **.....** it is a 24-hour market.

(a) being (b) case (c) fact (d) that

Q8 The final settlement of a currency is **.....** in the financial centre of that currency's home country; for instance the final settlement of the US dollars happens in New York as the final settlement of pounds sterling happens in London.

(a) affected (b) affective (c) effected (d) effective

Q9 Differing time zones, market open and close timings, and settlement deadlines in various geographies **.....** another risk called the Herstatt risk.

(a) disperse (b) emanate (c) irradiate (d) transmit

Q10 Due to time zone differences, several hours can **.....** between a payment being made in one currency and the offsetting payment being made in another currency, and between these times, a counterparty may have paid in funds, before it receives funds the counterparty defaults.

(a) elapse (b) expire (c) transpire (d) unwind

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IFRS Adoption

Q1 According to Richard Keys of PwC, the second wave of International Financial Reporting Standards (IFRS) has two **.....**.

(a) faces (b) facets (c) forces (d) fronts

Q2 The first is the new troop of countries that are adopting these international accounting standards, following in the **.....** of Europe and Australia in 2005.

(a) backtracks (b) bootprints (c) footsteps (d) pathway

Q3 The second is the new and revised collection of standards that will be **.....** in 2009.

(a) implanted (b) implemented (c) implied (d) imported

Q4 IFRS has already become the **.....** international language of accounting.

(a) de facto (b) de novo (c) de rigueur (d) de trop

Q5 International Financial Reporting Standards are already the basis for accounting in over 100 countries worldwide and the International Accounting Standards Board (IASB) **.....** this total will increase to 150 by 2011.

(a) anticipates (b) articulates (c) calculates (d) corroborates

Q6 Relatively recently, we have heard announcements that countries such as Canada, Korea, Japan and India will adopt full IFRS by 2011; China too is **.....** the IFRS wave and is committed to convergence with IFRS.

(a) coasting (b) making (c) riding (d) surfing

Q7 The Ministry of Finance has undertaken an extensive project along this road, **.....** in the adoption of new Chinese accounting standards that bring about substantial convergence with IFRS, and further work on full convergence continues.

(a) coalescing (b) contriving (c) converging (d) culminating

Q8 These moves have **.....** significant pressure for change on the US market.

(a) bestowed (b) exerted (c) instigated (d) sustained

Q9 Within the last few months, the SEC has been consulting about removing the requirement for foreign entities listed in the US to **.....** their IFRS accounts to US GAAP; by 2009 and possibly earlier, most expect full IFRS to be acceptable in the US without the need for this costly process.

(a) realign (b) reassess (c) reassign (d) reconcile

Q10 The SEC has also sought views on whether to give US companies the option of using IFRS instead of US GAAP, and it is probably only a **.....** of time until this idea becomes a reality.

(a) consideration (b) length (c) matter (d) period

Converting Free Reserves

Q1 **.....** shares are issued to the existing shareholders by converting free reserves or share premium account to equity capital without taking any consideration from investors; as a result, liquidity in the stock increases, and Effective Earnings per share, Book Value and other per share values stand reduced.

(a) Accumulated (b) Bonus (c) Preferred (d) Supplemental

Q2 The Times has learnt that NTL, the US-listed $5.64 billion cable operator, has held talks with City financiers; it has been persuaded by UK bankers of the benefits of a **.....** listing on the London exchange after its expected merger with Telewest.

(a) secondary (b) subordinate (c) subsequent (d) subsidiary

Q3 First take the ending balance on your bank statement, then enter all of your outstanding checks and deposits; if your register matches the calculated amount, your **.....** is balanced.

(a) account (b) checkbook (c) expenditure (d) P & L

Q4 In any period, cash used in financing activities related to common stock repurchased may differ from the comparable change in stockholders' **.....**, reflecting timing differences between the recognition of share repurchase transactions and their settlement for cash.

(a) capital (b) equity (c) interest (d) reserves

Q5 We will automatically increase the face amount of insurance under this policy from time to time to reflect increases in the Consumer Price Index (CPI); we will not require evidence of the insured person's insurability for these increases, but the increases will be subject to the terms of this cost-of-living **.....**.

(a) amendment (b) codicil (c) rider (d) supplement

Q6 Supposedly, top-bracket tax breaks will result in more jobs being created, higher wages for the average worker, and an overall upturn in our economy — this is at the heart of the infamous **.....**-down theory.

(a) buckle (b) knuckle (c) tackle (d) trickle

Q7 When **.....** bank purchases Treasury securities in a quarterly Treasury bond auction, it acts as underwriter and distributor; the securities are held in the bank's trading account assets portfolio, and often resold to other banks, and to private investors.

(a) a central (b) a dealer (c) an investment (d) a primary

Q8 On the surface, **.....** investing seems a no-brainer for anyone with a modicum of social conscience: "We won't invest in companies that sell tobacco products, or firms that use nuclear power," explains David Shuttleworth, vice president of marketing and sales for Canada's largest family of 'green' mutual funds.

(a) environmental (b) ethical (c) moral (d) moralistic

Q9 A business can realize a financial **.....** gain by making more EBIT (earnings before interest and income tax) on the amount borrowed than the interest on the debt.

(a) absolute (b) capital (c) leverage (d) relative

Q10 Some managers of big portfolios, having sold their losers and taken profits in a few winners, are busy rotating into sectors that they think will star next year — but are any of these stocks attractive to individual investors who care only about profits and not dressing **.....** a portfolio to impress a client?

(a) down (b) out (c) up (d) (none)

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Orderly Market Development

Q1 There can be no assurance as to the prices at which our common stock will trade, if any trading market develops at all; until an orderly market develops in our stock, the price at which such trades may fluctuate significantly and may be lower or higher than the price that would be expected for a fully **.....** issue.

(a) assigned (b) distributed (c) offered (d) underwritten

Q2 Most states and many local governments offer industrial **.....** bonds as a way to encourage relocations and expansions of companies that provide good jobs and expand economic opportunities for residents and the community; an IRB is a loan to a company to build or buy a facility or buy land and/or equipment.

(a) reconstruction (b) relief (c) renovation (d) revenue

Q3 When a local or state government has a need for financial support between today and the issuing of a long term bond, the **.....** note helps to fill in the gap; essentially, it is a short term bond that is designed to provide recognition of some sort of debt obligation currently coming due.

(a) anticipation (b) booster (c) commitment (d) promissory

Q4 The incremental performance gains now achieved by regularly doubling the number of transistors on a chip, such as a desktop microprocessor, aren't as significant as they used to be: this is the law of **.....** marginal returns, an economic law that states the marginal return on a unit of input decreases as more inputs are added.

(a) declining (b) decreasing (c) diminishing (d) dwindling

Q5 Using market data from 1934 to 1972 and analyzing returns at various levels of predictive ability, results show that to perform better than simply remaining fully invested in stocks, one must be able to predict the market with at least 83% accuracy, an ability extremely difficult for even the best market **.....** to sustain.

(a) pacer (b) runner (c) timer (d) trailer

Q6 The LSE launched techMARK, an attempt to lure **.....** startups to list their shares in the UK rather in the US's Nasdaq or Germany's Neuer Markt; participants aren't limited to online companies, but originate from such sectors as biotechnology and semiconductors as well as software, Internet and fibre-optics.

(a) high-tech (b) IT (c) new age (d) radical

Q7 The loan should be reclassified from an account receivable to a note receivable in PGE's books, and if payment of the loan does not appear probable within a year, the loan should be reclassified as **.....** asset in FERC Account 123, Investment in associated companies.

(a) a convertible (b) a fixed (c) an intangible (d) a noncurrent

Q8 **.....** inventory is shown on the financial records and is computed from the initial inventory plus purchases less requisitions or withdrawals; it typically differs from the physical inventory on hand due to shrinkage (loss caused by such factors as evaporation and thefts).

(a) Base (b) Book (c) Stock (d) Straight

Q9 The Accelerated Cost **.....** System as a method of asset depreciation was unique in three ways: property class lives were established, calculations were based on an estimated salvage value of zero, and shorter recovery periods were used, resulting in an accelerated write off of capital costs.

(a) Recoup (b) Recovery (c) Retention (d) Return

Q10 Do you balance your checkbook each month? — banks CAN make mistakes, but even more likely is that you'll make a math error in your checkbook **.....**.

(a) account (b) register (c) summary (d) voucher

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IPOs

Q1 Initial public offerings (IPOs) are primary **.....** by companies that were not publicly traded prior to the offering.

(a) allotments (b) apportionments (c) disposals (d) distributions

Q2 The dollar amount of a depository institution's reserve **.....** is determined by applying the reserve ratios specified in the Federal Reserve Board's Regulation D to an institution's reservable liabilities.

(a) authority (b) capability (c) establishment (d) requirement

Q3 In order to create a **.....** chart, you must have a data set that contains open, high, low and close values for each time period you want to display; the hollow or filled portion is called the 'body', while the long thin lines above and below the body represent the high/low range and are called 'shadows' (or 'wicks' and 'tails').

(a) candlestick (b) lantern (c) mannequin (d) tadpole

Q4 Workers in **.....**-employer plans who switch employers end up with smaller retirement checks because their pension from the first employer is frozen and they must start over earning retirement benefits.

(a) previous (b) primary (c) single (d) stated

Q5 **.....** is the process of taking private property for public use through the power of eminent domain; when private property is taken by the government, the owner is entitled to receive just compensation.

(a) Appropriation (b) Condemnation (c) Demesne (d) Seizure

Q6 A tax **.....** is an investment strategy designed to allow you to take a tax loss in your portfolio while at the same time adjusting factors such as credit quality, maturity, etc. to better meet your current needs and the outlook of the market.

(a) shift (b) slide (c) swap (d) switch

Q7 A transaction is **.....** if it increases the number of shares outstanding for a corporation, and for this reason, a transaction is also said to be so if it reduces earnings per share, since the denominator of this ratio is the number of shares outstanding.

(a) dilutive (b) generative (c) inductive (d) productive

Q8 Even though the mutual fund investor is not legally bound, **.....** accumulation plan may have some requirements, such as a minimum number of purchases per year or a minimum annual investment amount; the investor should be aware of this, and decide whether an open account might be more suitable.

(a) a discretionary (b) an electoral (c) an optional (d) a voluntary

Q9 Investors must ask, "What am I paying for and what should I expect in return as a Genentech shareholder?"; I believe that most prudent long-term investors will conclude that they're paying for a great company, but one that's so **.....** valued it won't deliver the kind of returns that will make its considerable risks worthwhile.

(a) closely (b) fully (c) highly (d) poorly

Q10 MidAmerica **.....** Exchange, founded in 1868, is the fourth-largest in the US, providing futures contracts, mostly in agricultural products such as pigs, oats and soya beans, and also in precious metals and some financial products.

(a) Commodity (b) Mercantile (c) Produce (d) Resource

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Printing Money

Q1 Most of the federal **.....** is owed to Americans, and virtually all of it is in dollars, which means that it can be paid off or bought back by the simple device of printing money or, in more sophisticated fashion, open-market operations of the Federal Reserve.

(a) bondage (b) debt (c) exchange (d) principal

Q2 While discussing President Ford's WIN (Whip Inflation Now) proposal for tax increases, I supposedly grabbed my napkin and a pen and sketched a curve on the napkin illustrating the trade-off between tax rates and tax revenues, so Jude Wanniski named the trade-off 'The **.....** Curve'.

(a) Khaldun (b) Kuznets (c) Laffer (d) Lorenz

Q3 CSC, Inc is the 23rd company currently authorized to act as a counterparty to the FRBNY in its open market operations; "Becoming **.....** dealer for the Federal Reserve is a complementary extension of Countrywide's emergence as a provider of diverse financial services," said Ron Kripalani, President.

(a) a contract (b) an accredited (c) a primary (d) a vested

Q4 The **.....** Industrial Classification has been replaced by the new NAICS, but several data sets are still available with SIC-based data; both SIC and NAICS classify establishments by their primary type of activity.

(a) Selected (b) Standard (c) Stereotyped (d) Systemized

Q5 In securities markets, **.....** account with a broker shows frequent purchases and sales; such accounts generate commissions (which are charged on purchases as well as sales), and thus they are usually given preferential treatment in differentials on rate of interest charged, for example, on debit balances.

(a) an active (b) an operating (c) a rolling (d) a working

Q6 Since the **.....** value of a convertible bond (the value of the bond without the conversion feature) is embedded and is a component of the total market value of the convertible, changes in fixed income determinants may not directly affect its market price.

(a) book (b) investment (c) original (d) straight

Q7 If a business determines that, on the average, 3% of its accounts receivable becomes worthless during the taxable year, the business may deduct 3% and add this amount to its bad debt **.....**; however, the Tax Reform Act of 1986 repealed this method for all businesses except certain financial and thrift institutions.

(a) allowance (b) expense (c) offset (d) reserve

Q8 If you're in today's 28% or 31% tax brackets, a **.....** fund will let you keep more income than a comparable taxable investment, and if you live in a high-tax locale like California, a single-state fund that holds only bonds issued in your state may be an even better choice, provided you understand the risks.

(a) mini (b) mojo (c) moto (d) muni

Q9 The **.....** utilization rate represents the percentage of the economy's total plant and equipment that is currently in production; usually, a decrease in this percentage signals an economic slowdown, while an increase signals economic expansion.

(a) capacity (b) industrial (c) optimal (d) resource

Q10 The **.....** dividend is a political slogan popularized by George H.W. Bush and Margaret Thatcher in the early 1990s, purporting to describe the economic benefit of a decrease in defense spending; the term was frequently used at the end of the Cold War, when many Western nations significantly cut military spending.

(a) butter (b) disarmament (c) moral (d) peace

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Interest in Common

Q1 A **.....** is an estate in real property consisting of an undivided interest in common in portions of a parcel of real property together with a separate interest in space in a residential, industrial or commercial building or industrial and commercial building on such real property, such as, but not restricted to, an apartment, office or store.

(a) condominium (b) cooperative (c) mortgage alliance (d) mutual lease

Q2 The AEA is an international professional association of **.....** devoted to assessing the strengths and weaknesses of programs, policies, personnel, products, and organizations to improve their effectiveness; it has approximately 5000 members representing all 50 states in the US as well as over 60 foreign countries.

(a) economists (b) estimators (c) evaluators (d) examiners

Q3 Nasdaq is a competing **.....** market, different from an auction market in that many market makers use their own capital, research, retail, and/or systems resources to represent a stock and compete with each other to buy and sell that stock; auction markets have only one person, a specialist, in a centralized 'floor'.

(a) dealer (b) direct (c) share (d) source

Q4 The NSW Partnership Act makes provision for **.....** partnership structures whereby the liability of a partner contributing capital can be restricted to the amount of financial contribution, provided that the person doesn't take part in the management of the business.

(a) asymmetric (b) corporate (c) fiduciary (d) limited

Q5 **.....** security is a floating rate note or bond that becomes a fixed income investment when the rate to which it is pegged drops to a specified level; the adjustments to the interest rate are usually made every six months and are tied to a certain money-market index.

(a) A droplock (b) A fixed-wing (c) An ironclad (d) A rock-bottom

Q6 In addition to protecting debts, insurance is now purchased to provide some income for the surviving family; while this financial **.....** approach often provides a short-term solution to losing a breadwinner, it seldom replaces all the contributions a breadwinner makes to his or her household.

(a) constraints (b) needs (c) notions (d) strains

Q7 Instead of inputting a volatility parameter into an option model (e.g. Black-Scholes) to determine an option's fair value, the calculation can be turned round, where the actual current option **.....** is input and the volatility is output.

(a) price (b) return (c) sale (d) value

Q8 Inflation can result from a decrease in aggregate supply, whose two main sources are an increase in wage rates and an increase in the prices of raw materials; these sources operate by increasing costs, and the resulting inflation is called cost-**.....** inflation.

(a) boost (b) drive (c) lift (d) push

Q9 Only if all possible claims are fairly priced will their nature have no impact on firm value; if you know that your stock is being priced at half its fair value by an **.....** market, issuing more of it to new stockholders will not be in the interests of your existing stockholders.

(a) inadvertent (b) inattentive (c) incognizant (d) inefficient

Q10 The average contributions of highly **.....** employees cannot exceed the average contributions of other employees by more than about 2 percent; if the HCEs exceed this threshold, the 401k plan could lose its tax-qualified status and all contributions and earnings would have to be distributed to all plan participants.

(a) coddled (b) compensated (c) competent (d) considered

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Credit Risk

Q1 The credit crisis of 2007 has market participants worldwide paying more attention than ever to the **.....** management of their risk exposures.

(a) arcane (b) astute (c) eclectic (d) elite

Q2 No investment, trading counterparty or client is completely **.....** and free of risk, says Frank Reiss of Euroclear.

(a) candid (b) pristine (c) sterile (d) transparent

Q3 This sentiment has **.....** to the short-term cash markets as well, with treasury desks acutely aware that the reluctance of certain banks to lend freely in the inter-bank market is creating caution and apprehension among the most seasoned professionals.

(a) percolated (b) permeated (c) pressured (d) prevailed

Q4 Risk-taking brings profit, but good risk management allow firms to keep it; for example, the growing over-the-counter (OTC) derivatives market involves lots of risk and provides **.....** rewards for those that navigate well.

(a) beautiful (b) gorgeous (c) handsome (d) pretty

Q5 The three foremost derivatives classes — interest rate swaps, equity and credit derivatives — have soared to 327 trillion outstanding according to International Swaps and Derivatives Association figures; however, this **.....** growth has not been matched by adequate attention to operational risks.

(a) expeditous (b) meteoric (c) reciprocal (d) spontaneous

Q6 In fact, the rise in OTC derivatives trading and the lack of post-trade standardisation and automation is a cause for serious concern; today, firms **.....** with piles of unprocessed transactions, leading to severe breaks in reconciliation, and problems with collateral and exposure management further downstream.

(a) dawdle (b) fumble (c) grapple (d) ramble

Q7 Adding to this operational conundrum is the November 2007 Basel II deadline — guidelines that set out to **.....** operational risk from credit risk.

(a) asseverate (b) discriminate (c) integrate (d) segregate

Q8 As from 1 November, firms will be required by law to have rigorous risk and capital management measures in place, designed to ensure that banks hold capital reserves **.....** to the risk exposures arising from their lending and investment practices.

(a) commensurate (b) equivalent (c) proportional (d) relevant

Q9 Today's changing market dynamics and the vast sums at **.....** have rocked the market into greater risk awareness.

(a) gaze (b) large (c) once (d) stake

Q10 And as the market knows only too well, dynamics that are not managed can **.....** untold financial risks.

(a) enlarge (b) enlist (c) ensue (d) entail

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Threat Assessment for Information Assurance

Q1 The Information Assurance Advisory Council (IAAC) project team was assigned to enable the research to benefit from consultations with IAAC members and to use IAAC as a **.....** channel for the research results.

(a) discrimination (b) dissemination (c) dissertation (d) distillation

Q2 Amongst both governments and businesses, there is increasing concern that information security **.....** and cybercrime will undermine trust in the new economy and threaten the development of the Information Society.

(a) blankets (b) breaches (c) fissures (d) fractures

Q3 However, the current information systems security **.....** is a reactive model that involves detection of, and reaction, to attacks once they are underway.

(a) paradigm (b) plan (c) posture (d) program

Q4 There is a **.....** end-user need to increase warning time so that organisations can take preventive steps to minimise their losses from cyber-attacks.

(a) peremptory (b) pressing (c) problematic (d) proximal

Q5 Due to the need to limit the project to observable open source indicators, the project focused upon one portion of the threat spectrum, namely crackers and **.....**.

(a) hacktivists (b) phishermen (c) spammarians (d) trollsters

Q6 The project involved the establishment of a comprehensive **.....** for monitoring numerous sources of communications about and between threat actors.

(a) agenda (b) domain (c) effort (d) regime

Q7 By fusing technical indicators with a range of indicators based on attacker motives and intentions, the project was able to categorise threat entities, **.....** in trend analysis and provide some threat course of action prediction.

(a) engage (b) enlist (c) immerse (d) invest

Q8 Substantive, positive discoveries were made about the viability of employing early warning methodologies against sub-state cyber-threats but the programme did not attempt to actually predict an **.....** attack.

(a) imminent (b) implicit (c) implied (d) irremediable

Q9 Threat profiling, taking into account motives, intentions, capabilities and behavioural patterns, emerged as one of the most profitable **.....** in building predictive indicators of sub-state cyber threats.

(a) avenues (b) boulevards (c) lanes (d) roads

Q10 The project proved the concept of building a systematic, repeatable and quality-assured Intelligence Process to collect, **.....** and analyse open source communications concerning sub-state threat actors.

(a) allocate (b) collate (c) distribute (d) update

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The Role of China in Asia

Q1 Over the past two decades, China has embarked on a process of development that has taken it at **.....** speed from a poor, largely rural economy to a global economic force.

(a) backbiting (b) backbreaking (c) breadwinning (d) breathtaking

Q2 The sheer size of its workforce and the speed of its transformation have posed enormous challenges for many countries around the world, but nowhere more than in its own **.....**.

(a) backyard (b) garden (c) grounds (d) outback

Q3 The challenge is particularly important in Asia because from the point of view of smaller and in some cases more-developed Asian economies, it would be hard not to see China's low-cost labor force and enormous scope for **.....** of scale as a fearsome competitive threat.

(a) economies (b) expansions (c) facilities (d) factories

Q4 At the same time, China offers enormous opportunities as both a partner in production and a huge potential market of more than a billion consumers; other Asian economies may try to seek out markets in China, perhaps in **.....** consumer goods likely to be of interest to the burgeoning middle class.

(a) upend (b) upscale (c) upside (d) upstream

Q5 Or other Asian countries may try to '**.....**-back' on China's extraordinary success as a low-cost exporter by integrating production processes through trade fragmentation.

(a) cash (b) piggy (c) razor (d) roll

Q6 They will certainly try to avoid direct competition with China, and this could involve looking for **.....** where China is less active and shifting export-oriented industries in those directions.

(a) corners (b) niches (c) trades (d) venues

Q7 It is also **.....** that the increased reliance on domestic demand in the less-developed countries does not appear to have been reflected in lower rates of GDP growth in these countries.

(a) creditworthy (b) noteworthy (c) praiseworthy (d) trustworthy

Q8 To the extent that countries are able to use China as a market, China may be becoming an independent **.....** of growth for the region.

(a) engine (b) motor (c) root (d) seed

Q9 To the extent that China is taking market share from other countries, it is also acting somewhat like a **.....**, forcing countries out of some areas of production; however, in the long run the principle of comparative advantage should dominate, and all countries should benefit.

(a) minesweeper (b) muleskinner (c) screwdriver (d) steamroller

Q10 We examined both macroeconomic and microeconomic data to **.....** some light on this issue.

(a) beam (b) bear (c) shed (d) show

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Latin America's Lack of Competitiveness

Q1 After 59 months of uninterrupted expansion, investors in Latin America keep **.....** themselves and wondering out loud, "When will it end?"

(a) kicking (b) pinching (c) rubbing (d) scratching

Q2 The recent financial market correction felt around the world on the heels of the US sub-prime mortgage crisis brought many a dooms-dayer to the **.....** with predictions of currency slippage and spiking interest rates, says John Price of InfoAmericas.

(a) fore (b) front (c) stage (d) stand

Q3 But Latin America is far less **.....** than it used to be to contagion, politically-inspired capital flight, or drastic currency corrections; the region will not fall from one fatal blow, but it does risk death by a thousand cuts if it fails to reform itself into a more competitive economy.

(a) amenable (b) favorable (c) malleable (d) vulnerable

Q4 The reforms of the 1990s have proven their worth in this time of plenty: by shrinking government, professionalizing monetary policy, floating currencies and freeing capital markets, the money entering the region is staying **.....**.

(a) home (b) on (c) put (d) through

Q5 Even in today's populist social environment, political leaders have made fiscal discipline and conservative monetary policy **.....** of their economic strategies.

(a) hallmarks (b) heralds (c) landmarks (d) lanyards

Q6 Bolivia's president, Evo Morales, hardly a **.....** of commerce, remarked soon after taking office that "inflation and corruption hurt the poor the most".

(a) captain (b) colonel (c) commander (d) corporal

Q7 If Latin America is doing so well, why can't it compete? — even the region's economic darling, Chile, is dropping like a **.....** in global competitiveness rankings.

(a) ball (b) fly (c) leaf (d) stone

Q8 Return on investment in a country is driven by productivity, and in Latin America, productivity performance is the **.....**: from 2003 to 2005, Latin American economies, when measured in dollars, expanded by an astonishing 53% but their productivity over the same three years grew by less than 4%.

(a) husks (b) lees (c) nuts (d) pits

Q9 Today's winning industries in Latin America, such as mining (which attracted an impressive 23% of global exploration investment in 2006), metals, energy and agrifood, together provide little **.....** to government to keep trade open.

(a) impetus (b) inertia (c) input (d) interest

Q10 The nail in the **.....** for free trade thinking in Latin America could come from a rejection by Washington politicians of proposed trade agreements with Peru, Colombia and Panama.

(a) bucket (b) coffin (c) foot (d) haystack

Herrings

Q1 In the 1950s and 1960s, Norwegian spring-spawning herring (Clupea harengus) was a major commercial species, **.....** by vessels from Norway, Iceland, Faroe Islands, the former Soviet Union and several European nations.

(a) garnered (b) gleaned (c) harvested (d) reaped

Q2 However, during this period the stock was subjected to **.....** exploitation by several European nations, especially Norway, Iceland and the former Soviet Union, employing new and substantially more effective fishing technology.

(a) heavy (b) solid (c) strict (d) weighty

Q3 The annual catch peaked at 2 million MT in 1966; by this time, however, the stock was in serious **.....** and a complete stock collapse occurred by the end of the decade.

(a) decline (b) decrease (c) demise (d) descent

Q4 Because of the overfishing and poor recruitment, the spawning biomass of the two major herring stocks fell **.....** in 1968 and 1969.

(a) imperceptibly (b) precipitiously (c) tragically (d) undeniably

Q5 Finally, with catch levels falling to practically nothing in 1970, a fishing **.....** was declared.

(a) abeyance (b) hiatus (c) moratorium (d) sanction

Q6 In its **.....** state, the adult population ceased migration and both adults and juveniles remained in Norwegian waters year round; recruitment remained weak throughout the 1970's and it was not until the strong year class of 1983 joined the adult population in 1986 that the stock began to recover.

(a) depleted (b) depraved (c) depressed (d) deprived

Q7 Until recently the situation was quite **.....**: there was no comprehensive regional agreement about the utilisation of the stock, so Norway, Russia, Iceland and Faroe Islands were able to fish at will within their own jurisdictions, and in international waters the stock could be caught legally by any interested fishing nation.

(a) chaotic (b) episodic (c) frenetic (d) spasmodic

Q8 In 1995, the Advisory Committee on Fishery Management recommended a total allowable catch (TAC) for the Norwegian spring spawning herring of 513,000 MT, but Norway announced an individual TAC of 650,000 MT; then Iceland and Faroe Islands followed **.....** and announced their own combined TAC of 250,000 MT.

(a) along (b) suit (c) that (d) through

Q9 The European Union did not take part in a TAC commitment and continued fishing at near capacity, but in 1997, the EU became a **.....** to an agreement limiting the maximum total catch to 1,498,000 MT.

(a) partisan (b) partner (c) signatory (d) signature

Q10 The stock of spring-spawning herring showed great **.....** and continued to increase.

(a) livelihood (b) mortality (c) persistence (d) robustness

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Intuitive Bookkeeping

Q1 **.....** bookkeeping can be used to account for cash and bank based systems and has the advantage of being simple and intuitive to use, but it will not account for non-cash or non-bank transactions, which have a significant effect on accounts but do not immediately cause a change in the cash or bank accounts.

(a) Cash Flow (b) Ledger (c) Outsource (d) Single Entry

Q2 The U.S. Virgin Islands has received its second **.....** grade bond rating from Standard & Poor's; the announcement by one of the world's leading rating agencies granting its BBB- rating follows the recent announcement by Moody's to grant the territory its BAA3 rating.

(a) approved (b) investment (c) preferred (d) quality

Q3 A market **.....** strategy increases your potential tax liabilities: if you sell your stocks after two good years in the market, based upon the empirical findings that a bad year is more likely to follow, then you'll have to pay capital gains taxes when you sell your stocks, and over your lifetime as an investor you will pay more in taxes.

(a) testing (b) timing (c) tracing (d) tracking

Q4 The first few personnel added to a project will add a lot to productivity, after which the there is a diminishing **.....** to a point where this is actually negative and growingly negative for each added person due to the communication and coordination overhead.

(a) advantage (b) effect (c) payoff (d) return

Q5 An option pricing **.....** is a graphical representation of the estimated theoretical value of an option at one point in time, at various prices of the underlying stock.

(a) curve (b) distribution (c) model (d) slope

Q6 American Funds is a **.....** of 30 mutual funds and the American Funds Target Date Retirement Series with a wide range of investment objectives and a unique approach to investment management.

(a) family (b) kindred (c) lineage (d) relation

Q7 The triple **.....** pattern is composed of three sharp lows, all at about the same price level: prices fall to a support level, rise, fall to that support level again, rise, and finally fall, returning to the support level for a third time before beginning an upward climb.

(a) basement (b) bottom (c) dive (d) drop

Q8 **.....** deed is a legal document that helps to transfer your share of interest in the property (house, land, mobile home, etc) to another person; while the interest is transferred, no warranty is made that the grantor actually has ownership rights on the property or that the property is free of debt.

(a) A common law (b) An easement (c) An individual grant (d) A quitclaim

Q9 The major benefit of having **.....** risk is that it gives you the ability to stick with an option trade no matter how far the market goes against you, or how volatile the market becomes; there is no margin to pay like in futures and you cannot be stopped out of your position on a minor correction.

(a) controlled (b) limited (c) minimized (d) monitored

Q10 WebSideStory Investor **.....**: Our goal is to present existing and potential investors with an accurate portrayal of the company's performance and prospects; come here to find the latest financial news and information about us, including earnings announcements, webcasts and more.

(a) Affairs (b) Promotions (c) Publicity (d) Relations

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The National Debt

Q1 The national debt can be thought of as the accumulated debt the government owes from all those years of borrowing money to pay off the annual federal **.....**.

(a) bonds (b) deficits (c) expenditures (d) instruments

Q2 **.....** market refers to the purchase or sale of securities between the time of their initial issuance and before they mature; many money market instruments are sold and bought several times by different investors before they mature.

(a) Recycle (b) Resale (c) Secondary (d) Secondhand

Q3 There are roughly six main categories of **.....** liabilities: Long-Term Debt, also known as Funded Debt, Bonds Payable, Obligations Under Capital Lease, Deferred Tax Liability, Pension Liability, and Mortgages Payable.

(a) intangible (b) noncurrent (c) nonrefundable (d) unhedged

Q4 For tax years 2004 and earlier, use the tax **.....** if your taxable income is less than $100,000; if $100,000 or more, use the tax rate schedules.

(a) calculation (b) listing (c) minimum (d) tables

Q5 The literature focuses on Chinese and Japanese exchange rate strategies as the origin of the Asian crisis; McKinnon and Schnabl argue that, from 1995 to 1998, the depreciation of the Japanese yen eroded the international competitiveness of its smaller neighbouring countries, which kept **.....** to the dollar.

(a) fixing (b) floating (c) pegging (d) posting

Q6 A **.....** contribution is an extra contribution paid in addition to the mandatory contribution a member can pay to the pension fund in order to increase the future pension benefits.

(a) arbitrary (b) discretionary (c) salutary (d) voluntary

Q7 The **.....** started as an alternative to the NYSE; it originated when brokers began meeting on the curb outside the NYSE in order to trade stocks that failed to meet the Big Board's stringent listing requirements.

(a) AMEX (b) COMEX (c) NASDAQ (d) NYMEX

Q8 Congress created the Commodity Futures Trading **.....** (CFTC) in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States; the agency's mandate has been renewed and expanded several times since then, most recently by the Commodity Futures Modernization Act of 2000.

(a) Commerce (b) Commission (c) Committee (d) Community

Q9 Stop-and-**.....** should be used sparingly, when conditions require it; if your stop loss gets hit, it usually means that the market will go against you for some time before moving back in your direction, so your outlook should be to reinstate your original trade in the original direction, not trade in the opposite direction.

(a) recall (b) reorder (c) reverse (d) review

Q10 **.....** assumes that an entity sells, uses or disposes of its newest inventory first; using this method to evaluate and manage inventory can be tax advantageous, but it may also increase tax liability.

(a) FIFO (b) LIFO
(c) specific identification (d) weighted average

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Investment in Plant, Property and Equipment

Q1 **.....** is commonly found on the Cash Flow Statement as 'Investment in Plant, Property and Equipment' or something similar in the Investing subsection.

(a) Capex (b) Flox (c) Invex (d) Opex

Q2 While a Private Investment in Public **.....** transaction is marketed to a limited number of investors over a short period of time, a traditional public transaction may require a broader marketing process and, in the case of an add-on offering, the filing of a registration statement with the SEC prior to pricing.

(a) Companies (b) Corporations (c) Entity (d) Equity

Q3 There are two major types of limitations on debt: the first has to do with how long debt problems can show up on your credit reports, and the second is the **.....** of limitations, which gives creditors a certain time period — in most states, three to six years — in which to sue you over a debt.

(a) code (b) edict (c) statute (d) writ

Q4 A CGT asset is **.....** asset at a time if, at that time: (a) you own the asset and (i) you use it, or hold it ready for use, in the course of carrying on a business; or (ii) it is used, or held ready for use, in the course of carrying on a business by your affiliate, or by another entity that is connected with you.

(a) an active (b) an integral (c) an operating (d) a tangible

Q5 Interest dividends paid by a **.....** bond fund may be taxable under the federal alternative tax (AMT) system if the bonds held by the fund are issued to cover the costs associated with certain private activity projects, such as housing projects, hospitals, airport expansion projects, or industrial parks.

(a) metropolitan (b) municipal (c) preferred (d) public

Q6 The distinction taken in courts of equity is between a title which the court considers to be so clear that it will enforce its acceptance by a purchaser, and one which the court will not go so far as to declare a **.....** title, but only that it is subject to so much doubt that a purchaser ought not to be compelled to accept it.

(a) bad (b) dead (c) null (d) void

Q7 If you don't specify an exchange code after entering a stock or index symbol, our database will match the symbol with its **.....** exchange — usually the TSE in Canada or the NYSE or Nasdaq in the United States.

(a) inaugural (b) initial (c) primary (d) principal

Q8 The **.....** takes the body of the butterfly — two options at the middle strike — and splits it between two middle strikes rather than just one; in this sense, it is basically a butterfly stretched over four strike prices instead of three.

(a) collar (b) condor (c) long butterfly (d) split spread

Q9 The insurer of a **.....** life annuity calculates its obligation only until the last regular payment preceding the annuitant's death; because the payments expire when you do, selecting this form of annuity is, in a sense, a bet that you expect to live longer than the average person.

(a) limited (b) single (c) standard (d) terminal

Q10 The husband of televangelist Juanita Bynum denies treating her cruelly and says they have not been continuously separated since June, as her divorce petition alleges; in his **.....**, Bishop Thomas Weeks also asks for a divorce, but says he and Bynum spent one night together in August that boosted his hopes for reconciliation.

(a) counterclaim (b) deposition (c) rebuttal (d) testimony

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Canada Pension Plan

Q1 The Canada Pension Plan **.....** benefit is a one-time, lump-sum payment made to the contributor's estate; if there is no estate, the person responsible for the funeral expenses, the surviving spouse or common-law partner or the next of kin may be eligible, in that order.

(a) death (b) deceased (c) demise (d) departed

Q2 **.....** bonds are debt securities that states, cities, counties and other governmental entities issue to raise money for such as building schools, highways, hospitals, sewer systems, and other special projects; a primary feature is that the interest is generally exempt from federal income tax.

(a) Civic (b) Municipal (c) Public (d) Urban

Q3 A **.....** of credit is an arrangement you can make with your financial institution that allows you to borrow money up to a pre-determined limit; as you pay it down, you can draw on it again, back up to the limit you are allowed.

(a) length (b) letter (c) lien (d) line

Q4 Each warrant is exercisable for 1/2 share of common stock at $0.15 per warrant share, they are only exercisable in **.....** lots (i.e. 2 warrants exercisable at $0.30 for 1 share of common stock), and are exercisable for a period of three years and expire October 10, 2005.

(a) double (b) even (c) paired (d) twin

Q5 This paper examines the empirical relationship between technology and financial **.....**: it tests whether real flexibility increases debt capacity by lowering default risk or decreases debt capacity by enabling shareholders to risk-shift through risky production strategies or asset substitution.

(a) foundation (b) fundamentals (c) infrastructure (d) structure

Q6 **.....** earnings per share (also called fully diluted EPS) takes into account all shares currently outstanding, plus the number of shares that would be outstanding if all convertible bonds and convertible preferred stock (preference shares) were exchanged for common stock (ordinary shares).

(a) Extended (b) Gross (c) Primary (d) Qualified

Q7 In today's Kinder Morgan deal, Goldman has signed something else, something called a 'highly **.....** letter', which means that Goldman thinks it can most probably find lenders and sell bonds, and will try really hard, but if this proves too difficult, Goldman isn't on the line for the money.

(a) conceivable (b) confident (c) liable (d) likely

Q8 Included in foreign denominated debt is a **.....** currency bond issued in yen, totalling 18,635 million yen (1998: 18,635 million yen), and repayable in US dollars totalling $150 million US (1998: $150 million US); the bond has been hedged to $200 million (1998: $200 million),and matures on February 29,2000.

(a) base (b) dual (c) primary (d) secondary

Q9 Notice what happens by adding a little bit of asset B to the portfolio that consists entirely of A: moving up and to the left on the curve, the return increases and the risk decreases; in modern portfolio theory parlance, asset A must be an **.....** portfolio.

(a) imperfect (b) imprecise (c) inadequate (d) inefficient

Q10 The important variables on an adjustable rate mortgage are the **.....** frequency (one year is the most common), the base index (typically Treasury yield that matches the ARM frequency) and spread (typically 250-300 bps) used to calculate the new interest rate, the caps, and the teaser rate (a below-market initial rate).

(a) refit (b) renew (c) reset (d) review

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Constituent Companies

Q1 **.....** share weighted index is a stock index in which stocks affect the index in proportion to the number of shares outstanding of the constituent companies (i.e. the number of stocks listed) and thus the company with more shares outstanding influences the index more greatly.

(a) A corporate (b) A market (c) An issue (d) An open

Q2 '**.....** mortgage' means an obligation to pay a sum of money evidenced by a note and secured by a lien upon real property containing two or fewer residential units or on which two or fewer residential units are to be constructed and includes such an obligation on a condominium or cooperative unit.

(a) Domicile (b) Homeowner (c) Premises (d) Residential

Q3 Any agreement that tends to insure an investor his relative price advantage or percentage ownership is **.....** provision.

(a) a maintenance (b) an antidilution (c) a stabilization (d) a status quo

Q4 In the late 70s, Wall Street came up with a scheme by which lenders could make one package of many mortgages and sell these packages to investors, who then traded the securities among themselves: thus was born a bubbling **.....** mortgage market.

(a) residual (b) retail (c) secondary (d) subsidiary

Q5 A company may not have taxable income, but may show **.....** profit either by adopting the straight-line depreciation method or by not debiting capital expenditure on scientific research and development to its profit and loss (P&L) account.

(a) accrued (b) book (c) intangible (d) real

Q6 A nondeductible **.....** to a traditional individual retirement account (IRA) typically occurs because an individual participates in an employer retirement plan and has modified adjusted gross income above certain levels.

(a) admission (b) contribution (c) exclusion (d) inclusion

Q7 Flag and **.....**: these two short-term chart patterns are continuation patterns formed when there is a sharp price movement followed by a generally sideways price movement; the pattern is then completed upon another sharp price movement in the same direction as the move that started the trend.

(a) Banner (b) Blanket (c) Pennant (d) Poster

Q8 Owners of a **.....** account are ultimately responsible for keeping track of their available funds, even though the bank will routinely issue its own accounting statements; some banks will protect account holders by making the proper payments and notifying the owner that an overdraft has taken place.

(a) cash (b) checking (c) money market (d) time deposit

Q9 Nasdaq said today that it had scaled back its proposal to reduce the minimum number of shares that can be traded under the commission's new order-handling rules; its original proposal would have reduced the minimum **.....** size from 1,000 shares to 100 for all 5,540 stocks to be covered by the new rules.

(a) batch (b) lot (c) offer (d) quote

Q10 Options contracts are sold in lots of 1,000 shares and each contract has a specific strike price; BHP has an option **.....** that expires every month whereas a stock such as Rinker Limited (RIN) may only have options every 3 months.

(a) sequence (b) series (c) strand (d) string

IKEA

Q1 The Sweden-based Inter IKEA Systems BV (IKEA) is the world's largest furniture retailer that specializes in **.....** but inexpensive Scandinavian designed furniture.

(a) faddish (b) lavish (c) rakish (d) stylish

Q2 In addition to furniture, IKEA also sells **.....** items such as utensils, hooks, clips, stands, etc.

(a) complementary (b) detachable (c) practical (d) utility

Q3 IKEA's founder, Ingvar Kamprad, has built an international furniture chain of 226 stores in Europe, Africa, Asia and the US; it has been successful in almost all countries, because of public **.....** of the IKEA brand.

(a) acceptance (b) approbation (c) approval (d) awareness

Q4 IKEA is far more than a furniture merchant; it sells a lifestyle that customers around the world embrace as a signal that they've **.....**, that they have good taste and recognize value.

(a) achieved (b) arrived (c) satisfied (d) succeeded

Q5 The British design magazine Icon said, "If it wasn't for IKEA, most people would have no access to **.....** contemporary design."

(a) affordable (b) expensive (c) impressive (d) modern

Q6 The magazine also voted Kamprad as the most influential **.....** in the world.

(a) cabinetmaker (b) marketmaker (c) pacemaker (d) tastemaker

Q7 Kamprad established IKEA in 1943 at the age of seventeen; he came **.....** with the name IKEA by combining the first letters of his name (Ingvar Kamprad), followed by the first letters of the farm and village he grew up in (Elmtaryd and Agunnaryd).

(a) out (b) through (c) up (d) (none)

Q8 Kamprad started his business by buying pens, Christmas cards, matches, cigarette lighters, nylon stockings and other items in **.....**; he sold these items to the residents of Smaland at a reasonable price, but still made healthy profits.

(a) bulk (b) particular (c) stock (d) town

Q9 To save more money, Kamprad would **.....** his packages on the trucks that delivered milk.

(a) bandwagon (b) piggyback (c) snowball (d) upload

Q10 IKEA soon started making money, and in 1945, Kamprad started promoting business through mail **.....** catalogues, as conducting individual sales calls became impossible.

(a) business (b) delivery (c) franchise (d) order

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Global Marketing Strategy Factors

Q1 Going global has become the economic **.....** of many organizations, according to Jonathan Elimimian, Department of Business and Economics, Johnson C. Smith University.

(a) aspiration (b) destination (c) fascination (d) inspiration

Q2 It is important to be aware of the fact that the world is so technologically complex and fast changing that it is difficult to identify the current level of global marketing changes facing **.....** economies.

(a) conditional (b) marginal (c) parochial (d) transitional

Q3 We already know that strategic alliances and **.....** with different countries worldwide bring new capabilities, capacities, technologies and new strategic business ideas to these new markets.

(a) affinity (b) consanguinity (c) fraternity (d) proximity

Q4 Economies that are **.....** global societal strategies to enter the world market will need to recognize the importance of other countries' social and cultural complexities.

(a) embellishing (b) embracing (c) enacting (d) entrancing

Q5 The **.....** of globalization and constant competitive shifts have increased the volatility of corporate posture both in domestic and global markets.

(a) immediacies (b) importunities (c) indelicacies (d) intricacies

Q6 For now, the playing **.....** is not equal access to global market entry between industrialized nations and emerging economies of the world.

(a) field (b) ground (c) pitch (d) space

Q7 Everything in the vast **.....** of globalization favors the industrialized nations, which are wealthy, technologically advanced, creative and determined to dominate the world market.

(a) area (b) arena (c) stadium (d) studio

Q8 These advanced nations are fully aware of the extra economic and technological power they possess with technologies, information, capabilities, access and knowledge of what the world market is **.....**.

(a) about (b) around (c) found (d) (none)

Q9 Global societal strategy will be **.....** to all businesses worldwide as the world market is becoming closer due to advanced technological infrastructures.

(a) imperative (b) imperious (c) implicated (d) implied

Q10 Most evolving economies will definitely find it difficult to **.....** a global market already dominated by the industrialized nations.

(a) imitate (b) initiate (c) penetrate (d) perpetrate

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Cash as a Strategic Asset

Q1 According to Thomas Schickler of JPMorgan Chase Treasury Services, cash, having reached unprecedented levels on the balance sheets of companies around the world and still growing, has been cast in a new **.....**.

(a) film (b) light (c) mould (d) stream

Q2 Once considered simply a consequence of business activities, cash has evolved into a strategic asset, valued as a hedge against market volatility and amassed to stay **.....** in a world of business opportunities.

(a) ample (b) humble (c) nimble (d) simple

Q3 This **.....** change in how cash assets are viewed and treated has implications for corporate treasurers, who are looking to minimise risks, optimise returns, get the most from their cash portfolios and make the most of their own valuable time.

(a) climate (b) earth (c) sea (d) weather

Q4 The historical market perception was that holding cash would **.....** shareholder value and, therefore, cash should be quickly deployed, but that's not necessarily the case, especially not today.

(a) abort (b) absorb (c) erase (d) erode

Q5 Today, companies are holding more cash than ever before, and this build-up of cash levels can be attributed to a number of factors, ranging from increased sensitivity to overcapacity following the **.....** of the 'Internet bubble' to geopolitical instability.

(a) implosion (b) imposition (c) impotence (d) impression

Q6 Throughout the recent cycles in monetary policy and capital market conditions, companies have consistently expanded their cash holdings, but economic cycles alone do not explain the continuing cash build-up, which suggests a fundamental shift in how companies view cash: as an asset class in its own **.....**.

(a) account (b) case (c) right (d) way

Q7 Recent events in the global capital markets have led to a **.....** reassessment of risk, and emphasised the importance of synchronising the credit and liquidity components embedded in investment alternatives with the needs and risk tolerance of the corporation.

(a) holistic (b) whole-hearted (c) wholesale (d) wholesome

Q8 Corporate treasurers are increasingly considering the trade-off between resources **.....** and basis points gained, incorporating the cost of execution to determine total economic return.

(a) expected (b) expended (c) entended (d) extracted

Q9 To enhance the return on the overall cash portfolio, corporate treasurers see a greater need to break down the portfolio into different types of cash: **.....** cash, the least predictable, to meet daily needs; reserve cash, providing a liquidity cushion; and strategic cash, the most predictable, for discretionary use.

(a) factional (b) fictional (c) fractional (d) frictional

Q10 Greater insight into the cash components provides true pricing power, while failure to create sufficient delineation among the components can significantly **.....** total returns.

(a) derogate (b) dessicate (c) deteriorate (d) detonate

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The Secondary Debt Market

Q1 "With the credit **.....** likely to grow worse before it gets better, what are commercial banks doing in the face of this problem?" asks Kingsley Greenland of DebtX.

(a) crash (b) crunch (c) crush (d) crutch

Q2 Increasingly, the answer is to sell loans in the debt market; powered by electronic trading, the global secondary market is now sufficiently liquid on a day-to-day basis to efficiently dispose of non- or poorly-**.....** debt, as well as high-quality loans, as part of normal portfolio rebalancings.

(a) doing (b) performing (c) returning (d) servicing

Q3 Loan sales have become a **.....** weapon because electronic due diligence, trading and closing allow competitive bidding of everything from multi-billion credits to loans or pools of loans as small as US$1million.

(a) portentous (b) portable (c) potable (d) potent

Q4 As a result, loan sales are now more attractive than the traditional solution of **.....** loan workouts; rather than incur the expense and management distraction of sticking with problem assets, it now makes more sense to sell and put the problems behind.

(a) projected (b) promoted (c) protected (d) protracted

Q5 The market's liquidity has translated into strong price execution, which makes a loan sale strategy all the more **.....**.

(a) commanding (b) compelling (c) condoning (d) conducing

Q6 Today, debt can be traded at a fraction of the cost and time compared to the traditional, offline environment because electronic trading has eliminated much of the **.....** in the process.

(a) friction (b) inertia (c) momentum (d) resistance

Q7 The high fixed transaction costs that previously **.....** liquidity have largely gone away.

(a) depressed (b) expressed (c) impressed (d) suppressed

Q8 In previous years, **.....** diligence required investors to make onsite visits to search boxes of loan documents, collateral information, appraisals, operating statements, court proceedings or other underwriting documents.

(a) bank (b) clear (c) due (d) staff

Q9 If investors decided against making an offer, or another bid was accepted, travel expenses and management time went **.....**.

(a) unrecovered (b) unreported (c) unrequited (d) unrewarded

Q10 At electronic trading platforms, investors can now view hundreds or even thousands of pages of loan documents online; **.....** of documents can be easily searched, and sophisticated financial modeling is built right into the platform.

(a) reams (b) rolls (c) scrolls (d) stacks

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Inventory Management

Q1 The modern era of inventory management began in 1913 with the publication of a paper by a Westinghouse engineer, Ford W. Harris, on inventory optimization; over the succeeding decades, dozens of new and more **.....** inventory optimization techniques were invented.

(a) elaborate (b) elegant (c) essential (d) established

Q2 "But suddenly the music stopped," exclaims George Brown of Ewe Lamb Technologies: in the early 1980s, Japanese corporations began **.....** out industry after industry in the United States and Europe.

(a) bailing (b) hollowing (c) reaming (d) tunnelling

Q3 From analyses of their successes, one factor was obvious — Japan **.....** far less inventory in proportion to sales than was considered 'optimal' — and minimization subsequently superseded optimization as the guiding philosophy of inventory management.

(a) employed (b) enlisted (c) heaped (d) hired

Q4 Minimization dogma says that inventory is the corporate equivalent of 'fat' and should therefore be eliminated; treasury, for its part, was more than happy to endorse this fashionably **.....** philosophy.

(a) anemic (b) anorexic (c) bulimic (d) dyslexic

Q5 After all, through the magic of the liquid asset cycle, reductions in inventory wonderfully reappear as cash in treasury's **.....**.

(a) coffer (b) coffin (c) sarcophagus (d) sepulchre

Q6 Minimization's **.....** song was that 'a corporation can never be too rich or too lean'.

(a) simple (b) siren (c) swan (d) sweet

Q7 A second explanation for the minority's inventory-contentment is almost certainly the misuse of 'nave' ratios (a ratio is said to be nave when it is completely **.....** from true corporate objectives and performance).

(a) distracted (b) distraught (c) divided (d) divorced

Q8 Most common naive ratios are 'inventory-to-sales' and its reciprocal, 'turns', which can provide a comforting but false sense of accomplishment as their numbers 'improve'; the inherent **.....** of both is the assumption that less inventory is always better than more.

(a) canard (b) conundrum (c) palindrome (d) paradox

Q9 This simply is not true: anyone who experienced the barren shelves of Moscow's Soviet-era department stores, or is told by a **.....** that there are no more coffee-lids, will attest to the obvious fact that inventory shortages are a major source of customer dissatisfaction, lost sales, and lost profit.

(a) barista (b) canasta (c) rasta (d) turista

Q10 The two major failed philosophical opposites, minimization and optimization, happen to nail down the extreme ends of a broad 'feasibility range' for inventory, and by slicing the middle **.....** into a series of progressive investment options, we can calculate the expected returns, maturities, and risks for each increment.

(a) court (b) distance (c) field (d) ground

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Tax Planning

Q1 Whether planning for retirement, making an effort to reduce income taxes or maximizing current income, there are many excellent tax-deferred or tax-deductible investment options to consider; in fact, there are many tax-**.....** accounts from which your investment representative can choose, based on your goals.

(a) advantaged (b) averted (c) restrained (d) restricted

Q2 Making a payment with a check and then changing your mind can be an expensive proposition: putting a stop-payment **.....** on that check will cost anywhere from $18 to $32 at the 10 largest banks surveyed by Bankrate.com.

(a) demand (b) inquiry (c) order (d) request

Q3 In the case of **.....** liquidation by companies themselves, the companies are solvent and are terminated (and consequently liquidated prior to their dissolution) due to the companies wanting to discontinue operations, for whatever reason.

(a) a Chapter 7 (b) a Chapter 11 (c) an arbitrary (d) a voluntary

Q4 Issues involving salvage value and useful life continued to arise, so Congress enacted IRC 168 in 1981; the **.....** Cost Recovery System was intended to provide a less complicated method for computing depreciation by eliminating salvage value and specifying recovery periods for various asset classes.

(a) Absolute (b) Accelerated (c) Amended (d) Averaged

Q5 For sophisticated investors, our firm, also registered as a **.....** Trading Advisor (CTA), offers a wide variety of investment and trading solutions to suit various portfolios and investment strategies in asset management using commodities, futures and options.

(a) Certified (b) Commercial (c) Commodity (d) Corporate

Q6 NetBank, the online bank with $2.5 billion in assets, has been shut down after investments in risky mortgages defaulted at an alarming rate; customers with $100,000 or less with the bank will be made whole by **.....** insurance, and those with more will become creditors in the bank's receivership.

(a) FDIC (b) FDICIA (c) FRS (d) FSLIC

Q7 The Power Authority has begun marketing its tax-free bonds for a $7 billion takeover of LILCO; the investors who stand to gain the most are New York and Puerto Rico residents, for whom the bonds are exempt from local, state and Federal income taxes — **.....** exemption for New York City residents.

(a) an absolute (b) an aggregate (c) a total (d) a triple

Q8 Most investors are familiar with **.....** I quotes; these quotes are the ones we're all comfortable with — Bid, Ask, Last trade, Volume, and so on.

(a) Class (b) Grade (c) Level (d) Step

Q9 **.....** Oscillator is a momentum indicator developed by George Lane that measures the price of a security relative to the high/low range over a set period of time; the indicator oscillates between 0 and 100, with readings below 20 considered oversold and readings above 80 considered overbought.

(a) An Anharmonic (b) An Isotropic (c) A Parametric (d) A Stochastic

Q10 After 36 years in the investing business, Roger King has settled on several ways to root out stock bargains, but his favorite among them is to find stocks selling for less than what a buyer of the whole company might pay, the so-called **.....** market value approach.

(a) breakdown (b) private (c) separate (d) wholesale

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Unsecured Debt

Q1 A **.....** is a long-term debt instrument used by governments and large companies and is usually unsecured, in that there are no liens or pledges on specific assets; the advantage to the issuer is that they leave specific assets burden free, and thereby leave them open for subsequent financing.

(a) bill (b) bond (c) debenture (d) note

Q2 June 14 Regular Sale: We had a real big run of cows on an **.....** market: overall, the market was steady but uneven on feeding cows; bulls were steady to higher; and heiferettes were strong to higher.

(a) active (b) agile (c) alert (d) alive

Q3 In Latin America, fiscal policy has not played a relevant **.....** role: in recession, fiscal policy is typically oriented towards keeping financial solvency under control, while during booms, expenditure tends to expand with the phase.

(a) anti-inflationary (b) countercyclical (c) interdisciplinary (d) macroeconomic

Q4 **.....** instrument is an instrument whose value is determined directly by markets: stocks, commodities, currencies and bonds.

(a) A linear (b) An absolute (c) An elementary (d) A primary

Q5 Financial commentators are beginning to see the Fed's emergency rate cut as 'Bernanke's first big mistake' — instead of holding the line against inflation, the Fed is now **.....** out Wall Street; cutting rates suddenly, the Fed has come to the aid of speculators and the financial industry.

(a) backing (b) bailing (c) bawling (d) bucking

Q6 A **.....** payment loan involves two transactions: the first occurs when a bank makes a loan and the second when the loan is repaid; these loans are often used to meet seasonal financing needs, as when a toy wholesaler who needs to buy inventory will obtain a loan and repay it after the Christmas season.

(a) dual (b) due (c) simple (d) single

Q7 Interest shall accrue at the rate of nine (9) percent per annum on the paid-in **.....** account of each Partner, as determined from time to time, and such interest shall be paid by the Partnership semi-annually.

(a) capital (b) credit (c) personal (d) principal

Q8 A triple **.....** lease is an agreement that lets the tenant shoulder all the costs that are related to paying real estate taxes, maintenance, building insurance, and other kinds of fees such as rent; the tenant is also responsible for shouldering expenses for any repairs that need to done to the property.

(a) need (b) net (c) threat (d) trap

Q9 As its name suggests, **.....** IRA is essentially a medium through which a transfer may be made from one qualified plan to another, and if properly structured, money is rolled over tax-free between plans with a temporary layover here.

(a) a conduit (b) a corridor (c) an interim (d) an interval

Q10 When your employer sends your pay to your checking or savings account rather than issuing you a paper check, you're participating in **.....**; these arrive and are made available to you more quickly than paper checks, and can be automatically divided among different accounts based on your direction.

(a) cash back (b) direct deposit (c) line of credit (d) standing order

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Life Insurance

Q1 After his wife was killed in a traffic accident, David was left to bring up their two-year-old daughter alone; the grieving electrician knew he could never replace 29-year-old Sarah, but he hoped that claiming on their **.....** life insurance policy would help meet the costs of suddenly becoming a lone parent.

(a) dependent (b) dual (c) second death (d) survivalist

Q2 In 1920, the NYSE established the Stock **.....** Corporation to provide a centralized system to enable the verification of information between brokers in a securities transaction and the subsequent settlement (delivery of certificates in exchange for payment) among members, banks and companies.

(a) Clearing (b) Conveyance (c) Transfer (d) Transmittal

Q3 The marketing people claim a range of advantages for **.....** of funds: less risk than investing in just one or two funds, a diversified portfolio both geographically and among different asset classes without having to buy dozens of funds, and avoiding the headache of constantly monitoring a portfolio.

(a) files (b) funds (c) pools (d) portfolios

Q4 The big advantage of **.....** cost accounting is that it leads to absolute certainty and it fits in perfectly with the cash flow statement and so there is no doubt about balance sheet amounts; whereas the alternatives, where accountants attempt to take inflation into account, can lead to many problems.

(a) actual (b) historical (c) initial (d) original

Q5 An even **.....** is a position for which the long position and short position have equal premiums, and therefore the investor neither pays nor receives a premium.

(a) share (b) spread (c) stake (d) stop

Q6 The fundamentals support $100 oil because society is happily filling their gas tanks at that price, and the issue isn't geopolitics or speculation, it's pure **.....** of demand; we have calcified our demand for oil through our massive, and largely not unloadable (due to refinanced mortgages) commitment to suburbia.

(a) inelasticity (b) inevitability (c) stability (d) sterility

Q7 In order to maintain the status quo, it is necessary to keep tight control on the amount of currency that is made available to the general public; increasing the amount of **.....** money involves the addition of new cash to the economy, not replacing instruments that have been worn down by time and distribution.

(a) active (b) hard (c) open (d) tender

Q8 The Nikkei 300 is a **.....** value-weighted index of the 300 major issues selected to represent listed stocks on the first section of the Tokyo Stock Exchange; it uses a weighted average based on capitalizations of component firms that contrasts with the widely followed Nikkei Stock Average, which is an average price.

(a) book (b) market (c) relative (d) share

Q9 The vertical axis of the **.....** chart shows an equal distance along the axis for each absolute change in price; a stock that moves from $20 to $30 shows the same absolute change as an increase in price from $50 to $60, even though the move from $20 to $30 represents a 50% advance while the move from $50 to $60 represents only a 20% advance.

(a) flat (b) graphic (c) linear (d) projection

Q10 The **.....** annual growth rate of an investment is computed by the formula: (Pv / P0) (1/n)-1, where Pv = Present value, P0 = Beginning value and n = Number of periods; the result is multiplied by 100 to obtain a percentage.

(a) average (b) compound (c) effective (d) rolling

MagicTicker

Q1 MagicTicker is a stock **.....** ticker that looks much like the tickers you see on CNBC; it is fully configurable so you can watch just the stocks you want, and you can also input the number of shares you own for all your stocks and watch your portfolio move in real time.

(a) count (b) quote (c) sale (d) watch

Q2 For instance, say that, as the trading day opens, this Internet stock is at $400: As long as the lowest price does not fall $2.00 from its highest price, your order remains active, and if GOOG is able to reach $404 without falling $2.00, the new **.....** price automatically advances to $402 ($404 — $2.00).

(a) opt (b) out (c) set (d) stop

Q3 Clearly, the terms of the trust made King Jr.'s interest contingent upon whether the trustee chose to make payments to him from the trust income; in other words, unlike **.....** trust, on the terms of the trust alone, King Jr. had no entitlement to any property of the trust.

(a) a declassified (b) an indeterminate (c) a nondiscretionary (d) an unrestricted

Q4 It is not so long ago that companies would put their **.....** funds in government bonds or life insurance company annuities; as inflation rose in the 1960s and 1970s, companies found that rising salaries and low fixed-income returns made their retirement plans very expensive.

(a) capital (b) employee (c) mutual (d) pension

Q5 If the exercise price of a warrant or option is higher than the average price of the common shares during the accounting period, the exercise of the warrant or option will be **.....**.

(a) antiderivative (b) antidilutive (c) derivative (d) dilutive

Q6 CKD Galbraith is one of the leading estate agencies in Scotland specialising in top quality Scottish **.....** property from castles to cottages and sporting estates to farm land.

(a) recreational (b) regal (c) residential (d) rural

Q7 Burger King Announces **.....** Offering: Burger King Holdings Inc. announced today that the private equity funds controlled by TPG Capital, Bain Capital Partners and the Goldman Sachs Funds intend to initially offer 23 million shares of Burger King common stock in an underwritten offering.

(a) Secondary (b) Subsequent (c) Subsidiary (d) Supplementary

Q8 The **.....** shares are recorded in the records that are maintained by the agent, so that there is always a permanent record of the value of the shares, and who holds the rights to the shares; however, the actual stock certificates are never printed or forwarded to the investor.

(a) base (b) book (c) paper (d) post

Q9 The BU Foundation is a federally-recognized 501(c)(3) non-profit organization, so gifts to the Foundation are therefore tax **.....** to the fullest extent of the law.

(a) deductible (b) excluded (c) free (d) sheltered

Q10 You cannot use 1040EZ if you claim the child and dependent care **.....**; it is a percentage, based on your adjusted gross income, of the amount of work-related child and dependent care expenses you paid to a care provider.

(a) allowance (b) credit (c) deduction (d) exemption

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Suffrage

Q1 **.....** stock is stock that allows for the right of suffrage with respect to the firm's affairs.

(a) License (b) Option (c) Preferred (d) Voting

Q2 One approach to accounting for depreciation is to use one of the **.....** methods (including the Sum of the Year's Digits and the Declining Balance), which are more conservative and, in most cases, accurate, assuming as they do that an asset loses a majority of its value in the first several years of use.

(a) accelerated (b) aggregated (c) concentrated (d) consolidated

Q3 Municipal bond **.....** protects investors in two ways: occasionally, cities or states that issue debt securities get into financial difficulty and may not be able to pay interest and principal on their debt as scheduled, or rating agencies may lower the ratings on an issuer's securities, causing the market value of its securities to decline.

(a) coverage (b) hedging (c) insurance (d) offset

Q4 Washington, D.C., Sept. 27, 2007 — The Securities and Exchange Commission today charged the Federal Home Loan **.....** Corporation (Freddie Mac) with securities fraud in connection with improper earnings management beginning as early as 1998 and lasting into 2002.

(a) Assistance (b) Finance (c) Guaranty (d) Mortgage

Q5 Using **.....** II quotes, an average investor can make a very informed decision as to whether to buy or sell based on this sometimes extensive information about who is willing to purchase or unload a particular stock and for how much.

(a) Level (b) Order (c) Stage (d) Tier

Q6 **.....** Mortgage Insurance (PMI) is extra insurance that lenders require from most home buyers who obtain loans of more than 80% of their new home's value; it protects a lender against loss if a borrower defaults and enables borrowers with less cash to have greater access to home ownership.

(a) Peripheral (b) Private (c) Proxy (d) Public

Q7 **.....** is a term for a person who handles large sums of money, usually involving money lending, financing projects, large-scale investing, or large-scale money management; the term has upscale and haughty connotations, and the stereotype portrayed by the term is typically of a wealthy and powerful person.

(a) Entrepreneur (b) Financier (c) Magnate (d) Tycoon

Q8 The margin maintenance rules require that the investor's **.....** (the current value of his stock less the value of the margin loan) stay at a certain level; if the maintenance rules require that it remain at 50 percent, and then the stock value falls below 50 percent, the investor would receive a 'margin call' from the brokerage firm.

(a) equity (b) interest (c) moiety (d) stake

Q9 The balance of **.....** is an accounting of a country's international transactions over a certain time period; it shows the sum of the transactions (purely financial ones, as well as those involving goods or services) between individuals, businesses, and government agencies in that country and those in the rest of the world.

(a) commerce (b) exchange (c) payments (d) trade

Q10 If you are receiving or making payments for a loan or installment sale, but little or no interest is stated on the contract, the Internal Revenue Service assumes a rate of interest based on the published **.....** federal rate.

(a) accredited (b) applicable (c) authorized (d) average

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The Markets in Financial Instruments Directive

Q1 According to Sanjima DeZoysa, Banking & Technology Editor for gtnews, the financial services industry currently faces an **.....** amount of regulation that have two distinct objectives.

(a) unanticipated (b) unprecedented (c) unsolicited (d) unsuspected

Q2 The first is the increasingly **.....** compliance environment in which firms must prove they have effective controls and processes in place to ensure accountability and an effective corporate governance model.

(a) astringent (b) plangent (c) pungent (d) stringent

Q3 The second objective is the **.....** goal of the regulators, particularly in Europe, to encourage greater harmonisation, competition and customer protection within all financial markets.

(a) overarching (b) overbearing (c) overreaching (d) overseeing

Q4 This commentary considers some of the most significant regulations affecting the industry and how organisations are currently **.....** with this.

(a) coopting (b) coping (c) handling (d) heading

Q5 Most EU regulatory work is based on the Financial Services Action Plan; the Markets in Financial Instruments Directive (MiFID) is a fundamental **.....** of the FSAP and aims at increasing the range of investment activities that can be passported by firms, making it easier to conduct cross-border business.

(a) pedestal (b) pillar (c) platform (d) post

Q6 One of the main objectives of MiFID is to ensure that all clients have the necessary knowledge and experience to understand the risks involved in a product before investing in it: banks are **.....** to ensure that retail clients are informed of potential risks connected with trading financial instruments.

(a) coerced (b) intoned (c) obliged (d) remanded

Q7 While the **.....** behind MiFID are justified, there has been criticism about the regulators' expectations of the implementation process.

(a) aspersions (b) aspirations (c) insinuations (d) inspirations

Q8 "More **.....** should be taken of the project management disciplines that are needed if legislation is to be implemented properly without giving rise to undue risks that occur if consequential changes are rushed," insists Paul Richards at the International Capital Markets Association.

(a) account (b) action (c) concern (d) consideration

Q9 "While MiFID has now come into force, there is still more work to be done in terms of whether firms have dotted the i's and **.....** the t's on issues such as documenting procedures and finalising client agreements and consents," says Bernadine Reese, director, financial services group at Protiviti.

(a) crossed (b) dashed (c) spotted (d) topped

Q10 In the UK, further policy documents are expected in 2008 from the country's regulatory body, the Financial Services Authority (FSA), and a key issue **.....** forward will be the position of collective investment scheme (CIS) operators in the post-MiFID world.

(a) carrying (b) going (c) marching (d) setting

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Outsourcing in the Banking Sector

Q1 Santosh Patnaik of the United Bank of India reminds us that the idea of outsourcing has its roots in the 'competitive advantage theory' **.....** by Adam Smith in his book 'The Wealth of Nations', published in 1776.

(a) instigated (b) instituted (c) propagated (d) prostituted

Q2 A hundred years ago, the automotive industry was so vertically integrated that the largest car companies owned vast **.....** of fields on which they grazed their own sheep to produce wool for use in car seats!

(a) grids (b) grounds (c) traces (d) tracts

Q3 In the 1970s, the industry realised that it simply couldn't be good at everything; it then began to consolidate, converge and sell off those parts of the business that could be better sourced externally, especially where external suppliers could **.....** greater economies of scale by supplying multiple manufactures.

(a) allocate (b) concentrate (c) fabricate (d) generate

Q4 Business process outsourcing involves a third party managing the entire business process, such as accounting, financing, customer support and human resources; BPO is a strategy offering a **.....** business value proposition for companies to gain operational efficiency, focus on core expertise, save time and reduce costs.

(a) coercing (b) compelling (c) constraining (d) convincing

Q5 If one doesn't have the time, money or skill to do the job internally, or if there is a function that is a burden or is **.....** affecting other parts of the business, outsourcing is worth considering.

(a) asymetrically (b) detrimentally (c) inadvertantly (d) unsuspectedly

Q6 When companies first started thinking about outsourcing non-strategic functions, such as payroll, facilities management and logistics, their goal was to reduce costs; today, however, there is a far wider range of reasons why these organisations regularly **.....** outsourcing core operations to third-party specialists.

(a) commutate (b) complicate (c) contemplate (d) correlate

Q7 Since the 1990s, banks have been improving their efficiency ratios by acquiring or upgrading technology, cost cutting and consolidation; but now that further improvements are proving **.....**, costs have been trimmed to the minimum and consolidation gains have waned, banks are under pressure to improve earnings.

(a) delusive (b) disruptive (c) elusive (d) eruptive

Q8 Outsourcing has thus becomes a way of moving banks' **.....** resources away from trivial operations to value-added services, such as business strategy and execution, new opportunity identification and pricing, business results and interpretation, and M&A planning.

(a) fixed (b) fluid (c) scant (d) scarce

Q9 With investor expectations growing day by day, banks are forced to re-examine their core functions; in effect, the distinction between core and non-core is **.....** but surely diminishing, thereby increasing the number of functions that could be outsourced.

(a) simply (b) slightly (c) slowly (d) smoothly

Q10 Outsourcing can be a huge success story but there are challenges; poorly-planned deals have **.....** shortcomings — companies overestimate the economic benefits, fail to establish the right baseline for price negotiations and performance tracking, or are not prepared to manage the transition and post-deal situation.

(a) drab (b) dread (c) grave (d) grim

Risks in the Baltic States

Q1 The Baltic states have enjoyed years of strong and sustained growth that has raised per capita income, hastening **.....** with average EU levels; they have been among the four fastest-growing EU countries since 2001, remarks Edward Parker of Fitch Ratings.

(a) concurrence (b) connivance (c) convergence (d) conversion

Q2 However, Estonia, Latvia and Lithuania are, to varying degrees, facing rising inflation, tightening labour markets, rapid credit growth and substantial current account deficits, indicating that their economies are **.....**.

(a) overgrowing (b) overheating (c) overperforming (d) overspeeding

Q3 The **.....** in price stability has pushed back the euro adoption timetables for all three countries and Fitch expects inflationary pressures, particularly the requirement to adopt EU excise duties and raise administrative prices, and higher gas import prices, to be sustained in the medium term.

(a) deceleration (b) decimation (c) deterioration (d) detonation

Q4 Furthermore, the Baltic countries' currency pegs and the inflation differential with the rest of the EU contribute to 'perverse' pro-cyclical low real interest rates (as nominal interest rate par has largely been attained), **.....** the economic and asset price boom in these countries.

(a) spanking (b) spearing (c) spiking (d) spurring

Q5 Fast-**.....** growth and labour emigration have driven unemployment rates to multi-year lows, adding to wage pressures: Estonia, Latvia and Lithuania had unemployment rates of 5.6%, 6.9% and 5.9% respectively at end-2006, all below the EU average of 7.9%.

(a) geared (b) laned (c) paced (d) rated

Q6 Growth levels far above the EU average have been financed for the **.....** part through the rapid rise of external liabilities, which has fuelled the increase in external imbalances.

(a) best (b) first (c) great (d) most

Q7 All three countries' gross external debt levels were above the A-range median in both 2005 and 2006; Latvia's gross external debt **.....** rose to over 100% in 2006, and the proportion of short-term external liabilities is also considerable, raising near-term financing risks.

(a) baggage (b) burden (c) charge (d) cargo

Q8 Nevertheless, Fitch believes there are important factors that **.....** the negative pressure that growing external imbalances place on the ratings.

(a) attenuate (b) correlate (c) legislate (d) mitigate

Q9 Crucially, all three Baltic countries have had public external debt levels below 20% of GDP since at least 1993 and all are net public external creditors; low public debt levels, as well as small budget deficits (or a budget surplus in Estonia's case) also allow the Baltic countries scope to **.....** any cyclical downturn.

(a) bolster (b) buffet (c) catch (d) cushion

Q10 Comparing the Baltic countries' macroeconomic indicators with those of pre-crisis Asia leads to the consideration of whether they are vulnerable to the type of financial market **.....** that contributed to the spread of the crisis in Asia.

(a) contagion (b) contraction (c) infection (d) implementation

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The Ukraine

Q1 With a booming economy and financial reformation underway, Ukraine is an increasingly attractive **.....** for foreign investors.

(a) component (b) composition (c) proponent (d) proposition

Q2 After parliamentary elections, Yulia Tymoshenko and Yushchenko's political groups are expected to form a coalition in the next government; even after this outcome, it seems likely there will be regular **.....** of political uncertainty, but Ukraine is still booming economically, with GDP rising year-on-year by 7.7%.

(a) bounds (b) bouts (c) spates (d) spurts

Q3 Although Ukraine is not a European Union (EU) **.....** country, under the leadership of Yushchenko it is looking more towards the EU rather than Russia for its political and macroeconomic model.

(a) candidate (b) delegate (c) nominee (d) participant

Q4 The Orange Revolution at the end of 2004 came **.....** as Yanukovych's victory in the presidential election sparked mass protests, resulting in the election re-run that was won by Yushchenko.

(a) about (b) around (c) off (d) on

Q5 This event **.....** Ukraine's global profile and is also seen as the starting point of the real interest shown by foreign investors in the country's financial services sector.

(a) elevated (b) escalated (c) expanded (d) extended

Q6 The Ukrainian hryvnia is not yet fully **.....**, but is expected to be completely deregulated by the end of 2008.

(a) convenable (b) conversable (c) convertible (d) conveyable

Q7 Domestic and inter-bank payments in Ukraine are made through the real-time settlement system, called the System of Electronic Payments (SEP), which has been in **.....** since the mid 1990s and is owned and operated by Ukraine's central bank, the National Bank of Ukraine.

(a) location (b) place (c) residence (d) site

Q8 Liquidity management remains a great challenge for banks and corporates in Ukraine: cash concentration structures are not regulated by Ukrainian laws and can be treated as inter-company lending, which is the sole **.....** of financial institutions.

(a) prerogative (b) proprietorship (c) sponsorship (d) support

Q9 Presently, foreign banks may operate only representative offices or Ukrainian subsidiaries; this will open up more possibilities for the Ukrainian banks to develop new services and products, and to introduce a new advanced format of payments and cash management systems which are **.....** particularly high demand from multinational clients.

(a) for (b) in (c) of (d) (none)

Q10 Ukraine is currently in the process of **.....** to the World Trade Organisation (WTO) and this will also mean increasing standardisation of the financial environment and will result in a more attractive environment for foreign investors.

(a) acceding (b) accessing (c) ascending (d) aspiring

The Act of State Doctrine

Q1 The Act of State Doctrine, a **.....** of law so old its roots may be traced back to the 17th Century, entered into American jurisprudence in the classic case Underhill v. Hernandez.

(a) case (b) fact (c) rule (d) statute

Q2 In an 1892 revolution, General Hernandez **.....** the existing Venezuelan government and took control of Ciudad Bolivar, where plaintiff Underhill lived and ran a waterworks system for the city.

(a) expelled (b) exposed (c) expropriated (d) expunged

Q3 Underhill, an American citizen, repeatedly **.....** to Hernandez for an exit passport, but his requests were refused, and Underhill was forced to stay in Bolivar and run the waterworks.

(a) applied (b) beseeched (c) entreated (d) pleaded

Q4 Hernandez finally **.....** and allowed Underhill to return to the United States where he instituted an action to recover for his detention in Venezuela.

(a) recanted (b) relented (c) reneged (d) retorted

Q5 In finding for the defendant, a New York Court determined that Hernandez had acted as a military commander, and through this position he had **.....** governmental authority.

(a) imparted (b) implicated (c) imposed (d) imputed

Q6 The Court reasoned that every sovereign state is bound to respect the independence of every other sovereign state, and the courts of one country will not **.....** in judgment on the acts of the government of another, done within its own territory.

(a) reign (b) rule (c) sit (d) stand

Q7 In later decisions, the courts **.....** on the principals and policies underlying the Act of State Doctrine.

(a) expatriated (b) expiated (c) expounded (d) expressed

Q8 Banco Nacional de Cuba v. Sabbatino stated that although the Doctrine is not implicit in the Constitution, it does have constitutional **.....**.

(a) infrastructure (b) overviews (c) sustenance (d) underpinnings

Q9 The court acknowledged an implied separation of powers in Act of State questions, reasoning that sensitive areas of foreign policy were better **.....** to the executive branch.

(a) given (b) left (c) sent (d) taken

Q10 After Sabbatino, Congress moved swiftly to **.....** the act of state doctrine, but the judiciary has undermined the effort by narrowly interpreting the amendment and continuing to apply the doctrine wherever it does not conflict with a constrained reading of the Hickenlooper Amendment.

(a) condone (b) contain (c) curtain (d) curtail

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Gain in Market Price

Q1 A gain (or loss) in the market price of an investment is called capital **.....** and is one way for investors to profit from an investment in company; the other is through dividend income.

(a) accrual (b) accumulation (c) acquisition (d) appreciation

Q2 **.....** premium life insurance can also benefit the insured or the purchaser during his or her lifetime: the purchaser can surrender the policy for its cash value at any time, and a few policies guarantee the cash value to be no less than the one-time deposit.

(a) Simple (b) Single (c) Sole (d) Solitary

Q3 Shares were higher in afternoon trade, led by Siemens and BMW, helped by a higher opening to trade across the Atlantic and by investors altering and building their positions on **.....** witching day — the day on which options, index options and future contracts all simultaneously expire.

(a) quarterly (b) synchronized (c) triple (d) united

Q4 Section 1.150-1(b) defines the term '**.....** borrower' as the obligor on a purpose investment: for example, if an issuer invests proceeds in a purpose investment in the form of a loan, lease, or similar obligation to another entity and the obligor uses the proceeds to carry out the governmental purpose of the issue.

(a) channel (b) collateral (c) conduit (d) conveyance

Q5 There are a number of ways or platforms (referred to as 'levels') that Nasdaq uses to provide share price quotes to the public; the main difference between these levels is the extent of information and access provided to the investing, and only NASD member firms which are market makers have the ability to utilize **.....** quotes.

(a) Level I (b) Level II (c) Level III (d) Level IV

Q6 The Student Loan **.....** Association is a publicly traded company that is the largest provider of educational loans in the U.S.; it was originally formed in 1972 as a government enterprise but as of 2004 is a completely independent publicly traded company.

(a) Finance (b) Guaranty (c) Marketing (d) (none)

Q7 **.....** stock is a stock issued under an agreement that provides for fixed payments at scheduled intervals; in the case of a company's liquidation, it is treated as an equity; investors will not receive payment until all debt is paid.

(a) Debenture (b) Galvanized (c) Preferred (d) Secure

Q8 From 1997 to 2004, the Program in **.....** Economics aimed to promote research addressing salient real-world economic and social issues.

(a) Analytical (b) Applied (c) Practical (d) Pragmatic

Q9 To even **.....** is to close out, liquidate, or cover an open position; it is the elimination or reduction of a current long or short position by making an opposite transaction of the same security.

(a) out (b) over (c) up (d) (none)

Q10 If the property is a space rental mobile home park, **.....** rental property includes the space that is rented by the owner of that space but does not include the mobile home that serves as the actual dwelling if the dwelling is owned and occupied by the tenant and not by the owner of the rental space.

(a) incidental (b) inferential (c) referential (d) residential

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Loyalty Discount

Q1 Hargreaves Lansdown says that thanks to its commission rebating service, you can buy into the 711 most popular funds for nothing and a further 276 with costs of 0.25% or less; it also offers a loyalty discount on the annual management fee, which is available if you invest through its fund **.....**.

(a) department store (b) franchise (c) one-stop shop (d) supermarket

Q2 In an asset-based loan, the lender advances funds based on a percentage of the accounts receivable and inventory; **.....** accounts receivables (past due receivables, inter-company receivables, and other lower quality receivables) are not included in the borrowing base.

(a) ineligible (b) intangible (c) substandard (d) substantial

Q3 **.....** market is an efficient market, because the large number of buyers and sellers ensure prices are set at market levels; investors know they are paying or receiving a fair price when they buy or sell shares or any other investments, as prices aren't distorted by a lack of supply or demand.

(a) A liquid (b) An acting (c) A thin (d) A volatile

Q4 Global Financial data now offers daily close data for US stocks — open a member account today to receive your free daily close data back to 2000, and access **.....** data back to inception for an additional fee.

(a) compacted (b) historical (c) original (d) retired

Q5 The **.....** risks from securities trading are either simple credit risks (where the risk is of non-payment) or a combination of credit risk with the risk of a position in a derivative (where the risk is of non-delivery).

(a) correspondence (b) correspondent (c) counterpart (d) counterparty

Q6 Municipal investment **.....** are entities that hold a stake in numerous municipal bonds and then sell shares to the public that represent an interest in those bonds; when the municipal bonds then pay off interest or mature, they pass the income on to their shareholders.

(a) brokerages (b) companies (c) portfolios (d) trusts

Q7 A number of corporations offer commercial paper directly to investors through the Bloomberg Direct **.....** Commercial Paper Auto-Ex offering system; participating corporations allow both dealers and institutional investors to electronically purchase commercial paper with a variety of terms on a fully executable basis.

(a) Broker (b) Dealer (c) Issuer (d) Provider

Q8 Although option **.....** are frequently referred to as sellers, because they initially sell the option that they create, thus taking a long position in the option, they are not the only sellers.

(a) holders (b) makers (c) putters (d) writers

Q9 Warren Buffett filters the universe in which he manages capital down to the important and knowable; it is on the basis of the enlightenment which his circle of **.....** conveys upon his cognition that he seeks to make all of his capital management decisions.

(a) acquaintance (b) acquisition (c) competence (d) comprehension

Q10 Every individual necessarily labours to render the annual revenue of the society as great as he can; he intends only his own security and directs his industry in such a manner as its produce may be of the greatest value, but he is led by an invisible **.....** to promote an end which was no part of his intention.

(a) hand (b) heart (c) thought (d) thread

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Invesco

Q1 The Anglo-American fund management company Invesco has proposed moving its **.....** listing from London to New York following the recent loss of its foreign private issuer status in the United States.

(a) major (b) master (c) primary (d) principal

Q2 Stocks are tax **.....** when you consider that the taxes do not have to be paid until they are sold and you take profits; then you pay short-term capital gains tax if you've held the stock less than a year or long-term capital gains tax if you've held the stock longer, and the difference in these taxes is significant.

(a) efficient (b) friendly (c) observant (d) reductive

Q3 Generally speaking, the **.....**-Squared of a manager versus a benchmark is a measure of how closely related the variance of the manager returns and the variance of the benchmark returns are.

(a) K (b) N (c) R (d) T

Q4 The capital markets continued to be volatile during the quarter, as concerns about sub-prime mortgages, the economy and terrorism ebbed and flowed; by quarter end, bond yields had increased modestly in what can be described as a **.....** (e.g. long rates increased more than shorter rates).

(a) Bear Flattener (b) Bear Steepener (c) Bull Flattener (d) Bull Steepener

Q5 Genelabs Technologies Inc said it would raise about $23.7 million in **.....** financing; the biopharmaceutical company said several institutional investors agreed to purchase about 12.9 million common shares and warrants to purchase about 2.6 million common shares, for $1.84 a unit.

(a) debt (b) direct (c) margin (d) market

Q6 **.....** stock is a stock of a company which is inferior to a blue chip in some way, such as by being lower quality, being higher risk or having smaller market capitalization.

(a) Common (b) General (c) Ordinary (d) Secondary

Q7 Instead of a bid and ask price where there is a definable spread, a **.....** market is one where all trades, whether buys or sells, go through at the same price.

(a) choice (b) level (c) null (d) zero

Q8 To calculate **.....** per common share: (share capital of common stock + contributed surplus + retained earnings) / number of common shares outstanding.

(a) book ratio (b) book value (c) total assets (d) total earnings

Q9 The controlling shareholder of the company that owns the Chicago Sun-Times offered to give up his control: Conrad Black said he would consider putting into **.....** trust his shares of Hollinger Inc, which would put Hollinger in the hands of people independent of Black and not involved in the current litigation against him.

(a) a floating (b) an absolute (c) an arm's-length (d) a voting

Q10 The benefit of a **.....**-limit order is that the investor can control the price at which the trade will get executed, but the order may never get filled if the stock's price never reaches the specified limit price; this may happen especially in fast-moving markets where prices fluctuate wildly.

(a) post (b) put (c) set (d) stop

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Convertible Mortgages

Q1 A borrower is usually required to pay fees to change from a convertible **.....** mortgage to a fixed-rate loan, and the conversion can only happen during a specific period of time; it is common to find that this fixed rate is slightly higher than standard fixed rates.

(a) ARM (b) HIP (c) LEG (d) TOE

Q2 A book-**.....** security is one that is not available to purchasers in physical form; such a security may be held either as a computer listing on the records of a central holder (as is the case with certain U.S. Government securities) or in the form of a single, global certificate.

(a) entry (b) equivalent (c) form (d) free

Q3 The **.....** has helped millions of Americans secure their dream of homeownership since 1934; it provides mortgage insurance on loans made by approved lenders throughout the United States and its territories and is the largest government-backed mortgage insurer.

(a) Fannie Mae (b) Federal Home Loan Mortgage Corporation
(c) Federal Housing Administration (d) Freddie Mac

Q4 Subject to subsection (2), the duty and authority of the drawee institution to pay a cheque are terminated by (a) **.....** of payment, (b) notice of the drawer's mental incapacity to incur liability on a cheque, or (c) notice of the drawer's death.

(a) command (b) countermand (c) demand (d) reprimand

Q5 According to ERISA, regulatory and case law requires that retirement plan sponsors and their advisors act for the exclusive benefit of participants and with the skill, care and diligence of a prudent **.....**.

(a) consultant (b) expert (c) individual (d) investor

Q6 Latin American markets financing on international capital markets boomed in the first quarter of 2000, despite increasing volatility in industrial financial markets; net financing **.....** picked up in the first quarter of 2000, boosted by improved credit quality, a record of new debt issuance and low amortization payments due.

(a) flows (b) issues (c) means (d) streams

Q7 If you are considered to be **.....** participant in a company plan, and your income is above certain limits, then you cannot take a tax deduction for your traditional IRA contribution.

(a) a known (b) an active (c) an interested (d) a willing

Q8 Your company's stock can list on The NASDAQ Stock Market in addition to being traded on your current exchange; NASDAQ launched the highly successful **.....** listing program in 2004 to offer companies an opportunity to experience its superior market performance firsthand without disruption.

(a) double (b) dual (c) duo (d) duplicate

Q9 In his May 2006 speech, David Walton of the Monetary Policy Committee of the Bank of England commented that "the **.....** of risks has shifted a little too much to the upside on inflation for comfort, and that, I believe, justifies a small tightening in monetary policy".

(a) balance (b) level (c) offset (d) scale

Q10 **.....** Personal Financial Planning Specialists are provided credentials through the Certified Financial Planner Board of Standards; after the examination, the CPA may offer services in personal financial planning, assessing the financial condition of clients and making sure they are utilizing available resources to the best advantage.

(a) Accredited (b) Affiliated (c) Approved (d) Authorized

Financial Data

Q1 **.....** thinks that a corporation's security prices are determined by its future earnings and dividend abilities; besides studying a corporation's financial data, s/he will also examine its industry and how the economy will affect the company's core business.

(a) A determinist (b) A fundamentalist (c) An empiricist (d) A pragmatist

Q2 If you're looking for adventure in the stock market world, a capital **.....** fund may be just the thing for you; these are high-risk and, you hope, high-payoff funds invested in companies that show high growth potential.

(a) acceptance (b) accumulation (c) aggression (d) appreciation

Q3 Employees are usually not pleased when their company carries out a pension **.....** plan: by replacing the pension plan backed by the company with a fixed annuity backed by an insurance company, pensioners are no longer covered by the guarantee of the Pension Benefit Guaranty Corporation.

(a) conversion (b) diversion (c) reversion (d) subversion

Q4 As to their potential **.....**, these two species of clams are perceived as being too different from clams currently available on the market; the low response rates and shellfish dealers' unwillingness to evaluate free samples lead us to conclude that it is unlikely that there will be a widespread, mainstream demand for them.

(a) applicability (b) lucrativeness (c) marketability (d) praiseworthiness

Q5 **.....** risk defies forecasting, though some ambitious minds never stop trying; recall how stunned everyone in the markets was by its ultimate manifestation in modern memory, the terrorist attacks of Sept. 11, 2001, on New York and Washington.

(a) Accident (b) Chance (c) Event (d) Hazard

Q6 In margin trading, brokerage firms loan capital to traders so they may purchase more than they would otherwise be able to; but should the market turn against the trader, and they find themselves unable to liquidate their position, the trader can be left with a **.....** balance.

(a) back (b) balk (c) debit (d) due

Q7 Contributions to a simple IRA are made up of salary reduction contributions and employer contributions; you, as the employer, must make either matching contributions or **.....** contributions, and may choose either method of making employer contributions on a yearly basis.

(a) arbitrary (b) directive (c) mandatory (d) nonelective

Q8 **.....** trading is said to occur when an entity sometimes trades as a broker for customers, and at other times trades for its own account; it is quite pervasive throughout the United States securities and futures markets as well as in financial and commodity markets throughout the world.

(a) Double (b) Dual (c) Shift (d) Switch

Q9 Securities which are nearly risk-free are sometimes referred to as '**.....** paper'.

(a) clean (b) fine (c) neat (d) white

Q10 Some businesses avoid double taxation by qualifying for the **.....** theory — the incomes from mutual funds, REITs, and limited partnerships are only taxed once because interest, dividends, capital gains, etc are passed through to you; you pay tax on the income, but the business does not.

(a) avoidance (b) conduit (c) cui bono (d) tax flow

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International Claims

Q1 There seems to be a **.....** that surrounds international accounts, says David Greenberg, Divisional Vice President International Operations Collection Services, ABC-Amega Inc: they're perceived as being difficult to collect and more complicated to handle than domestic claims.

(a) charisma (b) glamour (c) halo (d) mystique

Q2 The fact is that while laws may differ somewhat among countries, for the most part they are similar enough to allow for effective **.....**, if you know how to proceed.

(a) deportation (b) deposition (c) disposition (d) dispossession

Q3 Since most companies do not have the resources in-house to pursue collection of past due claims outside of their home country, most international claims are **.....** with commercial collections firms for handling.

(a) engaged (b) lodged (c) placed (d) submitted

Q4 Because of the **.....** collection tactics used in many countries, collection agents are viewed as thugs or gangsters in some areas of the world; as a result, overseas debtors tend to be more wary of 'collectors' and feel obliged to protect themselves from international fraud.

(a) incestuous (b) inscrutable (c) unscrupulous (d) unsuitable

Q5 They require documentation that will assure them that the person attempting to collect the claim actually represents the creditor, so sending a copy of the placement form to the debtor can literally open **.....**.

(a) doors (b) eyes (c) files (d) locks

Q6 Submit the complete contract to the collection agency together with the terms and conditions; this outlines the legal basis for pursuing the claim and defines the precise entity that contracted **.....** you for the sale; it will also provide valuable information as to the choice of law, forum, or venue for resolving disputes.

(a) from (b) to (c) with (d) (none)

Q7 A copy of the purchase **.....** provides valuable, specific details of the sale.

(a) bill (b) form (c) order (d) request

Q8 A clear statement of account, **.....** into principle and interest, will allow the collection agency to define precisely how you arrived at the figure you've placed for collection.

(a) broken (b) cloven (c) done (d) severed

Q9 Invoice copies are a **.....** of specific information concerning the sale, containing terms of the sale, to whom the goods were shipped, who was billed for the goods, a description of the goods sold, and the method of transport used.

(a) heap (b) plethora (c) spate (d) wealth

Q10 A well-**.....** credit application will provide valuable information that can assist the collection agency in pursuing payment; in addition to important banking and reference information, it contains terms, conditions, and on occasion, a signed personal guarantee.

(a) crafted (b) drawn (c) thought (d) wrought

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Anti-Fraud Regulations

Q1 Treasury departments and banks are facing increasing regulatory requirements to minimise financial crime, but how can they balance compliance with the needs of the business and what tools are **.....** their disposal?

(a) at (b) for (c) in (d) (none)

Q2 Methods of payment and banking are becoming more **.....**, as seen in the latest automation, electronic peer-to-peer payment networks and methods of identity authentification, among others.

(a) cosmopolitan (b) sophisticated (c) urbane (d) worldly

Q3 This is a world that is trying to combine the speed of product delivery with security enhancements, so when the regulator imposes tougher standards in the area of financial crime, it is no wonder that some corporates and banks can feel somewhat **.....**.

(a) overcome (b) overextended (c) overpowered (d) overwhelmed

Q4 One of the most basic **.....** measures for all organisations is to acknowledge the fact that they are at risk from financial crime — that applies as much to a small local company as it does for a multi-billion dollar multinational, says Ben Poole of gtnews.

(a) preliminary (b) preservative (c) preventative (d) primary

Q5 The risk can sometimes be greater for small and medium enterprises, as they are more likely to operate on very tight margins and will not have a reserve of funds to **.....** back on if they are affected by fraud.

(a) fall (b) lean (c) sit (d) stand

Q6 Smaller companies don't often have a qualified IT administrator, which can leave their network open to attack from **.....** outside influences.

(a) ambitious (b) ambivalent (c) maladroit (d) malevolent

Q7 As Barry Schofield notes: "Companies produce newsletters, policy-meeting minutes and so on, filled with project data, details about people, company status updates and other information; although information on a computer can be extremely important, the same piece of information written on a **.....** is just as valuable."

(a) handcuff (b) napkin (c) shirtsleeve (d) tissue

Q8 As well as taking control of financial crime issues, companies also face a whole **.....** of government compliance issues and regulations.

(a) slew (b) slough (c) slue (d) sluff

Q9 As new and revised regulations are implemented, it is important that organisations of all sizes keep up to date with what is required of them; if they do not, they can expect to be penalised by the regulator, as well as possibly **.....** themselves open to fraud.

(a) cause (b) leave (c) make (d) put

Q10 **.....** into action by global events such as 9/11, Enron, the dot-com crash and even the current credit crunch, regulators around the world have created a vast amount of legislation that banks and corporates must abide by or face the consequences.

(a) Brung (b) Flung (c) Stung (d) Wrung

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Corporate Espionage

Q1 Whether it comes from an internal or external source, corporate espionage can hit all corporates hard, especially SMEs where margins are **.....**.

(a) nearest (b) neatest (c) thinnest (d) tightest

Q2 Since the primary motivation behind cyber crime switched from **.....** to money, the corporate security stakes have never been higher.

(a) bedlam (b) hoodlum (c) mayhem (d) random

Q3 The protection of data should never be underestimated, as a recent event involving Her Majesty's Revenue and Customs in the UK highlights, where a CD containing confidential details of millions of people **.....** missing.

(a) found (b) seen (c) went (d) (none)

Q4 Most small and medium enterprises don't believe their company will be targeted; if a company is not in the defence industry or the company is relatively small, the thinking is, they aren't at risk, but this **.....** common attitude can be any small business' weakness.

(a) all too (b) ever so (c) so very (d) still yet

Q5 The nature of a targeted attack means that it is probably going to be aimed at your weakest spot: for example, a laptop or a worker that secretly uses **.....** file sharing programs to download videos.

(a) face-to-face (b) man-to-man (c) one-to-one (d) peer-to-peer

Q6 It's a struggle to keep track of the status of each computer, and many smaller companies are trying to use complicated and hugely technical enterprise security products that simply weren't designed with them in mind; consequently, corporate espionage is likely to give them even more of a **.....** going forward.

(a) headache (b) heavy load (c) lagtime (d) lead weight

Q7 While the 'bad guys' might be getting more sophisticated in their attacks, small businesses have typically failed to keep **.....** with their defences.

(a) clear (b) pace (c) rank (d) step

Q8 But not all espionage is hi-tech **.....** and gadgetry.

(a) prestidigitation (b) sleight-of-hand (c) sorcery (d) wizardry

Q9 Small businesses urgently need to look at ways of closing up potential **.....** in their network, such as tools that give them the ability to successfully implement safe computing policies, software rollouts and updates, while offering the necessary ease of use and management.

(a) gates (b) holes (c) tunnels (d) walls

Q10 Corporate spies are perfectly happy to get information from the easiest, most overlooked sources, and more often than not, the offender is a **.....** employee or someone at director level trying to set up as a competitior or give a company's intellectual rights away to a competitor for reward or revenge.

(a) discouraged (b) disenchanted (c) disgruntled (d) dismayed

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Foreign Corrupt Practices Act

Q1 As a result of SEC investigations in the mid-1970's, over 400 U.S. companies admitted making **.....** or illegal payments in excess of $300 million to foreign government officials, politicians, and political parties.

(a) questionable (b) questioned (c) unanswerable (d) unanswered

Q2 The abuses ran the **.....** from bribery of high foreign officials to secure some type of favorable action by a foreign government to so-called facilitating payments that allegedly were made to ensure that government functionaries discharged certain ministerial or clerical duties.

(a) gambit (b) gamble (c) game (d) gamut

Q3 Congress enacted the FCPA to **.....** a halt to the bribery of foreign officials and to restore public confidence in the integrity of the American business systemm, and it was intended to have and has had an enormous impact on the way American firms do business.

(a) bring (b) call (c) forge (d) stage

Q4 Several firms that paid bribes to foreign officials have been the subject of criminal and civil enforcement actions, resulting in large fines and suspension and **.....** from federal procurement contracting, and their employees and officers have gone to jail.

(a) debarkation (b) debarment (c) defalcation (d) disenfranchisement

Q5 Following the passage of the FCPA, the Congress became concerned that American companies were operating at a disadvantage compared to foreign companies who **.....** paid bribes and, in some countries, were permitted to deduct the cost of such bribes as business expenses on their taxes.

(a) robustly (b) routinely (c) wisely (d) wistfully

Q6 Accordingly, in 1997, the United States and thirty-three other countries signed the OECD Convention on **.....** Bribery of Foreign Public Officials in International Business Transactions.

(a) Combating (b) Commuting (c) Condoning (d) Controlling

Q7 The antibribery provisions of the FCPA make it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to a foreign official for the purpose of obtaining or retaining business **.....**, or directing business to, any person.

(a) as or for (b) by or with (c) for or with (d) from or by

Q8 Since 1998, they also apply to foreign firms and persons who take any act in **.....** of such a corrupt payment while in the United States.

(a) acceptance (b) corroboration (c) furtherance (d) instigation

Q9 The FCPA also requires companies whose securities are listed in the United States to **.....** its accounting provisions.

(a) mark (b) meet (c) take (d) treat

Q10 These provisions, designed to operate in **.....** with the antibribery provisions of the FCPA, require corporations to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls.

(a) effect (b) respect (c) synch (d) tandem

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Security Offers

Q1 Securities are issued in the **.....** market by one of the following methods: an offer to the public by an issuer through a prospectus; an offer to specific known persons selected by the sponsors; or an offer in which existing shareholders are offered new securities.

(a) open (b) options (c) primary (d) stock

Q2 On the other hand, hostile takeovers often result in the management being fired anyway, so the effectiveness of a **.....** pill defense really depends on the situation.

(a) diet (b) people (c) poison (d) sleeping

Q3 At any given time, a minimum of four different expiration months are available for every **.....** stock.

(a) futures (b) listed (c) optionable (d) trading

Q4 **.....** benefits cannot be lost by a participant even if the participant terminates service with the employer before qualifying for full retirement benefits; these benefits are determined by applying the years of credited service to the vesting schedule used by the retirement plan.

(a) Nondeductible (b) Nonforfeitable (c) Nonnegotiable (d) Nonreturnable

Q5 A municipal **.....** is a short-term debt instrument, generally with a maturity of less than one year, issued by state or local government, and repayable from the general fund of the issuer or a defined revenue source.

(a) bond (b) deposit (c) loan (d) note

Q6 A **.....** security is a readily tradable equity or debt security with quoted prices, including commercial paper and treasury bills; it is a 'close to cash' asset which is classified as a current asset.

(a) liquid (b) marketable (c) short-term (d) viable

Q7 To be accurate, the term **.....** preference should only pertain to money returned to a particular series of the company's stock ahead of other series of stock.

(a) allocation (b) contribution (c) distribution (d) liquidation

Q8 Most SME businesses looking for venture money aren't going to find big firms interested in what they're doing, and that's where the **.....** venture capital market becomes critical; this highly elusive source of financing is very unstructured and largely informal, comprising a diverse set of high net worth individuals.

(a) clandestine (b) confidential (c) intangible (d) invisible

Q9 One objective of **.....** accounting is to eliminate the 'money illusion' by reducing the accounts to 'real terms'; the purchasing power or constant dollar method does not meet this general objective.

(a) creative (b) expansion (c) inflation (d) recessive

Q10 It is deemed as significant if a security breaks above the resistance level or below the support level: analysts usually interpret this to mean that the security will reach new highs or lows and thus, its **.....** trading range expands.

(a) historical (b) maximal (c) natural (d) traditional

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Eurobonds

Q1 Paula Perttunen had also talked to her boss about the merits of doing **.....** Eurobond issue, which could cost 34 percent below a straight issue; the problem was that Finnish laws limited the amount of a local firm's equity that could be held by foreigners to 20 percent, and Nokia was already approaching that limit.

(a) a conventional (b) a convertible (c) a unilateral (d) an unsecured

Q2 All **.....**-rate mortgage programs come with a pre-set margin, and are tied to a major mortgage index such as the Libor, COFI, or MTA; some banks and lenders will allow you to choose an index, while many rely on just one of the major indices for the majority of their products.

(a) adjustable (b) floating (c) restricted (d) specified

Q3 The debt to the sum of USD 15,000 was caused by the debtor's failure to fulfil the obligations under the independent-work contract dated November, 15, 2005 and the **.....** dated October 21, October 23, November, 11 and November 26, 2005.

(a) invoices (b) pro formas (c) receipts (d) vouchers

Q4 "Beware of Triple **.....** Hour": what sounds like a line from a cheap horror movie is actually a warning you are likely to hear four times a year when three speculative derivatives all expire on the same Friday.

(a) Freddie (b) Thrilling (c) Witching (d) Zombie

Q5 For investors looking to minimize their tax bite, there are tax-**.....** bond funds, which invest in municipal bonds (debt offerings from state and local municipalities) whose distributions aren't subject to federal taxes nor taxes in the states and localities that issue the bonds.

(a) clear (b) favored (c) free (d) immune

Q6 A stop **.....** is an order to buy (or sell) a security once the price of the security climbed above (or dropped below) a specified stop price; when the specified stop price is reached, the stop order is entered as a market order (no limit) or a limit order (fixed or pre-determined price).

(a) less (b) limit (c) loss (d) low

Q7 Chances are a super **.....** bond will be redeemed in its entirety well before the stated maturity date; for instance, if municipal waste comes in slowly — 150,000 tons per year — the counties will have 30 years to pay off the bonds.

(a) city (b) savings (c) sinker (d) social

Q8 **.....** funds permit investors to concentrate on a specific investment segment and yet diversify their investments among various issuers; they entail more risk but offer greater potential returns than funds that diversify their portfolios.

(a) Industry (b) Purpose (c) Sector (d) Special

Q9 A convertible bond is a **.....** security because conversion of the bond by an investor will result in more shares of common stock outstanding and a reduction in earnings per share.

(a) collateral (b) dilatory (c) residual (d) transitory

Q10 The central idea of the random **.....** theory is that the market, an aggregate of financial actions by many with their several different purposes and intents, is not inherently knowable; to outperform the market assumes that you understand the market, when actually you are making assumptions.

(a) act (b) field (c) guess (d) walk

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Personal Possessions

Q1 Almost everything you own and use for personal or investment purposes is a **.....** asset; examples are your home, household furnishings, and stocks or bonds held in your personal account.

(a) capital (b) durable (c) fixed (d) net

Q2 The subprime **.....** has been in full swing ever since February 7th 2007, when HSBC (HBC) raised subprime loan loss reserves by 20% and New Century (NEW) announced a net loss for 4Q06 and an accounting probe to determine how big that loss was.

(a) blowup (b) breakout (c) meltdown (d) pratfall

Q3 Like many small business owners, you may find that it's too expensive to pay an accountant to do routine **.....** chores; someone in your organization must take on the responsibility of keeping an accurate set of financial records.

(a) auditing (b) balancing (c) bookkeeping (d) reckoning

Q4 These are all cases of the movement of goods irrespective of international sales and purchases, though the movements themselves appear in the international records of imports and exports, and therefore it seems to be assumed, though without any warrant, in the international records of the **.....** of trade.

(a) annals (b) balance (c) effects (d) payments

Q5 The value of landscape trees, used for many architectural, engineering, climatic and aesthetic purposes, is normally greater than the dollar value of the marketable wood they contain, and a realistic **.....** of landscape trees is often required to settle legal disputes, damage claims or casualty loss.

(a) appraisal (b) assessment (c) estimate (d) estimation

Q6 While there are a number of markets that are used for trading stocks, the **.....** market is concerned with buying and selling tangible goods, and may involve such diverse types of products as crude oil and related products, computer supplies such as memory chips, or basic foods such as grains, sugars, or produce.

(a) actual (b) bone fide (c) material (d) real

Q7 **.....** M is that portion of the IRS regulations dealing with the conduit theory, in which investment companies and real estate investment trusts avoid double taxation by passing interest and dividend income and capital gains directly through, without taxation, to shareholders, who are taxed as individuals.

(a) Chapter (b) Section (c) Subchapter (d) Subsection

Q8 The **.....** Securities Association was the trade association for primary dealers in US government securities, including MBSs; in 1997, they became known as the Bond Market Association.

(a) Federal (b) National (c) Public (d) United States

Q9 Until **.....** Liability Companies came on the scene, businesspersons (other than sole proprietors) had a choice of business entity generally only of corporations or partnerships, involving a tradeoff between limitations on the liability of the owners for debts of the business and tax savings through a single tax on income.

(a) Legal (b) Limited (c) Regulated (d) Restricted

Q10 Normally, applying for and receiving a Federal **.....** Number through the mail takes six to eight weeks, but with online application, your information is e-filed instantly with IRS when you complete the online application form; they will save this information and immediately assign the number to your business.

(a) ID (b) Incorporation (c) Registration (d) Tax

Money Market Performance

Q1 Money market performance is an annualized historical **.....** based on the seven-day period ended on said date, annualized in the case of its effective form by compounding the seven-day return, and does not represent actual one-year return.

(a) accrual (b) profit (c) result (d) yield

Q2 **.....** debt is all outstanding bonds, debentures, notes and similar debt instruments of a company payable after one year.

(a) Firm (b) Fixed (c) Floating (d) Funded

Q3 The Glass-Steagall Act created **.....** between commercial banking and investment banking until it was eliminated by the Financial Services Modernization Act of 1999.

(a) a firewall (b) an affiliation (c) a rivalry (d) a synergy

Q4 The Nebraska Microenterprise Partnership Fund makes interest-only (or **.....**) loans for lending capital for microlending by micro programs and small community revolving funds; this capital is then loaned to micro businesses.

(a) enterprise (b) evergreen (c) grameen (d) groundswell

Q5 Dual-**.....** funds have a set expiration date, at which time all preferred shares in the fund are redeemed, giving the common shareholders sole ownership of the fund; the latter then decide whether to liquidate the fund and divide up the proceeds or to convert it to an open-end mutual fund.

(a) ended (b) option (c) ownership (d) purpose

Q6 With **.....** lease, you identify the asset (and negotiate the price) and arrange for the leasing company to buy it from the manufacturer (if new) or the previous owner (if used) to rent it to you.

(a) a direct (b) an indirect
(c) a purchase leaseback (d) a sale-and-leaseback

Q7 Asked why she doesn't just pay with cash, Yukako says that she prefers the convenience of **.....** card: "It's safer than carrying cash, and you don't have a huge bill to pay at the end of the month."

(a) an ATM (b) a debit (c) a cheque guarantee (d) a credit

Q8 **.....** risk will be measured by an index of severity consisting of nine composite indicators, armed conflict, governance and political stability, militarization, population heterogeneity, demographic stress, economic performance, human development, environmental stress and international linkages.

(a) Country (b) National (c) State (d) Sovereign

Q9 The information contained in recorded broadcast of Adobe Systems Incorporated's conference **.....** held on December 14, 2006 at 2 p.m. Pacific Time speaks as of that date; investors should not assume that these comments remain operative at a later time.

(a) call (b) meeting (c) report (d) session

Q10 The securities and futures markets have **.....** breakers that provide for brief, coordinated, cross-market trading halts during a severe market decline as measured by a single day decrease in the Dow Jones Industrial Average (DJIA).

(a) circuit (b) deal (c) record (d) strike

Natural Resources

Q1 Commodities like gold, natural gas and similar natural resources are one traditional **.....** hedge: demand typically rises for such commodities, raising their prices to the advantage of their investors.

(a) deflation (b) depression (c) inflation (d) recession

Q2 If timberland is destroyed or purloined, or if trees are condemned for public use, the property owner might be entitled to a deduction from his income tax; this kind of loss is termed involuntary **.....**.

(a) condemnation (b) condition (c) consolation (d) conversion

Q3 The **.....** value of a business is equal to the value of its individual assets, assessed as if the entity would cease carrying on business; there are in fact two types, dependent on the time available for the process.

(a) absolute (b) equivalent (c) liquidation (d) residual

Q4 NASD Rule 2220 states that members must charge their customers fair prices and commissions, while InterpretiveGuideline 1220 provides a guide to what constitutes a reasonable **.....** in light of this rule.

(a) adjustment (b) mark-up (c) profit (d) sale

Q5 The key difference between municipal **.....** bonds and general obligation bonds is that the latter are covered by the full faith and credit and taxing ability of the issuer, while the former are repaid from the income of the project they finance, such as a housing project or a hospital.

(a) debt (b) liability (c) returns (d) revenue

Q6 Several states have enacted regulations covering power of sale foreclosure in the last few years; however, almost thirty states still have no practical method of **.....** foreclosure.

(a) extralimital (b) nonjudicial (c) non-statutory (d) paralegal

Q7 Paying **.....** dividend can solve this problem: by offering a stock dividend at a slight discount, investors can perhaps be persuaded to opt for payment in new shares, so that cash can then remain with the company.

(a) a dual (b) an alternative (c) an optional (d) another

Q8 If Charles's will indicates that his heirs are to receive their inheritance "**.....**", his daughter Anne will get half the property and his deceased son Albert's two children will share the other half in equal portions through Albert by right of representation.

(a) per capita (b) per centum (c) per se (d) per stirpes

Q9 Alibris, the complete metrology solution provider and The Netherlands' Entrepreneur of the Year in 2007, announced its IPO on Eurolist by Euronext Amsterdam; 55 million euros of newly issued shares will be in the **.....** offering.

(a) inceptive (b) initial (c) original (d) primary

Q10 Because of the narrow coverage margins of the City's waterworks revenue bonds, any fluctuations in revenue due to inclement weather, etc, may affect the financial performance of the system and cause a reduction in coverage below the rate **.....**.

(a) agreement (b) assessment (c) contract (d) covenant

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Useful Life

Q1 The **.....** value is the sum for which the lessee can purchase the vehicle at the end of its lease term, if s/he decides s/he would like to buy it.

(a) remainder (b) remnant (c) residual (d) resilient

Q2 After deciding what percent of the portfolio to devote to a sector **.....** strategy, the investor then identifies the business cycle to target, and once this is accomplished, he determines which companies will benefit from it.

(a) alternation (b) navigation (c) rotation (d) substitution

Q3 A bond agreement may also include a **.....** fund provision requiring a company to repay a specific number of bonds in specific years or to retire a portion of a bond issue each year until it has been fully repaid.

(a) debt (b) depreciation (c) reimbursement (d) sinking

Q4 Stock traders will frequently choose the simple buy-low-and-sell-high, range-limited approach, but as we attempt to choose the next major bottom or top, we may experience the frustration of our trade being stopped **.....**, while the market continues to slightly new lows or highs.

(a) down (b) in (c) out (d) up

Q5 The manager of **.....** fund may intentionally sell some stocks for losses specifically so that these losses can offset future gains or actively sell shares with the highest cost to create as slight a gain as possible — or even a loss.

(a) a mutual (b) an acumen (c) an index (d) a tax-managed

Q6 In the administration of estates for private individuals, the **.....** company has mostly replaced personal attorneys, because it has the advantage of corporate responsibility and continuous life, proper offices, burglar-proof safes, and specialized employees in each department.

(a) accountancy (b) custodial (c) legal (d) trust

Q7 A wage **.....** permits your creditor to require that your employer deduct funds from your pay check in order to pay your debt, and because it is a voluntary deduction to which you must agree, it can be enforced without a court ruling.

(a) assignment (b) attachment (c) engagement (d) garnishment

Q8 **.....** Gross Income equals income from taxable sources less allowable adjustments; it is utilized to determine taxable income by deducting personal exemptions plus either itemized or a standard deduction.

(a) Adjusted (b) Calculated (c) Initial (d) Total

Q9 Its Corporate **.....** Committee has reviewed all criteria for qualified independent underwriters and recommended certain amendments to the Board of Governors of the NASD, which has approved them.

(a) Accreditation (b) Ethics (c) Financing (d) Oversight

Q10 Payroll taxes are garnished under the authority of the Federal **.....** Contributions Act; in the first 1935 legislation, the benefit provisions were listed in Title 2 of this law, and that is why Social Security is sometimes called 'the Title 2 program'.

(a) Insurance (b) Pension (c) Retirement (d) Welfare

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Personal Guarantees

Q1 In a limited **.....** partnership, several individuals or companies share the costs and profits of the business, but their responsibility is restricted to the sum of money they have invested and to any personal guarantees given.

(a) contract (b) involvement (c) liability (d) obligation

Q2 The **.....**, also called the 'Cubes', is an exchange-traded fund; it tracks the NASDAQ 100 index, containing the key stocks of the NASDAQ Composite Index quoted each night on the TV news.

(a) CCC (b) KKK (c) QQQ (d) UUU

Q3 In a **.....** S corporation, the net profit or loss is deemed distributed to its shareholders, who must include it in their individual tax returns irrespective of whether they actually receive the cash.

(a) Chapter (b) Section (c) Subchapter (d) Subsection

Q4 **.....** form a part of trading in the market: such a commodity is traded for either cash or some other commodity, and this transaction includes an exchange between two or more parties as well as delivery of the goods transacted.

(a) Actuals (b) Bona fides (c) Tangibles (d) Visuals

Q5 The firm thinks that the end of the recession is too distant to warrant buying cyclical stocks, so it is buying the **.....** stocks that are attempting to reduce expenses and manage their way toward recovery.

(a) sacrosanct (b) secular (c) stolid (d) sturdy

Q6 **.....** budget is reached when the government can equate revenues with expenditure over the business cycle; this makes allowance for a deficit during periods of low economic activity, which must nevertheless be matched by a surplus during periods of high activity.

(a) A balanced (b) A federal (c) A fiscal (d) An interim

Q7 Under the FRB's Regulation T, a **.....** account is not permitted to initiate a debit balance for any reason; buy orders are only accepted if cleared funds are in the account, and this condition holds until 90 days from the date of the transaction.

(a) bound (b) curtailed (c) limited (d) restricted

Q8 The committee scrutinizes the state's **.....** budget, which allocates money for construction and repair of public structures and other long-term investments like land acquisition and transfer, and also includes funds given or loaned to local governments and non-profit organizations.

(a) capital (b) ongoing (c) operating (d) permanent

Q9 The U.S. Department of Labor statistics that will be published tomorrow by The Springfield Gazette present the **.....** unemployment rate as the best measure of the national labor market rather than the overall rate, whose base includes US-based military personnel.

(a) civilian (b) domestic (c) public (d) resident

Q10 The European Leasing Barometer measures the expectations of leasing professionals in the next six months in consideration of the state of the general economy, the leasing sector and their own businesses, and as such functions as a good **.....** indicator.

(a) confidence (b) control (c) parameter (d) performance

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Fixed-income Investments

Q1 Investors would not buy bonds if the only incentive were getting their money back after a certain period of time; the income for fixed-income investments is the interest received at a fixed rate, called the '**.....**'.

(a) coupon (b) discount (c) premium (d) prime

Q2 **.....** is difficult to prove, since unlike something in a newspaper or magazine, you cannot brandish a past utterance before a judge; also, settlements are usually smaller, because the spoken word is generally considered less potent than a broadcast or printed word.

(a) Irony (b) Libel (c) Sarcasm (d) Slander

Q3 Injecting funds into one's account does not automatically settle any invoice or **.....** note pending against it; the account holder must pay for it manually.

(a) bill (b) charge (c) credit (d) debit

Q4 **.....** is a legal procedure that a landlord utilizes to remove a tenant from an apartment or other accommodation after he serves the tenant with a Notice to Quit; this latter is normally a single sheet of paper, signed by the landlord or his lawyer, and delivered by a legal officer.

(a) A dislodgement (b) An eviction (c) An explusion (d) A retainer

Q5 One of the changes to income tax legislation was the reduction of the marriage **.....** on couples who file joint tax returns, by equalizing the deduction for couples and singles, and raising the endpoint of the 15-percent bracket for married couples filing joint returns.

(a) benefit (b) clause (c) exclusion (d) penalty

Q6 Firm **.....** lending is a creditor's formal offer laying out all the terms under which he will lend money to a borrower over a stated time period.

(a) agreement (b) commitment (c) contract (d) offer

Q7 **.....** is an obligation that results when an asset such as a security is sold by a brokerage or bank and payment is received, but the security or other asset has not yet been delivered.

(a) A credit demand (b) A due bill (c) An exchange order (d) A transfer notice

Q8 The trade volume slowed during the decline in prices, indicating sellers were less aggressive; the market reached a position in which traders were unwilling to sell at a lower price while buyers began to lift offers — no dealers were willing to **.....** the bid.

(a) break (b) grab (c) hit (d) take

Q9 As utilized in this contract, the phrase '**.....** account' means an account that is acceptable to you, that has been validly assigned to you, that is less than ninety days overdue, and that complies with our representations and warranties to you.

(a) prime (b) proffered (c) satisfied (d) sound

Q10 The US Treasury first issued inflation **.....** securities in 1996; these instruments protect the holder against inflation and deflation by altering the principal periodically to follow changes in the Consumer Price Index.

(a) adjusted (b) aligned (c) indexed (d) reconciled

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SLR

Q1 In a recent press release, the bank said regarding the requirement for maintaining a statutory **.....** ratio (SLR) of Rs 120 crore, it currently holds approved securities to a total of Rs 210 crore.

(a) legal (b) lending (c) liability (d) liquidity

Q2 **.....** and assessors of real estate estimate the value of property for a variety of purposes, such as to assess property tax, to confirm adequate collateral for mortgages, to confirm or help set a good sales price, to settle an estate, or to aid in a divorce settlement.

(a) Adjudicators (b) Adjusters (c) Appraisers (d) Assayers

Q3 '**.....** month' is used in the context of commodities or options trading to refer to the month that is away from the contract's date of settlement.

(a) Foremost (b) Furthest (c) Latest (d) Longest

Q4 A **.....** association is a kind of savings association designed so that its board of directors is elected by its members, both its depositors and sometimes its borrowers; it does not issue capital stock, so its members do not share in its profits.

(a) collective (b) cooperative (c) joint (d) mutual

Q5 Midway Airlines may be forced into **.....** liquidation because of its lack of financial information filed with the bankruptcy court; the administrator has filed a motion seeking court approval to convert the airline's bankruptcy from Chapter 11 to Chapter 7.

(a) inveterate (b) involuntary (c) irremediable (d) irrevocable

Q6 You should consider a **.....** as insurance that you will receive the loan at the agreed-upon interest rate even if general rates rise; it also shields the lender, since you promise to borrow at the indicated rate even if general interest rates drop.

(a) bound rate (b) rate lock (c) rate seal (d) set rate

Q7 A corporation must keep its general ledger or other books of **.....** entry, in electronic or paper form, containing summaries of its year-to-year transactions, along with any special agreements, contracts, etc, that might be needed to understand the entries.

(a) final (b) initial (c) original (d) terminal

Q8 **.....** paper is a cost-effective way for cash-strapped companies to borrow money, because they avoid the fees imposed by brokerage firms; issuing straight to the public is more cost effective, but brokers still dominate the distribution market.

(a) Commercial (b) Debt (c) Direct (d) Mercantile

Q9 Electron is **.....** stock in almost every sense — in the six years it was carried from venture capital to the public market, it never made money, but its hydrogen creation system and energy storage developments perch the company atop hydrogen fuel cell technology, the cutting edge of energy management.

(a) a dream (b) a legendary (c) an ideal (d) a story

Q10 Bear **.....** are useful when a moderate decline in underlying stock or indices is anticipated; when a sharp fall is expected, aggressive strategies like writing calls or buying puts can be utlized to take advantage.

(a) cakes (b) covers (c) spreads (d) strikes

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Gray Market Goods

Q1 The problem of grey market goods has been **.....** the judicial system for many years, with judges trying to define trademark and copyright holders' rights.

(a) hampering (b) hamstringing (c) plaguing (d) provoking

Q2 In the case of trademarks, the courts have **.....** around the guideline that goods intended for outside the United States with the US trademark holder's approval, when imported, will be an infringement only if such 'foreign' products differ significantly from the ones sold in the US.

(a) coalesced (b) conceded (c) congealed (d) congregated

Q3 What **.....** a'significant' difference, needless to say, varies among products.

(a) condones (b) considers (c) constitutes (d) conveys

Q4 For instance, Coke bottles sold in Panama were found significantly different: the Spanish labels did not list the contents, while the packaging and shipping caused the Panamanian bottles to be **.....** to product spoilage and leaking.

(a) amenable (b) applicable (c) susceptible (d) suspicious

Q5 The Federal Court of Appeals has added a **.....** to this guideline, considering that goods don't substantially vary if the trademark holder has allowed foreign-directed goods into the US in a way that all or materially all of the United States sales are not the American version of the product.

(a) caveat (b) hiatus (c) rider (d) tandem

Q6 In another case, Elk Corporation brought their case under 21 USC 1209 **.....** the United States International Trade Commission.

(a) before (b) beneath (c) into (d) onto

Q7 The Administrative Law Judge of the USITC **.....** in favour of Elk, stating that numerous substantial differences clearly existed between the cultivators sold by Elk in the US and their European models, and included differences in the services offered along with the cultivators.

(a) had (b) held (c) sat (d) stood

Q8 While the respondents gave evidence showing that Elk had authorized sales of these machines in the United States, the judge placed the **.....** of proof upon them to establish that Elk had approved those sales and that the quantity of sales was material.

(a) burden (b) load (c) mass (d) weight

Q9 In spite of the fact that the respondents had raised the point as a defense, the judge stated that Elk was required to establish a prima **.....** case that materially all of its US sales conformed to the American version of the cultivator.

(a) donna (b) facie (c) mobile (d) pares

Q10 That is to say, first Elk needed to establish a United States standard against which the **.....** substantial variations of the European model were to be mensurated.

(a) alleged (b) irregular (c) relegated (d) ulterior

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The GATT System

Q1 Our world emerged from the **.....** of World War II in 1945.

(a) aftereffects (b) attacks (c) ravages (d) remains

Q2 The challenge then was to reconstruct economic stability in the face of **.....** disorder and enormous dislocation, to regain a feeling of global community and establish a base for future prosperousness and growth.

(a) inductive (b) invasive (c) perfunctive (d) pervasive

Q3 The engineers of a new system had to construct from the ground **.....**, and they demonstrated vision and far-sightedness; after fifty years of progress raised on the foundations that they laid then, we now often take for granted that which was new and imaginative at at that time.

(a) level (b) plan (c) up (d) (none)

Q4 The late 1940s was not only about the finish of the most devastating war ever **.....**; it was also concerned with the control of dangerous economic nationalism and the quest for a new world order.

(a) sought (b) staged (c) waged (d) wrought

Q5 Defending a rules-based system on a daily basis has been greatly assisted by the fact that the system gave **.....** to the markets rather than the governments in deciding economic outcomes.

(a) possibility (b) primacy (c) privacy (d) publicity

Q6 The governments **.....** their responsibility, but concentrated on creating basic conditions for prosperity and promoting liberalization; they considered direct intervention only under circumstances where markets were thought wanting.

(a) abandoned (b) abrogated (c) advocated (d) avoided

Q7 The key idea of the rules-based system is non-discrimination, and this emerged from the **.....** that exclusive dealings and in-groups helped stoke those rivalries and conflicts that drove the community of nations into the Second World War.

(a) concession (b) condition (c) convention (d) conviction

Q8 The patchwork **.....** of agreements that had undermined the unity and continuity of interwar economic relations was replaced with unified rules.

(a) doily (b) doll (c) purse (d) quilt

Q9 And more basically, the non-discrimination principle **.....** universality as a central goal of the trade system, guaranteeing that the GATT system would eventually become a force majeure in the integration of the world's economies.

(a) enshrined (b) founded (c) idolized (d) lionized

Q10 Answers for the challenges that goverments face today and tomorrow will continue to call for **.....** action on a range of fronts.

(a) concentrated (b) concentric (c) concerned (d) concerted

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University Public Relations

Q1 In the near future, the University of Alaska's Communications Office will play an increasingly **.....** role in the University's success.

(a) circumspect (b) circumstantial (c) pivotal (d) pointed

Q2 Colleges and universities are currently in competition for students, funds and status with greater **.....** than in the past.

(a) constancy (b) ferocity (c) plasticity (d) tenacity

Q3 At the U of A, the Communications Office supplies a wide **.....** of services to the campus.

(a) arrangement (b) array (c) veneer (d) vocation

Q4 Although the U of A's central marketing team is small in comparison to **.....** universities in the West, these efforts are being realized by a productive, engaged staff.

(a) parallel (b) parent (c) peak (d) peer

Q5 The amalgamation of **.....** views, approaches and attitudes into a single comprehensive campus-wide image and message is of the essence.

(a) deterrent (b) detractive (c) divergent (d) divulged

Q6 Significant amounts of time and resources will be necessary to see that these images and messages to the institution's **.....** audiences are appropriate, effective and complementary.

(a) mutliplied (b) myriad (c) satisfied (d) saturated

Q7 Support for these efforts is multi-**.....** and need to be appropriately coordinated, and the University of Alaska's comprehensive mission and goals must be kept always in perspective.

(a) crafted (b) faceted (c) styled (d) tasked

Q8 The University's first mandate is to give its students **.....** education.

(a) an exemplary (b) an extraordinary (c) a peremptory (d) a perfunctory

Q9 The University also significantly enhances life in the state of Alaska, since it is a major employer, contributes **.....** to its cultural life, and provides stability and economic potential.

(a) inestimably (b) inevitably (c) irrespectively (d) irrevocably

Q10 University administrators around the nation are being drawn more and more into public discussion of campus issues; energetic news media, politically-active students and politicized issues can create a public relations **.....** for institutions.

(a) debacle (b) deluge (c) detente (d) detour

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Services Marketing

Q1 Services are primarily intangible and tend to be an experience which is consumed at the point of purchase; they cannot be owned since they quickly **.....**, and once they have occurred they cannot be repeated in exactly the same way.

(a) perform (b) perish (c) persevere (d) persist

Q2 Marketing personnel often speak of the nature of a service as **.....** from the point of consumption and from the service provider.

(a) inseparable (b) insuperable (c) irreducible (d) irreplaceable

Q3 The right of **.....** is not extended to services, since we merely experience them; we cannot sell them once they have been consumed.

(a) ownership (b) salesmanship (c) stewardship (d) upmanship

Q4 The Western economies have seen **.....** of the traditional manufacturing sectors and growth of the service economies.

(a) degradation (b) denigration (c) deterioration (d) determination

Q5 People are the key **.....** in any service: services are usually produced and consumed simultaneously, and aspects of the customer experience are adjusted to serve the needs of the individual consuming them.

(a) argument (b) cement (c) element (d) sentiment

Q6 Many of us can recall a situation in which the personal service offered has enhanced or **.....** a vacation, an overnight stay or a restaurant meal.

(a) tainted (b) tested (c) tormented (d) twisted

Q7 Every customer **.....** staff member needs training and development in order to maintain high quality personal service.

(a) facing (b) fronting (c) orientating (d) originating

Q8 This training ought to start during **.....** into the company, which will involve the new staff in the organization's culture for the first time and brief them on operating policies and procedures.

(a) inclusion (b) incursion (c) induction (d) insertion

Q9 The organization must also pay attention to Continuing Professional Development, in which every staff member sees his or her professional career as **.....** process of training and growth.

(a) a lifelong (b) a long-lived (c) an interminable (d) an unending

Q10 The **.....** and attitude of these service personnel is critically important: the way that complaints are dealt with can mean the difference between keeping and losing customers or between making and destroying the company's reputation.

(a) disposition (b) exposition (c) imposition (d) supposition

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Marketing Strategy

Q1 The development of its marketing strategy is critical for a business, because without one, its efforts to draw customers are going to be **.....** and ineffectual.

(a) hackneyed (b) haphazard (c) hazardous (d) heedless

Q2 The focus of its strategy needs to be on ensuring that its products or services **.....** customer needs better than do its competitors', as well as on the development of long-term, profitable customer associations.

(a) confront (b) face (c) meet (d) solve

Q3 The business should identify whole new markets to target: **.....** to a successful marketing strategy is understanding one's customers and their needs.

(a) adjacent (b) central (c) peripheral (d) tangent

Q4 One key to successful marketing is the undertanding that both existing and potential customers will **.....** into specific segments or groups identified by their needs.

(a) drop (b) fall (c) plunge (d) veer

Q5 The focus of a company's strategy ought to be to identify such groups with their needs and then **.....** them more successfully than its competition.

(a) address (b) affront (c) assist (d) attack

Q6 In this way, the business is able to create a marketing strategy which **.....** the most of its strengths and then matches them with the needs of the customers it plans to target.

(a) builds (b) finds (c) makes (d) sees

Q7 If, for instance, a specific customer segment wants quality first and **.....**, then marketing efforts aimed at them needs to direct their attention to the business's high quality service.

(a) finally (b) foremost (c) most (d) last

Q8 For maximum efficiency, the business should limit its activities to the methods that it thinks will work best, and thus avoid **.....** its marketing budget too thinly.

(a) sharing (b) spending (c) splurging (d) spreading

Q9 Often forgotten is the necessity to monitor and evaluate the effectiveness of the marketing strategy; this control helps the company check how it is performing in practice and also helps to **.....** its future strategy.

(a) inform (b) ingrain (c) install (d) invest

Q10 One simple **.....** is to inquire of each new customer as to how they found out about the company.

(a) apparatus (b) device (c) gadget (d) utensil

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Virtual Economy

Q1 According to current US tax law, if an individual acquires USD income from a transaction in a virtual economy, a problem may arise as to whether tax is owing on this real-world income; however, if the transaction occurs wholly within the virtual economy, there is no taxable **.....**.

(a) act (b) deed (c) event (d) fact

Q2 A best effort offering would probably fail if negative valuation information appeared between filing and offering, because its filing-date price would be too high; on the other hand, a **.....** commitment offering might be successful if the issuer is willing to lower the price.

(a) corporate (b) firm (c) legal (d) strong

Q3 It is sometimes difficult to distinguish cost-push and demand-pull inflation, which is made worse by the fact that they can interact to cause a wage-price **.....**: employees want compensation for higher prices, because they do not want their purchasing power to drop.

(a) spinoff (b) spiral (c) stalemate (d) standoff

Q4 When we were young and poor, nothing made us angrier than the rich people who paid no income taxes; we were not alone, and that frustration led to the inception of the **.....** minimum tax, designed to keep the wealthy from living tax-free.

(a) absolute (b) alternative (c) bare (d) basic

Q5 Some businesses make goods, others provide a service, and still others distribute goods; the second line of a Profit and Loss Statement is called **.....**, which tells us how much money was spent doing whatever it is that the company does.

(a) Cost of Goods Available for Sale (b) Cost of Goods Sold
(c) General and Selling Expenses (d) Gross Margin

Q6 The **.....** National Mortgage Association was created under Franklin D. Roosevelt in 1938, when millions of American families were unable to become homeowners or risked losing their houses through the lack of a consistent source of mortgage funds.

(a) Chartered (b) Federal (c) Public (d) US

Q7 A strategic **.....** point is a critical juncture in the development of a business, when something fundamental is on the verge of change; this could mean the opportunity of climbing to new heights, or it could indicate the beginning of the end.

(a) conversion (b) inflection (c) reflection (d) reversion

Q8 **.....** appeal to a wider investor base than traditional mortgage-backed securities because of their flexibility in presenting investment opportunities with different risk vs reward levels and different maturity horizons to investors.

(a) REBARs (b) RECAPS (c) REHABs (d) REMICs

Q9 The NASD **.....** rule states that when a financial representative recommends the purchase, sale or exchange of a security, s/he shall have reasonable grounds for believing that it is appropriate for the investor's needs, based on facts disclosed by the latter in respect to his or her other holdings and financial situation.

(a) advisability (b) compatibility (c) feasibility (d) suitability

Q10 **.....** assumptions examine hiring age in order to extrapolate the number of years of service that the employee will likely work, but the City's formula ensures that late hires will not be able to draw a full benefit from the contributions that they have paid into their pension plan.

(a) Actuarial (b) Demographic (c) Longevity (d) Mortality

The Best of Both Worlds

Q1 Through investment in both fixed-return investments and shares, **.....** fund seeks to get the best of both worlds; it is the best bet for investors who wish to profit from the stock market but lack the stomach for volatility.

(a) a balanced (b) an equitable (c) a proportional (d) a symmetrical

Q2 An important prerequisite of the perfect **.....** is that the portfolio movements are precisely correlated with the movements of the index that underlies it.

(a) balance (b) hedge (c) option (d) storm

Q3 CB&Q Railway Corporation announced a new $3.1 billion capital **.....** program; it anticipates investing some $500 million in facilities and track to expand capacity for customers in agricultural products and coal.

(a) commitment (b) compensation (c) refurbishment (d) reinstatement

Q4 This chart displays the cross rates of ten major world currencies; scan down or across it to find the rate of **.....** between any two of these currencies.

(a) duty (b) exchange (c) purchase (d) transfer

Q5 We must note that the state owns stock in 52 corporations with a market value of $150 million which are not on the **.....** list; these securities were added to its portfolio through spin-offs or mergers of previously owned corporations on the list.

(a) accepted (b) accredited (c) approbated (d) approved

Q6 A **.....** bond pays its holder a specified amount at specified dates until maturity; then its face value is paid at the maturity date.

(a) coupon (b) fixed (c) premium (d) zero

Q7 In the case of a **.....** stock that has an unsuspected earnings potential and a low P/E multiple, its price will probably rise much faster than its profits when investors discover its new horizons, and their purchases will force up the P/E.

(a) debutante (b) dormant (c) sleeper (d) sneaker

Q8 A debit **.....** is created when the options investor buys a put or call and at the same time sells a further out-of-the-money put or call; this limits the dollar risk and the reward relative to the traditional option purchase.

(a) deal (b) spread (c) swap (d) tradeoff

Q9 The trust's activities are confined to issuance of the trust **.....** securities to investors and to retain the debentures which are purchased from the holding company.

(a) enclosed (b) imposed (c) installed (d) preferred

Q10 Your Keogh plan must be opened by 1 February 2009 to make a contribution for 2008, and contributions must be submitted by 1 March 2009; however, you can extend the **.....** date to 1 June 2009 if you file for an extension.

(a) credit (b) due (c) late (d) pay

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Pending Benefits

Q1 **.....** security sale is a case in which the seller reserves to himself the rights to all of its pending benefits.

(a) An all-out (b) An ex-all (c) A no-go (d) A one-off

Q2 In a **.....** insurance company, policyholders who buy a 'participating' product, e.g. whole life insurance, gain entitlement to vote for the board of directors as well as share in declared annual dividends.

(a) cooperative (b) mutual (c) public (d) social

Q3 The fundamental concept of a **.....** sets a separate legal entity to control financial assets for the benefit of the beneficiary; the individual establishing it is called the grantor.

(a) bank account (b) standing order (c) subprime loan (d) trust fund

Q4 Across the street from the NYSE is the Consolidated Stock and Petroleum Exchange of New York, fondly known as the "**.....** board", but disrespectfully referred to by residents as the "morgue".

(a) little (b) other (c) pet (d) star

Q5 **.....** houses scout out inefficiencies in the market and mis-priced securities, and then they make trades which produce risk-free profits.

(a) Allocation (b) Altruistic (c) Arbitrage (d) Arbitration

Q6 A contract **.....** is a provision found in most common law contracts requiring the person hiring the general contractor to retain a certain percent of the payment for a specified period in order to ensure that the subcontractors are paid.

(a) holdback (b) holdup (c) restrainer (d) retainer

Q7 After the preliminary prospectus is filed with the SEC, the company may begin to sell the securities, but during the **.....** period, they may make offers only (a) with a summary prospectus adhering to the disclosure requirements, (b) orally, or (c) using a tombstone advertisement.

(a) incubation (b) initial (c) registration (d) waiting

Q8 A **.....** option is a standardized option contract with terms determined by an exchange and having its trade cleared through a clearing house.

(a) legitimated (b) listed (c) recorded (d) registered

Q9 A married couple can submit their income tax returns in only 2 ways: (1) as married filing **.....**, in which case all their income and deductions are lumped, or (2) as married filing separately, in which case they each account for these items individually.

(a) conjointly (b) jointly (c) manually (d) mutually

Q10 Fiduciaries may retain without liability for loss any investments authorized when received or made, even though they no longer qualify as such, if they exercise due care in the retention or disposition of these **.....** investments.

(a) grey market (b) illegitimate (c) nonlegal (d) red line

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Routing Orders

Q1 To attract brokers' orders, some exchanges pay a broker for routing orders through them; this is called 'payment for order **.....**', and is one of the ways in which a broker can make money from executing a trade.

(a) duct (b) flow (c) stream (d) trail

Q2 At the end of March, before Tanaka Inc closes its books, all transactions recorded in the Books of **.....** Entry (that is, the Sales Day book and the Cash book) are added up and then posted to the General Ledger via journal entries in the General Journals.

(a) Current (b) Initial (c) Original (d) Primary

Q3 Hedge funds generally use **.....** brokers for borrowing money, executing trades and other services, while larger funds use multiple brokers.

(a) key (b) main (c) prime (d) sole

Q4 Arizona resident Bernard Jones filed a **.....**-action lawsuit against Apple, alleging that the iPhone maker violated Arizona's antitrust laws; the suit was filed by Shyster C. Deadlock, the lawyer who has been seeking plaintiffs for this case, on behalf of Jones.

(a) class (b) group (c) live (d) swift

Q5 When **.....** securities are acquired, the holder must find an exemption from the Securities and Exchange Commission's registration requirements in order to sell them in the marketplace; Rule 144 permits public resale only if certain conditions are met.

(a) limited (b) restricted (c) subprime (d) unqualified

Q6 An important part of **.....** agreement is the description of the information; the disclosing party is often reluctant to describe this in detail in the contract, fearing that some may be revealed in the contract itself.

(a) a backdoor (b) a confidentiality (c) an arm's-length (d) a third-party

Q7 The size of the savings deposit required for a **.....** credit card can vary from a few hundred dollars to several thousand; the line of credit is a percentage of the deposit, and application and processing fees may also have to be paid.

(a) financed (b) floating (c) secured (d) standing

Q8 Purchasing an index **.....** combines the benefits of an index put and an index call purchase, and leveraged potential profits can be considerable if there is a big up or down movement of the underlying index.

(a) shuffle (b) straddle (c) waddle (d) waffle

Q9 The **.....** wage base is the total for which the company must pay taxes on behalf of every employee; excess wages are also reported, but they are subtracted from the employee's total wages.

(a) applicable (b) deductible (c) payable (d) taxable

Q10 A **.....** Participation Program is an investment venture which is designed to pass income and tax losses of the underlying investments through to investors; however, its use as a tax shelter has been egregiously lessened by tax legislation.

(a) Deemed (b) Direct (c) Partnership (d) Personal

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Foreign Shares

Q1 **.....** Depositary Receipts were first issued in 1928 to assist investors in the US who wanted to purchase shares in foreign corporations; they are negotiable certificates which evidence share ownership in non-US corporations.

(a) American (b) Federal (c) International (d) Offshore

Q2 An activity-based **.....** system is a model which identifies activity centers in a company and then assigns costs to cost drivers based on the numbers of transactions in the process of providing each product or service.

(a) account (b) costing (c) margin (d) operating

Q3 The Federal **.....** Committee is the monetary policy-making body of the FRS: it formulates policy to promote full employment, stable prices, economic growth and a sustainable international payments and trade.

(a) Economic Advisory (b) Market Advisory (c) Open Economic (d) Open Market

Q4 The State Bank of India will raise a one-year $90 million foreign currency loan on February 2, 2008; the loan has been fixed at the rate of 27.5 basis points above LIBOR (**.....** inter-bank offer rate) and will be used to finance exports and repay old loans.

(a) Legal (b) Local (c) London (d) Long-term

Q5 In general, we are required to take a Required Minimum **.....** each year from a Traditional IRA after we reach age 70; it is calculated by dividing the December 31st fair market value of our IRA by a life expectancy factor determined with IRS tables.

(a) Distribution (b) Pension (c) Payout (d) Return

Q6 Securities, cash and similar investments may be placed and maintained with a futures commission **.....** by a fund in any amounts required to effect the fund's transactions in exchange-traded commodity options and futures contracts.

(a) agent (b) factor (c) merchant (d) vendor

Q7 The sum of the years' **.....** is a method of accelerated asset depreciation that deducts for greater depreciation in the earlier part of an asset's useful life and less nearer the end of it.

(a) digits (b) factor (c) left (d) quotient

Q8 The cash income now is the **.....** equivalent of a later and larger cash income that would result from the saving of the present cash.

(a) actuarial (b) circumstantial (c) referential (d) virtual

Q9 The $175,000 **.....** bond issued by the commissioners of the sinking fund dated August 1, 1907, bearing interest at six percent payable semiannually, remains in force, constituting a perpetual obligation of the State and the interest thereon a perpetual charge upon its Treasury.

(a) irredeemable (b) irremediable (c) unrecoverable (d) unredeemable

Q10 Investment performance is of primary importance, but **.....** investment strategy provides a safety net; if my portfolio includes investments in many sectors — real estate, gold, treasury bonds and forex markets — I can weather storms in specific sectors.

(a) a balanced (b) a basic (c) an equitable (d) an even

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Islamic Financial Staff

Q1 As the global increase in popularity of Islamic finance continues, this sector faces new challenges, and critical among these is that of hiring and retaining expertise from a finite talent **.....**.

(a) bank (b) list (c) pool (d) source

Q2 The Islamic finance market worldwide at the end of 2007, measured by Shari'a **.....** assets, has been estimated at US$550 billion.

(a) competitive (b) complete (c) compliant (d) comprehensive

Q3 In the face of this continuing growth, conventional Western financial institutions and governments no longer see Islamic finance and insurance as a **.....** but as a valid alternative model for capital growth.

(a) curio (b) luxury (c) novelty (d) staple

Q4 An immediate consequence of this expansion is the **.....** need for Islamic financial organizations to strengthen their human capital by attracting skilled staff to help these businesses take advantage of new business opportunities.

(a) parametric (b) paramount (c) supernal (d) superordinate

Q5 The United Kingdom is an excellent example of the **.....** expansion of Islamic finance and its constituent parts.

(a) experiential (b) exponential (c) potential (d) preferential

Q6 Nevertheless, the US, the UK, and the EU are considered immature markets; not only are they just developing Islamic financial offerings, but they must also sell these products in a market which is still **.....** its feet.

(a) dragging (b) finding (c) getting (d) shuffling

Q7 From the recruitment viewpoint, the shifting of experienced workers from one country to another is very similar to the migration of birds to **.....** climes during the winter.

(a) balmier (b) mellower (c) pottier (d) wilder

Q8 Islamic finance is experiencing a **.....** in which more companies are newly founded and more projects are undertaken than can be adequately staffed with experienced and knowledgeable individuals.

(a) bottleneck (b) brick wall (c) dead end (d) roadblock

Q9 All around the world, headhunting is going on in order to attract these coveted workers with salary and benefit **.....** becoming the norm.

(a) gazumping (b) lumping (c) waffling (d) watering

Q10 Dutch auctions have often been employed in recruiting specialists, but this problem is becoming serious, with the demand for qualified, experienced candidates consistently **.....** supply.

(a) outbreaking (b) outdoing (c) outsizing (d) outstripping

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Rogue Traders

Q1 In **.....** of the colossal loss at Society General caused by a rogue trader, banks are examining their control systems in an effort to prevent similar future disasters.

(a) light (b) regard (c) respect (d) spite

Q2 Banks will certainly start reviewing their internal controls to determine what they have set up to **.....** events like the SocGen loss.

(a) catch (b) field (c) pitch (d) strike

Q3 Society General tells us that it has already put in place further controls in order to prevent a recurrence of this particular type of **.....**.

(a) breach (b) break (c) cleft (d) crack

Q4 Banking institutions will likely be **.....** on more bandages and plasters in order to keep their processes functioning.

(a) ironing (b) layering (c) strapping (d) veneering

Q5 Such efforts will probably prevent a precise **.....** of the Society General disaster, but it will not likely hinder a similar activity from being executed in a different way.

(a) image (b) miniature (c) replica (d) template

Q6 The Francona loss was also the result of an over-**.....** trader's effort at cleverness.

(a) bearing (b) indulgent (c) righteous (d) zealous

Q7 The solution put forward to prevent such a recurrence was separation of duties to prevent both back and front office controls from **.....** by the same individual.

(a) inquisition (b) instigation (c) malediction (d) manipulation

Q8 Changes in approach and across cultures is required by financial institution control management; visibility across **.....** information technology systems and across myriads of geographically diffuse employee activities is needed.

(a) degraded (b) disparate (c) dissonant (d) distended

Q9 Possibly, the staff were attempting to manage their assignents beyond their capacity, like a freighter loaded so heavily that it sinks below its **.....** line.

(a) Maersk (b) Maginot (c) Perfusion (d) Plimsoll

Q10 Increased understanding by everyone who is involved of **.....** operational processes is most important.

(a) back-to-front (b) end-to-end (c) head-to-tail (d) right-to-left

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Data Thievery

Q1 Mistakes can have a huge impact on individuals and businesses, and in a world where data is exchanged, **.....** and even stolen at a shocking rate, personal information security has become a top item of public concern.

(a) bartered (b) bolstered (c) flourished (d) frittered

Q2 The Data Protection Act applies to a wide area from security to data processing; it's **.....**, and it's applied and interpreted in various ways by European Union nations.

(a) far-fetched (b) far-flung (c) far-reaching (d) far-sighted

Q3 Because of its broad scope and varied application, regulatory bodies face a difficult task in tracking how businesses handle data; to rectify this, a greater **.....** must be placed on these organizations to monitor and assess data management and data security.

(a) impetus (b) inertia (c) momentum (d) onus

Q4 Most companies try to ensure compliance with regulations for safely handling sensitive information, but many don't consider the threat from their own employee practices, whether it is just human error or **.....**.

(a) conscious (b) egregious (c) malicious (d) salacious

Q5 Organizations should at least utilize basic risk management and policies and techniques to protect data from external threat, but the **.....** reality is that data can easily get into the wrong hands through employee intent or error.

(a) clear (b) frank (c) glum (d) harsh

Q6 The effect of the loss of data through the errors of employees is obvious throughout the EU; it has caused loud public **.....** and has serious implications of a social and political nature.

(a) chaos (b) fiasco (c) outcry (d) turmoil

Q7 The F1 industry was taken **.....** when the WMSC fined Mercedes $100 million for using information from Ferrari to construct its own cars; Mercedes's head designer had received data about Ferrari's cars from a Ferrari team member.

(a) aback (b) away (c) to court (d) to task

Q8 In Belgium in 2007, a Foreign Ministry official lost a USB **.....** with the code to the entrance of a Belgian diplomat's house and the names of the guards accompanying the King on his Czech trip.

(a) kit (b) mount (c) port (d) stick

Q9 In December 2006, Norton began research into EC business security and discovered that investment in corporate data protection from external hacking is often undermined by **.....** employee behavior and company failure to adequately communicate its security policy.

(a) lax (b) less (c) tense (d) terse

Q10 The complexity of the data protection laws and the paucity of resources dedicated to the government monitoring of compliance have created a **.....** of processes and software, few of which are regulated or checked.

(a) maelstrom (b) quagmire (c) sinkhole (d) whirlwind

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Cash Flow

Q1 History is **.....** with assertions that 'this time the situation is different'.

(a) labeled (b) littered (c) spangled (d) spattered

Q2 If the dot com revolution severed the relationship of earnings and price, then the take off in credit derivatives created a world in which risk was distributed so thinly that no one would be caught **.....** if the cycle turned.

(a) off (b) out (c) under (d) up

Q3 Global Public Policy Committee communications leave us in no doubt that the **.....** from the recent market turmoil will be with us for a long time to come, if the billions in losses by some of the leading global financial institutions have not already done so.

(a) ramifications (b) rationalizations (c) realizations (d) rectifications

Q4 Knowing that the implementation of Basel II (used by banks to align their capital base with economic risk) has consumed hundreds of millions of dollars, it is ironic that even well-capitalized institutions have struggled with a problem as fundamental as **.....**.

(a) liquidity (b) reality (c) security (d) stability

Q5 If a company needs profitability, retained as capital to offset any future losses, in order to maintain a viable business, then it also needs cash flow to ride the peaks and **.....** of the business cycle.

(a) bluffs (b) slides (c) slopes (d) troughs

Q6 The reason that some of the most sophisticated financial institutions have been caught unprepared by something as basic to business management as cash lies in several dynamics that have been in **.....** over several years.

(a) order (b) play (c) step (d) view

Q7 They took several years to materialize, but these dynamics **.....** a series of nearly unprecedented shocks during the early fall two years ago.

(a) fomented (b) instigated (c) precipitated (d) registered

Q8 Cash used to fund increased assets and retire obligations as they **.....** due is at the forefront of this egregious disruption of the market.

(a) fall (b) grow (c) turn (d) wax

Q9 As cash **.....** begins to prevail, the levels of market cash flow tighten and exacerbate the drop in value of financial instruments; this is a dual hit which only concerted central bank intervention can mitigate.

(a) binding (b) hoarding (c) squirreling (d) strapping

Q10 The financial models used have been criticized as ignoring the **.....** voices that predicted a turning of the credit cycle as long ago as May of 2007, so that the stress testing parameters were much too narrow.

(a) siren (b) stentorian (c) subprime (d) sylvan

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The Cayman Islands

Q1 The Cayman Islands are often presented in an unwarranted negative light, but we would like to **.....** this image by highlighting the nation's participation in the war against the financing of terrorism and money laundering.

(a) dispel (b) dispense (c) dissolve (d) dissuade

Q2 Although they are sometimes still called "the islands that time forgot", the Caymans have advanced considerably from the use of smudges to **.....** off the mosquitos.

(a) feist (b) fence (c) ward (d) wax

Q3 Less than twenty years after the opening of the country's first bank, the Misuse of Drugs Law was passed, and incorporated within it is the power to seize and **.....** laundered assets and money from drug trafficking.

(a) confiscate (b) nationalize (c) requisition (d) sequester

Q4 As early as 1989, the Cayman Islands Bankers Association promulgated a Code of Practice, and its member banks were required to abide **.....** it.

(a) by (b) for (c) to (d) with

Q5 In 2001, in spite of the fact that this Code of Practice and **.....** due diligence requirements were in place, the Cayman Islands was placed in its first list of Non-Cooperative Countries & Territories by the Financial Action Task Force.

(a) adamant (b) harsh (c) robust (d) stolid

Q6 A main reason for Cayman's inclusion on this list was the lack of legislative **.....** in covering the practices of the industry and the consequent paucity of prosecutions.

(a) eyes (b) fists (c) heels (d) teeth

Q7 The International Monetary Fund in 2006 released its evaluation of the Cayman Island's regulation and monitoring of its financial sector, a report which was based on information **.....** from the IMF's 2005 visit.

(a) gleaned (b) grounded (c) scrounged (d) skimmed

Q8 This assessment indicates that, although there is room for improvement, the Caymans appear to be holding their **.....** in the war against illegal money, especially considering the relative newness of their financial institutions.

(a) form (b) lead (c) own (d) pose

Q9 It is less easy to purchase **.....** or real estate, establish a company or a trust, or open a bank account in the Cayman Islands than it is in many other jurisdictions.

(a) capital (b) goodwill (c) an annuity (d) a pension

Q10 The Cayman Islands are extremely pleasant to visit, but we welcome only those who intend to bring and operate legitimate businesses to and within its **.....**.

(a) coasts (b) coves (c) shores (d) strands

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Wall Street Plunge

Q1 Some Wall Street people have noticed a drop in non-**.....** reserves in the banking system and wondered if it's a sign of an unusually stringent monetary policy; however, the plunge is just a function of the Fed's money classification in its new term auction facility.

(a) backed (b) borrowed (c) insured (d) issued

Q2 One time that a company might issue **.....** stock instead of options is very early on for top executives or very early hires.

(a) beneficial (b) limited (c) preferential (d) restricted

Q3 **.....** loans are loans that were issued according to the bank's terms but later became questionable in the eyes of the bank's examiners, which sometimes happens when new information is revealed or there is a change in the borrower's circumstances.

(a) Classified (b) Diffident (c) Negligent (d) Qualified

Q4 The staff of the Tennessee Capital Access Forum assisted Greyhound Movers and Acme in financing their growing businesses with Small Corporate **.....** Registrations; Tennessee has taken the $1 million dollar cap off the SCOR and there is no limit.

(a) Objective (b) Offering (c) Opening (d) Option

Q5 The 2009 bonds will be issued in the weekly rate mode, bearing interest at the weekly rate payable on January 1st and July 1st; bondholders can rightfully tender their bonds on any business day with a minimum seven-day notice to the **.....**.

(a) conservator (b) executor (c) guardian (d) trustee

Q6 The market is expecting a coupon **.....** by the Federal Reserve Bank, and although this is probably no sign of change in monetary policy, it does present dealers with the opportunity to sell Treasury securities to a ready buyer.

(a) pass (b) pick (c) scoop (d) sweep

Q7 Raising debt **.....** does not involve selling your equity, but rather works by borrowing against it; it is only available to businesses who have something with value which the lender could instantly liquidate.

(a) capital (b) issuance (c) limits (d) reserves

Q8 Traders in level 2 generally use an order type called an 'intent', a strong indication of interest, and these are not advertised, but if they find a match they become a **.....** order: if two intents naturally match, then a trade happens.

(a) done (b) firm (c) made (d) set

Q9 The law recognizes the efforts of businesses to comply with its demands, but a company must demonstrate that it exercised all due **.....** and took all reasonable steps to avoid committing the offense; if it can do so it is entitled to an acquittal.

(a) caution (b) diligence (c) options (d) process

Q10 In order to create a level playing field for share trading on the stock exchange, **.....**-date is set: if shares are traded before this date, the selling party must pass on any benefit or dividend to the buying party.

(a) a due (b) an ex (c) a post (d) a pre

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The Uniform Commercial Code

Q1 As per the Uniform Commercial Code, a person who holds a check endorsed by another is the presumed legal owner; a person who accepts a 3rd party check is a holder **.....** due course and holds the legal title to this instrument irrespective of any prior claim.

(a) by (b) for (c) in (d) of

Q2 We focus on a previously unexplored but intuitive measure of trading activity: the aggregate daily order **.....** on the New York Stock Exchange; this in either direction, either excess buy or sell orders, reduces liquidity.

(a) disequilibrium (b) eccentricity (c) idiosyncrasy (d) imbalance

Q3 The **.....** ratio is the ratio of the alpha component (that attributable to the manager's luck or skill) of the total investment returns to the standard deviation of these alpha returns.

(a) aspect (b) information (c) Sharpe (d) Sortino

Q4 A **.....** loan is one where the borrower plans to pay off his mortgage or automobile loan in a big chunk at the end after a set number of small regular interim payments.

(a) backyard (b) balloon (c) bottleneck (d) bottomless

Q5 The initial **.....** requirements are that a company must exhibit specified minimum thresholds for shareholder and publicly-traded share numbers, stock price, and total market value, and after it begins trading, the company must continue to meet other standards required by the exchanges.

(a) filing (b) joining (c) listing (d) posting

Q6 At any specific time, there are simultaneous trades in many different calls and puts-- different in strike price and delivery month; **.....** delivery months are typically identical to those of the underlying futures contract.

(a) bid (b) broker (c) open (d) option

Q7 If you are married but want to ensure that you are responsible for paying only your own tax, this does not mean that you can go back to using the 'single' rates which were applicable before you got married; instead, each spouse must use the '**.....**, filing separately' rates.

(a) amended (b) divorced (c) married (d) revised

Q8 Investors must use their intelligence in formulating their financial policies and also in any associated details, including choosing a reputable broker to execute their orders: deal only with the NYSE unless you have compelling reasons to use **.....** firm.

(a) a disaffected (b) an ex-officio (c) a nonmember (d) an unregistered

Q9 An **.....** analyzes the financial consequences of risk, using financial theory, statistics and mathematics to consider possible future events, especially those of interest for pension and insurance programs.

(a) actuary (b) appraiser (c) assayer (d) assessor

Q10 A Tax Deed is normally a **.....** title, extinguishing all other encumbrances on the title, such as leases, utility bills, mechanics' liens, and so forth.

(a) peremptory (b) perfect (c) permanent (d) persuasive

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Bear Stearns

Q1 Bear Stearns is the second-largest US **.....** brokerage firm, and as a part of its business, hedge funds could use their stock holdings to borrow money from BS and then redeploy it in the market.

(a) general (b) niche (c) prime (d) soft

Q2 The Capital **.....** Allowance in the Economic Analysis Bureau's National Income and Product Accounts measures the capital depreciation in the economy in the course of a stated period, normally one year.

(a) Allocation (b) Consumption (c) Distribution (d) Valuation

Q3 A cheap **.....** loan is basically a personal loan that runs at a lower rate of repayment; part of the borrower's assets are taken as collateral in order to ensure that s/he pays back the loaned sum, especially if s/he has a questionable credit history.

(a) assured (b) bolstered (c) covered (d) secured

Q4 The investor called her broker and asked whether he had any negative information about Zenaida; after a few minutes' delay and a glance at Standard & Poor's **.....** sheet on Zenaida, her broker told her there was none, so she ordered 100 shares of Zenaida stock.

(a) face (b) poop (c) tear (d) yellow

Q5 Today, Peak Properties Inc announced that it has agreed to **.....** placement of 2.1 million shares of its common stock with certain advisory clients of American Products, LLC, a Delaware limited liability company, at $24.63 a share.

(a) direct (b) front (c) primary (d) straight

Q6 A rate-**.....** loan is a fixed-rate mortgage with a provision which permits the borrower to lower the interest rate if there is a decline in market rates; however, this provision can be invoked only once during the life of the mortgage.

(a) adjustment (b) diminution (c) improvement (d) reduction

Q7 The purpose of an informed consent or **.....** form is to advise participants of the foreseen or unforeseen risks of the activity and to ensure that the s/he understands these risks and agrees to assume responsibility for them.

(a) acceptance (b) compliance (c) quitclaim (d) waiver

Q8 Exchange rate fluctuations affect the USD equivalent of the pound sterling price of British Telecommunications ordinary shares on the London Stock Exchange and are therefore likely to affect the market price of its American **.....** Shares on the New York Stock Exchange.

(a) Depositary (b) Equivalancy (c) Parity (d) Secondary

Q9 The value of a convertible bond results from three components: the value of a **.....** bond with the same principal and interest, the conversion value of a convertible bond, and time value.

(a) plain (b) pure (c) standard (d) straight

Q10 A **.....** mortgage is a mortgage loan packaged for resale to Freddie Mac or Fannie Mae on the secondary market; not only do such loans have very competitive interest rates, they also have very stringent qualifying criteria.

(a) conforming (b) piggy-back (c) secondhand (d) subprime

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The Employment Act of 1946

Q1 Established by the Employment Act of 1946, the **.....** of Economic Advisers provides the President of the United States with objective economic analysis and with advice on the development and implementation of national and international economic policy.

(a) Board (b) Committee (c) Council (d) Panel

Q2 After four years in custody, Mr Patronia was convicted on three terrorism-related counts, the jury delivering its verdict in under 48 hours; what was unusual and blameworthy was the length of time he had to wait for the due **.....** which most Americans take for granted.

(a) consideration (b) date (c) diligence (d) process

Q3 The **.....** International Financial Futures & Options Exchange lost its single biggest source of income — trading in the German Government Bund — in the late 1990s, but by 2001 it had reinvented itself as an electronic exchange, and at the end of 2001, it was acquired by Euronext NV.

(a) Bermuda (b) Hong Kong (c) London (d) Manila

Q4 A **.....** area is a price level where neither the bears nor the bulls are in total control; the market cannot decide which way it wants to go, so traders often step aside to see what is going to happen next.

(a) confusion (b) congestion (c) contortion (d) contraction

Q5 Elevated readings in the **.....** spread indicate increased risk avoidance in the market — investors flock to relatively risk-free short-term T-bills — while Eurodollar futures are more representative of the credit quality of corporate borrowers.

(a) FED (b) TED (c) TRU (d) USE

Q6 The grantor must permanently give up all control and ownership of any property transferred to an **.....** trust, so this device has small appeal for most taxpayers.

(a) indelible (b) irrevocable (c) unalterable (d) unredeemable

Q7 **.....** is an out-of-court dispute resolution process where the disputing parties each present their case to a third party intermediary that examines the evidence and makes a (usually) binding decision for the disputants.

(a) Adjudication (b) Arbitration (c) Litigation (d) Mediation

Q8 The mutual **.....** doctrine rules that interest on municipal bonds is free of federal tax, and in return for this, localities and states cannot tax the interest on federal government securities.

(a) exception (b) exchange (c) exclusion (d) exemption

Q9 The ultimate measure of capital **.....** is the amount of returns to investors as a multiple of the capital invested, adjusted by the length of the investment.

(a) appreciation (b) efficiency (c) gains (d) improvement

Q10 Based on information from Data Diggers, a company which collects and collates stock lending data from custodians and institutions, it is obvious that a rapid build-up in **.....** stock positions is strongly correlated with short selling.

(a) borrowed (b) rolling (c) shifted (d) transit

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Retaining Minority Control

Q1 The distinguishing features of **.....** stock normally confer an advantage on Class A shares regarding voting power, and it may also involve liquidation and dividend privileges; this system was used more in the 1920s, as a way of retaining minority control.

(a) classified (b) designated (c) preferred (d) registered

Q2 Total Assets less Non-interest-bearing Current Liabilities (NIBCLs) equals Invested Capital; **.....** Invested Capital (ROIC) equals Earnings before Interest and Taxes (EBIT) divided by Invested Capital.

(a) Rate of (b) Reinvestment of (c) Restriction on (d) Return on

Q3 The Recording Industry Association of Canada has announced that another 32 individuals have settled copyright **.....** suits initiated by the music industry; each of them was charged with illegally downloading over one thousand songs through peer-to-peer networks.

(a) detriment (b) encroachment (c) impingement (d) infringement

Q4 With a rise in prevailing interest rates, new bonds generally offer higher yields to keep pace, so pre-existing bonds with lower **.....** rates are now less competitive; on the other hand, when interest rates drop, a pre-existing bond's rate becomes more appealing, driving the price higher.

(a) accrual (b) coupon (c) payback (d) voucher

Q5 I regularly get hard-sell emails from debt **.....** organizations offering me low-interest balance-transfer deals for credit card debt or promising they'll give me lower interest rates, reduce my monthly payments — and all I need to do is make 'a single easy payment'.

(a) combination (b) consolidation (c) corporation (d) correlation

Q6 The Federal **.....** Bank of New York is one of twelve regional banks; the 'Fed', as this system is often called, is an independent government entity created in 1913 by the US Congress for the purpose of serving as the central bank of the USA.

(a) Depository (b) Finance (c) Land (d) Reserve

Q7 His aim is to become the most well-connected **.....** in Japan, an insider in a system in which insider status counts for everything, and Collinson, the CEO of Cripplecreek Holdings LLC, has gambled nearly US$3.0 billion of his investors' money that his constant networking will pay off.

(a) daimyo (b) gaijin (c) ninja (d) samurai

Q8 After the company fixes the record date, the National Association of Securities Dealers or the stock exchanges set the **.....**-dividend date, which is normally 2 business days before the record date.

(a) ex (b) inter (c) pre (d) re

Q9 At the request of the applicant, a **.....** quotation may be provided in writing for a specific private works job and must be accepted in writing prior to the job commencement; quotations shall be valid for 60 days, after which time an updated quotation will be provided on request.

(a) firm (b) fixed (c) flat (d) full

Q10 An investor can own shares of common stock either directly in her name, including shares acquired through demutualization, in which case she is the holder **.....**, or indirectly through a bank, broker or other nominee.

(a) de rigueur (b) in earnest (c) of record (d) sensu strictu

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Emerging Markets

Q1 September events increased uncertainty and investor risk **.....** when there were serious concerns about emerging market basics, a global slowdown, and the potential for credit events in specific emerging markets.

(a) aversion (b) conversion (c) diversion (d) reversion

Q2 In the September 11 **.....**, the average country returns in debt markets rose in a general sell-off to levels last appearing during the Brazilian devaluation, but it has since decreased.

(a) aftereffect (b) afterglow (c) aftermath (d) afterthought

Q3 Against a **.....** of global slowdown, the quality of credit continued weakening, and the average credit quality in the emerging debt markets retreated to its post-Russian-crisis low.

(a) backdrop (b) profile (c) silhouette (d) vista

Q4 Although we had spillovers from countries where credit concerns grew, this was contained within specific emerging markets, and generally financing **.....** up reasonably well during this quarter.

(a) bound (b) faced (c) held (d) shored

Q5 The measures of broad spillover or **.....** across emerging markets during the turmoil in June kept considerably under the levels seen in other historical instances of stress.

(a) combustion (b) commutation (c) confusion (d) contagion

Q6 The near record **.....** in June bond issues helped raise the quarterly volume to its highest level since the boom after Y2K.

(a) spike (b) spin (c) spine (d) spoke

Q7 Increased expectation of a US economic slowdown, decreased potential for media and technology sectors, and deterioration of credit markets took their **.....** on emerging markets in the third quarter of the year.

(a) time (b) toll (c) trade (d) trust

Q8 In spite of the nearly total drying **.....** of bond issuance, fund raising on international markets maintained itself rather well, aided by a strong loan market and a surge in placements from China.

(a) off (b) out (c) up (d) (none)

Q9 Shifting expectations of the relative probability of a 'hard' as against a 'soft' **.....** scenario for the US economy are liable to maintain volatile markets.

(a) fielding (b) grounding (c) landing (d) standing

Q10 As the conditions in equity and bond markets are still choppy, those issuers will continue to exploit **.....** of opportunity, while the loan market is expected to remain supportive.

(a) chances (b) crosswords (c) targets (d) windows

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Public International Law

Q1 Investment and trade that **.....** national boundaries are frequently influenced by public international law issues dealing with the relations among independent states.

(a) transcend (b) transfer (c) transfix (d) transform

Q2 When these issues involve conflict between a sovereign state and a private party, the latter could face substantial obstacles to **.....** its rights and defending its interests.

(a) validating (b) verifying (c) vindicating (d) vouchsafing

Q3 Since 1958, Sillitoe & Smith have been advisors to the Rule of Law Committee, a committee of legal representatives of American multinationals with an interest in monitoring, answering and **.....** the important issues of public international law.

(a) sealing (b) shaping (c) shoring (d) stalling

Q4 Sillitoe has been working **.....** to cause national governments to be more responsive to the rule of law and to devise better legal protection for parties operating internationally.

(a) sententiously (b) severely (c) strenuously (d) strictly

Q5 A major concentration of Sillitoe's law practice and a central concern of the RLC has been international claims, specifically those that have arisen from the **.....** of private property by a sovereign state.

(a) apprehension (b) expropriation (c) preemption (d) usurpation

Q6 Sillitoe worked with the American State Department to ensure that claims arisen from the Gulf War were handled without **.....** procedural delay and that funds to pay these claims became available.

(a) unbecoming (b) undue (c) untoward (d) untried

Q7 Such issues are some of the essential elements for maintaining the viability and **.....** of the procedures for international claims.

(a) diversity (b) integrity (c) malleability (d) rigidity

Q8 For cases in which a tribunal has been set up to **.....** an international claim, Sillitoe & Smith have often represented claimants in the processes of preparation, filing, and litigation of their claims.

(a) adjudicate (b) adjust (c) justify (d) prejudice

Q9 Sillitoe has also filed **.....** briefs before the United States Supreme Court and advocated and explained the limitations of international law upon the international assertion of American employment law.

(a) amicus (b) curia (c) regis (d) rescript

Q10 Sillitoe & Smith also have extensive institutional knowledge concerning and experience with the UN Convention on the Law of the Sea, which governs situations involving the sea floor and the **.....** seas.

(a) high (b) open (c) over (d) seven

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Textualism

Q1 It has **.....** been stated by the US Supreme Court that treaties adopted under the Constitution's Article II are not acts of legislation but instead contracts between nations.

(a) all along (b) long (c) longer (d) no longer

Q2 This analogy with a contract was recently **.....** by both dissent and the majority in National Airways v. Aladdin.

(a) convoked (b) invoked (c) provoked (d) revoked

Q3 However, more and more the treaty jurisprudence of the Supreme Court has **.....** the mark of 'new textualism'.

(a) borne (b) drawn (c) hit (d) ridden

Q4 Justice Powell has strongly argued that rule of law and separation of powers make it necessary that the Supreme Court limit its inquiry in cases of treaty interpretation to the four **.....** of the agreement.

(a) corners (b) edges (c) pages (d) sides

Q5 The Supreme Court as a group has not agreed with all aspects of Powell's argument — such as her **.....** to using materials from ratification debates in the Senate — but textualism is becoming a big influence in the interpretation of treaties.

(a) admission (b) aspersion (c) assertion (d) aversion

Q6 A contract has validity only **.....** as there has been mutual agreement by the contracting parties to a shared proposition.

(a) howbeit (b) inasmuch (c) insofar (d) notwithstanding

Q7 An interpreter in a contractual disagreement mostly concentrates on how the two parties understand the contract's terms, but the interpreter of statutes who uses a textualist methodology concentrates on the meanings that neutral third parties **.....** to the terms.

(a) ascribe (b) describe (c) inscribe (d) prescribe

Q8 Between this pair of contending principles in the interpretation of treaties, the contract analogy is the one that should prevail **.....**.

(a) against (b) through (c) upon (d) (none)

Q9 The greatest justifications for textualism in interpretation of statutes — more legislative accountability and **.....** to Article II, Section 6 of the lawmaking process — cannot be extended to the context of treaties.

(a) abeyance (b) adherence (c) allegiance (d) assurance

Q10 Foreign affairs disputes are composing an increasing share of the Supreme Court's **.....** and US treaty commitments are proliferating, yet it is shocking how unstudied the field of treaty interpretation remains.

(a) blotter (b) coffer (c) docket (d) ticket

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Technical Regulations and Standards

Q1 Technical regulations and technical standards acting as non-tariff trade barriers are increasing dangers that developing countries must take seriously, because they can **.....** on economic efficiency and considerably restrain trade growth.

(a) impact (b) import (c) impress (d) improve

Q2 There is an increasing awareness of the potential **.....** to trade presented by differences in national technical regulations and standards, and a lack of awareness of the effect that choice of standards might have.

(a) deference (b) deflection (c) deterioration (d) deterrence

Q3 As to most of the regulations and standards which are not yet in accord internationally, the optimal choice for developing countries is to adopt those already used by their major trading partners instead of elaborating their own **.....** standards.

(a) indigenous (b) indigent (c) ingenious (d) ingenuous

Q4 Developing countries should act more forcefully in this arena: a more active and **.....** participation in the international standardizing bodies would ensure that new adoptions more closely reflect their needs.

(a) concentrated (b) concentric (c) concerted (d) concrete

Q5 If private sector firms participated more actively in the standardization process in the case of voluntary or non-mandatory standards, it would probably ensure that this happens de **.....**.

(a) facto (b) haut (c) jure (d) novo

Q6 Compliance with a requirement to create a national viewpoint would encourage officials of developing countries to put into **.....** a system of national standards information gathering which would benefit both local and foreign producers and exporters.

(a) activity (b) control (c) government (d) practice

Q7 Collecting and systematizing this information would also **.....** countries to become more aware of the choices regarding standards development which they make and impose on their private sector.

(a) demand (b) elicit (c) oblige (d) propel

Q8 In terms of trade facilitation and liberalization, developing countries should **.....** actively for more liberalization in the two major regional integration initiatives, the FTAA and APEC.

(a) plump (b) push (c) shove (d) stump

Q9 This is because two major experiments in regional integration, NAFTA and the EU, have shown results that go much further in requiring **.....** or harmonization of national standards and technical regulations.

(a) communion (b) compaction (c) convergence (d) conveyance

Q10 In general, regional approaches to removing technical trade barriers have contributed to liberalization within the region and also **.....** third countries.

(a) versus (b) via (c) videlicet (d) vis-a-vis

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Financial Supply Chain Management

Q1 Many CFOs are not yet convinced that the returns forecasted from Financial Supply Chain Management are **.....** with the investment needed in terms of both the senior management effort and the capital required.

(a) coincident (b) commensurate (c) comparable (d) conditional

Q2 The present **.....** is not so much about the absolute savings potential but about the time frames for payback and the need to depend on key stakeholders both inside and outside the organization.

(a) cynicism (b) sarcasm (c) scepticism (d) solecism

Q3 Many multinational corporations respond that FSCM is certainly on their **.....**, but they just don't have any spare resources because of their other business priorities in 2008.

(a) blotter (b) journey (c) radar (d) target

Q4 The timing is critical, especially for the procurement people, who want these schemes in **.....** place before the time comes to renegotiate contracts with their suppliers.

(a) its (b) some (c) their (d) (none)

Q5 And for financial institutions, it has been **.....** battle to enlighten the stakeholders in the client company and convince them to commit money and manpower to its implementation.

(a) a cross-town (b) a down-the-road (c) an underground (d) an up-hill

Q6 Nevertheless, financial institutions continue to work hard to get FSCM onto next year's **.....** list of key initiatives for improving business performance.

(a) A- (b) check (c) red (d) short

Q7 The important concern now is how to convince the information **.....** in procurement, IT, finance and operations to function more effectively together.

(a) sheds (b) sheets (c) silos (d) stocks

Q8 After this has been accomplished, the next **.....** is their supply-chain partners.

(a) clog (b) hurdle (c) snag (d) treadle

Q9 In times **.....**, with relationships guided by letters of credit, a company's suppliers could rely on an established practice to help obtain additional bank funding.

(a) before now (b) gone by (c) long ago (d) of the past

Q10 One modern approach is that the buyers work with their banking partners to decrease the cost of finance for their suppliers; they see these reductions as a **.....** to suppliers for extending the terms of payment.

(a) softener (b) souvenir (c) stickler (d) sweetener

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Distribution Compliance Period

Q1 A one-year distribution compliance period is imposed on Regulation S shares, restricting them from being traded with US citizens on US markets, following the **.....** date of the security.

(a) compliance (b) interest (c) issue (d) term

Q2 In Germany, residents near nuclear installations have been given the right to **.....** against them; this precedent requires courts to hear and rule on complaints about authorities not having carefully considered measures for protection.

(a) demonstrate (b) instigate (c) litigate (d) mandate

Q3 An investor who buys a put and an equivalent number of shares of the underlying stock at the same time is creating a '**.....** put' position, which is a hedging strategy whose name derives from an old ruling by the Internal Revenue Service.

(a) joint (b) married (c) separated (d) spousal

Q4 To determine the arithmetic **.....**, the most common type of average, of a set of n numbers, add up all the numbers in the set and then divide their sum by n.

(a) mean (b) median (c) metric (d) mode

Q5 **.....** life insurance policy is one that pays no dividends, so its policyholders don't share in the interest, dividends, or capital gains that are earned on premiums paid by the insurer.

(a) An inactive (b) A nonparticipating (c) A nonprofit (d) An unremitting

Q6 For tax purposes, capital gains income can be offset only with capital losses, while **.....** income can be offset only with standard tax deductions.

(a) annual (b) operation (c) ordinary (d) standard

Q7 For consideration received, the Assignor herewith sells, assigns and transfers unto the Assignee the entire right, title and interest in, to and under each Letter Patent, and the Assignor agrees to execute all papers desired by the Assignee for **.....** title of the patents herewith assigned.

(a) clarifying (b) completing (c) perfecting (d) preparing

Q8 A **.....** maturity is usually a later one within a serial issue of bonds and which contains a disproportionately greater percent of the original issue's principal amount.

(a) backburner (b) balloon (c) block (d) bulge

Q9 **.....** title means that there is no artisan or tax lien, security agreement, unreleased chattel mortgage or other similar document on record against the aircraft; you may search the records yourself or have this done for you by a title search firm or lawyer.

(a) Clean (b) Clear (c) Fair (d) Firm

Q10 A sinking fund for the purpose of redeeming preferred shares should be created when they are issued; this should be done by transferring free surplus to a **.....** surplus account, which shall be unavailable for dividends.

(a) constrained (b) dedicated (c) limited (d) restricted

A Mosaic of Information

Q1 **.....** analysts assemble a mosaic of information in order to come up with investment theses; they provide a valuable service in reaching material conclusions by sifting through information and extracting the bits that may be insignificant to ordinary investors.

(a) Securities (b) Stock (c) Trading (d) Transaction

Q2 **.....** purchase programs let investors buy shares without a broker intervening; companies have discovered that these investors are a stabler shareholder base, less likely to participate in day trading.

(a) Direct (b) Immediate (c) Private (d) Straight

Q3 **.....** depreciation is just as it infers: the same amount is deducted each year, so if you are depreciating a $10,000 piece of equipment over 5 years, you would deduct $2000 a year.

(a) Regular-rate (b) Running-balance (c) Set-amount (d) Straight-line

Q4 Unscrupulous mortgage lenders often lure home buyers with **.....** rates without explaining their actual contract rate, which is buried in the paperwork, and the greater the spread between these rates, the bigger the chances of contract shock for unsuspecting homeowners.

(a) teaser (b) tempter (c) tickler (d) trapper

Q5 **.....** board is the delivery dates on futures contracts established by the Chicago Board of Trade.

(a) Above (b) Across (c) First (d) Front

Q6 **.....** of premium is a way of insuring the monthly premiums on your life insurance; if you become unable to work because of ill health, payments are made for you until you can return to work, up to a specified age or until the end of the term of your policy.

(a) Assurance (b) Coverage (c) Guarantee (d) Waiver

Q7 In 1971, the American Municipal Bond **.....** Corporation was created to insure against default the principal and interest of municipal bonds; the first issue it insured was a general obligation bond for construction of a medical facility in Alaska.

(a) Assurance (b) Security (c) Underwriting (d) Warranty

Q8 A **.....** Education Savings Account is a custodial account or trust organized or created in the US for the sole purpose of paying qualified education expenses for its designated beneficiary; monies deposited in this account grow tax free until distributed, but contributions to it are not deductible.

(a) Camberwell (b) Coverdell (c) Greenfell (d) Grinnell

Q9 The Federal **.....** Board took action on the 17th of August to permit banks to line up at the Fed window and turn in sub-prime mortgages at full face value in return for 100% Fed cash, and several hundred billion dollars in dodgy assets were turned over.

(a) Economic (b) Fianance (c) Loan (d) Reserve

Q10 **.....** Tax can be payable on an estate when a person dies or when assets are transferred to a company or into a discretionary trust, but for most estates no IHT will be payable because they are within the nil rate range.

(a) Independent Holder (b) Inheritance (c) In-house (d) Interim Home

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Canadian Retirement Planning

Q1 One of the most common Canadian investment structures is **.....**, which isn't a normal investment, but an account allowing an individual to save money for retirement while lowering the income tax.

(a) a PPRS (b) a PRPS (c) an RPPS (d) an RRSP

Q2 According to the Tax **.....** Act of 1993, organization dues that are spent to lobby State and Federal governments are nondeductible for income tax purposes, and the portion so used must be disclosed to members on their dues invoice.

(a) Reduction (b) Reform (c) Relief (d) Revision

Q3 The owner or individual shall pay an annual state ad **.....** tax of twenty-nine and one-half cents ($0.295) for each one hundred dollars ($100) of value for all real property assessed for taxation.

(a) eundem (b) hominem (c) libitum (d) valorem

Q4 A bank acting as a mutual fund **.....** is required by the Securities and Exchange Commission to keep mutual fund portfolio securities separate from its other bank assets.

(a) caretaker (b) conservator (c) contractor (d) custodian

Q5 **.....** paper, which has three Moody's Investor's Service ratings, P-1 through P-3, is the highest quality commercial paper.

(a) Premier (b) Premium (c) Prime (d) Priority

Q6 In 1909, the 16th amendment to the US Constitution was sent out to all the state legislatures after having been passed by the US Congress; it was necessary for three-quarters of them to approve it in order for it to be **.....**.

(a) legalized (b) legitimated (c) ratified (d) regulated

Q7 Bottom **.....** Bill Dunmark and Jim Laxter, who invest in financially troubled companies through their $500 million Silver Fund, have been refinancing or closing deals to invest almost $300 million in various businesses wobbling under accumulated 1980s debt.

(a) draggers (b) fishers (c) outers (d) sitters

Q8 Capital **.....** comes from long term liabilities and ordinary shareholders; it is the effective amount of money actually being used for business, irrespective of whether it comes from the owners, creditors or banks.

(a) Activated (b) Employed (c) Involved (d) Utilized

Q9 The most reliable source of economic analysis available is the Asian Image **.....** forecast; this publication gives you the essence of research by leading economists from financial institutions such as J.P. Morgan, Goldman Sachs, Citigroup and Deutsche Bank.

(a) combined (b) comprehensive (c) concurrence (d) consensus

Q10 The coupon rate does not change over time, but the coupon **.....** changes and reflects the return the coupon represents based on current market prices for the bond.

(a) accrual (b) equivalent (c) value (d) yield

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Financing Your Business

Q1 With equity financing, your investors may disagree with you on decisions, making it best to sell out and let them have the business; but if you believe in your business idea and don't want to sell out, you should look into **.....** financing and retain control over the direction of your venture.

(a) capital (b) debt (c) private (d) share

Q2 **.....** bonds are securities provided to developers by contractors; they consist of undertakings by insurance companies or banks to pay the employers if the contractors default under their contracts.

(a) Performance (b) Promissory (c) Security (d) Surety

Q3 Avoid becoming an investment sheep by tracking the movements of the **.....** money: it is the first to arrive at investment parties when the cover charge is low, and it always buys low and sells high mostly to the sheep, who trade on others' suggestions and on emotion.

(a) fast (b) front (c) smart (d) swift

Q4 As a bankrupt, all of one's liabilities and assets are placed in one's bankruptcy estate, which is managed by the trustee **.....** bankruptcy, who organizes the selling of the assets and paying of the creditors.

(a) for (b) in (c) of (d) under

Q5 A restrictive **.....** is a contractual clause that proscribes an ex-employee's competition with his ex-employer or prohibits the ex-employee from taking customers away with him by using information acquired during employment.

(a) abstention (b) covenant (c) restraint (d) rider

Q6 To find out which stock and cash dividends you will get when you buy a stock, you should look at two important dates, the date of record and the **.....**-dividend date.

(a) ex (b) off (c) post (d) pro

Q7 The farther in-the-money or out-of-the-money an option goes, the smaller **.....** is.

(a) beta (b) gamma (c) delta (d) theta

Q8 Big companies often gobble up other companies, intending to blend these acquisitions into their own operations, but **.....** companies keep the companies that they buy more separate.

(a) holding (b) subsidiary (c) trust (d) venture

Q9 Classifying forest industry companies as **.....** industry egregiously understates the technological advances in the industry; paper manufacturing is now incredibly high tech, with production guided from monitors located in comfortable control rooms.

(a) blackface (b) blue collar (c) smokestack (d) soiled shirt

Q10 **.....** deductions let you convert otherwise taxable income into non-taxable income (usually up to 2% of your adjusted gross income) if you spend some of your money on tax-privileged items such as local and state taxes, health care, charitable donations, and mortgage interest.

(a) Approved (b) Itemized (c) Reimbursed (d) Untaxed

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Unitholders

Q1 In **.....** limited partnerships, investors buy units instead of shares and are consequently referred to as unitholders; there are two classes of owners — limited partners and general partners.

(a) comprehensive (b) corporate (c) master (d) mutual

Q2 If they increase, bank **.....** assets can potentially trigger significant credit losses; they create a serious drag on margin and the bottom line, and they must be financed with equity, borrowings, or bank deposits.

(a) non-performing (b) non-prime (c) under-financed (d) under-priced

Q3 Certain dispositions are not exchanges or sales, but the Internal Revenue Code includes provisions that deem them exchanges or sales so as to prevent the taxpayer from claiming an **.....** loss on a transaction that should more appropriately be considered a capital loss.

(a) offsetting (b) ongoing (c) operational (d) ordinary

Q4 Mortgages have **.....**-on-sale clauses because lenders need to know who they're lending money to and when the loan will be paid off; they don't want to lend one guy money for a house then find that another guy with lower income or equity or bad credit now has the house.

(a) clear (b) due (c) pay (d) settle

Q5 The **.....** rate, which tracks rather closely with other short-term interest rates like the rate for overnight federal funds, is a base or reference rate which financial institutions utilize in setting interest rates for some consumer loans and most commercial loans.

(a) bank (b) lend (c) prime (d) set

Q6 Dogpatch emphasizes yield and lack of risk in its investment policy and allows short term investment only in high quality commercial paper bearing the highest rating by at least one nationally recognized rating **.....**.

(a) service (b) system (c) table (d) title

Q7 In the first quarter of 2006, the US Treasury held its first auction since 2001 for its 30-year or '**.....**' bond; this bond is favored by investors because they can lock in a safe, enduring interest rate for their portfolio.

(a) long (b) Methuselah (c) Rip van Winkle (d) sleeper

Q8 The Bank of Japan provides the markets with securities **.....** of Japanese government securities held by the Bank as a temporary and secondary source, because liquidity may decline when participants have difficulty obtaining specific issues or face uncertainty over availability.

(a) buying (b) holding (c) lending (d) selling

Q9 The mutual fund **.....**, seen on the internet at any broker's website or at Bigcharts.com, for the Rydex Family of funds is RYURX and for the DAL Family of funds is FUNDX.

(a) crest (b) logo (c) mark (d) symbol

Q10 Annuitants or employees covered under the Group Life Insurance program are eligible for **.....** benefits if they have been diagnosed as terminally ill with a life expectancy of less than 9 months and have not assigned their insurance.

(a) early (b) living (c) premature (d) remainder

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The Foreign Corrupt Practices Act

Q1 During and after the Securities and Exchange Commission investigation in the1970s, more than 400 US companies admitted to illegal or **.....** payments in excess of US$200 million to foreign political parties, politicians and officials.

(a) inhibited (b) unanswerable (c) unsolicited (d) questionable

Q2 These payments ran the gamut from 'facilitating' payments to ensure government officials **.....** certain duties to bribery to secure some favorable action by foreign governments.

(a) discarded (b) discharged (c) disdained (d) displayed

Q3 The US Congress enacted the Foreign Corrupt Practices Act in order to **.....** a halt to bribing foreign functionaries and restore public confidence in the honesty of the US system of business.

(a) bring (b) call (c) grind (d) stage

Q4 A number of companies that bribed foreign officials received large fines, along with suspension and **.....** from US government procurement contracting, while some employees and executives went to prison.

(a) debarment (b) debasement (c) disbarment (d) disbursement

Q5 After passage of the Act, Congress was worried that US firms were now at a disadvantage to foreign firms, who **.....** used bribery and were actually permitted in some countries to use the cost of such payments as business expense deductions on their tax returns.

(a) carelessly (b) mundanely (c) routinely (d) unfeelingly

Q6 From 1999, the anti-bribery provisions of the Act have also applied to foreign individuals and companies who take any action in **.....** of such corrupt payments while in the USA.

(a) evidence (b) furtherance (c) reference (d) substance

Q7 The Act's accounting provisions, designed to operate in **.....** with its anti-bribery provisions, require companies to keep records that accurately reflect their transactions and to maintain adequate internal controls.

(a) league (b) sequence (c) tandem (d) union

Q8 Regarding the basic prohibition against bribery, several elements must be met in order for the act to **.....** a violation of the Foreign Corrupt Practices Act.

(a) compile (b) complete (c) constitute (d) construe

Q9 Persons and corporations can also be penalized if they authorize, order or assist anyone else to violate the anti-bribery provisions of the FCPA or if they **.....** to violate them.

(a) aspire (b) assent (c) conspire (d) consent

Q10 It is illegal to pay a third party while knowing that some or all of that payment will go directly or indirectly to a foreign official: the Act forbids corrupt payment through **.....**.

(a) amanuenses (b) corollaries (c) emissaries (d) intermediaries

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The ICCUCPDC

Q1 The International Chamber of Commerce Uniform Customs and Practice for Documentary Credits **.....** all letters of credit for international transactions.

(a) governs (b) issues (c) monitors (d) reviews

Q2 The general definitions and provisions of the ICCUCPDC are **.....** on all parties.

(a) binding (b) constricting (c) demanding (d) limiting

Q3 A commercial letter of credit is a contractual agreement between an issuing bank, on behalf of its customer, **.....** a confirming or advising bank to pay a beneficiary.

(a) authorizing (b) certifying (c) requiring (d) validating

Q4 At the request of its customer, the issuing bank **.....** the letter of credit.

(a) clears (b) opens (c) releases (d) sends

Q5 With this, the issuing bank is making a commitment to **.....** all drawings made under the letter.

(a) esteem (b) favor (c) honor (d) respect

Q6 In essence, the issuing bank is replacing its customer as the **.....**.

(a) buyer (b) client (c) debtor (d) payee

Q7 A letter of credit is a separate and **.....** transaction from the contract that it is based on.

(a) discreet (b) discrete (c) distinct (d) distinctive

Q8 All parties **.....** in documents and not in goods; the issuing bank is not liable for performance of the underlying contract between the customer and beneficiary.

(a) deal (b) negotiate (c) share (d) transact

Q9 The beneficiary, when requesting payment, **.....** that it has complied with all conditions of the agreement.

(a) assures (b) ensures (c) waives (d) warrants

Q10 The bank must pay the seller if the latter **.....** to the letter of credit.

(a) accommodates (b) accords (c) complies (d) conforms

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A Strategic Alliance

Q1 Since the announcement of their strategic alliance, the two businesses are **.....** plans to show how their partnership can create new ways for financial institutions to conduct business and engage their customers.

(a) articulating (b) digesting (c) enunciating (d) pronouncing

Q2 Lenders and banks around the world are facing increasingly **.....** markets, so they are realizing that future gains may depend on their ability to expand the potential and value of their existing customer base.

(a) activated (b) concentrated (c) enervated (d) penetrated

Q3 "We can put financial institutions on the fast track to new levels of profitability and performance by **.....** our world-class business consultancy with our unique customer insight and predictive technologies," said their vice-president, Akio Shibata.

(a) ameliorating (b) augmenting (c) segmenting (d) separating

Q4 Their spokesman explained how this partnership can provide full **.....** partnering opportunities across many decision-making processes, from joint service offerings and integrated implementation to complete outsourcing.

(a) barrel (b) bodied (c) scale (d) spectrum

Q5 He said, "This partnership is about NEC **.....** our solutions by spreading Yamashita decision technology to all facets of customer management, engagement and influence."

(a) embedding (b) embellishing (c) embracing (d) embroidering

Q6 Financial institutions will be able to **.....** Yamashita technology in new ways because of NEC's solid relationship with its customers' enterprises.

(a) average (b) image (c) leverage (d) salvage

Q7 As a result of this relationship, NEC customers will enjoy improvement in long running analytics performance via **.....** enablement of key applications.

(a) chart (b) grid (c) matrix (d) table

Q8 "NEC can rapidly carry us into geographies that we have not traditionally served and demonstrate to those financial institutions the value that can be **.....** from Yamashita's having touched so many transactions in the markets."

(a) excised (b) extracted (c) realized (d) retracted

Q9 "NEC offers the **.....** of consulting that can help institutions take much greater advantage of Yamashita technology," Shibata said.

(a) caliber (b) character (c) fabric (d) facade

Q10 Citing an example, Shibata said that the partners are currently working to **.....** fraud detection systems with ATM networks.

(a) align (b) arraign (c) arrange (d) assign

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The Physical Supply Chain

Q1 The reduction of uncertainty in the physical supply chain requires cooperation between trading partners; this uncertainty is reduced **.....** but requires adequate investment from both of the partners.

(a) incidentally (b) incrementally (c) indelibly (d) irrevocably

Q2 During the initial development of integrated supply chains, the more powerful of the partners **.....** their requirements.

(a) decided (b) demanded (c) dictated (d) directed

Q3 With, for example, **.....** system, timely delivery of components lowered the working capital needed by a powerful customer, while the supplier had to investment heavily to adapt their system.

(a) a just-in-time (b) an on-demand (c) an on-the-money (d) a quick-reponse

Q4 The system is uncertain for the supplier because the payment receipt date is unknown, yet powerful customers are **.....** to invest in providing a more certain system because it is the supplier that receives the benefit.

(a) averse (b) avoiding (c) recalcitrant (d) reluctant

Q5 Instead of cooperating in the removal of costs from their supply chain, the customer's finance functions may take **.....** approach: payments may be delayed in order to match cash flows or operational processes.

(a) an altruistic (b) an opportunistic (c) an optimistic (d) a simplistic

Q6 A smaller supplier may also **.....** higher charges for foreign exchange transactions and cash management services.

(a) employ (b) endure (c) impute (d) incur

Q7 With regard to the financial supply chain, it has been proving problematic to implement a sure system for invoice input and **.....** of payment orders.

(a) alleviation (b) assignation (c) generation (d) gestation

Q8 However, in the long run, the process of **.....** improvements in the supply chain demands close cooperation.

(a) imminent (b) imperative (c) iterative (d) itinerant

Q9 Instead of apportioning savings to each partner for every investment, the focus is shifted to a more general form of **.....**.

(a) reciprocation (b) recombination (c) restitution (d) retribution

Q10 The thrust of the trading relationship can then shift from competition between partners and focus instead upon cooperation within the supply chain and **.....** competition between chains.

(a) advantageous (b) adventitious (c) adventurous (d) adversarial

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Foreign Currency Risk Management

Q1 With regard to volatility in foreign currencies, corporate finance people are faced today with having to manage risk on a constantly changing playing field which is **.....** with challenges.

(a) flung (b) fraught (c) wrought (d) wrung

Q2 Within a regulatory environment recently upset by a **.....** of financial scandals, the rules of the FX game are now staggeringly complicated, with an increased burden of compliance on financial accounting and reporting departments.

(a) space (b) span (c) spasm (d) spate

Q3 This has led to a host of issues regarding operations within most multinational companies, transforming FX risk from what was once considered a departmental concern into a **.....** risk to the whole enterprise.

(a) bona fide (b) bonis avibus (c) cui bono (d) summum bonum

Q4 This focus on reporting and compliance translates into a shift of resources away from treasury, the traditional **.....** for management of corporate risk, and into the controller's office.

(a) regime (b) reservoir (c) stalwart (d) steward

Q5 Withdraw those resources and add in the demands on treasurers of a seemingly **.....** corporate appetite for growth through mergers and acquisitions, and we can see why employee turnover in treasury is reaching unprecedented rates.

(a) insatiable (b) inscrutable (c) insensible (d) insoluble

Q6 **.....** as a whole, the stress to which the staff, systems and processes that corporations rely on to protect corporate value from FX volatility are subjected amounts to a perfect storm.

(a) Given (b) Measured (c) Settled (d) Taken

Q7 From one viewpoint, currency fluctuation risk is a relatively easy risk to handle: exchange-traded options and forward contracts can lock in exchange rates and protect cash flow and financial statements from the effects of currency **.....**.

(a) slumps (b) surges (c) swaps (d) swings

Q8 There are fundamental problems with the underlying transaction data used by organizations to calculate and manage FX exposure, and one contributor to these data problems is manual accounting processes which lead to persistent, **.....** errors.

(a) sympathetic (b) symptomatic (c) systematic (d) systemic

Q9 Frequently, such problems show up in regional offices, where a foreign currency transaction is converted on the **.....** and entered into the general ledger in the local currency instead of the transaction currency.

(a) bound (b) fly (c) ground (d) sly

Q10 Solving the problem will require more rigorous training to ensure adherence to proper accounting procedures and a clear understanding of the impact of **.....** practices.

(a) flagrant (b) flawed (c) fragile (d) fragmented

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Banker's Acceptances

Q1 Banker's acceptances, bills of exchange and unsecured notes are the major types of **.....** paper.

(a) safe (b) short (c) simple (d) straight

Q2 One key question when choosing and implementing any stock selection model is how long excess returns are produced; identifying a model's optimal **.....** period or longevity helps reduce portfolio turnover and maximize returns.

(a) banking (b) carrying (c) holding (d) retaining

Q3 In order to take advantage of the pain being suffered on Wall Street, Castle Investments is adding 1.2 billion dollars to the **.....** it has already amassed; the extra cash will be added to its 2.2 billion dollar 'credit opportunities' fund for investment in distressed assets.

(a) grubstake (b) nest egg (c) stockpile (d) war chest

Q4 Just as with forecasting the weather, **.....** analysis doesn't produce absolute predictions of future trends in the market, but it can help investors in anticipating what is likely to happen to prices, especially over the short term.

(a) forward (b) insight (c) linear (d) technical

Q5 The **.....** option exhibits the same cash flow potential as its international counterparts with the same underlying strike price and date of expiry, but one advantage is that the investor can choose when to exercise his option if he suddenly needs to unload the security.

(a) adjustable (b) American (c) convertible (d) Wall Street

Q6 **.....** stands out as one of the most remarkable 20th century financial events because of its suddenness, the unprecedented extent by which world markets fell — 23 percent — and its total lack of explanation.

(a) Black Friday (b) Black Tuesday (c) The Crash of 1987 (d) The October Bubble

Q7 The Federal Reserve **.....** rate is the interest rate received by commercial banks and other depository institutions on loans from the regional FRB's lending facility; the rates are the same across all Reserve Banks with the exception of days around a rate change.

(a) agency (b) discount (c) funds (d) internal

Q8 Many couples now open a **.....** bank account while keeping their separate accounts: they each pay a specified amount into the former, using this to pay household expenses, while they retain their own financial independence and avoid the use of money as power in the relationship.

(a) checking (b) joint (c) mutual (d) savings

Q9 The firm invested funds in repurchase agreements (short-term obligations secured by government obligations) and **.....** notes (unsecured obligations) issued by banks; both represent money on deposit or accounts receivable contracted in the course of business.

(a) counter (b) debit (c) master (d) prime

Q10 **.....** investment trust specifically invests in properties producing income and then passes the profits on to its investors as dividends; indeed, it must distribute at least 90% of its profits in order to qualify for preferential tax treatment.

(a) A mutual (b) An active (c) A real estate (d) A venture capital

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Non-monetary Services

Q1 Venture capitalists are often willing to provide non-monetary '**.....**' services to young businesses which they wish to grow, helping gather the management team and prepare the company for its initial public offering, for example.

(a) addenda (b) add-on (c) booster (d) bootstrap

Q2 **.....** analysis is a useful tool for making comparisons between other businesses in your industry and your own; for instance, it can indicate whether your business is collecting receivables too slowly or holding too much inventory.

(a) Percentage (b) Proportional (c) Ratio (d) Relative

Q3 Reliable Resources announced that it has closed **.....** deal financing of 3.9 million of its common shares at $11 per share; the underwriters have an option to buy up to 600,000 more shares at the same price to cover over-allotments and for market stabilization purposes.

(a) a bought (b) an end (c) an internal (d) a straight

Q4 Capital stock consists of buildings, equipment and intermediate goods not directly consumed and, combined with labor, it produces a flow that yields all the goods and services produced in the economy; 'capital **.....**' is simply the enlargement of this capital stock.

(a) aggregation (b) creation (c) formation (d) injection

Q5 **.....** is the momentum which sometimes results from rapid business activity increases, and with securities, it is the process by which the exercise of stop orders in an advancing or declining market causes increased upward or downward pressure on prices.

(a) Mainlining (b) Railroading (c) Snowballing (d) Topspinning

Q6 In finance, **.....**, a statistical measure of the correlation in variations in two different quantities, is used to evaluate the annual return rates for different investments and measure the correlation of the changes in their performance from year to year.

(a) covariance (b) least squares (c) standard deviation (d) the t-test

Q7 MacLennon Group Ltd accesses international debt markets via its USD 20 billion World Debt Program, a comprehensive borrowing program that involves issuing a variety of **.....** in a range of markets.

(a) implements (b) instruments (c) options (d) terms

Q8 **.....** deed is a deed which promises the buyer that the seller holds clear, unencumbered title to the property.

(a) An escrow (b) A quitclaim (c) A trust (d) A warranty

Q9 Some dealers in US securities use made-up or dummy **.....** numbers on the first trading day or until they can update their systems with the actual numbers, but this is a poor solution because many dealers cannot submit prices using them.

(a) CINS (b) CRSP (c) CSB (d) CUSIP

Q10 This bond's issuer normally asks an independent attorney to give an opinion about the terms, call provisions, its taxing authority limitations, the propriety of the physical certificate, etc, but not all munis are issued with this opinion, and these are designated as **.....**.

(a) ex-legal (b) pro forma (c) subprime (d) unwarranted

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Manipulative Practices

Q1 **.....** in the stops is a manipulative practice in which a trader sells a large number of a stock in order to bring down its price to a level where stop orders exist; these are then activated, touching off other stop orders, and the process snowballs.

(a) Calling (b) Dragging (c) Gathering (d) Hauling

Q2 Legally, a settlor is one who settles property for the benefit of a beneficiary; in legal systems, a settlor can also be referred to as a grantor, a **.....**, or a donor.

(a) bestower (b) consignor (c) provider (d) trustor

Q3 With the issuance of capital stock, the Capital Stock account is credited with the issued shares' par value, while the excess (if any) of the market value received over par is credited to the Additional **.....** Capital account.

(a) Accumulated (b) Claimed (c) Marked-up (d) Paid-in

Q4 When a mutual fund sells any holdings, it is required by law to distribute to its shareholders essentially all the gains in capital gains **.....**; these, which typically occur once or twice a year, are made primarily for tax purposes.

(a) defrayments (b) disbursements (c) dispersals (d) distributions

Q5 The **.....** percentage rate does not affect monthly mortgage payments, which are a function of interest rate and loan term; its purpose is to indicate the true loan cost, preventing lenders from advertising low rates while hiding fees.

(a) annual (b) comprehensive (c) extended (d) flat

Q6 A **.....** trust is created in order to hold ownership of a person's assets during the individual's lifetime and to distribute them after death; normally, the grantor may serve as a trustee and control those assets even though they are the property of the trust.

(a) direct (b) living (c) managed (d) premature

Q7 On 5 August 1997, Bill Clinton signed into law the Taxpayer **.....** Act of 1997 and the Balanced Budget Act of 1997; the tax law made over 800 changes to the US's massive tax code, affecting nearly every taxpayer.

(a) Relief (b) Return (c) Review (d) Revision

Q8 Real Estate Mortgage Investment **.....** (REMICs) are very complex, but the basic concept is that the cash flow from an underlying pool of whole loans are tranched or sliced up into separate securities with different time-to-maturity horizons and cash flow characteristics.

(a) Caches (b) Composites (c) Conduits (d) Cooperatives

Q9 **.....** interest is interest based not on a 365-day year but on a 360-day year, and this can result in a significant difference.

(a) Extraordinary (b) Nonstandard (c) Ordinary (d) Standard

Q10 Abandoning **.....**-based compensation is difficult, because some employees always want to contribute more and logically expect more in return, demanding differentiation in salaries.

(a) effort (b) output (c) performance (d) trial

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Minimizing Volatility

Q1 A good way to gain a lot of income with minimal volatility is with a **.....** rate fund invested in bank loans; banks make these loans to companies as part of leveraged buyout deals and then sell them to mutual funds and other institutional investors.

(a) corporate (b) cut (c) prime (d) pro

Q2 The internationally-accepted transfer pricing standard applied for tax purposes is the **.....** price; this standard separates tax considerations from economic decisions and promotes international trade and investment growth.

(a) arm's-length (b) cross-border (c) exchange (d) GAAP

Q3 A **.....** recommendation is a good way to gain a broad view, but it doesn't necessarily offer the best solution for the investor; the criteria used by each analyst may vary, so it should be considered only as an indicator.

(a) combined (b) compound (c) consensus (d) coordinated

Q4 **.....** limited partnerships are partnerships in which new limited partners buy the existing properties in order to receive tax advantages that the old partners can no longer claim.

(a) Reconstitution (b) Reconstruction (c) Renegotiation (d) Resyndication

Q5 Typically, **.....** loans are collateralized, reducing the lender's credit exposure to the borrower; the collateral may be a letter of credit, cash, or other stocks, bonds or investments.

(a) brokerage (b) exchange (c) mortgage (d) securities

Q6 The direct **.....** method of transfer from employer-sponsored plan to employee IRA allows the latter to avoid IRS withholding tax deducted with a distribution by the company plan to the employee, even if the employee intends to place it immediately into an IRA.

(a) flow-through (b) follow-up (c) remittance (d) rollover

Q7 The bond's **.....** value is its value disregarding its share conversion option and based solely on its future cash payments (its maturity value plus coupons).

(a) base (b) face (c) par (d) straight

Q8 You should invest in mutual funds with a low portfolio **.....** ratio, which means that the fund manager does less buying-and-selling and more buying-and-holding, thus making the fund more tax-efficient and helping you in the long run.

(a) delinquency (b) Sharpe (c) Sortino (d) turnover

Q9 The foundation of **.....** pricing theory is the concept that a security's price is driven by several factors, both company-specific factors and macro factors.

(a) arbitrage (b) heterogeneous (c) integrated (d) melange

Q10 Including such names as BMW and Bayer, the **.....** 100 is the abbreviation for Deutscher Aktienindex 100, which is a price-weighted index for Germany's top one hundred stocks.

(a) DAI (b) DAK (c) DAT (d) DAX

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Gold Collateral

Q1 Congress has mandated that each Federal Reserve Bank must hold collateral, chiefly US securities and gold certificates, which is equal in value to the Federal Reserve **.....** which the Bank receives.

(a) debits (b) credits (c) loans (d) notes

Q2 LEAPS (Long-term Equity **.....** Securities) are options that expire up to three years in the future; calls provide investors a chance to participate in upward movements without outright stock purchases, while puts provide a hedge against a decline in their stocks.

(a) Advance Purchase (b) After Planning (c) Anticipation (d) Appreciation

Q3 City governments issue tax-exempt **.....** improvement certificates in order to finance specific public works projects; the cities then assess more taxes on the beneficiaries of these improvements.

(a) municipal (b) mutual (c) unilateral (d) urban

Q4 The **.....** statement documents the borrower's fulfillment of a collateralized loan repayment; after the borrower has paid off the loan, the lender no longer has rights of ownership to the assets used as collateral.

(a) completion (b) execution (c) retribution (d) termination

Q5 The minimum distributions from **.....** IRA are calculated on the beneficiary's expected longevity, not that of the original owner; standard single-life or life-expectancy tables are used in determining how much the beneficiary must receive each year.

(a) a generational (b) a longitudinal (c) an inherited (d) a staggered

Q6 **.....** transaction is one made by parties freely and independently of one another, and without any special relationship, such as one party having complete control of the other, having another deal on the side or being a relative.

(a) An aboveboard (b) An arm's length (c) An equitable (d) A third party

Q7 Even if a prospective homebuyer can prove a steady income source and is not in arrears on any financial obligations, a sufficient level of bank **.....** to allow approval of a mortgage still depends on the overall financial health of the loan applicant.

(a) allowance (b) approval (c) cash (d) credit

Q8 If an account holder overdraws her account, then the bank has the choice of either paying the amount or not; if it returns the check without paying it, she'll be charged **.....**-check or non-sufficient funds fee, and if it pays, she'll be charged an overdraft fee.

(a) a blanked (b) a bounced (c) a cancelled (d) a crossed

Q9 If you have received **.....** distribution from your qualified retirement plan before the annuity starting date, you can usually allocate only part of it to the cost of the contract; the remainder you must include in gross income.

(a) an asynchronous (b) an extraordinary (c) an irregular (d) a nonperiodic

Q10 PayPal appears to have at last posted a realistic estimate of eCheque **.....** time: eCheque emails always defaulted in the past to the US standard of 3 to 4 working days, but from today they have begun estimating a more realistic 7 to 9 working days.

(a) clearance (b) passage (c) presentation (d) return

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Cyber-criminals and Cyber-crime

Q1 For the past several years we have seen a big change in cyber-crime; although the **.....** number of crimes has risen considerably substantially, that is not the complete story.

(a) sharp (b) sheer (c) stark (d) straight

Q2 Just increasing the quantities of manpower and money that a company throws **.....** this problem is no longer sufficient to keep pace with all the changes.

(a) after (b) at (c) to (d) (none)

Q3 Cyber-criminals, along with the cyber-crimes that they **.....**, are constantly evolving, and our approaches and methods must also change in order to guard our company from this new wave.

(a) penetrate (b) permeate (c) perpetrate (d) perpetuate

Q4 Only a few years ago, cyber-criminals were primarily young male nerds doing it as an experiment or just for fun; they were not **.....** profit from their efforts but just wanted to impress their girlfriends or peers.

(a) out for (b) out to (c) up for (d) up to

Q5 They were not trying to cause major disruptions or steal money; changing the company website logo was acceptable, but crashing the entire system and then **.....** money to restore it was unthinkable.

(a) expending (b) exploiting (c) extorting (d) extracting

Q6 In those days, hackers were just earning bragging rights and boosting their egos; the activity was only a **.....** or two up the intellectual ladder from train-spotting.

(a) notch (b) peg (c) rung (d) spoke

Q7 Nowadays, the hackers' primary targets are e-commerce websites and their customer databases, and their operations are so **.....** that stolen data is misused within seconds of its being entered by the unwitting victims.

(a) slack (b) slick (c) slippery (d) sly

Q8 Today, e-commerce's main growth area is in replacing traditional telephone-based or over-the-counter transactions with web-based applications, and of course hackers have **.....** onto this.

(a) latched (b) legged (c) lighted (d) lobbed

Q9 Now at the disposal of cyber-criminals are all the resources of organised crime, which knows that police forces globally are **.....** under-resourced for attacking internet fraud.

(a) wickedly (b) willfully (c) woefully (d) worriedly

Q10 Efforts need to be focused on the building of secure applications that cannot be **.....**.

(a) accessed (b) broached (c) compromised (d) firewalled

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Pushing and Pulling

Q1 Chesterfield suggests that the traditional hierarchical model of planning which places communications alongside the other marketing mix variables is due for a **.....**.

(a) recall (b) rehash (c) rethink (d) reverb

Q2 All marketing communication is not elevated to a strategic role, though; a distinction exists between tactical communications supporting individual marketing initiatives and strategic communications that inform all of a company's activities **.....** from the highest levels.

(a) elevating (b) emanating (c) enervating (d) escalating

Q3 Communication is qualitatively different from the other ingredients of the marketing mix; increasingly, the traditional marketing functions of price, product and distribution are hygiene factors, while communications is becoming a higher **.....** tool.

(a) order (b) power (c) skill (d) tier

Q4 This is especially true for companies with **.....** brand values, but it likely means a change in how every marketing department sees itself.

(a) intuitive (b) invasive (c) persuasive (d) pervasive

Q5 More and more, corporations need to pursue strategic vertical integration, speaking with a single voice from the shop shelf right up to the CEO's office, even though this realignment might **.....** the latter's former preeminent role.

(a) eclipse (b) efface (c) enhance (d) erase

Q6 Push' strategies give incentives to distributors and retailers to stock and push their products, but this metaphor **.....** the received marketing wisdom of finding and satisfying a need, not imposing the product on the customer.

(a) curdles (b) mangles (c) puzzles (d) rankles

Q7 On the other hand, pull' strategies utilize consumer-directed techniques like sales **.....** and advertising to stimulate demand in an effort to pull the product or the service through the channel to the consumer.

(a) procedures (b) programs (c) promises (d) promotions

Q8 Pull and push strategies are not mutually exclusive; for example, an advertising campaign pointed directly at the consumer will be viewed by intermediaries, which will presumably **.....** their confidence in stocking the product advertised.

(a) bolster (b) buffer (c) bulwark (d) buttress

Q9 The likelihood is that a vertically-integrated approach to communications will incorporate a **.....** of the demarcation lines between the intermediary and the marketer.

(a) blurring (b) fading (c) hazing (d) muting

Q10 However, the staff responsible for each kind of strategy are likely to work independently in most companies, and this situation is probably the main barrier to effective vertical integration of the sort **.....** by Chesterfield.

(a) designated (b) envisaged (c) incorporated (d) underscored

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Leisure Services

Q1 It becomes increasingly important for leisure service agencies to be able to respond to all **.....** in their communities as their ethnicities become more diverse.

(a) constituents (b) contentions (c) institutes (d) intentions

Q2 In order to incorporate changes, the professional leisure service provider needs to re-conceive his idea of the individual and broaden his **.....** of service delivery.

(a) notations (b) note (c) notice (d) notions

Q3 Most observers are now familiar with the important changes in the ethnic **.....** of the United States.

(a) composition (b) constitutions (c) construction (d) convolutions

Q4 According to 2000 **.....** data, the increase in minority populations was at nearly twice the rate as appeared in the 1980s.

(a) almanac (b) atlas (c) census (d) gazetteer

Q5 A good deal of the increase was among people of Hispanic **.....** — a 60% increase from 1980, or 8 million people.

(a) ancestry (b) descendants (c) language (d) leanings

Q6 By 2100, people of **.....** collectively will be the majority in California.

(a) color (b) creed (c) origin (d) race

Q7 **.....** of anyone's reaction to this, such significant changes indicate that a new reality has emerged, with implications for all recreation, park, and leisure service providers.

(a) Dissociated (b) Inattentive (c) Irrespective (d) Unrelated

Q8 Traditionally, recreation service agencies have functioned from a reductionist viewpoint where individuals were considered to be made up of discrete and identifiable parts instead of **.....** entities.

(a) contained (b) holistic (c) realistic (d) sustained

Q9 Smithson et al (1992) offer an alternative viewpoint: they **.....** that the individual must be thought of as a total organism with more than only leisure needs.

(a) argue (b) dispute (c) plead (d) quarrel

Q10 In addition, after the individual has been re-conceived, the **.....** of roles that the professional can then utilize broadens to incorporate more than direct service.

(a) cast (b) itinerary (c) personae (d) repertoire

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Niche Marketing

Q1 Some entrepreneurs think that selling to the widest market is the surest path to success; they are hesitant to go after a market niche because they're afraid that they will lose business by **.....** away customers.

(a) driving (b) giving (c) sending (d) turning

Q2 But this 'take all **.....**' approach is not very effective.

(a) buyers (b) comers (c) finders (d) showers

Q3 It is difficult to **.....** out if you market your business lacking a set of distinctive prospects in mind.

(a) stand (b) step (c) stick (d) stretch

Q4 Entering a niche means that you will not be competing with many similar companies on price alone, and if you are selling products or services customized to the needs or **.....** of a specific group of customers, you can frequently charge more.

(a) precedents (b) preconceptions (c) predictions (d) predispositions

Q5 The procedure begins with your market research: you should analyze your competitors, your best potential customers, and your ability to serve these customers so well that they will make you their vendor of **.....**.

(a) choice (b) course (c) record (d) rights

Q6 Market research can be compared to sticking your **.....** into the swimming pool before you plunge in.

(a) finger (b) foot (c) hand (d) toe

Q7 After you have learned which customers you want to reach and what their needs are, you can adapt your service or product to match their needs more nearly and **.....** a message that reflects your customer as well as your business.

(a) bear (b) craft (c) post (d) scrawl

Q8 To decide whether a particular niche is right for your business, ask yourself if you can **.....** its identity, services and products to address that market's particular needs.

(a) tag (b) tailor (c) twirl (d) twist

Q9 You should also determine whether your target market is currently **.....**.

(a) underserved (b) undervalued (c) undeserved (d) unreserved

Q10 The more that your business specializes, the more its market will see the value of your products or services because you are **.....** directly to their unique situation.

(a) planning (b) pointing (c) serving (d) speaking

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Scandinavian Capital Market

Q1 In many ways, wider Europe is **.....** in the Nordic region, which is characterized by similarities in language, law and history but has different cultures and currencies.

(a) mimicked (b) mirrored (c) refracted (d) replicated

Q2 The Nordics wanted to create a single regional capital market, but some of its exchanges and post-trading infrastructure providers remained **.....** independent or joined forces with partners outside the region.

(a) ferociously (b) fiercely (c) viciously (d) violently

Q3 In today's globalized age, issuers and investors both want and need deep, liquid markets operating at the lowest possible cost in the most risk-**.....** and efficient fashion.

(a) allergic (b) averse (c) avoidant (d) aware

Q4 Sharing access, expertise, operability, and international mergers and alliances are all becoming realities, but in any kind of innovative cooperation, there are **.....** to be glitches in delivering tangible benefits.

(a) assured (b) bound (c) set (d) thought

Q5 For instance, in Sweden last year, there were **.....** to the reputation of the Stockholm Exchange when it took a hammering for technical problems that closed it for most of the business day.

(a) bruises (b) fractures (c) rashes (d) wrinkles

Q6 However, such cases are really only minor **.....** in what is proving already to be a fruitful combination.

(a) blips (b) blotches (c) blots (d) blurbs

Q7 The decision to sell NCSD, which **.....** the central security depositories for Sweden and Finland, is a fine opportunity for participants in these two markets to reach more foreign trading parties and lower international transaction expenses.

(a) compacts (b) composes (c) comprehends (d) comprises

Q8 Without such **.....** of market practices and consolidation of infrastructure, financial professionals can expect only greater complexities and costs in the future as globalization continues.

(a) fragmentation (b) generalization (c) harmonization (d) specification

Q9 And during **.....** times, cost containment becomes ever more relevant, as we have all come to learn.

(a) tortuous (b) torturous (c) turbid (d) turbulent

Q10 Euroclear has been contributing to process standardization in EU capital markets, and it is also working on **.....** the multiple-transaction processing platforms which it runs onto one single platform.

(a) condensing (b) conducting (c) converging (d) conveying

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Business English

(Answer Keys)

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Money accepted

A1 I like to visit other countries but I find the *cost* of travel is too high.

answer: (b) cost

A2 She is very happy because she starts her new *job* today.

answer: (a) job

A3 One day I hope I shall *win* the lottery.

answer: (d) win

A4 He must have a lot of money because this summer he is going on a cruise *around* the world.

answer: (b) around

A5 Have you read that book *about* the life of Van Gogh?

answer: (a) about

A6 Do you want *any* sugar in your coffee?

answer: (c) any

A7 They do not *accept* cheques in that restaurant.

answer: (a) accept

A8 I cannot work today because I have very bad tooth*ache.*

answer: (d) ache

A9 Children are not *allowed* in that public house.

answer: (b) allowed

A10 You can see the *advertisement* about the sale in the local paper.

answer: (d) advertisement

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Computers

A1 How are you getting on *with* your new computer?

answer: (b) with

A2 Not too bad but sometimes I just can't get the *hang* of it.

answer: (c) hang

A3 Do you mean it drives you up the *wall?*

answer: (a) wall

A4 Well, not that often but there are things that completely *mystify* me.

answer: (d) mystify

A5 What sort of things do you have in *mind?*

answer: (b) mind

A6 Well, take the times when everything *freezes.*

answer: (c) freezes

A7 Yes, I know what you mean that's when you'd like to smash it to *pieces.*

answer: (a) pieces

A8 Never mind, most of the time it behaves like a little *angel.*

answer: (b) angel

A9 And just think of all the *benefits* you get from having one.

answer: (c) benefits

A10 Personally I'm looking forward to my holidays when I'll be *free* of it for two weeks!

answer: (a) free

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Making an Appointment

A1 Welcome back *everybody* in this session — we're going to take a look at some of the vocabulary we used in session 2.

answer: (b) everybody

A2 To start with, can you *remember* what session 2 was all about?

answer: (d) remember

A3 Yes, that's right. It was all about the job I do every day. I expect you recall that I work for a financial company *as* a financial advisor.

answer: (b) as

A4 In other words I help people with *investing* their money.

answer: (c) investing

A5 My clients contact our office via email or phone and then we *make* an appointment.

answer: (a) make

A6 You arrange an appointment with another person because you want to *meet* or see them.

answer: (c) meet

A7 The two things that are important for an appointment are the time and the place. You say for example: Let's meet next Monday *at* 10 o'clock.

answer: (b) at

A8 Another word that is very similar in meaning to appointment is the word date. A date is usually a private meeting with *another* person.

answer: (d) another

A9 So, when you say: I've got a date with my boss, it means you *are going to* see your boss privately.

answer: (a) are going to

A10 Possibly you also know the expression 'blind date', which is a rendezvous with a person you have never seen before and you are meeting them *for* the first time.

answer: (c) for

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Late Again

A1 Do you know *what* time it is?

answer: (c) what

A2 No, I have *no* idea.

answer: (b) no

A3 It's time you got *up.*

answer: (d) up

A4 I don't believe you. You can't be *right.*

answer: (a) right

A5 I'm telling that you must *hurry* up or ...

answer: (c) hurry

A6 Or what? *Come* on, tell me.

answer: (b) Come

A7 Simply that you're going to be *late* for work.

answer: (a) late

A8 I think there's something you've *forgotten.*

answer: (d) forgotten

A9 Now, it's your *turn* to tell me.

answer: (b) turn

A10 Remember that there's no work today *because* it's Sunday.

answer: (c) because

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Shopping

A1	The trouble is I haven't made a *list.* answer: (d) list
A2	*Surely* you must know what we need? answer: (b) Surely
A3	Well, yes I do have a *pretty* good idea? answer: (a) pretty
A4	Do we need any dairy *products?* answer: (c) products
A5	Yes, we've almost run out *of* cheese, butter, milk. answer: (b) of
A6	Right, we'd *better* get on with it. answer: (a) better
A7	Oh and we'll also need some washing *powder.* answer: (c) powder
A8	I assume there's nothing *else*. I said it would be quick. Oh dear. answer: (d) else
A9	What's the *matter?* answer: (b) matter
A10	Just look at the size of those huge *queues* at the checkouts. answer: (c) queues

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On my Mobile

A1 Hello — I'm just *trying* out my new mobile.

answer: (d) trying

A2 Oh yes. Are you *far* away?

answer: (c) far

A3 Not really. I'm quite *near.*

answer: (b) near

A4 You *sound* very clear.

answer: (a) sound

A5 Well, I did *spend* a lot of money on it.

answer: (c) spend

A6 Tell me, where are you at the *moment?*

answer: (d) moment

A7 I've already told you I'm in the *area.*

answer: (b) area

A8 Well, this is very interesting but I am very *busy.*

answer: (a) busy

A9 Don't *worry* — I'll see you very soon.

answer: (c) worry

A10 Oh there goes the front door bell — oh it's you! I might have *guessed.*

answer: (d) guessed

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A1 The water in the refrigerator should be *cold.*

answer: (c) cold

A2 *Tonight* I will come home early.

answer: (c) Tonight

A3 Do you *take* the bus to work?

answer: (a) take

A4 Have you *lost weight?*

answer: (b) lost weight

A5 She is a member *of* the gym.

answer: (d) of

A6 He *is an* executive.

answer: (b) is an

A7 My friend likes *to* work on extra projects.

answer: (a) to

A8 Please *leave* a message on the answering machine.

answer: (c) leave

A9 Yesterday they *did* very well in their class.

answer: (d) did

A10 At work we get a 30-minute lunch *break*

answer: (b) break

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Business dialogue on the phone

A1 Bob: Do you *mind* if I use your phone to call my wife?
answer: (c) mind

A2 Bill: Sure. Would you *rather* use my cell phone or the one in my office?
answer: (a) rather

A3 Bob: The one in your office is fine. Do I need to *dial* anything special to get out of the building?
answer: (d) dial

A4 Bill: Yes. You *should* dial 9 and then your number.
answer: (a) should

A5 Bob: If another call comes in while I'm on the phone, should I put my wife on *hold* and take it?
answer: (b) hold

A6 Bill: No, that's alright. If you don't answer, it will just go through to my *voicemail* and I can call them back later.
answer: (b) voicemail

A7 Bob picked up the *receiver* and dialed 9 then his home number.
answer: (d) receiver

A8 Bill straightened up the office, pretending not to listen to Bob's *end* of the conversation with his wife.
answer: (a) end

A9 Finally Bob *hung up.*
answer: (c) hung up

A10 Bill: I couldn't help but *overhear* you're having chicken for dinner tonight. Can I come over?
answer: (a) overhear

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Chit Chat: At the garage

A1 Customer: Have you had a chance to *look* at my car yet?
answer: (d) look

A2 Mechanic: Yes, we've given it a *complete* examination.
answer: (a) complete

A3 Customer: And what do you think is *wrong* with it?
answer: (b) wrong

A4 Mechanic: That's a *bit* of a difficult answer to give in a few words.
answer: (c) bit

A5 Customer: Well, just give me the *general* picture.
answer: (b) general

A6 Mechanic: To start *with* It's losing a lot of oil.
answer: (d) with

A7 Customer: I see. Anything *else?*
answer: (a) else

A8 Mechanic: Well, there's a lot more. I mean the petrol tank has a *hole* in it.
answer: (b) hole

A9 Customer: Why don't you tell me the *truth*. What should I do?
answer: (c) truth

A10 Mechanic: Okay — I'll come straight to the *point* — buy a new car!
answer: (d) point

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Renting a place

A1 In order for you to buy a house in the United States, it is important that you have a good *credit* report.

answer: (c) credit

A2 If you have pets, it is often necessary to pay a pet *deposit* when you rent an apartment.

answer: (a) deposit

A3 When you are interested in buying or renting a place, you have to fill out *an application*, which is a type of written request for an apartment or house.

answer: (b) an application

A4 Sometimes when you rent a studio apartment, it comes already *furnished.*

answer: (d) furnished

A5 The *tenant* is the person who is renting the apartment or house.

answer: (b) tenant

A6 The *landlord* is the person who owns and runs an apartment building, a house or land.

answer: (c) landlord

A7 If you wish to temporarily rent your apartment to someone else, you *sublet* your apartment to that person.

answer: (a) sublet

A8 It is always good to provide *a reference* letter to the landlord to prove that you have a good character.

answer: (d) a reference

A9 A *lease* is a contract that indicates how long you can stay at the place you are renting and how much you have to pay.

answer: (b) lease

A10 Application fees are usually *non-refundable*, which means you don't get your money back.

answer: (c) non-refundable

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Applying for that Job

A1 I would be very interested in *applying* for that job.

answer: (c) applying

A2 Do you want to *stand* as a candidate in the local elections?

answer: (a) stand

A3 They are completely *fed* up with all the noise in the centre of town.

answer: (b) fed

A4 The reason there are no buses is because the drivers are on *strike.*

answer: (c) strike

A5 The government has changed its policy and had a complete change of *heart.*

answer: (d) heart

A6 This supermarket is trying to *target* young shoppers by offering fashionable clothes.

answer: (a) target

A7 You should have *bought up* those shares when they were cheap.

answer: (c) bought up

A8 You must try and hurry up because my patience is *running* out.

answer: (a) running

A9 Have you ever tried your *hand* at running a business?

answer: (c) hand

A10 After all these years she has decided to take early *retirement.*

answer: (d) retirement

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Accounts

A1 In order to check all the telephone calls made during the month I want the account to be *itemized.*

answer: (d) itemized

A2 All the representatives are allowed to spend money for entertaining with their *expense* account.

answer: (c) expense

A3 To spread the cost of spending on articles you buy many big departments let you open a *credit.*

answer: (b) credit

A4 Once you are earning money and you want to keep it safe, you can always *open* an account with a bank.

answer: (a) open

A5 At the end of thirty days the company will ask you to *settle* the account.

answer: (d) settle

A6 The finance director is responsible for *keeping* the accounts for the business.

answer: (b) keeping

A7 At the end of the financial year it is the responsibility of the chief finance officer to *publish* the accounts.

answer: (c) publish

A8 Before they got married, they decided to open a *joint* account.

answer: (b) joint

A9 If you have saved some money, it is a good idea to put the money into a *deposit* account.

answer: (d) deposit

A10 However hard I try, I find it impossible to account *for* this missing sum of money.

answer: (c) for

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Letter Writing

A1 I think it would be a good idea to *mention* in your letter that you have worked in that type of business previously.

answer: (b) mention

A2 You need to improve the *layout* of this letter because one or two things are in the wrong place.

answer: (c) layout

A3 Before you put the letter in the envolope, make sure you *fold* it in the right way.

answer: (a) fold

A4 If you want this letter to reach the bank tomorrow, you have no choice but to send it by *express* mail.

answer: (b) express

A5 When you are going to write an important letter like that, it is absolutely essential that you *assemble* all the facts first.

answer: (d) assemble

A6 When you read something you've written on the computer screen, it often looks all right although you should always *proof* read it first.

answer: (c) proof

A7 I advise you to check *beforehand* with a letter or a phone call if you intend to pay them a visit in order to save a wasted journey.

answer: (d) beforehand

A8 Since that package contains valuable items, you must send it by *registered* post.

answer: (c) registered

A9 Quite honestly I cannot trust this particular letter to be sent by post and so I am using the services of a *courier* to deliver it for me.

answer: (a) courier

A10 I'm sure that computer program you use creates a very good letter design but it's far too *complicated* for me.

answer: (b) complicated

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Flying on a Plane

A1 The worst thing about flying is when you take *off.*

answer: (c) off

A2 Landing is also a rather *frightening* experience, too.

answer: (a) frightening

A3 Come to think of it the bit between leaving the ground and coming down again can also *play* on the nerves.

answer: (b) play

A4 Of course during the flight the airline staff try to keep your mind *occupied.*

answer: (d) occupied

A5 They ask you if you want to buy things you don't in all *honesty* want.

answer: (b) honesty

A6 The captain, whose voice is so *relaxed* you feel as if you're sitting at home watching television, starts chatting to you.

answer: (b) relaxed

A7 He tries to give you the *impression* that you're out in your car watching the countryside roll by.

answer: (c) impression

A8 Then you start to eat your meal and discover that the knives and forks are made of plastic and snap under *pressure.*

answer: (d) pressure

A9 As you've probably *gathered*, I'm not really keen on flying.

answer: (b) gathered

A10 Mind you, once you've landed and you're saying goodbye to the smiling hostess, it's great to know you've *survived.*

answer: (a) survived

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Planning a Business

A1 It is essential before starting a business to work on a plan to *avoid* problems later on.

answer: (c) avoid

A2 The biggest *risk* in business can be eliminated if you have sufficient capital to start with.

answer: (b) risk

A3 Even when the economic situation is *strong*, there is always present the need for planning in a new business.

answer: (d) strong

A4 Whatever happens in the future there is absolutely no *substitute* for good market research before you launch a new product.

answer: (c) substitute

A5 Your *primary* concern is naturally the plan but don't forget your capital or your premises.

answer: (b) primary

A6 When people are considering whether to loan your new business a substantial sum, they are going to *evaluate* your potential.

answer: (c) evaluate

A7 It is worthwhile *gathering* as much market research information as possible before you work out your plan.

answer: (d) gathering

A8 Her next task was to have a meeting with the bank manager to *demonstrate* that she had a secure enough plan to warrant a loan.

answer: (b) demonstrate

A9 There are certain weaknesses in your plan that need to be *addressed* urgently if you are to succeed.

answer: (c) addressed

A10 Since the start of the business many new ideas have *developed* out of the original plan.

answer: (a) developed

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Computers

A1 My computer is not capable of saving material on a separate *disc* because it has no floppy drive.

answer: (c) disc

A2 I understand that I can make it possible for both my computers to share the same programs by means of *networking.*

answer: (d) networking

A3 I had only had my computer for three weeks when I had to have the hard drive *replaced.*

answer: (a) replaced

A4 Laptop computers are becoming more and more *popular* in the business world.

answer: (b) popular

A5 You have to have a really *sharp* mind in order to get your head round today's computing technology.

answer: (d) sharp

A6 The great advantage of having an external zip drive is that you can use it as an extra means of *storage.*

answer: (d) storage

A7 They tried very hard to install the new components on the computer but the language in the manual was too *technical* for them to understand.

answer: (a) technical

A8 When you look at the modern office today you could compare the changes with those that took place in the industrial *revolution* in the 19th century.

answer: (b) revolution

A9 In order to *facilitate* the method by which staff pay is calculated the company has bought a new software package.

answer: (d) facilitate

A10 Obviously a computer can take all the hard work out of *processing* a large mass of data.

answer: (c) processing

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Business Expressions (1)

A1 I heard of a new company today with which we should co-operate and *do* business with.

answer: (d) do

A2 Shortly after he was dismissed from the firm he decided to *set* himself up in his own business.

answer: (b) set

A3 They went *into* business shortly after their children had left home and got married.

answer: (c) into

A4 As soon as they heard what had happened, they *made* it their business to find out the truth.

answer: (a) made

A5 I would ask you kindly not to interfere with what I'm doing as in all honesty it's *none* of your business.

answer: (c) none

A6 Despite all the alternations that are taking place in the department store, the management wanted to explain it was business as *usual.*

answer: (d) usual

A7 She knew that there was some kind of *funny* business going on because strange things were happening.

answer: (c) funny

A8 We really can't delay any more with our plans and must *get* down to business as soon as possible.

answer: (b) get

A9 When the bomb went off, most of the injured were just ordinary people going *about* their business.

answer: (a) about

A10 Although they had high hopes that they would be successful, they *went* out of business within six months.

answer: (c) went

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Business Expressions (2)

A1 I've warned you before that you shouldn't get involved in this matter and you have *no* business discussing it.

answer: (c) no

A2 That's really not my concern at all and I'm certainly not *in* the business of telling others what to do.

answer: (a) in

A3 She was very enthusiastic about her new job and was making rapid progress *like* nobody's business.

answer: (d) like

A4 I really wouldn't joke about it because these people are deadly serious and *mean* business.

answer: (b) mean

A5 He didn't hesitate to tell me that I wasn't wanted and just told me to *mind* my own business.

answer: (d) mind

A6 I'm afraid it won't be possible to talk to the boss today because he's away *on* business till Tuesday.

answer: (b) on

A7 He was very keen that we kept in touch and for that reason he handed me his business *card.*

answer: (c) card

A8 This is the really important part of the machine and that's why we call it the business *end.*

answer: (b) end

A9 The whole site has nothing but offices and administration centres and that's why we call it a business *park.*

answer: (d) park

A10 All the famous film stars, actors, directors and writers were at the festival representing the world of *show* business.

answer: (c) show

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How to agree

A1 You can be absolutely sure I'm on your *side.*

answer: (d) side

A2 You can *rely* on me for your support.

answer: (b) rely

A3 Our views clearly *coincide* at this point I'm pleased to say.

answer: (d) coincide

A4 Fortunately the leader and all her members were singing from the same *hymn* sheet.

answer: (a) hymn

A5 It's good that we both have the same way of *looking* at things.

answer: (c) looking

A6 I'm pleased to say that we speak on this matter with one *voice.*

answer: (d) voice

A7 I certainly won't *raise* any objection when you make your proposal.

answer: (b) raise

A8 I'm *with* you all the way as far as that's concerned.

answer: (a) with

A9 I'm happy to *endorse* those sentiments and wish you every success.

answer: (c) endorse

A10 When it comes to the vote I'm willing to put my *hand* up and support you.

answer: (d) hand

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How to apologize

A1 Please *forgive* me for interrupting you, I didn't realize you were busy with someone else.

answer: (d) forgive

A2 I'm very *sorry* that I'm late but there is a train strike on at the moment.

answer: (b) sorry

A3 Please send my *apologies* to the meeting as I shan't be able to attend.

answer: (a) apologies

A4 There's really no *excuse* for my behaviour last night. I can only think that I'd had too much to drink.

answer: (c) excuse

A5 I know I shouldn't have made those remarks about your work and I hope you now know how deeply I *regret* what I said.

answer: (b) regret

A6 I must *beg* your pardon, I mistook you for somebody else.

answer: (d) beg

A7 If it helps to put things right, please let me take *back* everything I said earlier.

answer: (b) back

A8 Please accept this small present as my way of making *amends* for all the trouble I've caused.

answer: (c) amends

A9 All I can do now is simply beg your *indulgence* and hope that in time we can get back to where we used to be.

answer: (d) indulgence

A10 In their religion as long as they *repent*, they will be forgiven their sins.

answer: (a) repent

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How to ask the way

A1 Am I going in the right *direction* for the post office?
answer: (d) direction

A2 Can you tell me please how I *get* to the cinema from here?
answer: (b) get

A3 Could you please *point* me in the direction of the motorway?
answer: (c) point

A4 I'm making for the M25 motorway — is this road the most *direct* route?
answer: (d) direct

A5 Could you tell me please how *far* I am from the town centre?
answer: (b) far

A6 Can you help please because I've lost my way and *need* to get to the shops before closing time?
answer: (a) need

A7 I'm *making* for the town hall — am I anywhere near?
answer: (b) making

A8 I took the wrong *turning* at the last road junction, can you tell me how I get back on the motorway?
answer: (d) turning

A9 *According* to this map I should be near the church. Is it near?
answer: (c) According

A10 Is this *right* for the railway station?
answer: (d) right

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How to complain

A1 I'm really not satisfied with the way you have *handled* the situation.

answer: (b) handled

A2 I've really had enough of all your excuses, what I want is some *action.*

answer: (a) action

A3 You've refused to help me now for six months and so I shall now have to take the matter *further.*

answer: (d) further

A4 I must *insist* you do something immediately as I've been patient long enough.

answer: (c) insist

A5 I now want some kind of compensation for the total *lack* of service I've experienced.

answer: (a) lack

A6 I'm obviously not getting anywhere with my complaint, please let me talk to someone *senior* to you.

answer: (d) senior

A7 I'm very unhappy with the way I've been *treated*. No one seems at all interested in my case.

answer: (b) treated

A8 I believe I have very good *grounds* for suing your company for negligence.

answer: (c) grounds

A9 If you don't do something today, I shall be *forced* to take legal action.

answer: (d) forced

A10 You're the tenth person I've been put through to and I'm on the point of losing my *temper.*

answer: (b) temper

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How to criticize

A1 Quite honestly I didn't think *much* of the standard of acting in the play.

answer: (d) much

A2 If you want my *honest* opinion, I thought the food tasted revolting.

answer: (c) honest

A3 To come straight to the *point* I think the management team needs replacing.

answer: (d) point

A4 There are several matters on which I should like to take *issue* concerning your report.

answer: (c) issue

A5 There's really no virtue in me pussy*footing* around because I might as well tell you it's awful.

answer: (b) footing

A6 I have a long *list* of things I think are wrong, where shall I start?

answer: (d) list

A7 I'm afraid to tell you that your standard of work has fallen well below what we think is *acceptable.*

answer: (c) acceptable

A8 In all honesty if I said that everything was all right, I'd simply be *lying.*

answer: (a) lying

A9 If you can't improve your level of work, I'm afraid you'll have to look *elsewhere* for another job.

answer: (b) elsewhere

A10 I'm sick and *tired* of always having to put right your mistakes.

answer: (d) tired

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How to disagree

A1 I'm sorry but I can't *share* your opinion on that.

answer: (b) share

A2 I very much regret that we must *part* company on that issue.

answer: (c) part

A3 Let's be honest about it we'll never agree on that because our views are diametrically *opposed.*

answer: (d) opposed

A4 We'll never agree, that's clear so let's *beg* to differ.

answer: (c) beg

A5 You can argue with me till the cows come *home* but I can't accept that.

answer: (d) home

A6 I really see no point in continuing this argument because we have no *common* ground.

answer: (c) common

A7 There's absolutely no way I can *meet* you on that matter.

answer: (a) meet

A8 Nothing in the world will ever make me change my *mind* on that subject.

answer: (b) mind

A9 I would love to meet you half way but I'm afraid I can't because with me it's a matter of *principle.*

answer: (d) principle

A10 Let's *face* it, you and I will never see eye to eye on this.

answer: (c) face

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How to encourage

A1 Well *done*! This is a very good piece of work.

answer: (b) done

A2 I must congratulate you on your efforts. *Keep* it up!

answer: (c) Keep

A3 Don't give up whatever you do. I'm sure you'll *make* it in the end.

answer: (d) make

A4 I'll *stand* by you no matter what happens.

answer: (a) stand

A5 I'm sure if you *persevere*, you'll succeed.

answer: (d) persevere

A6 You've clearly got *talent* and it's obvious that you'll get to the top.

answer: (c) talent

A7 I've watched a lot of young people try to make a success of it, but you're the only one I really *believe* in.

answer: (d) believe

A8 I see no *reason* why you shouldn't be accepted as an employee.

answer: (c) reason

A9 Never *give* up. That's a good philosophy.

answer: (a) give

A10 You mustn't ever be *put* off by a few setbacks.

answer: (c) put

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Online Marketing Campaign

A1 She was going to discuss the matter *either* with her colleagues or her family.

answer: (d) either

A2 Our project team tried hard to think *of* all the possible alternatives before making a decision.

answer: (a) of

A3 Timing can be *extremely* crucial when you're considering launching a new online marketing campaign.

answer: (c) extremely

A4 Are you able to *accept* our conditions of delivery in line with our recent invoice?

answer: (c) accept

A5 Fortunately for us we're finding our new internet division is showing an increased *profit.*

answer: (b) profit

A6 Following some recent research our engineers *found* that our index system has scope for fast improvement.

answer: (c) found

A7 In our line of business it is vital to host our website on our own server *instead* of getting someone else to do it.

answer: (d) instead

A8 Before you employ new staff you should carry out a *careful* examination of their personal qualities and professional experience.

answer: (a) careful

A9 Thanks to the high standards of service we offer our customers, we have been able to establish an excellent *reputation.*

answer: (c) reputation

A10 An interactive website can save your organisation *significant* amounts of time and money that would otherwise be spent on correspondence.

answer: (b) significant

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Adverbially Speaking

A1 They had to drive *slowly* up the hill because the car was very old.

answer: (c) slowly

A2 Please listen *carefully* because this is important.

answer: (d) carefully

A3 Sorry we're late but we got here as *quickly* as we could.

answer: (b) quickly

A4 He mumbled throughout his speech so I could *hardly* understand a single word.

answer: (c) hardly

A5 I trust his judgement — he *never* makes a mistake.

answer: (a) never

A6 You've *completely* ruined my new carpet with your filthy shoes.

answer: (d) completely

A7 You haven't *actually* written that letter, have you?

answer: (c) actually

A8 I have *repeatedly* told her not to do that and yet she always does.

answer: (b) repeatedly

A9 It was a very long day but we *eventually* arrived in time for tea.

answer: (d) eventually

A10 He didn't want me to enter and *hotly* disputed my reason for being there.

answer: (a) hotly

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Letter of Complaint (1)

A1 I am writing this letter to you as a sort of last *resort* since all my attempts to phone you

answer: (d) resort

A2 and to try and make an *appointment* to meet you and discuss my problem with you have been unsuccessful.

answer: (c) appointment

A3 I would like to tell you the story from the *very* beginning.

answer: (d) very

A4 In January this year I bought a washing machine from you for which I paid *cash*

answer: (a) cash

A5 and made *arrangements* for it to be delivered to my home in Southcote on the following Tuesday.

answer: (b) arrangements

A6 I stayed in all day on *purpose* as you had informed me that you could not be sure at what time of day the washing machine would arrive.

answer: (c) purpose

A7 In the end nobody came that day. When I phoned, I was told it *would* come the following Tuesday.

answer: (d) would

A8 Again I stayed in all day in *vain* and there was no delivery.

answer: (a) vain

A9 After six more phone calls I *eventually* succeeded in settling on a date

answer: (c) eventually

A10 and the machine came on Tuesday February 20th — almost 5 weeks after the *promised* delivery date.

answer: (b) promised

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Letter of Complaint (2)

A1 I had the washing machine fitted by a *reputable* plumber but he was unable to make the thing work.

answer: (c) reputable

A2 *Apparently* one of the components was faulty and he recommended that I got back to you so that a replacement could be fitted.

answer: (d) Apparently

A3 When I telephoned your store and explained the *situation* to your receptionist,

answer: (b) situation

A4 I was *greeted* with the comment, 'Oh not you again'

answer: (d) greeted

A5 which I found most *offensive* especially since throughout the protracted period of waiting for the machine

answer: (c) offensive

A6 I remained calm although I believe I have every reason for *kicking* up a fuss.

answer: (b) kicking

A7 I eventually got put *through* to the technical department

answer: (a) through

A8 who were most *off* hand

answer: (d) off

A9 and told me there was *little* that could be done immediately

answer: (b) little

A10 since there were a number of people *off* sick.

answer: (c) off

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Letter of Complaint (3)

A1 We now move on to late March when I imagine that the sick employees were fully *recovered*

answer: (d) recovered

A2 and one of your technical staff came out to see me with the intention of replacing the *defective* part.

answer: (a) defective

A3 Unfortunately he had *brought* the wrong part with him

answer: (c) brought

A4 and was very *unsure* as to when he would be able to find the right part and get it back to me.

answer: (b) unsure

A5 Another visit took *place* in late April but the engineer, although he had got the right part with him, was unable to make the washing machine work.

answer: (d) place

A6 It was at this stage that I was seriously considering getting *rid* of the machine

answer: (a) rid

A7 and asking for a *refund*

answer: (b) refund

A8 When I *raised* this matter with one of your staff

answer: (d) raised

A9 I was informed that this was out of the *question*

answer: (c) question

A10 and they would send someone in the '*near* future'.

answer: (a) near

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Letter of Complaint (4)

A1 At the beginning of May I decided that the only course of action was to *pay* a visit to your store

answer: (c) pay

A2 and meet you face to face so that the matter could be settled once and for *all.*

answer: (d) all

A3 *Admittedly* I should have checked first since when I reached the shop I was led to believe that you were out for the day.

answer: (a) Admittedly

A4 Throughout this time of course I have been without the *facility* of a washing machine

answer: (b) facility

A5 and have had to use the local *launderette.*

answer: (c) launderette

A6 From the end of May until August I have been away on business and was surprised that *during* that period

answer: (d) during

A7 no effort has been made to write to me and keep me *up* to date.

answer: (b) up

A8 Since returning in September I have made at least a dozen phone calls and quite frankly I have reached the end of my *tether.*

answer: (a) tether

A9 and must *insist* that you do something immediately to put the matter right.

answer: (c) insist

A10 If I do not hear from you by the end of this week I shall be forced to *seek* legal advice.

answer: (d) seek

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Retirement Plans

A1 When Dad turned 50 we gave him a(n) *over*-the-hill party.

answer: (d) over

A2 Young workers should begin *investing* now in preparation for retirement.

answer: (a) investing

A3 *Fortunately*, we have more than enough volunteers for the job.

answer: (c) Fortunately

A4 He threw away the yogurt because it was *out* of date.

answer: (d) out

A5 Talk to your insurance agency about the *coverage* your plan provides.

answer: (a) coverage

A6 Consumers are constantly *bombarded* with pleas to buy products that they 'can't live without'.

answer: (b) bombarded

A7 She is very *meticulous* in everything she does.

answer: (d) meticulous

A8 Gas prices are at an all-time *high.*

answer: (b) high

A9 Analysts said the acquisition would *boost* earnings.

answer: (a) boost

A10 Fire code regulations *require* that fire extinguishers be placed strategically throughout the building.

answer: (d) require

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Daily Business Activities

A1 My *interview* went very well. I think I will get the job.

answer: (a) interview

A2 She likes your *style* of writing.

answer: (d) style

A3 There is a water *fountain* in the hallway next to the bathroom.

answer: (d) fountain

A4 This report is *due* next week.

answer: (b) due

A5 I cannot print the flyers because the *printer* is out of paper.

answer: (a) printer

A6 We normally serve five hundred *customers* every day.

answer: (b) customers

A7 At the annual picnic we will be *serving* hotdogs and chicken.

answer: (a) serving

A8 From time *to* time the inspector comes to make sure that everything meets health standards.

answer: (c) to

A9 The bigger they are the harder they *fall.*

answer: (d) fall

A10 Do you keep your files in your desk *drawer?*

answer: (b) drawer

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Faxes

A1 Our fax machine is *down*; could you please mail us a copy instead?

answer: (c) down

A2 Did you receive the fax I *sent* you this morning?

answer: (b) sent

A3 I did not receive your fax. Are you sure you *dialed* the right number?

answer: (d) dialed

A4 The *cover sheet* should note who the fax is to, who it is from, the fax number, the number of pages and what the fax is regarding.

answer: (a) cover sheet

A5 Load all documents to be faxed *face* up in the fax tray.

answer: (a) face

A6 Always write a short *memo* to explain what the fax is for and who it should go to.

answer: (b) memo

A7 I prefer e-mail *to* fax machines because it is so much less complicated.

answer: (c) to

A8 I would rather just send e-mails *from now on* because it is easier.

answer: (d) from now on

A9 If you want to submit a document that contains a *signature*, a fax might be better than an e-mail.

answer: (b) signature

A10 Push the start button to send the fax, then watch to make sure the paper *feeds* through right and does not get crumpled up.

answer: (c) feeds

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Placing an order via phone

A1 Receptionist 1: Thank you for calling ABC Inc., this is Mary. How may I *direct* your call?

answer: (d) direct

A2 Phil: Could you *put me through* to accounting, please?

answer: (a) put me through

A3 Receptionist 1: One *moment*, please.

answer: (d) moment

A4 Receptionist 2: Thank you for calling Friendly Neighbors! *How* can I help you today?

answer: (d) How

A5 Fred: May I *speak* with the supervisor of international affairs please?

answer: (b) speak

A6 Receptionist 2: I'm sorry, sir, he's unavailable right now. Would you like me to *transfer* you to his voicemail?

answer: (c) transfer

A7 Fred: No thank you. I'll *try* again later.

answer: (b) try

A8 To-go specialist: Thank you for calling Motzeralla's 'To-go'. *This is* Amy. How can I help you?

answer: (d) This is

A9 Nick: I'd like to *place* a to-go order.

answer: (c) place

A10 To-go specialist: What can I *get* for you today, sir?

answer: (a) get

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'Will' and 'Living Will'

A1 A *living* will is a legal document that informs the doctor of what care you would like to receive in specific situations.

answer: (c) living

A2 A(n) *will* is a legal declaration that states how people want their belongings to be disposed of after their death.

answer: (a) will

A3 Because there is always *confusion* between "will" and "living will", many states have adopted the names "health care directive" or "advanced health care directive" for "living will".

answer: (b) confusion

A4 *Estate* planning is the general planning of an individual's wealth, along with the arrangements for his will and taxes after his death.

answer: (d) Estate

A5 Neither will or living will can be replaced by the other. A(n) *thorough* estate plan will contain both of these documents.

answer: (b) thorough

A6 When people want secure health protection, they get *health* insurance. This will assure them proper medical care when they need treatment for an illness or preservation of their mental or physical well-being.

answer: (c) health

A7 If you don't have a will and you die, your estate will be *disposed* according to a strict legal formula that may cause a troublesome dispute over your belongings.

answer: (a) disposed

A8 Although some do, it is not advisable for couples to write *joint* wills for two reasons: it is only effective after both spouses die, and it cannot be changed when one of them is dead.

answer: (a) joint

A9 It is necessary for two witnesses who are not *beneficiaries* of the will to be present when an individual signs his will.

answer: (d) beneficiaries

A10 For a will to be properly *executed* it must be signed.

answer: (b) executed

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Ways of commenting

A1 If you want my honest opinion, I thought the play was *rubbish.*

answer: (d) rubbish

A2 It was quite a good film but I thought the characters were a bit like *cardboard.*

answer: (b) cardboard

A3 It's quite a nice car but there was not very much *room* in the back.

answer: (c) room

A4 She's pleasant enough but not very pretty. In fact I'd say she was rather *plain.*

answer: (a) plain

A5 The first time you see the view you can't believe it. It almost takes your breath *away.*

answer: (d) away

A6 I sat through the concert feeling really bored and sleepy and had to stop myself from *yawning* several times.

answer: (b) yawning

A7 It was one of the most embarrassing moments of my life and I just wanted the ground to *open* up and swallow me.

answer: (c) open

A8 In my opinion no one in their right mind would ever go and pay to see a play *like* that.

answer: (d) like

A9 The room was good, the bed was comfortable and the service was excellent but the hotel food left a lot to be *desired.*

answer: (b) desired

A10 To be perfectly honest with you I think that this is the best test I've ever taken in my entire *life.*

answer: (a) life

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Ways of disapproving

A1 There is no way that I can agree to you *leaving* early today.

answer: (c) leaving

A2 I must object and make it clear that I am totally *against* any measures that suggest changes to the original scheme.

answer: (c) against

A3 He has the *habit* of always rejecting any idea that will change the current arrangements.

answer: (a) habit

A4 I cannot condone that sort of *behaviour* in my establishment and would ask you to remember that in future.

answer: (d) behaviour

A5 I have no choice really but to turn *down* your recent proposal because it is completely unworkable.

answer: (c) down

A6 They can't possibly go *along* with your suggestions because it will involve too much expenditure.

answer: (b) along

A7 Quite honestly I'd have to be out of my *mind* to sanction what is a crazy proposition.

answer: (d) mind

A8 When her father discovered that his daughter wanted to marry a pop singer, he decided to put every *obstacle* in their way to prevent the marriage.

answer: (a) obstacle

A9 He told me there was definitely no *chance* that I would pass my examination until I did some work.

answer: (b) chance

A10 You could tell by the *way* he refused to smile that he didn't like the story.

answer: (c) way

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Ways of greeting

A1 Great to see you again. I haven't seen you *for* ages.
answer: (d) for

A2 Welcome to our house. Come in and make yourself *comfortable.*
answer: (a) comfortable

A3 How do you do? I don't think we've met *before.*
answer: (d) before

A4 Hi Mary. Where have you been *hiding* yourself all this time?
answer: (b) hiding

A5 Good morning, sir. I hope you will have an enjoyable *stay* in our hotel.
answer: (a) stay

A6 Good evening to you all. Let me find you a(n) *table* near the window.
answer: (c) table

A7 How are you, David? I must *admit* you're looking very well.
answer: (d) admit

A8 Hello there. I just don't believe it. You haven't changed a *bit* since we last met.
answer: (a) bit

A9 Ah, you must be Mary's husband. Do come in and *meet* everyone.
answer: (d) meet

A10 Here you are at last! I hope your *journey* here wasn't too horrible.
answer: (b) journey

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Ways of saying goodbye

A1 I'm afraid it's *time* we left.

answer: (b) time

A2 If you don't *mind*, I think we'll be cutting along.

answer: (d) mind

A3 I'll be seeing you then in due *course.*

answer: (c) course

A4 Well, as they say all good things come to an *end.*

answer: (a) end

A5 Thank you so much for *having* us you must come to us next time.

answer: (d) having

A6 Good bye then and *remember* me to all your family.

answer: (b) remember

A7 If we don't leave now I'm afraid we'll *miss* the last train.

answer: (c) miss

A8 It's been great meeting up again and we mustn't *leave* it so long next time.

answer: (a) leave

A9 Looks *like* we ought to be going really as it's got so late.

answer: (b) like

A10 Well, there's *nothing* for it but simply to wish you well and say goodbye.

answer: (d) nothing

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Ways of approving

A1 I'm quite happy to support you in your *application* for a loan.

answer: (c) application

A2 I must admit I think your idea is well *worth* considering.

answer: (d) worth

A3 I shall certainly recommend your *proposal* for improving safety in the work place.

answer: (a) proposal

A4 You can *count* on me for support when the next election comes up.

answer: (b) count

A5 I would *wholeheartedly* like to endorse your scheme for saving water.

answer: (c) wholeheartedly

A6 The local council has approved the plans for *extending* their house.

answer: (d) extending

A7 You can *rely* on me to support you when the matter is discussed at the next meeting.

answer: (a) rely

A8 His choice of a new wife *met* with his parents' approval.

answer: (b) met

A9 They all promised they would stand *by* him when he put forward the idea of a strike.

answer: (c) by

A10 The meeting unanimously supported the chairman when he suggested that they *close* the meeting.

answer: (d) close

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Ways of showing pleasure

A1 Now that's what I call absolutely *perfect.*

answer: (a) perfect

A2 You couldn't have made that drink better if you'd *tried.*

answer: (d) tried

A3 What a delightful *scent* those flowers give off when you touch them.

answer: (c) scent

A4 Words just *fail* me when I try to say how happy I am.

answer: (a) fail

A5 I can *safely* say that I don't think I've ever enjoyed myself so much before.

answer: (b) safely

A6 There's really nothing like it, is there, when you find you've *got* all the answers to the test right?

answer: (d) got

A7 The only problem with your cooking is that the more I eat, the more I want *some* more.

answer: (c) some

A8 I must be *dreaming* because it's all too good to be true.

answer: (b) dreaming

A9 Just let me try one more of your delicious chocolates and then I'll *promise* not to take any more.

answer: (a) promise

A10 It's absolute *bliss* here. I think I'll stay at this hotel one more week.

answer: (c) bliss

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Ways of showing anger

A1 I've had just as much as I can *stomach* from you.

answer: (c) stomach

A2 You do that again and I'll *bite* your head off.

answer: (d) bite

A3 I'm sorry but I can't take any more. I'm afraid I've reached *screaming* point.

answer: (a) screaming

A4 You just *dare* touch that piece of paper and I'll kill you.

answer: (b) dare

A5 How many more times do I have to *repeat* it to you, stupid?

answer: (c) repeat

A6 I know you find this highly amusing but to me it's no *laughing* matter.

answer: (d) laughing

A7 I'm warning you. I can take just that much and *no* more.

answer: (b) no

A8 Everybody just get *out* of my way and leave me alone.

answer: (a) out

A9 Not another word from either of you. That's *final.*

answer: (b) final

A10 Right. I'm leaving. You can do whatever you like. I couldn't care *less.*

answer: (d) less

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Ways of thanking

A1 Words can't possibly *express* how grateful I am for what you have done.

answer: (d) express

A2 Thank you so much for helping me. I really *appreciate* it.

answer: (c) appreciate

A3 A thousand thanks for all your hard work. I shall never *forget* it.

answer: (b) forget

A4 They showed their great gratitude by sending us a large *sum* of money.

answer: (a) sum

A5 Thank you for all you've done from the *bottom* of my heart.

answer: (d) bottom

A6 I'm sending this bunch of flowers as a small *token* of my thanks and appreciation.

answer: (b) token

A7 How can I *possibly* thank you enough for all you've done?

answer: (c) possibly

A8 On the watch they gave him were the words: *in* gratitude for 40 years loyal service.

answer: (d) in

A9 It's very difficult for children to *enclose* their gratitude for what their parents have done for them.

answer: (c) enclose

A10 Look upon this as a *sort* of thank you present for all your endeavours on our behalf.

answer: (b) sort

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Ways of threatening

A1 If I've *told* you once, I've done it a hundred times. Don't do it!

answer: (c) told

A2 I'll give you just one more *chance* and after that, you'll be in real trouble.

answer: (d) chance

A3 I'm telling you loud and *clear* that you really must get it right this time.

answer: (b) clear

A4 She told him that if his manners didn't *improve*, he would be sent home.

answer: (d) improve

A5 He agreed because he said it was like having a gun held to his *head.*

answer: (c) head

A6 I'll lend you money for the very last time because after that you're on your *own.*

answer: (a) own

A7 I can't tell you how lucky you've been this time but just *wait* till next time.

answer: (b) wait

A8 I'm prepared to *overlook* your mistake on this occasion but I can't ever do it again.

answer: (d) overlook

A9 If you leave me now, you don't *need* to come back.

answer: (a) need

A10 Let me put it simply one more incident like that and you're out on your *ear!*

answer: (c) ear

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How to make exclamations

A1 What a wonderful day to see the mountains *on!*

answer: (c) on

A2 How stupid can I get! I *left* my keys in the door overnight.

answer: (d) left

A3 For goodness sake stop *complaining* about the weather! It'll stop raining soon.

answer: (c) complaining

A4 What on earth are you talking about? I can't make head or *tail* of it.

answer: (a) tail

A5 How nice of you to come all this *way* just to wish me a happy birthday.

answer: (d) way

A6 What a disaster! I don't believe anything else could go *wrong* now.

answer: (b) wrong

A7 Wow! You've certainly made a good *job* of decorating this room.

answer: (a) job

A8 Well blow me down! I just can't believe I've actually *passed* my exam.

answer: (b) passed

A9 You could have knocked me down with a feather! You mean to say he's *actually* cleaned my car.

answer: (d) actually

A10 I'll go to the foot of my stairs! It must be at *least* 20 years since we last met.

answer: (c) least

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Ways of agreeing

A1 I'm certainly *with* you on that.

answer: (b) with

A2 I'm of a *like* mind on that, too.

answer: (d) like

A3 Yes, we definitely see eye *to* eye on that one.

answer: (c) to

A4 In that respect we are of *one* mind on that.

answer: (a) one

A5 I can't *argue* with that.

answer: (d) argue

A6 Let's *shake* on that.

answer: (b) shake

A7 There's only one word I can use now to show my agreement and that's — *deal.*

answer: (c) deal

A8 I'll *confirm* that in writing to show my acceptance.

answer: (a) confirm

A9 There's absolutely no doubt *whatsoever* that you're right.

answer: (b) whatsoever

A10 The *terms* seem eminently suitable to me.

answer: (d) terms

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Ways of disagreeing

A1 I'll have to *part* company with you there, I'm afraid.

answer: (c) part

A2 There's no way I can *accept* that.

answer: (d) accept

A3 We'll have to agree to *differ* over that.

answer: (a) differ

A4 Don't even think about it! I can't possibly take that on *board.*

answer: (c) board

A5 No matter how *persuasive* you are, I won't change my mind.

answer: (d) persuasive

A6 You can't talk until the *cows* come home. I won't accept that scheme.

answer: (b) cows

A7 Sorry the subject is now *closed.*

answer: (a) closed

A8 I regret I have no choice but to reject the plan out of *hand.*

answer: (c) hand

A9 No matter how much you object, I am *convinced* I am right and you're wrong.

answer: (b) convinced

A10 You might as well admit it! You haven't a *leg* to stand on.

answer: (d) leg

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Expressions and phrases about money

A1 My grandfather keeps all his money in a *cash box* under his bed.

answer: (c) cash box

A2 What's the *currency* of India?

answer: (c) currency

A3 The president stated in the press conference that the *economic* situation was very serious.

answer: (c) economic

A4 I like horse racing, but I never *bet* any money. I think gambling is stupid.

answer: (a) bet

A5 There's a *cash machine* at the bank if you need some money.

answer: (c) cash machine

A6 Alan's parents must be *wealthy*. They've just bought him a new car.

answer: (b) wealthy

A7 As my uncle's a(n) *accountant*, he helps me manage my finances.

answer: (c) accountant

A8 When my grandfather died, I discovered that he had left me some money in his *will.*

answer: (c) will

A9 At the end of each month, my employer pays my *salary* into the bank.

answer: (c) salary

A10 I'm *broke* at the moment. Can you lend me ten pounds until the weekend?

answer: (b) broke

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Poverty in the US: living standards expressions

A1 Poverty is a relative measure that depends on prices, the standard of living, and the *incomes* that others earn.

answer: (b) incomes

A2 Poverty is a major problem in America, and one that is extremely difficult to *resolve.*

answer: (b) resolve

A3 Families and individuals are defined as living in *poverty* if their incomes fall below certain levels.

answer: (b) poverty

A4 Poverty in the United States is more *extensive* than most people realize.

answer: (d) extensive

A5 One reason for the continued high poverty numbers is the growing gap in the *distribution* of income.

answer: (a) distribution

A6 Weekly *paychecks* tend to be lower for people employed in service industries.

answer: (b) paychecks

A7 During the 1990s, salaries for highly skilled employees *soared*, while wages for those who are less skilled remained about the same.

answer: (a) soared

A8 The decline of unions means that lower skilled workers have to work *elsewhere* for less pay.

answer: (c) elsewhere

A9 The shift from two-parent families to single-parent families and other non-family arrangements tends to *lower* average family income.

answer: (d) lower

A10 According to recent *statistics*, nearly 35 million Americans live in poverty.

answer: (b) statistics

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Dressing expressions

A1 We choose to wear different outfits for different occasions, putting on jumpers and scarves when it is cold and *dressing up* smartly for formal events.

answer: (c) dressing up

A2 To French people, the American idea of *dressing down* looks like a homeless person who just finished his annual trip to the laundromat.

answer: (a) dressing down

A3 The New York Islanders' *dressing room* sustained severe damage when a sewage pipe burst at Nassau Coliseum.

answer: (d) dressing room

A4 My mother put on her *dressing gown* and made herself some coffee.

answer: (c) dressing gown

A5 I've witnessed an employee screaming at her manager in a store, another worker stomping out of a restaurant, and a boss *dressing down* an employee in a public place.

answer: (b) dressing down

A6 The *dressing room* is approximately 4 feet wide by 6 feet deep, and has a full length mirror attached to the inside of the door.

answer: (c) dressing room

A7 The door opened a few inches to reveal a beautiful woman wearing a red *dressing gown.*

answer: (c) dressing gown

A8 *Dressing up* for work doesn't make you more productive on the job — but it does make you look and act more professional, and it upgrades your image in the eyes of others.

answer: (c) Dressing up

A9 The Intelligent Dressing *Room* can scan your measurements and display on a projection screen how a particular item of clothing will look on you.

answer: (a) Room

A10 The Presidential suite features a combined sleeping/living area with two king-sized beds, a wardrobe and *dressing table*, a bathroom with separate shower, and floor-to-ceiling doors that open onto a private balcony.

answer: (b) dressing table

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Retail Sales Phrases

A1 Which of the following persons does not work at a shop? *A window shopper.*

answer: (c) A window shopper

A2 Which of the following phrases is not a good way to greet a customer? *Hi, what's going on today?*

answer: (a) Hi, what's going on today?

A3 Customer: "Excuse me. Could you tell me where the coffee is?" Sales clerk: "Certainly, it's in the next aisle opposite the bread."

answer: (d) (none)

A4 Customer: "Good morning. I need some tissues." Sales clerk: "Of course, how *many* packets would you like?"

answer: (a) many

A5 If you think this is too big, we have a *smaller* size too.

answer: (c) smaller

A6 You will find meat and sausages *at the butcher's* next door.

answer: (b) at the butcher's

A7 Which of the following phrases should NOT be used to say that a product is not available at the moment? *We don't have this.*

answer: (b) We don't have this.

A8 Customer: "Excuse me. When do you close today?" Sales clerk: "We close *at* 10 o'clock."

answer: (c) at

A9 Would you like to pay cash or *by* credit card?

answer: (a) by

A10 Thank you, here is your change and your *receipt.*

answer: (b) receipt

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Code of Practice

A1 The company had its own code of *practice* in these matters.

answer: (b) practice

A2 This is a *prime* example of what not to do.

answer: (d) prime

A3 Plans have already been drawn *up* to deal with such situations.

answer: (c) up

A4 Thousands of *subscribers* are already signing up for this new telephone service.

answer: (b) subscribers

A5 Job losses are mainly in the *blue-collar* sectors of the industry.

answer: (a) blue-collar

A6 The circular will contain *key* financial information to help investors.

answer: (a) key

A7 The report is *likely* to show better than expected results.

answer: (d) likely

A8 So many of these animals have been shot over the years that they are now classed as *endangered* species.

answer: (b) endangered

A9 Some people are *reluctant* to learn a foreign language.

answer: (c) reluctant

A10 It was a big *sacrifice* for her to give up her acting career to look after her family.

answer: (b) sacrifice

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Spin Doctors

A1 Most of the money *raised* was donated to charity.

answer: (a) raised

A2 They are showing a *revival* of a 1930's musical at the Theatre Royal.

answer: (b) revival

A3 When they had both retired, they *settled* in a small village by the sea.

answer: (d) settled

A4 The students at this university are *housed* in blocks of flats on the campus.

answer: (a) housed

A5 I have no wish to have any *dealings* with a firm like that.

answer: (c) dealings

A6 Voters find it difficult to believe politicians because the latter use so many *spin* doctors.

answer: (b) spin

A7 We are told there will be little economic *progress* this year.

answer: (a) progress

A8 Unfortunately she has been given an *insurmountable* task.

answer: (a) insurmountable

A9 It is essential to have air *conditioning* in your car when you drive in a hot climate.

answer: (c) conditioning

A10 Manufacturers are bringing *out* a new range of computers this year.

answer: (b) out

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Credit Card Holders

A1 The stock market has hit new *lows* this year.

answer: (a) lows

A2 The government has decided to hold an *enquiry* into the latest financial scandal.

answer: (b) enquiry

A3 The animal rights organisation has *launched* a new campaign to make people aware of cruelty to animals.

answer: (a) launched

A4 I was totally *unaware* of the increased taxes.

answer: (d) unaware

A5 The price of petrol has *risen* again.

answer: (b) risen

A6 The ordinary person is again being asked to *stump up* to pay for dental treatment.

answer: (a) stump up

A7 This car is intended for the *export* market only.

answer: (c) export

A8 Credit card holders struggle very hard to *reduce* the amount they owe.

answer: (a) reduce

A9 This charity was set up to *collect* money for the poor.

answer: (a) collect

A10 Everything *turned out* all right in the end.

answer: (d) turned out

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Job Interview

A1 Tell us something about your *background* in the engineering industry?

answer: (b) background

A2 I see from your *application* form that you have had three different jobs in the last 5 years.

answer: (d) application

A3 What sort of *period* of time would you stay with us if we offered you the job?

answer: (c) period

A4 Describe how you would describe *yourself* in five years' time.

answer: (d) yourself

A5 Give us some idea of what you believe are your *strengths* and weaknesses.

answer: (b) strengths

A6 As this is a managerial post, we must ask you how you deal with bad *time* keeping or unpunctuality in an employee.

answer: (c) time

A7 Imagine one of your staff loses her temper and shouts at you in front of others, how would you *deal* with this?

answer: (d) deal

A8 What would you say to a member of your staff who always *handed* his work in late?

answer: (b) handed

A9 I should explain that we would naturally *honour* any previous holiday arrangements you have made.

answer: (d) honour

A10 Finally now that we've asked you several questions, do you want to *put* any to us?

answer: (b) put

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Business

A1 I was pleased to receive your response to my proposal but there are one or two points that need *clarification.*

answer: (c) clarification

A2 A report has just been *published* that gives details of the causes of this trend towards informality in the business sector.

answer: (a) published

A3 According to the *findings* in the report it is clear that employees under the age of 35 prefer to dress casually at work.

answer: (c) findings

A4 Thirty years ago this kind of informality would not have been *tolerated.*

answer: (d) tolerated

A5 All employees are kindly requested to *refrain* from smoking in the presence of customers.

answer: (c) refrain

A6 The meeting went on for three hours and as a result there was no time left to discuss all the topics on the *agenda.*

answer: (d) agenda

A7 There's really no point in hoping to add important topics right at the end of the meeting under the heading of any other *business.*

answer: (a) business

A8 The chairman was obliged to bring the meeting to a *halt* because a fire broke out in the adjoining room.

answer: (d) halt

A9 It is absolutely essential that the clerk takes care to *minute* any decisions that have been reached during the meeting.

answer: (b) minute

A10 As so few members had turned up at the meeting, it was decided to *postpone* it until further notice.

answer: (c) postpone

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Finance (1)

A1 The one big fear of all world economies is that of *recession.*

answer: (c) recession

A2 You are never too young to start *investing* some money in a savings account.

answer: (d) investing

A3 If ever you find you have an unexpected expense, you can always *withdraw* some money from your savings.

answer: (d) withdraw

A4 At certain times of the year your shares will *yield* a good profit but you must also be prepared for them to go down in value.

answer: (a) yield

A5 You can *cut* the cost of insuring your car if you keep it in a garage.

answer: (c) cut

A6 We got a very good *deal* when we bought that three piece suite for half its usual price.

answer: (a) deal

A7 Now that the summer has started, big department stores are hoping that sales of holiday items will *take off.*

answer: (c) take off

A8 The two companies have decided to *merge* because they believe that their combined resources will produce greater profits.

answer: (a) merge

A9 When someone dies and their *assets* reach a certain figure, their family has to pay an additional tax.

answer: (c) assets

A10 The loan you have taken out is for a *fixed* term, which in your case is 5 years.

answer: (b) fixed

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Finance (2)

A1 When you go to an auction and you want to buy a particular item, you can simply make a *bid* for it.

answer: (d) bid

A2 The larger company did not really want to join with the smaller one because it was more interested in a *takeover.*

answer: (d) takeover

A3 *Trading* on the stockmarket just before Christmas is usually very slow.

answer: (b) Trading

A4 This sport centre has largely been *funded* by money that has come from the national lottery.

answer: (d) funded

A5 The reason for the *slowdown* in the economy is because there is a great deal of uncertainty at the moment.

answer: (c) slowdown

A6 The *upturn* in the market was seen as a positive sign that the recession was over.

answer: (a) upturn

A7 The *order* books for manufacturers of small cars are now full following the rise in petrol.

answer: (b) order

A8 The future of his job was at *stake* when he made the decision to invest in new machinery.

answer: (c) stake

A9 After their house had been *valued*, they decided to sell it and buy a bigger one.

answer: (a) valued

A10 Fifty people were made *redundant* when the company suffered a severe financial shock.

answer: (d) redundant

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Finance (3)

A1 If you cannot get a job and remain *unemployed* for a long period, you can claim some money from the state.

answer: (c) unemployed

A2 The great thing about this guarantee is that there is never any doubt and there is no *quibble* about getting your money back.

answer: (c) quibble

A3 There is a substantial *shortfall* between the money you have available and the amount you need to spend.

answer: (b) shortfall

A4 When you retire, you should get a pension and a *lump* sum from your employers.

answer: (a) lump

A5 *Investors* are people who put money into a business in the hope of making a profit.

answer: (d) Investors

A6 When you take out a large loan over many years, you don't start paying off the *capital* for some time.

answer: (c) capital

A7 We will make no *charge* for the catalogue, which you can take with our compliments.

answer: (c) charge

A8 It may seem a long way into the future but in the end you will get some *benefit* from your investment.

answer: (b) benefit

A9 There is still an outstanding *balance* on that account, which must be paid in 30 days.

answer: (a) balance

A10 Interest *rates* are at their lowest level since the 1950's.

answer: (b) rates

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Money

A1 It's useful when you go to an auction if you're ready with cash in *hand.*

answer: (d) hand

A2 I prefer to deal in *hard* cash rather than cheques.

answer: (b) hard

A3 Every office has a certain amount of *petty* cash to pay for things like tea, coffee or stamps.

answer: (d) petty

A4 At the moment we are experiencing some cash *flow* problems because little money is coming in.

answer: (c) flow

A5 At the casino you can cash *in* your chips at the desk.

answer: (d) in

A6 Whatever she does, she just can't help *making* money.

answer: (b) making

A7 There doesn't seem to be anyone working really hard for the business and yet they all seem to earn *easy* money.

answer: (c) easy

A8 If you don't want to use a cheque or postal order, you can always use a money *order.*

answer: (a) order

A9 That new invention has been very successful and has proved to be a money *spinner* for its creator.

answer: (c) spinner

A10 This machine is obviously useless and if I were you I'd get your money *back.*

answer: (a) back

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Advertising

A1 In order to make a sensible *comparison* among the different vacuum cleaners available, it is important to do some research.

answer: (b) comparison

A2 The local department store has to make a sustained effort at this time of the year to *satisfy* customer demand for summer clothing.

answer: (a) satisfy

A3 A good team leader must be able to *inspire* his colleagues to face the challenge of a downturn in business.

answer: (d) inspire

A4 The *current* trend in children's desire to wear designer label clothes should be exploited.

answer: (b) current

A5 You have to *convince* the public that it is in their own interest to read the instructions on all our medicines.

answer: (c) convince

A6 In order to survive in this business you must adopt a *competitive* stance.

answer: (d) competitive

A7 The *consumption* of alcohol is not allowed in any of the company's premises in order to present a clean image.

answer: (b) consumption

A8 When you are setting out to *attract* new customers in an advertisement, choose the right words.

answer: (c) attract

A9 The really effective television commercial is the one that *persuades* you of its authenticity.

answer: (a) persuades

A10 I can strongly recommend this *product* as the best available on the market today.

answer: (b) product

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At the Shops

A1 We got there early so that we could get the best *bargains* in the sale before anyone else.

answer: (c) bargains

A2 If you *bear* with me, I'll go and see whether we have that in your size.

answer: (c) bear

A3 The trouble with these huge superstores is that they don't have enough *checkouts* to deal with customers at busy times.

answer: (d) checkouts

A4 It started off as a small street corner shop over 30 years ago but it has now *expanded* into a massive department store.

answer: (a) expanded

A5 Take a good look at the receipt when you leave so that you can see that all the *items* have been listed.

answer: (b) items

A6 Whenever I go to the old part of a city, I like to *explore* all the shops selling antiques.

answer: (d) explore

A7 Are you aware of the latest *trend* in children's clothing?

answer: (b) trend

A8 They're quite *strict* in their policy of not giving refunds without a receipt in this store.

answer: (c) strict

A9 They have a *mandatory* restriction in the shop with regard to the number of items of clothing that you can try on at one time.

answer: (d) mandatory

A10 The extent of the *merchandise* available in this one store is more than you can possibly imagine.

answer: (a) merchandise

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At the Computer

A1 Without the right software I'm afraid you can't *access* that particular program.

answer: (b) access

A2 The aim of the office manager is to *allocate* enough room on the building plans so that each employee can have space for a personal computer.

answer: (c) allocate

A3 Remember that before you leave your workstation, always *shut down* your computer.

answer: (d) shut down

A4 It's quite easy if you want to find folders and files on the computer, all you do is click here and it immediately starts *searching.*

answer: (b) searching

A5 I have tried and tried again and again and no matter what I do it still shows "error" — I just can't *figure out* what's wrong.

answer: (c) figure out

A6 I spent hours writing that report and checking all the information was correct and then without thinking I pressed the *'delete'* button.

answer: (b) 'delete'

A7 It's a really clever piece of software because it enables you to *display* on your screen all the information in columns.

answer: (c) display

A8 Unfortunately this program is not *compatible* with the operating system on my computer.

answer: (b) compatible

A9 When you see that particular symbol on the screen, you have to take that as a *warning* that something is wrong.

answer: (d) warning

A10 With this program you can always check your spelling and grammar and if you don't want to accept what it shows, you simply press *'ignore'.*

answer: (a) 'ignore'

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Money Matters (1)

A1 Even after their recent heavy expenses, they still found there was a healthy *balance* in their bank account.

answer: (c) balance

A2 As the builder wanted cash for the work he had done, she had to go to the bank personally to *take out* the money herself.

answer: (b) take out

A3 It was considered a very good time to apply for a *mortgage* to buy the house because interest rates were very low.

answer: (c) mortgage

A4 Before they could borrow a large sum of money to buy the house, they had to make sure they had enough money to be able to make a *down* payment.

answer: (a) down

A5 All the *transactions* you make on your internet account are recorded so that you can check the details at any time.

answer: (d) transactions

A6 I'm afraid this cheque will be of no value until you have put your *signature* on it.

answer: (a) signature

A7 The bank refused to *accept* the money order because the customer had no proof of identity.

answer: (c) accept

A8 Under the rules laid down by the bank there is a *restriction* on the amount of money you can get out from a cash machine in any one day.

answer: (b) restriction

A9 The bank clerk at the counter did not know the customer and in view of the large amount of money involved was naturally *cautious* about paying out the sum on the cheque.

answer: (d) cautious

A10 The bank will simply not let you *borrow* any money unless you can prove that you have been in regular employment for at least three years.

answer: (c) borrow

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Money Matters (2)

A1 Good *accounting* procedures are very important if you want to run a business profitably and successfully.

answer: (b) accounting

A2 The company fell heavily into *debt* when it took on too many customers and offered them all cheap warranties.

answer: (a) debt

A3 Once you have built up your company, you must remember to keep in touch with your original *clients.*

answer: (c) clients

A4 Each department within the organisation is given a *budget* within which it has to remain for the whole year.

answer: (d) budget

A5 When the time came to close the business down, its entire *assets* had to be calculated so that the creditors could be paid off.

answer: (b) assets

A6 The manager called in her chief clerk because she could not *reconcile* the figures on the monthly spreadsheet.

answer: (c) reconcile

A7 Every year the college finance officer did not look forward to the visit from the government official who came to *audit* the accounts.

answer: (d) audit

A8 It was a great relief to Charlie when he realized that he had come to the end of his agreement with the bank and there was only one *outstanding* payment left.

answer: (c) outstanding

A9 The building society sent a letter to all its savers and *borrowers* that there would be a reduction in the interest rate.

answer: (b) borrowers

A10 Shortly after the couple had bought their first house, they saw the number of bills *accumulate* rapidly.

answer: (c) accumulate

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Money Matters (3)

A1 The representative of the financial consultants assured her that the policy of the firm was that of complete *commitment.*

answer: (c) commitment

A2 There is no need to worry about the money side of the project because *funds* are available from the charity sponsoring us.

answer: (b) funds

A3 The present finance minister has adopted a very *conservative* approach towards change and always follows a very cautious policy.

answer: (d) conservative

A4 As all advisers always do, she stressed that investing in this particular market had to be considered as a *long-term* commitment over at least 10 years.

answer: (c) long-term

A5 The best way to develop an income for the future is to invest in a series of companies and in that way to build up a *portfolio.*

answer: (b) portfolio

A6 I strongly recommend investing in these shares because you will get a very good *return* after only a few years.

answer: (c) return

A7 The question is whether it is *wise* to sell up all your shares at this stage rather than wait to see how the market is next year.

answer: (b) wise

A8 There is no question that the most important *resource* in that company is its youthful enthusiasm.

answer: (c) resource

A9 If you want to make a good job of selling shares to the public, you must have an element of *aggression* in your approach.

answer: (b) aggression

A10 It's a personal matter whether you choose stock from this company or from that because in the end it's an *attitude* of mind.

answer: (c) attitude

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Money Matters (4)

A1 There is one date you mustn't forget and that's the *deadline* for sending in details of your earnings to the tax office.

answer: (b) deadline

A2 If you are self-employed, you must make sure that you *fill out* the form indicating how much you have earned.

answer: (c) fill out

A3 If the department agrees that you have paid too much tax in the year, you will receive a *refund* in due course.

answer: (d) refund

A4 Each month when you receive your pay, the employer *withholds* a certain amount to pay towards your pension.

answer: (a) withholds

A5 When you take out a loan, you have to pay interest on the amount you *owe.*

answer: (c) owe

A6 In the tax office there will be a *file* that holds all the documents and papers connected with you.

answer: (a) file

A7 There is quite a heavy financial *penalty* attached to any action that involves late payment of taxes.

answer: (d) penalty

A8 Under the new regulations you can agree yourself to *calculate* the tax you have to pay on the income over the previous year.

answer: (b) calculate

A9 As the couple had a *joint* account, the money to pay the mortgage was taken from there.

answer: (a) joint

A10 You can decide, if you so wish, to *give up* your right to take your pension at an earlier date.

answer: (b) give up

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Quality Control

A1 The reason why I always buy my clothes at this store is because all the *brands* they sell are of very high quality.

answer: (c) brands

A2 Before these articles leave the factory to be forwarded to the retailer, each one is thoroughly *inspected.*

answer: (d) inspected

A3 The advantages of working for this company is that all employees *perceive* themselves as a member of the team.

answer: (c) perceive

A4 If for any reason customers do not like the item they have bought, they always *take it back* and get a refund.

answer: (b) take it back

A5 The great thing about this particular material is that however much you screw it up, it never *wrinkles.*

answer: (a) wrinkles

A6 The company insists that all their products are *uniform* in respect of their quality, specification and look.

answer: (d) uniform

A7 This is the department for children's clothes and each *garment* is marked with the recommended age range.

answer: (b) garment

A8 The sole purpose of this jacket is to *repel* water and if you wear it in the rain and still get wet, it's useless.

answer: (c) repel

A9 The whole look of the shop front is *enhanced* by the introduction of bright colours.

answer: (d) enhanced

A10 These pots are being sold as seconds because each one has a slight *defect* in the glaze.

answer: (a) defect

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Product Improvement

A1 Before the product is put on the market, the company must *ascertain* whether it complies with safety standards.

answer: (c) ascertain

A2 It is absolutely essential to do some thorough *research* before you even think of putting a new product on the market.

answer: (b) research

A3 You have a *responsibility* to the public to ensure your toy products are suitable for children to play with.

answer: (a) responsibility

A4 The company is busy trying to *solve* the problems arising from the sudden drop in sales of their cosmetic products.

answer: (b) solve

A5 The job of the *organizer* of this particular section is to train the members to deal politely with any complaints from the public.

answer: (b) organizer

A6 Inspiration has its place in any form of product development but at the same time you also need to adopt some kind of *systematic* approach.

answer: (a) systematic

A7 A *logical* approach to new ideas is to be welcomed but you do need a strong element of imagination as well.

answer: (d) logical

A8 Since 1993 or if you like within the last *decade*, there have been many products that have failed because of poor marketing.

answer: (b) decade

A9 We would definitely like to *examine* the proposal you have presented to us with a view to including it in our current range of products.

answer: (c) examine

A10 As we have enough money in our present budget, we are happy to launch this new product in the nature of an *experiment.*

answer: (b) experiment

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Employment and Training

A1 We're paying for a stand at the new industrial exhibition with a view to *generating* interest among potential employees in our company.

answer: (b) generating

A2 For the first three months of your employment with the firm you will be under the care of a *mentor.*

answer: (d) mentor

A3 Although she was very tempted to accept the job she was offered, she had to *reject* the offer because the salary would have been insufficient.

answer: (b) reject

A4 A university education is of course important but it is essential that all employees undergo a period of intensive *training.*

answer: (c) training

A5 A newsletter is sent out every ten days to all the staff so that they receive a regular *update* on recent appointments.

answer: (a) update

A6 Part of the ongoing training is to ensure that a regular time and place are *set up* for department heads to meet their staff.

answer: (c) set up

A7 The head of department acknowledged that the *success* of the section was largely due to high quality support staff.

answer: (a) success

A8 The pace of change in that industry is so fast that staff find it hard to *keep up with* the latest developments.

answer: (d) keep up with

A9 It is the policy of the company to *conduct* all interviews for new recruits with a member of the trade union present.

answer: (b) conduct

A10 In view of the excessive workload you have at the moment I won't expect you to keep *on track* during the next few days.

answer: (c) on track

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Agreements

A1 The contract was signed by the three partners who thus agreed to *abide* by terms and conditions contained in it.

answer: (c) abide

A2 There was nothing in the contract that *specified* who would be responsible in the event that one of the partners became seriously ill.

answer: (b) specified

A3 An independent adviser was called in after the collapse of the company to *resolve* some of the issues that were not clear.

answer: (d) resolve

A4 One of the *parties* mentioned in the original agreement has decided that she does not want to continue with the profit-sharing scheme.

answer: (d) parties

A5 In view of the serious problems associated with the takeover the newspaper company has decided to *cancel* its offer of financial help.

answer: (c) cancel

A6 The main problem was that the newly formed organisation was not attracting enough work and so they decided to *engage* the services of a public relations expert.

answer: (b) engage

A7 That company has been in business for over 100 years and in fact was *established* in 1899.

answer: (b) established

A8 After the complaint had been received from the customer about poor service, she was given a written *assurance* that the matter would be put right.

answer: (c) assurance

A9 They were very careful to make sure in the original agreement that *provision* would be made to pay for staff redundancies.

answer: (d) provision

A10 We decided to employ a solicitor who would be able to *determine* the extent of our liability in this matter.

answer: (d) determine

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Super Supermarkets

A1 If you ask someone for their *stance* on supermarkets as opposed to the small corner shop, you will get varying replies.

answer: (c) stance

A2 The first question you have to ask is who are the customers that they are each trying to *target.*

answer: (a) target

A3 When you tell the inhabitants of a small village that the little local store is going to close, many will express *dismay.*

answer: (d) dismay

A4 There will naturally be *splits* in the various sections of the community as to the benefits or disadvantages of losing the little store.

answer: (b) splits

A5 Of course we all get *plagued* with endless leaflets through the door telling us of bargains at the local supermarket.

answer: (a) plagued

A6 Big discussions take place in the area as to whether a supermarket will come to the area and waiting for the outcome can be quite *nerve racking* for the small shop owner.

answer: (c) nerve racking

A7 Inquiries are held which seem to go on forever and you only wish that the procedure could be *speeded up.*

answer: (c) speeded up

A8 Protest meetings are held but invariably they end in a *shambles* because they are not organized properly.

answer: (b) shambles

A9 Then the final result is announced that there is to be a *merger* between EASISHOP and GOSHOP, which will then become a super supermarket.

answer: (d) merger

A10 The confused customer is now in a terrible *dilemma* because in the old days there was just one brand of butter to buy and now there is a choice of 24.

answer: (c) dilemma

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Are You in Debt?

A1 Going on a spending *spree* with your credit card and no concern about how you pay back the money you borrow, is a growing habit these days.

answer: (b) spree

A2 There is a popular demand for the system that allows credit companies to offer unlimited credit to young people to be *overhauled.*

answer: (a) overhauled

A3 It has been *disclosed* by a government agency that the percentage of under 25 year olds owing large sums to companies is on the increase.

answer: (d) disclosed

A4 One director of a major credit company has already been forced to *step down* because of the bad publicity his company has attracted.

answer: (c) step down

A5 One solution that has been suggested to control credit is to *step up* the regulations to make it more difficult to get credit in the first place.

answer: (b) step up

A6 The main problem is that a debt *culture* has developed recently believing that it is cool to owe large sums of money.

answer: (d) culture

A7 Recent reports have *revealed* that being in debt is not now looked upon as a disgrace but rather as an attractive way of life.

answer: (a) revealed

A8 In reality it's a very long *haul* to get from owing to paying off all your debts.

answer: (c) haul

A9 There are frequently *clashes* in the family home between parents and children about whether you should enter into credit agreements.

answer: (b) clashes

A10 What concerns people most are the mounting *fears* among governments that it will take at least a generation for us to be rid of excessive debt.

answer: (c) fears

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Guarantees and Warranties

A1 If you go to an unauthorized garage to have your car serviced, the *consequence* is that your warranty will be invalid.

answer: (a) consequence

A2 The guarantee, as I understood it, *implied* that everything was covered.

answer: (b) implied

A3 I regret to inform you that as your guarantee *expired* last week, we can't help you.

answer: (c) expired

A4 A warranty is to be looked on as a sort of *promise* between the manufacturer and you.

answer: (d) promise

A5 Sometimes people don't bother about guarantees because the *reputation* of the manufacturer is enough for them.

answer: (d) reputation

A6 Certain warranties *require* the purchaser to have the item serviced at regular intervals.

answer: (c) require

A7 You will find that such warranties are not worth buying because the cover provided is *frequently* not worth the extra expense.

answer: (b) frequently

A8 This kind of legislation is in existence to *protect* the customer from worthless warranties.

answer: (b) protect

A9 You sometimes have to *consider* very seriously whether to buy a second hand car which has no guarantee.

answer: (a) consider

A10 Sometimes you get a one year warranty, a two year one or even a six month one — they all *vary.*

answer: (d) vary

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At the Office (1)

A1 Concern was expressed by the office manager that the company would buy an *affordable* financial package.

answer: (b) affordable

A2 The main *provider* of stationery for the office suddenly announced there would be an overall increase in their prices.

answer: (d) provider

A3 The chief administrative officer disliked lack of attention to detail and insisted that such mistakes should never *recur.*

answer: (a) recur

A4 Once again the company has had to make a *reduction* in the number of office staff to try and recoup their losses.

answer: (b) reduction

A5 The *stock* of zip discs in the office is running dangerously low.

answer: (c) stock

A6 If the managers want to stay employed, they will have to learn how to stay on *top* of their jobs.

answer: (b) top

A7 It's not worth paying for an annual service when you can simply call the supplier on an as-*needed* basis.

answer: (a) needed

A8 The new office manager will be in *charge* of all the IT requirements that the company uses.

answer: (d) charge

A9 Currently there is a shortage of clerical staff but it is hoped that by the end of the year they will be up to full *capacity.*

answer: (b) capacity

A10 Staff are always encouraged to work by themselves and whenever they meet a problem, they should use their own *initiative.*

answer: (a) initiative

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At the Office (2)

A1 On her retirement she was given a substantial cheque in *appreciation* of all the work she had done over the last 20 years.

answer: (c) appreciation

A2 Having attended the office procedures course all employees were expected to *reinforce* what they had learned and introduce it into their daily routine.

answer: (a) reinforce

A3 Visiting clients had commented on the casual dress *code* of most of the clerical staff.

answer: (d) code

A4 The *practice* of staff doing physical exercises before the start of the day is well established in Japanese companies.

answer: (c) practice

A5 There is a lengthy procedure used in this office for staff who have produced shoddy work and it begins with a *verbal* warning.

answer: (b) verbal

A6 There was no fixed agenda for that particular day as it was to be regarded simply as a *casual* meeting.

answer: (d) casual

A7 At the interview all the candidates were shown round the building but could only really catch a *glimpse* of the sort of work being carried out.

answer: (c) glimpse

A8 They really need to keep a check on the stationery supplies as they've run *out of* A4 paper once again.

answer: (c) out of

A9 Managers prefer to select people who have been *exposed* to many different types of office environments.

answer: (b) exposed

A10 A troubleshooter was brought into the office from another firm to get rid of some very *outdated* procedures.

answer: (a) outdated

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Legal Expressions

A1 If you drive faster than the stated speed limit, you are simply *breaking* the law.

answer: (d) breaking

A2 However angry you may get at what someone has done to you, the police always advise you not to take the law into your own *hands.*

answer: (b) hands

A3 In London in any underground station it is *against* the law to smoke.

answer: (d) against

A4 Even if you think you may have got away with a crime, in most cases the long *arm* of the law will catch you.

answer: (a) arm

A5 In that particular industry everyone has to look after themselves because the law of the *jungle* rules.

answer: (c) jungle

A6 They have no respect for modern conventions and do exactly what they want — they are a law *unto* themselves.

answer: (a) unto

A7 Her parents are very strict and frequently *lay* down the law about the way she behaves.

answer: (c) lay

A8 Although technically his judgement was not according to the *letter* of the law, most people thought the judge was right to let the man go free.

answer: (d) letter

A9 I get the impression sometimes that she thinks she can never do anything wrong almost as if she is *above* the law.

answer: (a) above

A10 All governments want people to live in peace and comfort and so they try to promote a sense of law and *order.*

answer: (b) order

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Invoices

A1 There is an additional *charge* added to the price of the product if you want to have it delivered to your house.

answer: (b) charge

A2 You should have read the *terms* of payment as soon as you received the invoice for the goods.

answer: (d) terms

A3 In order to cut down the expenses of compiling and sending out the invoices, you need to employ an *efficient* administrator.

answer: (c) efficient

A4 It's always a good idea to get an *estimate* of what the cost of the work will be before the invoice lands on your doormat.

answer: (b) estimate

A5 I do like to get a *prompt* reply to my letters especially when they are referring to the amount of money I'm supposed to be paying.

answer: (a) prompt

A6 Just as we were about to leave the restaurant, the waiter came running up to apologize there had been a *mistake* in the bill.

answer: (c) mistake

A7 The company were very quick to point out it was their fault we had been sent the wrong invoice and they *rectified* it immediately.

answer: (b) rectified

A8 In view of our previous orders over the last year we were offered a 10% *discount* on any future dealings.

answer: (d) discount

A9 He appreciated the additional welcome and help he received from the department store staff as he had after all been a longstanding *customer.*

answer: (a) customer

A10 She got quite angry about the size of the invoice until it was pointed out that it was the government who *imposed* the value added tax.

answer: (b) imposed

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Taxes

A1 If you are self-employed, it is your responsibility to *calculate* how much tax you should legally pay.

answer: (d) calculate

A2 I had a letter from the office of the Collector of Taxes telling me that I had to pay back all the money I *owed* over the last 3 years.

answer: (c) owed

A3 The arrangement they have is that all the money that has to be paid in tax out of their earnings comes from their *joint* account.

answer: (d) joint

A4 Under the current legislation if you are late in paying your taxes, then you have to face a financial *penalty.*

answer: (a) penalty

A5 He is in a terrible rush to complete his tax returns by Tuesday otherwise he won't be able to reach the *deadline.*

answer: (b) deadline

A6 It doesn't happen very often but I actually got some money from the tax office and with the *refund* I'm going to treat myself.

answer: (c) refund

A7 Before you can claim any money back on overpayment of tax, you have to *fill out* an application form.

answer: (b) fill out

A8 You can elect, if you want, to transfer your tax free allowance to your *spouse.*

answer: (a) spouse

A9 Until it's clearly established which tax group you are in, your employer will be asked to *withhold* a certain amount of your pay.

answer: (c) withhold

A10 There have been so many queries about his tax situation that there is now a huge *file* containing the details in the office.

answer: (d) file

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Finance

A1 It's a gamble at the moment whether the company will make profit in its second year but that nevertheless is the *desired* aim.

answer: (c) desired

A2 Each year the Chancellor of the Exchequer stands up in the House of Commons and gives a *forecast* of what is seen as the economic outlook for the country.

answer: (a) forecast

A3 I think that your financial optimism is not really justified and you should adopt a more *realistic* attitude.

answer: (d) realistic

A4 If you want to increase sales of a particular product, you must be sure that you are *targeting* the right customers.

answer: (c) targeting

A5 The idea caught on very quickly and people were queuing up to buy the goods so that year the company's investment *yielded* substantial profits.

answer: (b) yielded

A6 *Overall* it has not been a bad year as our costs are well down on last year's.

answer: (a) Overall

A7 Managers complained bitterly at the Annual General Meeting that *levels* of production had dropped to an all time low.

answer: (d) levels

A8 You have to accept that this kind of expenditure is quite *typical* in an enterprise of this kind.

answer: (b) typical

A9 The figures that have just been published by the company's accountants will give management some kind of *perspective* on how sales are going.

answer: (d) perspective

A10 Whenever a member of staff makes a claim for travel expenses, they have to provide a *detailed* account of their journeys.

answer: (a) detailed

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Interviews and Jobs

A1 One of the most important qualities which the panel is looking for in a candidate is the *ability* to work with others.

answer: (d) ability

A2 Once the applications have been looked at the usual procedure for the panel is to follow *up* the references of those candidates who have been shortlisted.

answer: (c) up

A3 They were so impressed with the way she reacted to their questions that they didn't *hesitate* to offer her the job.

answer: (b) hesitate

A4 As this job was of a very specialist nature an *expert* was invited to join the interview panel.

answer: (a) expert

A5 After the interview one of the candidates *constantly* phoned the office to see whether he had been successful.

answer: (c) constantly

A6 She was in such a state of extreme nervousness when she was *called in* for the interview that she burst into tears.

answer: (b) called in

A7 From the point of view of relevant *background* she was the ideal candidate at least on paper.

answer: (d) background

A8 It is absolutely essential in an interview to give the impression at least that you are full of *confidence.*

answer: (c) confidence

A9 One of the most popular questions asked of interviewees is to explain their strengths and *weaknesses.*

answer: (a) weaknesses

A10 Each candidate was asked to *present* a short account of how they saw the future of the company.

answer: (b) present

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Working Well

A1 The boss was appointed in the hope that she would be able to *achieve* results.

answer: (c) achieve

A2 In the very beginning she had a meeting with all the staff, which turned out to be extremely *productive.*

answer: (a) productive

A3 Although many people wanted to remain *loyal* to her predecessor, they soon started to respect her style of managment.

answer: (d) loyal

A4 At the first series of interviews the question was whether to appoint a newcomer or *promote* a current employee.

answer: (b) promote

A5 The decision was finally taken that appointments should be based purely and simply on *merit.*

answer: (c) merit

A6 There was a new spirit in the company and for the first time in ages staff at last felt they were being *valued.*

answer: (a) valued

A7 Employees were beginning to receive *recognition* for the hard work that they had been doing.

answer: (d) recognition

A8 It soon became apparent that under the new management people were also starting to *contribute* some of their free time to the company.

answer: (c) contribute

A9 Some of the longest serving staff actually looked *forward* to coming into work.

answer: (d) forward

A10 At the end of her first year it was *obvious* to everyone that as the new boss she had been totally accepted.

answer: (a) obvious

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Pay and Allowances

A1 On the *basis* of her ten years' service she immediately qualified for the extended annual leave of six weeks.

answer: (b) basis

A2 Although he knew it was a sensitive subject, his boss had to ask him the *delicate* question about his drink problem.

answer: (d) delicate

A3 At the interview each applicant was able to *negotiate* the level of remuneration they would be expecting to receive.

answer: (a) negotiate

A4 Under the new *flexible* arrangements coming into force soon all employees can decide what time to start and when to finish.

answer: (c) flexible

A5 According to the contract you are not *eligible* for the new allowance until you have been with the company one year.

answer: (d) eligible

A6 The only way you can hope to *raise* the level of your pay is to take on greater responsibility.

answer: (b) raise

A7 She is trying to get some form of *compensation* to make up for the poor working conditions she had to put up with for all those years.

answer: (c) compensation

A8 Of course there is a little extra added to your salary because you will *benefit* from the inner city allowance.

answer: (b) benefit

A9 The hourly *wage* for all part time clerical assistants has gone up by 40% since 2000.

answer: (a) wage

A10 Remember when you stop work and *retire*, you will be able to receive the company pension.

answer: (d) retire

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Internet Business (1)

A1 One of the great advantages of using the Internet is that people can *interact* more quickly.

answer: (d) interact

A2 It's no good spending a small fortune on new IT equipment as it's more cost *effective* to hire it.

answer: (c) effective

A3 One of the fashionable ways of saying you've been sacked is to say that your company is *down*sizing but you've still lost your job.

answer: (a) down

A4 The important thing to realise is that your service is not a little island on its own because all the services in this company are *inter*connected.

answer: (b) inter

A5 Whereas ten years ago we only dealt with customers in this country nowadays we are truly *global* with branches all over the world.

answer: (d) global

A6 One of the most successful tools in your organisation is that of good *communication* because everybody knows what's going on.

answer: (a) communication

A7 Let me just *recap* what we have agreed in the agenda so far if nobody minds me going over it all again.

answer: (c) recap

A8 You have to realise that not all your clients can reach you online because they don't have *access* to a computer.

answer: (b) access

A9 There are times when you have to force yourself to improve your performance and that's simply called self-*motivation.*

answer: (d) motivation

A10 You must think big in this business and not just think short *term* but what you hope to do in ten years' time.

answer: (a) term

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Internet Business (2)

A1 It's all very well having a dream or an idea but you must know where you're going and what your *goal* is.

answer: (c) goal

A2 Her job in the company was to sort out the relevant information thereby *filtering* it so that only appropriate material was sent to her directors.

answer: (b) filtering

A3 She told him to stop wasting time by coming up with tried and tested ideas and in this way simply re-inventing the *wheel.*

answer: (d) wheel

A4 The product had been on the market for some years and was selling well but somehow the image was in need of a face lift or *enhancement.*

answer: (a) enhancement

A5 In the hope of finding fresh ideas he used the internet to help him by using as many search *portals* as he could discover.

answer: (b) portals

A6 You must increase the sale of this commodity by trying to interest a different age range and by *tapping* into their society.

answer: (c) tapping

A7 You'll never make any more money or *generate* new income if you keep using that unimaginative marketing logo.

answer: (a) generate

A8 Now that you've explained the scope and *dimension* of the market, we are very keen to inject some money into your project.

answer: (d) dimension

A9 There is always a risk in any business *venture* when your scheme is based on an entirely new concept.

answer: (a) venture

A10 Get in there first and don't hesitate to act as the boss and take the *lead.*

answer: (b) lead

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Verbal Communication Skills

A1 Remember that this happened first and was *prior* to the episode that happened afterwards.

answer: (c) prior

A2 As the police saw the accident themselves, the driver avoided the *necessity* of having to give a detailed report.

answer: (d) necessity

A3 It's a complete waste of time *arguing* over who was to blame, the main thing we have to do is decide what to do next.

answer: (a) arguing

A4 It was easy to realise why the machine had stopped working since it was a direct *consequence* of his failure to maintain it.

answer: (c) consequence

A5 I am completely confused as to why she did it and so it's not *difficult* to imagine why other people are mystified, too.

answer: (b) difficult

A6 If you want to try and influence that political party it's best to become a member yourself and then you can argue from the *inside.*

answer: (d) inside

A7 I have great *sympathy* for them at this time because I have had a similar experience.

answer: (b) sympathy

A8 Feel free to visit anything of interest to you in the exhibition and also you can *partake* of any of the refreshments available.

answer: (c) partake

A9 Many of the people in the crowd were visibly crying because they all *sympathized* with those who had lost relatives in the disaster.

answer: (d) sympathized

A10 I assure you that you will have no problem with the task because it's as easy *as* can be.

answer: (a) as

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Corporate Policy (1)

A1 Since last year my workload has increased *considerably.*

answer: (b) considerably

A2 The ability to present your thoughts in an organized *manner* is critical.

answer: (c) manner

A3 The company has *implemented* several new policies recently.

answer: (a) implemented

A4 She provided the judge with *concrete* evidence in support of the case.

answer: (a) concrete

A5 He is paid a *salary* rather than by the hour.

answer: (d) salary

A6 The job *market* seems to be improving.

answer: (c) market

A7 Your resume needs *some* work.

answer: (d) some

A8 The operation is currently *undergoing* some vast changes.

answer: (a) undergoing

A9 Working as a team will better enable the company to *reach* its goals.

answer: (c) reach

A10 Who is in charge *of* negotiations?

answer: (b) of

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Corporate Policy (2)

A1 She is *fed up* with having to do 2 people's jobs.

answer: (d) fed up

A2 Being a mother *of* 3 and working full-time was too much.

answer: (c) of

A3 He works 6 days *a* week.

answer: (a) a

A4 It's the *opportunity* of a lifetime.

answer: (a) opportunity

A5 The left-overs each night are donated to a *nonprofit* organization that feeds the homeless.

answer: (d) nonprofit

A6 It is very important that the review is turned *in* by the deadline.

answer: (c) in

A7 Beginning in October we will *evaluate* each employee's past performance.

answer: (a) evaluate

A8 People tend to gravitate *toward* others who are the most like themselves.

answer: (c) toward

A9 The owners are discussing how they can cut costs without lowering salaries or *laying* off employees.

answer: (b) laying

A10 You are the *most* helpful person I have met.

answer: (d) most

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Corporate Policy (3)

A1 A suck-up is someone who is *overly nice to* their superior in an attempt to gain favor.

answer: (b) overly nice to

A2 Another name similar to a suck-up is a *brown*-noser.

answer: (c) brown

A3 Our *annual* income is at least six-digits.

answer: (a) annual

A4 You should solicit and utilize feedback on all of your *endeavors.*

answer: (d) endeavors

A5 He must master an *array* of technical skills.

answer: (a) array

A6 It is crucial that we do not *stifle* the momentum of the up-and-coming generation of workforce.

answer: (b) stifle

A7 Let your creative juices *flow.*

answer: (d) flow

A8 You may need to *alter* some of your phrasing because some of these sentences are redundant.

answer: (b) alter

A9 She implied her notable *distaste* for her opponent by wrinkling her nose upon his arrival.

answer: (c) distaste

A10 The new supervisor has *furnished* the company with some exceptionally enlightening new ways of thinking.

answer: (a) furnished

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Behaviour Guidline

A1	Your reputation *precedes* you. answer: (b) precedes
A2	Their vast efforts were *thwarted* in the end. answer: (d) thwarted
A3	The corporate disorganization was really only a *by-product* of the director's indecisiveness. answer: (a) by-product
A4	She strode *hastily* through the crowd. answer: (b) hastily
A5	The condescending manner in which he addresses his employees is incredibly *degrading.* answer: (c) degrading
A6	If an employee's performance is not up to par and the same is either unable or unwilling to change, a *personnel* change may be necessary. answer: (a) personnel
A7	No one can *help* liking her because she is so warm and pleasant. answer: (d) help
A8	Engaging in gossip is a highly *distasteful* act. answer: (a) distasteful
A9	All loitering is strictly prohibited on the *premises.* answer: (d) premises
A10	We must start from 'ground *0*'. answer: (b) 0

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How to assess employees

A1 His *depiction* was entirely ambiguous.

answer: (c) depiction

A2 Giving extravagantly to causes in which you believe is remarkably *commendable.*

answer: (b) commendable

A3 Diversity is *just* as important as continuity.

answer: (a) just

A4 Our office is a bustling *hub* of activity.

answer: (d) hub

A5 He gave us little to no indication *as to* his whereabouts.

answer: (c) as to

A6 The athletic abilities of the circus performers was nothing short of *phenomenal.*

answer: (b) phenomenal

A7 Virtually every assignment will require an *element* of creativity.

answer: (b) element

A8 He was contemplating *devising* a new technique.

answer: (a) devising

A9 The industry is on the *verge* of a colossal expansion.

answer: (d) verge

A10 While certain tasks may be somewhat *contrived*, nevertheless the genuine exchange of information can occur.

answer: (c) contrived

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Money Slang Expressions

A1 Mary: Did you know there are *loads* of slang words for money, like bread for example?

answer: (c) loads

A2 John: I suppose there are when you *come* to think about it — like dough, which is similar to your word bread.

answer: (d) come

A3 Mary: One of my *favourites* is dosh. I like the sound of it.

answer: (a) favourites

A4 John: Well if you're *referring* to sound. What about spondulicks?

answer: (b) referring

A5 Mary: Yes, that's excellent. Another short sound that *appeals* to me is brass.

answer: (c) appeals

A6 John: Another one that *rhymes* with jolly is the word lolly.

answer: (d) rhymes

A7 Mary: An expression which sounds very *decadent* of course is filthy lucre.

answer: (a) decadent

A8 John: That's true and then there's that word that also has the same *meaning* as something that's been stolen — loot.

answer: (c) meaning

A9 Mary: The one that sounds very grand because it in a way *hides* the fact that it means money and that's the wherewithal.

answer: (b) hides

A10 John: Actually, I'm a little *embarrassed* about this but I haven't any money to pay for the bus home. Do you think you could lend me some readies?

answer: (d) embarrassed

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Accounting terms

A1 The customary manner in which a business analyzes and records its *transactions* is by first entering them into a journal.

answer: (a) transactions

A2 Journal entries are entered in *chronological* order, meaning by date, with the earliest date first.

answer: (c) chronological

A3 Once the transactions have been entered into the journal they are *posted* or transferred into their individual General Ledger accounts.

answer: (d) posted

A4 All *assets* increase with a debit entry and decrease with a credit entry.

answer: (c) assets

A5 Liabilities either have a credit or no *balance* at all.

answer: (b) balance

A6 Capital accounts represent the owner's *net* worth in the business.

answer: (d) net

A7 *revenue* accounts are accounts for your sources of business-generated income.

answer: (b) revenue

A8 The *markup* is the difference between what a business pays for an item wholesale and what the business sells it for retail.

answer: (a) markup

A9 An accounts payable *ledger* shows how much you owe each of your vendors.

answer: (c) ledger

A10 Accounts *receivable* shows how much money your customers owe you.

answer: (b) receivable

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Payroll policy in the USA

A1 *Gross* pay is what an employee earns before deductions.

answer: (c) Gross

A2 *Net* pay is what an employee actually receives after deductions.

answer: (a) Net

A3 An employee who is paid on *salary* receives the same pay each pay period no matter how many hours they work.

answer: (b) salary

A4 In the USA working over 40 hours per week is considered overtime. For each hour of overtime in the USA you receive your hourly *wage* multiplied time 1 1/2.

answer: (c) wage

A5 The rates for overtime in the USA are generally known as *time-and-a-half.*

answer: (d) time-and-a-half

A6 Federal taxes and Social Security are both examples of standard *deductions* from your paycheck.

answer: (b) deductions

A7 In order to cash a check you must *endorse* it, or in other words sign the back.

answer: (a) endorse

A8 You record how much each of your employees should be paid in the *payroll* account.

answer: (d) payroll

A9 An *outstanding* check is one that you have written and deducted from your checkbook balance but has not yet cleared the bank.

answer: (c) outstanding

A10 Books are all closed at the end of an accounting period. A more common term for an accounting period is a *fiscal* period.

answer: (b) fiscal

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Job Interview Advice

A1 When you go to a job interview, it is really important to dress *appropriately.*

answer: (b) appropriately

A2 When filling out an application, make sure you write your answers *intelligibly.*

answer: (c) intelligibly

A3 Make sure you list your skills and experience that you believe will meet the *expectations* of the employer.

answer: (a) expectations

A4 In your job interview, don't complain about previous jobs or former *employers.*

answer: (d) employers

A5 When answering questions to the employer, be confident and *articulate* your words really well.

answer: (b) articulate

A6 Avoid *casual* clothing such as jeans, flip flops, sneakers, t-shirts, caps, etc.

answer: (a) casual

A7 Bring as much information about yourself as you might need. On your *resume* make sure you include hobbies, volunteer work or anything that you've done that may pertain to that job.

answer: (c) resume

A8 It is usually really handy to have letters of *recommendation* from previous employers.

answer: (b) recommendation

A9 Hint: Fill out the job application first with a pencil then with a pen, so you don't have to use *white out.*

answer: (a) white out

A10 If you don't remember some particular information about jobs you had in the past, feel free to ask the employer if you can take the application home so you can do some *research.*

answer: (d) research

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Dental Care Expressions

A1 Most dentists are *solo* practitioners, which means they own their own business and work alone or with a small staff.

answer: (c) solo

A2 Dentists sometimes perform corrective *surgery* on gums and supporting bones to treat gum diseases.

answer: (b) surgery

A3 Dentists wear masks, gloves, and safety glasses to protect themselves and their patients from *infectious diseases.*

answer: (a) infectious diseases

A4 Orthodontists use braces or retainers to apply pressure to teeth in order *to straighten* them.

answer: (d) to straighten

A5 After finishing dental school, some people work together with established dentists as *associates* for a couple of years to build up experience and save money to equip an office of their own.

answer: (c) associates

A6 As dental technology improves, dentists will be able to offer more *effective* treatment to their patients.

answer: (b) effective

A7 When dentists extract all of your teeth, they replace the missing teeth with *dentures.*

answer: (d) dentures

A8 Dentists use an assortment of *instruments* like mouth mirrors, probes, forceps, brushes, and scalpels in their work.

answer: (a) instruments

A9 When decay or injuries *infect* the blood or nerve supply of your tooth, you need a Root Canal.

answer: (b) infect

A10 Wisdom teeth are always the last to *develop*. They commonly appear around the ages 17 to 25.

answer: (c) develop

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Insurance Policy Vocabulary

A1 I took out a life insurance *policy* with State Ranch Insurance Company last week.

answer: (b) policy

A2 My insurance *premiums* are only $70 per month.

answer: (c) premiums

A3 In the event of my death, the *beneficiary* will be my widow.

answer: (d) beneficiary

A4 My insurance does not *cover* me if I commit suicide.

answer: (b) cover

A5 The amount of money that my wife will get has already been calculated by State Ranch's *actuary.*

answer: (c) actuary

A6 If I decide that I no longer need my insurance, I can cash it in for the amount of its *surrender* value.

answer: (b) surrender

A7 Before I got the insurance, I had to receive a complete physical *examination.*

answer: (d) examination

A8 I am feeling great, because the doctor told me that I have a life *expectancy* of 82 years!

answer: (c) expectancy

A9 Even if I am late in paying, the insurance remains in effect for a *grace* period of 30 days.

answer: (a) grace

A10 The insurance is pretty expensive though: I am a policeman, so there are a lot of occupational *hazards.*

answer: (c) hazards

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Contracts and agreements

A1 A contract is a *binding* agreement that is reached between two individuals or parties.

answer: (c) binding

A2 A contract between an individual and his or her employer is for the services s/he will provide in exchange for getting *paid.*

answer: (a) paid

A3 *Signing* a rental agreement to live in an apartment for one year is a kind of contract.

answer: (c) Signing

A4 The tenant promises to pay a *certain* amount of rent, and in return, the realty agent promises to supply the accommodation.

answer: (b) certain

A5 A customer *enters* into a contract each time s/he makes a purchase.

answer: (d) enters

A6 A contract is initiated when a person makes an offer to buy something and the seller *accepts* his or her offer.

answer: (c) accepts

A7 In order for a contract to be completed, something of *value* needs to be exchanged.

answer: (b) value

A8 A contract has been created when both the buyer and the seller have agreed that there will be some kind of *consideration.*

answer: (a) consideration

A9 Any contract that is made to buy or sell something that is *illegal* is not enforceable under law.

answer: (c) illegal

A10 A contract is required to be made by those who are legally capable, a condition called *capacity.*

answer: (b) capacity

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The Business Plan

A1 The initial responsibility of a business plan is to help to develop a *solid* business strategy.

answer: (d) solid

A2 First, you should describe your products and services and discuss the market that you are *targeting.*

answer: (c) targeting

A3 If you wish to interest investors, you need to emphasize the company's profit *potential.*

answer: (a) potential

A4 You should be particularly careful to adequately *disclose* the risks in the business.

answer: (c) disclose

A5 You should examine customer *needs* and the benefits of your products and services.

answer: (c) needs

A6 *Evaluate* the strong and weak points of any firms in competition with yours and look for marketplace opportunities.

answer: (b) Evaluate

A7 If you can find a particular market *niche* to focus on, you should investigate this further.

answer: (d) niche

A8 It may also be possible for you to *position* your products differently in the marketplace to attract new customers.

answer: (a) position

A9 It is not a good idea to exaggerate sales projections, and it is just as poor an idea to *underestimate* operating costs.

answer: (d) underestimate

A10 If you forecast conservatively, you will be more likely to maintain an extra *cushion* of cash.

answer: (d) cushion

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Conference Advice

A1 Being a delegate at conferences and other gatherings is a valuable opportunity whether or not you present a *paper.*

answer: (c) paper

A2 At such events, you will get an accurate *sense* of the current direction of the industry.

answer: (c) sense

A3 And if you are scheduled to give a talk, you will gain increased *visibility.*

answer: (d) visibility

A4 Actually, it is not very important for you to attend any of the *vendor* exhibitions.

answer: (c) vendor

A5 In order for you to be *plugged* into your industry and its market, it is important for you to go to such events.

answer: (a) plugged

A6 The importance of conferences is not the seminars or workshops, but the refreshment breaks and chatting at the bar after the day is *done.*

answer: (d) done

A7 The key feature of a conference is the chance to meet those whom you would not *otherwise* have met.

answer: (c) otherwise

A8 Be sure to carry your business cards, and do not hesitate to *exchange* cards with anyone you meet.

answer: (d) exchange

A9 And finally: do not forget to enjoy your host city: conference information packages often *spotlight* nearby attractions and sightseeing opportunities.

answer: (d) spotlight

A10 Well ahead of time, however, you should plan a balance of scheduled conference activities and events that *suit* your needs.

answer: (d) suit

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Computer Health

A1 Computer advisors recommend that you consider correct workstation *layout* and personal posture in order to minimize the chances of an injury.

answer: (a) layout

A2 The symptoms of such injuries may include *numbness* in the fingers, painful hands or wrists, or eye problems.

answer: (d) numbness

A3 A(n) *ideal* workstation permits you to work in a natural position while minimizing the strain on your arms, back and eyes.

answer: (b) ideal

A4 On the other hand, a poorly designed workstation will force you into uncomfortable postures like *hunching* over.

answer: (b) hunching

A5 Experienced computer operators know that a good chair *adapts* to their bodies.

answer: (a) adapts

A6 Use a chair that has a backrest supporting the *curves* of your back.

answer: (d) curves

A7 Ensure that you have enough *room* below the table top to fit your knees comfortably.

answer: (c) room

A8 Select a mouse that fits your hand; be sure that it is as flat as possible in order to minimize wrist *strain.*

answer: (b) strain

A9 The computer monitor needs to be separate from the keyboard, and it should be *centered* directly in front of you.

answer: (a) centered

A10 A person's body is not intended to remain motionless, even in a comfortable position, for long *periods* of time; so get up and stretch!

answer: (c) periods

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Marketing Strategies

A1 The first step most managers *take* to grow their business is to increase the number of customers.

answer: (c) take

A2 Losses are usually suffered if inexperienced sales staff are given the task of *implementing* a marketing scheme.

answer: (c) implementing

A3 Fundamental marketing strategy is to create prospective customers who are ready, *willing* and able to buy.

answer: (d) willing

A4 The primary goal of a such a strategy is to present sales staff with prospects to *convert* into paying customers.

answer: (c) convert

A5 One thing that managers can do to increase their business is to reward existing customers for *referring* new ones.

answer: (a) referring

A6 Established customers are seldom asked whether they are interested in more or new products or services; they are all too often taken for *granted.*

answer: (d) granted

A7 It can be the *undoing* of a business to expect regular customers to purchase standard quantities without being solicited to buy more.

answer: (b) undoing

A8 Sharing news, information and offers with customers increases their *frequency* of repurchase.

answer: (b) frequency

A9 Customers should be offered more value through complementary products and services at the *point* of sale.

answer: (d) point

A10 *Repeat* business is gained by the company that gives the customer what s/he wants.

answer: (c) Repeat

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Warranties

A1 One definition of a warranty is that it is a promise of *quality* which is given by the seller or the manufacturer to the purchaser.

answer: (b) quality

A2 The purchaser must be given the *opportunity* to see the warranty before s/he makes the purchase.

answer: (b) opportunity

A3 Unfortunately, shoppers do not usually pay attention to the *coverage* until a problem with the purchase arises.

answer: (a) coverage

A4 Many retailers view warranties as a *promotional* technique.

answer: (d) promotional

A5 The use of warranties gradually developed as part of the *bargaining* process between sellers and customers.

answer: (a) bargaining

A6 An implied warranty is legally in effect even if it is not in *written* form.

answer: (d) written

A7 Any respectable manufacturer will *honor* an implied warranty.

answer: (b) honor

A8 Clear *title* is an affirmation that the product has not been stolen and is not otherwise illegal.

answer: (d) title

A9 A warranty of *fitness* for purpose assures the purchaser that the item will perform properly the function for which it was designed.

answer: (c) fitness

A10 Merchantability warrants that the item will *live* up to reasonable expectations of the purchaser.

answer: (c) live

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Office Technology Problems

A1 The *misuse* of technology in the office increases the average work day in the US by over an hour and a half.

answer: (b) misuse

A2 One research project revealed that phone and email habits can actually reduce *productivity* rather than improve it.

answer: (c) productivity

A3 At work, male employees are the greater time wasters when it *comes* to surreptitious non-work activities.

answer: (a) comes

A4 Improperly dealing with phone calls and emails hinders workers from getting their jobs done, creates poor working habits, and *lengthens* the work day.

answer: (c) lengthens

A5 Too much reliance on voice mail when making or *returning* phone calls was also spotlighted in the study.

answer: (c) returning

A6 The delay that is caused by the necessity of waiting for critical responses to emails was another problem that caused time *wastage* every day.

answer: (d) wastage

A7 The average total time lost at work every day was over two hours, of which an hour and a half was because communication technology was not used to good *effect.*

answer: (b) effect

A8 On average, thirty minutes were wasted managing telephone communications, while ten more minutes were wasted attempting to locate *colleagues.*

answer: (c) colleagues

A9 The communications *tools* that once were an important contribution to efficiency have now begun to become a detriment to it.

answer: (c) tools

A10 One basic cause of lost efficiency is that employees are often unaware of another worker's location, whether it be in a meeting, at a different desk, or away *offsite.*

answer: (a) offsite

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Secretarial Office Procedures

A1 Modern technology continues to proliferate in offices everywhere, and the secretary's role has greatly *evolved.*

answer: (a) evolved

A2 Operational restructuring and automated procedures have presented secretaries with a broad range of new responsibilities formerly *reserved* for managerial levels.

answer: (c) reserved

A3 Nevertheless, amid these changes their *core* duties have remained almost unchanged.

answer: (b) core

A4 A secretary is responsible for a range of administrative and *clerical* duties that are essential to the efficient operation of a business.

answer: (a) clerical

A5 A secretary serves as an information *clearinghouse* for an office, organizes and maintains hard copy and electronic files, and generates correspondence.

answer: (a) clearinghouse

A6 Many secretaries also *handle* travel arrangements and contact clients.

answer: (c) handle

A7 A large part of a secretary's day is involved with negotiating meeting times, which is a(n) *cumbersome* job, especially if many are to attend.

answer: (b) cumbersome

A8 Today, more and more secretarial staff use PCs to run database management, *desktop* publishing, and computer graphics software.

answer: (a) desktop

A9 Secretaries nowadays are often *relieved* from old-fashioned typing and dictation; therefore, they can now support more than one executive staff member.

answer: (c) relieved

A10 *Executive* secretaries are responsible for fewer clerical duties than lower-level secretarial staff.

answer: (b) Executive

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Basic Electronics

A1 Electronics is the study and utilization of systems that function by guiding electron flow in *devices* such as semiconductors.

answer: (b) devices

A2 Designing and building electronic circuits to solve *practical* problems is the mandate of electronics engineering.

answer: (b) practical

A3 Research into innovative semiconductor technology and applications is considered a *branch* of physics.

answer: (a) branch

A4 Electronic circuits are mainly used to control, process and distribute information, and for the *conversion* and distribution of electric power.

answer: (d) conversion

A5 These two purposes rely on the creation and detection of electromagnetic *fields* and electrical currents.

answer: (a) fields

A6 The rapid modern advancement of electronics began in *earnest* with the introduction of the radio.

answer: (a) earnest

A7 There are three divisions to an electronics system, an example of which is a television *set.*

answer: (d) set

A8 First, the input is a broadcast signal either received by its antenna or *fed* in through a cable.

answer: (b) fed

A9 Second, processing circuits inside the TV *extract* the brightness, colour and audio data from this signal.

answer: (c) extract

A10 Third and last, its output apparatus, a cathode ray tube, changes the electronic signals into a *visible* image on its screen.

answer: (d) visible

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Business Letter Basics

A1 The first goal in writing a business letter is to get the recipient's *attention.*

answer: (b) attention

A2 One fundamental *principle* of effective writing is to put the key information at the beginning.

answer: (c) principle

A3 Avoid *weighing* down the beginning of the letter with abundant information of which the reader is already aware, however.

answer: (c) weighing

A4 Effective writing is *effortless* reading that makes the recipient want to read further.

answer: (b) effortless

A5 In writing commercial correspondence, it is important to employ a friendly yet efficient *tone.*

answer: (d) tone

A6 Try to aim for a *conversational* style, but without employing bad grammar, slang, or otherwise questionable English.

answer: (d) conversational

A7 Be merciless in eliminating the *padding* that most people put into letters: it wastes the recipient's time and tries his or her patience.

answer: (d) padding

A8 A good business letter is simple and straightforward without being simplistic or *patronizing.*

answer: (d) patronizing

A9 The conclusion or ending paragraph should bring the communication to a polite and *businesslike* close.

answer: (a) businesslike

A10 Unfortunately, the ending paragraphs in much commercial correspondence employ wordy and overused phrases that detract from the letter's *impact.*

answer: (d) impact

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Annual Report

A1 Our annual report was *submitted* to the shareholders on 31 March.

answer: (b) submitted

A2 Turnover remained constant through the *fiscal* year.

answer: (b) fiscal

A3 Profits declined sharply with the devaluation of the *currency.*

answer: (c) currency

A4 Sales fell gradually in the first two quarters, but *recovered* in the second half of the year.

answer: (c) recovered

A5 Costs reached *a peak* in April.

answer: (d) a peak

A6 Demand rose sharply after our major competitor went into *bankruptcy.*

answer: (a) bankruptcy

A7 Overhead levelled off when utility charges were *frozen* by the government.

answer: (b) frozen

A8 Prices were raised with the introduction of our new *line* of widgets.

answer: (b) line

A9 Output *kept* up with demand.

answer: (b) kept

A10 Although the company's overall *performance* was weak, its bottom line was still in the black.

answer: (c) performance

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The Importation Process

A1 In the first step of the importation process, the purchaser makes his selection from the supplier's *catalogue* of hair dryers.

answer: (b) catalogue

A2 Next, he sends an email to check the availability of *stock.*

answer: (c) stock

A3 Thereupon, he *orders* the hair dryers.

answer: (c) orders

A4 Soon, he receives a *confirmation* of the order from the supplier.

answer: (a) confirmation

A5 Afterward, he receives a pro *forma* invoice.

answer: (c) forma

A6 Subsequently, his bank issues a *letter* of credit for the amount of the invoice.

answer: (b) letter

A7 Then, he receives the supplier's invoice for the hair dryers FOB *point* of departure.

answer: (c) point

A8 After that, he receives the *bill* of lading from the transporter.

answer: (a) bill

A9 Thereafter, he pays the transporter for *shipping* costs.

answer: (d) shipping

A10 Finally, he receives the hair dryers with a *customs* declaration form.

answer: (d) customs

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Cellular Telephones

A1 All *around* the world, cellular telephones are being used more and more.

answer: (b) around

A2 Cell phones are hand- *held* devices; they are also called wireless or mobile phones.

answer: (c) held

A3 Cell phones are *popular* with users because they are small, light and easily transported.

answer: (c) popular

A4 Cellular telephones are actually little different than two- *way* radios.

answer: (d) way

A5 A caller speaks into a cell phone, and it picks *up* his or her voice, transforming the sound into radio waves.

answer: (d) up

A6 Then these radio waves are transmitted through the atmosphere until they meet a *nearby* base station.

answer: (b) nearby

A7 The station sends your phone call *through* the standard telephone network, where it eventually reaches the receiver.

answer: (d) through

A8 Cell phones provide a vast array of *functions* these days, and new ones are being added all the time.

answer: (d) functions

A9 When someone calls you, your cell phone receiver *detects* radio waves sent out by the base station.

answer: (b) detects

A10 Inside your cell phone, these waves are converted *back* into the sound of the caller's voice.

answer: (a) back

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Job Advertising

A1 Industry-*specific*, or niche, employment websites are proliferating as places for companies to locate qualified personnel.

answer: (d) specific

A2 Niche sites present a large *pool* of qualified job-seekers.

answer: (c) pool

A3 The internet, in comparison to other advertising media, gives its users a broader *reach.*

answer: (a) reach

A4 The internet produces results faster and more cheaply than other *traditional* advertising media.

answer: (d) traditional

A5 Companies these days look at internet job advertising as an *integral* part of their staffing efforts.

answer: (c) integral

A6 Advertising positions on employment websites can generate a lot of *traffic* from potential candidates.

answer: (d) traffic

A7 But general sites often produce an insufficient number of qualified applicants, making the process relatively time *consuming* for the results seen.

answer: (a) consuming

A8 Niche site marketing targets executives and professionals of the industry *served.*

answer: (d) served

A9 Advertisements both on niche sites and using more conventional methods are a part of a well- *rounded* staffing campaign.

answer: (c) rounded

A10 Niche sites often include job postings, comparative salary scales, curriculum vitae databases, and *more.*

answer: (d) more

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Job Applications

A1	The application form is used by companies as a means of *standardizing* basic information from all applicants. answer: (d) standardizing
A2	The application is a key marketing tool for the applicant in the job-*seeking* process. answer: (c) seeking
A3	Companies utilize the application as a *basis* for deciding whether to interview the applicant. answer: (b) basis
A4	The application form should be considered the applicant's first test in *following* directions. answer: (b) following
A5	The application form should be filled out as *neatly* as possible; it reflects the applicant's nature. answer: (c) neatly
A6	On the form, answers should be *tailored* to the specific position for which the person is applying. answer: (d) tailored
A7	No *blanks* should be left on the form; for questions that are irrelevant, write "not applicable" ("n/a"). answer: (b) blanks
A8	The goal of the application is to obtain a personal interview, so do not provide any *negative* information. answer: (b) negative
A9	Questions should be answered *truthfully*, but complete answers need not necessarily be given. answer: (d) truthfully
A10	Specific salary limits should never be indicated on the application; just write "open" or " *negotiable* ". answer: (b) negotiable

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Job Interviews

A1 The first interview for the candidate is the *screening* interview, which is used to ascertain whether s/he matches the position's minimum qualifications.

answer: (c) screening

A2 The interviewer(s) will have the applicant's resume in *hand* and attempt to confirm the information it contains.

answer: (b) hand

A3 The selection interview is worrisome for most candidates: although they may have the requisite skills, the company now determines whether they have the personality to *fit* into the group.

answer: (a) fit

A4 A candidate who does not interact positively with supervisors and co-workers may *disrupt* the operations of a whole section.

answer: (b) disrupt

A5 A group interview is one in which the interviewer(s) attempt to distinguish the *leaders* from the followers.

answer: (d) leaders

A6 When a panel interview is *held*, the candidate is interviewed by several people at the same time.

answer: (b) held

A7 The candidate should make eye *contact* with each member of the panel as s/he answers the panelist's question.

answer: (c) contact

A8 One technique the applicant should be aware of is the stress interview, which is occasionally used to *weed* out those who are unable to deal with adverse situations.

answer: (c) weed

A9 Stress may be introduced into this kind of interview by asking strange questions or by reacting to the candidate's responses with *silence.*

answer: (c) silence

A10 In a stress interview, the candidate has only two choices: play *along* or refuse such bad treatment by terminating the interview.

answer: (a) along

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Hiring the Right Person

A1 In order to take on the right candidate, the employer must examine both abilities and personality, although not necessarily in that *order.*

answer: (b) order

A2 The first step to hiring *success* is being aware of the abilities that the ideal candidate should have.

answer: (d) success

A3 Before proceeding to advertisement and interviews, create a list of skills needed for the job and assign a *rating* to each skill.

answer: (b) rating

A4 Placing a *premium* on education and experience is only common sense in the hiring process.

answer: (b) premium

A5 If the applicant seems to be over-qualified for the position, you have found either a diamond in the *rough* or someone very adept at interviews.

answer: (c) rough

A6 If this applicant does not have extensive practical experience in a similar position, you may rest *assured* that s/he is the latter.

answer: (a) assured

A7 Nevertheless, occasionally a talented candidate is found who is willing to accept a position and pay *scale* for which he or she is overqualified.

answer: (d) scale

A8 How successful the candidate will be is determined in the end by the team *chemistry* of the group s/he becomes a part of.

answer: (b) chemistry

A9 The manager's goal is to employ individuals who are technically *proficient* and also have personalities that suit their team.

answer: (c) proficient

A10 Should questions remain concerning the candidate following the traditional interview, it is then time to consult his or her *references.*

answer: (a) references

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Training New Staff

A1 Well before beginning a training program, the trainer should sit down and prepare a lesson *plan* for each day.

answer: (b) plan

A2 The course needs to be well prepared in advance so that all important points will be *covered.*

answer: (a) covered

A3 Before or during the first class, it is important, if possible, to take time to *get* to know the individual students.

answer: (a) get

A4 An effective trainer knows his or her *audience.*

answer: (a) audience

A5 Put questions to the trainees and encourage them to *question* in return.

answer: (c) question

A6 Early on, the trainer should *determine* what his or her students already know, what previous experience they have, and what difficulties they have encountered.

answer: (d) determine

A7 In this way, the trainer discovers where to *place* emphasis and where to move more quickly through the information.

answer: (c) place

A8 Training is a dynamic, two-way process; it should always be a *dialogue* rather than a speech or presentation.

answer: (b) dialogue

A9 The trainer should not forget to cover the minor tasks that are familiar to a longer-term employee; these could well be *foreign* to a recent hiree.

answer: (b) foreign

A10 One important training tool is the list; remember that this may be the only *thing* that remains with your trainee after the training session has finished.

answer: (d) thing

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Company Benefits

A1 Company benefits are often a significant portion of the employee's compensation *package.*

answer: (a) package

A2 When considering an offer, the candidate should examine any benefits offered by the *prospective* employer.

answer: (d) prospective

A3 Generous benefits can contribute up to 35 or 40 percent to the *overall* compensation for a job.

answer: (b) overall

A4 Health insurance is an important benefit; it is less expensive through the employer at *group* rates than when taking it out on one's own.

answer: (c) group

A5 Should the employee become ill or have an accident, his or her medical *treatment* is adequately covered.

answer: (d) treatment

A6 Many US employers now help cover the expense of *childcare* facilities in their communities.

answer: (a) childcare

A7 Another important benefit now often offered is flextime, which allows the employee to vary his or her working hours, within *limits*, each day.

answer: (b) limits

A8 On the other hand, fewer companies are offering pension plans that guarantee a fixed monthly sum to *retirees.*

answer: (c) retirees

A9 Another benefit, the stock ownership plan, permits the employee to buy *shares* of the company's stock at subsidized prices.

answer: (c) shares

A10 *Telecommuting* is a work plan that permits the employee to work from his or her home.

answer: (b) Telecommuting

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Starting Salary Expectations

A1 If a well-qualified person is assiduous in his or her job search, s/he may receive more than one job *offer.*

answer: (c) offer

A2 Location and cost of living play a big *part* in determining salary.

answer: (a) part

A3 Both salary and cost of living vary among urban, suburban, and *rural* areas.

answer: (c) rural

A4 Salaries in an urban area will likely be higher than in the suburbs, while the purchasing *power* of each salary may be similar.

answer: (b) power

A5 The costs of living in a *number* of geographical locations can be compared by using salary calculators available on the internet.

answer: (b) number

A6 *Supply* and demand are big factors in the starting salary a company may offer.

answer: (d) Supply

A7 In a field with a large number of candidates, there will be lower salaries and *stiff* competition.

answer: (c) stiff

A8 Contrariwise, other fields need workers so badly that the candidate will have his or her choice of employers, many of whom will offer *top* dollar.

answer: (d) top

A9 Even so, within fields a range of salaries is offered, and industry and specific employer usually *affect* salary.

answer: (a) affect

A10 Finally, each candidate is one-of-a-kind: his or her specific qualifications and abilities will play a major role in attracting employers and *negotiating* a salary.

answer: (c) negotiating

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Job Promotion

A1 Employees with ambition are often eager to *move* into management.

answer: (c) move

A2 *Maturity* is the ability to make decisions that will affect the company's future in a non-emotional way.

answer: (c) Maturity

A3 Such employees will have formed friendships in the company, and co-workers will be expecting them to make decisions *based* on these relationships.

answer: (b) based

A4 An employee's ability to come up with *sound* ideas is a benefit to a company, and the employee will be noticed for it.

answer: (a) sound

A5 A manager knows what s/he needs to get done each day, and usually knows this at the end of the previous day, so s/he should get a *game* plan thought out ahead of time.

answer: (c) game

A6 Promotions go to the employees who are the most help to their bosses; when the boss is asked for a recommendation, those helpful employees will *come to mind.*

answer: (a) come to mind

A7 Management hopefuls should watch what their boss does and gain some *insight* into the responsibilities of the position.

answer: (c) insight

A8 The proverb "familiarity *breeds* contempt" is quite applicable to working in a position of authority.

answer: (a) breeds

A9 A manager cannot make close friends at the office; s/he should make *allies* instead.

answer: (b) allies

A10 Good managers know how to remain friendly but *impersonal.*

answer: (a) impersonal

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The Balance Sheet

A1 A balance sheet shows the financial *resources* that a company has at a point in time and where they came from.

answer: (b) resources

A2 It is an instant photograph that displays the company's financial *position* at the end of a business month, quarter or year.

answer: (b) position

A3 The organization of a balance sheet reflects this basic *equation*: assets equal debts plus equity.

answer: (c) equation

A4 The *chart* of accounts is a listing of the accounts that are reflected in the financial statements.

answer: (b) chart

A5 Assets are often listed in the order of their *liquidity* — which means how easy it would be to convert each asset into cash.

answer: (b) liquidity

A6 Assets are divided into three categories: Current Assets, Fixed Assets, and *Other* Assets.

answer: (d) Other

A7 Current assets will likely be turned into cash or converted into a(n) *expense* within a year.

answer: (b) expense

A8 Fixed assets are saleable, but are not expected to be converted to cash in the *normal* course of business.

answer: (d) normal

A9 Liabilities are debts or *obligations* stemming from goods or services received by the company.

answer: (a) obligations

A10 If the assets of a company are greater than its liabilities, then the equity of the business is the positive *difference* between the two numbers.

answer: (b) difference

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Income Statements

A1 The statement of income and expenses reports the company's income and expenses for the time period: it is also called a *profit*-and-loss statement.

answer: (c) profit

A2 The first item on the statement is the total amount of sales of products or services; this is often referred to as *gross* sales.

answer: (a) gross

A3 The main deduction from this revenue is called *cost* of sales, the amount of money the company spent to produce the same goods or services.

answer: (a) cost

A4 The next deduction is *operating* expenses — for example, administrative salaries and research costs, which do not vary directly with production.

answer: (b) operating

A5 Depreciation expenses the wear and *tear* on assets like machinery, equipment and furnishings.

answer: (d) tear

A6 The depreciation charge for using these assets during the accounting period is a *function* of their original cost.

answer: (d) function

A7 *Interest* income is the money that the company earns by keeping its cash in savings accounts, term deposits, etc.

answer: (c) Interest

A8 Finally, *income* tax is deducted.

answer: (c) income

A9 The final entry is the *bottom* line, which represents net earnings of the company during the accounting period.

answer: (d) bottom

A10 Additionally, *EPS* indicates how much shareholders would receive if the company distributed all of its net earnings as dividends.

answer: (a) EPS

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Cost Accounting

A1 *Management* or cost accounting systems are part of a company's information system and are used for tracking costs and allocations to judge operational efficiency.

answer: (c) Management

A2 This is an *internal* accounting system, rather than one for outside reporting.

answer: (d) internal

A3 There are no *fixed* rules governing how a company should keep track of cash flows for cost accounting purposes.

answer: (b) fixed

A4 *Capital* budgeting is a form of forecasted cost accounting for long-term projects or expenditures.

answer: (a) Capital

A5 Cost accounting applications are major financial *drivers* in everyday corporate decision-making.

answer: (b) drivers

A6 Cost accounting is important for estimating the *profitability* of current and future activities.

answer: (b) profitability

A7 When good cost accounting procedures are *implemented*, the company may find out that they have been producing a non-profitable product or service.

answer: (c) implemented

A8 Cost accounting *motivates* managers toward company goals.

answer: (d) motivates

A9 It also measures the *performance* of managers and departments in the company.

answer: (c) performance

A10 *Variable* costs change in proportion to the level of production activity, while fixed costs remain unchanged.

answer: (c) Variable

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Auditing

A1 The purpose of an audit is to gather and evaluate evidence in order to form an opinion on the *reliability* of a company's financial statements.

answer: (c) reliability

A2 The audit *report* is usually no more than a page in length and is attached to the financial statements.

answer: (a) report

A3 Auditors are not responsible for the *preparation* of the financial statements of an company.

answer: (d) preparation

A4 In the financial statements, the company implicitly states that all items, account balances and transactions are *materially* valid, complete and accurate.

answer: (c) materially

A5 An error in *validity* is committed when the financial statements include an item that should not be included.

answer: (d) validity

A6 An error in *completeness* is committed when the financial statements do not include an item which should be included.

answer: (c) completeness

A7 An error in *accuracy* is committed when the financial statements include incorrect information about an item that should be included.

answer: (a) accuracy

A8 One of the principal goals of the auditor is to add *credibility* to this assertion.

answer: (b) credibility

A9 Audit risk is the risk that the auditor expresses an inappropriate audit opinion when the financial statements are significantly *misstated.*

answer: (a) misstated

A10 In addition to the financial statements, the auditor also examines the company's internal *control* procedures for effectiveness.

answer: (c) control

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Budgeting

A1 Budgeting is a combination of mathematics and guesswork: some *factors* are precisely known, while others are less clear.

answer: (b) factors

A2 Every company should prepare a complete budget and constantly *monitor* its performance against that budget.

answer: (d) monitor

A3 Any variation from a budget should be investigated and explained, and *prompt* action should be taken to correct any problems.

answer: (d) prompt

A4 When you have set a budget, you should *stick* to it as much as possible, but revise it when necessary.

answer: (c) stick

A5 Budgeting itself can help a company reduce costs, because every item in it must be *justified* beforehand.

answer: (b) justified

A6 The wrong way to prepare a budget is to simply include everything at last year's level plus annual *inflation.*

answer: (c) inflation

A7 Focus first on the largest costs, since they should have the greatest *potential* for reduction.

answer: (b) potential

A8 Do not overestimate the *projected* sales for the budget period.

answer: (d) projected

A9 Creating a(n) *cash flow* forecast requires estimating the expected monthly expenditures and matching those against the likely monthly income.

answer: (a) cash flow

A10 Many companies maintain a *rolling* budget, so that they are continually budgeting for this time next year.

answer: (c) rolling

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Depreciation

A1 The idea of depreciation is quite straightforward; for instance, a forklift is an operational asset for a company's business, and each year it loses a certain amount of value until at last it is *irreparable* and has no value for the company.

answer: (a) irreparable

A2 Calculating and *accounting* for this loss in value of such an asset is called depreciation.

answer: (a) accounting

A3 Almost all companies invest in vehicles, furniture, machinery or buildings, and those that will be used for more than one year are considered *capital* assets.

answer: (a) capital

A4 However, the entire cost of such an asset cannot be *deducted* in the year it is acquired.

answer: (b) deducted

A5 If a business reduced a single year's income by the total cost of such an asset, it would result in a profit understatement in that year and a profit overstatement during the *succeeding* years.

answer: (d) succeeding

A6 For assets that have a useful life of more than one year, the cost must be *written* off over at least two years.

answer: (d) written

A7 The yearly depreciation for an asset is calculated using its *initial* cost and the number of years that it will presumably retain some value.

answer: (c) initial

A8 At the end of each year, the annual depreciation is subtracted from the asset's cost; this determines its *book* value, which presumably is the same as its market value.

answer: (c) book

A9 Straight *line* depreciation, the most common method of depreciating assets, simply divides the initial cost of an asset by the number of years that it will presumably be of use.

answer: (c) line

A10 The *declining* balance method presumes that the asset depreciates more when it is newer and less as it ages and wears.

answer: (a) declining

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Inventories

A1 Inventory accounting starts with the inventory on *hand.*

answer: (b) hand

A2 Inventories cannot be *expensed* until sold, and meanwhile they are considered an asset.

answer: (c) expensed

A3 There are four generally accepted approaches to inventory valuation based on *historical* cost.

answer: (b) historical

A4 The *specific* identification method records actual cost flow: each individual item and its cost must be accounted for.

answer: (c) specific

A5 The *weighted* average method divides the total cost of inventory items by their total number at the end of any accounting period.

answer: (d) weighted

A6 The moving average method uses an average cost for inventory items that is calculated and *applied* at the time of each sale.

answer: (b) applied

A7 The *FIFO* method of inventory evaluation is based on the presumption that most companies normally sell the oldest items in their inventory before they sell the newer ones.

answer: (b) FIFO

A8 The *LIFO* method is based on the presumption that the most recent stock items purchased will be the initial items sold.

answer: (c) LIFO

A9 The *FILO* method presumes that the company will continue to keep their oldest items in inventory.

answer: (d) FILO

A10 The *FEFO* method attempts to ensure that perishable products are sold while they are still in good condition.

answer: (a) FEFO

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GAAP

A1 Generally Accepted Accounting Principles are a set of accounting *standards* approved by the professional accounting industry.

answer: (a) standards

A2 GAAP are a combination of *authoritative* rules set by policy boards and the commonly accepted ways of recording and reporting financial information.

answer: (a) authoritative

A3 They can become accepted either as a result of due *process* or as a result of long term practice.

answer: (d) process

A4 Accountants cannot express the opinion that financial statements are "in conformity with generally accepted accounting principles" if such information includes any *departures* from these principles.

answer: (a) departures

A5 After the Stock Market *Crash* of 1929, the American Institute of Accountants introduced five broad principles of accounting which have won fairly general acceptance.

answer: (c) Crash

A6 It is relatively unimportant to investors what reporting method is used by a company, so long as they are assured that it is followed *consistently* every year.

answer: (b) consistently

A7 In 1934, the U.S. Congress created the Securities and *Exchange* Commission (SEC), giving it the authority to prescribe the methods used in preparing financial statements.

answer: (d) Exchange

A8 In 1938, Congress permitted companies to use a new *inventory* method, lifo, for income tax purposes.

answer: (c) inventory

A9 In 1939, the AIA recommended the phrasing, "present fairly in conformity with generally accepted accounting principles" in the standard form of the *auditor's* report.

answer: (a) auditor's

A10 The P & L monograph of 1940 promulgated the "*matching* principle", which places primary emphasis on the correspondence of costs with the revenues that they produce.

answer: (d) matching

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Accountants

A1 Most accounting positions require a bachelor's degree in accounting or a related field or *an equivalent* combination of education and experience.

answer: (d) an equivalent

A2 Many companies want graduates with a master's degree in accounting, or a master's degree in business administration with *a concentration* in accounting.

answer: (a) a concentration

A3 Some schools offer students a chance for hands-on experience with part-time *internship* programs in accounting or commercial firms.

answer: (a) internship

A4 Accountants help make sure that a firm is run efficiently, that its records are maintained accurately, and that its taxes are paid properly and in a *timely* manner.

answer: (d) timely

A5 Nowadays, accountants are *broadening* the services they offer with budget analysis, investment planning, and IT consulting.

answer: (a) broadening

A6 *Public* accountants, many of whom are CPAs, generally have their own companies or work for major accounting firms.

answer: (c) Public

A7 Some accountants specialize in *forensic* accounting — investigating white-collar crimes such as securities fraud and embezzlement.

answer: (b) forensic

A8 Many work closely with law enforcement officers and lawyers during investigations and often appear as *expert* witnesses during trials.

answer: (b) expert

A9 *Management* accountants record and analyze the financial information of the firms in which they are employed.

answer: (d) Management

A10 Government accountants work in the public *sector*, maintaining and monitoring the recordkeeping of government departments and agencies.

answer: (d) sector

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Retirement and Pensions

A1 The relationship between worker pensions and retirement is of *considerable* interest to management and economists.

answer: (a) considerable

A2 The reduction in retirement age since World War II is usually *attributed* to greater pension benefits, both governmental and private.

answer: (d) attributed

A3 The anticipated difficulties in financing current public pensions could be *mitigated* by changes that delayed worker retirement.

answer: (c) mitigated

A4 Private pensions *comprise* a large percentage of individual wealth in most of the developed nations.

answer: (d) comprise

A5 As a worker ages, both his productivity and the *disutility* of working another wage period will change.

answer: (d) disutility

A6 In a perfect labor market, employers, who always pay workers the value of their *output* at any one time, will be indifferent to the age of retirement.

answer: (b) output

A7 The most obvious reason for the existence of pensions is the tax advantage, since pension *contributions* are permitted to accumulate untaxed until retirement.

answer: (c) contributions

A8 Both employers and employees benefit from a payment *stream* where workers receive less than the actual value of their work when they are young and more than the actual value of their work when old.

answer: (d) stream

A9 This system reduces worker incentives for *shirking* and cheating and thereby raises their lifetime wealth.

answer: (d) shirking

A10 General economic conditions also help determine actual retirement age: higher inflation and greater unemployment at the end of his career causes the worker to *delay* his retirement.

answer: (b) delay

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Start Your Own Bank

A1 The goal of the state of California is to maintain a sound banking system without *unduly* limiting the entry of new banks.

answer: (a) unduly

A2 A competitive financial environment provides *optimal* choice to the public and stimulates economic development and efficiency.

answer: (b) optimal

A3 The state chartering agency makes sure that a new bank possesses the needed capital and management *expertise* to serve the public's needs.

answer: (a) expertise

A4 This agency is the bank's primary *regulator*, with the duty to protect the public from questionable banking practices.

answer: (d) regulator

A5 The term "dual banking system" means that both the California and the US governments *issue* bank charters.

answer: (b) issue

A6 The word "State" or "National" as part of a bank's name has nothing *to do with* where it operates; this refers to the type of charter it has.

answer: (c) to do with

A7 Joining the Federal Reserve System is required for national banks, but *optional* for state banks.

answer: (d) optional

A8 The FRS lends money to banks at a discount rate to help meet their short-term cash requirements, and is known as the lender of last *resort* for banks suffering liquidity crises.

answer: (d) resort

A9 The minimum amount of *startup* capital for a newly chartered bank should total at least $2,500,000 in capital stock.

answer: (d) startup

A10 California wishes to encourage a broad and *diversified* shareholder base for new banks, although the organizers may desire to limit this number due to tax or other considerations.

answer: (b) diversified

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Internet Investing

A1 The Internet *makes* an excellent tool for both investors and fraudsters.

answer: (d) makes

A2 *Legitimate* online newsletters can certainly help investors gather valuable information.

answer: (c) Legitimate

A3 However, some companies pay online newsletters to *tout* their stocks.

answer: (c) tout

A4 These newsletters will profit *handsomely* if they convince investors to buy specific stocks.

answer: (c) handsomely

A5 The most egregious scalp the stocks they hype, *driving up* the price with recommendations and then selling their own holdings at an inordinate profit.

answer: (b) driving up

A6 Internet bulletin boards *feature* threads made up of numerous messages on investment opportunities.

answer: (c) feature

A7 A single individual can mimic widespread interest in an unknown stock with a series of posts under various *aliases.*

answer: (c) aliases

A8 Because spam is so easy and cheap to produce, fraudsters frequently use it to find investors for *bogus* investment deals.

answer: (a) bogus

A9 Many investment programs are just an internet version of the classic *pyramid* scheme in which participants attempt to make money simply by recruiting new participants.

answer: (d) pyramid

A10 Never make an investment based *solely* on what you read in emails or on the internet.

answer: (d) solely

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Evolution of the Stock Exchange

A1 Paul Arlman, Secretary General of the Federation of European Securities Exchanges, warned in the following excerpted speech that he would not be able to answer this question *put to* him: "What is an Exchange?"

answer: (b) put to

A2 The New York Stock Exchange was originally formed to *furnish* exchange rooms for the convenient transaction of their business by its members.

answer: (a) furnish

A3 The oldest Stock Exchange in the world, the Amsterdam Exchange, started in a Post Office in 1598 where incoming and *outgoing* letters from ships were registered.

answer: (b) outgoing

A4 But is was only in 1611, nine years after they started trading the first tradable share of the Vereenigde Oost-indische Compagnie (VOC) that they really got their own Exchange in the *sense* of a building.

answer: (c) sense

A5 "Confusion de Confusiones", by Joseph de la Vega, published in 1688, shows us quite precisely what an Exchange is: a den of *thieves* unless moderated by regulation.

answer: (c) thieves

A6 Through most of its history an Exchange was a meeting place in a physical sense, and only in the last century did we introduce electricity and telephones, which on many floors of the Exchanges were restricted or *forbidden.*

answer: (a) forbidden

A7 In order to define what a Stock Exchange is today, you have to understand the unstoppable progress, or *juggernaut*, of technology.

answer: (c) juggernaut

A8 When the computer did away with the physical limitation of the Exchange within one single city or region, the technology lost its uniqueness, and it gave rise to *competition.*

answer: (a) competition

A9 Another factor for change has been international equity investors, who have shown a ferocious appetite for both domestic and foreign equity investment, even *notwithstanding* the dot com bubble.

answer: (c) notwithstanding

A10 The fourth factor is the information availability explosion that gave all investors nearly *unlimited* access to nearly free data.

answer: (b) unlimited

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Corporate Taxation

A1 Rob Norton, of eCompany Now and Fortune magazines, notes in the article quoted below that corporate taxes are among the least efficient and least *defensible* of taxes.

answer: (c) defensible

A2 The tax is popular with the man *in the street*, who believes, incorrectly, that it is paid by corporations.

answer: (b) in the street

A3 The federal corporate income tax applies only to some businesses — those chartered as corporations — and not to partnerships or *sole* proprietorships.

answer: (c) sole

A4 The federal tax is levied at three different rates on different *brackets* of income: 15 percent on taxable income under $50,000; 25 percent on income between $50,000 and $75,000; and 34 percent on income above that.

answer: (a) brackets

A5 A good reason that state and local corporate income taxes remain low is that corporations could easily *relocate* out of states that imposed unusually high taxes.

answer: (c) relocate

A6 Except for emergency taxes in wartime, corporate profits were first taxed in 1909, when Congress *enacted* a 1 percent tax on corporation income.

answer: (b) enacted

A7 The Tax Reform Act of 1986 was designed to increase the share of federal revenues collected via the corporate income tax and to decrease the share from the *individual* income tax.

answer: (a) individual

A8 While the top corporate tax rate was cut, deductions for capital expenditures were severely *curtailed*, and as a result the effective tax rate for many corporations rose.

answer: (b) curtailed

A9 The central problem with the corporate income tax from an economic point of view is that, ultimately, only *people* can pay taxes.

answer: (c) people

A10 As early as the 17th century, Sir William Petty, one of the *progenitors* of modern economics, argued that a tax on the production and sale of commodities would eventually be shifted by producers to consumers, who would pay it in the form of higher prices.

answer: (d) progenitors

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Commercial Property

A1 According to NAREIT (Yungmann and Taube, 2001), property insurance coverage should be based on fair value, i.e., valuing assets at their current market values — actual, if available, or *theoretical*, if not.

answer: (d) theoretical

A2 Much of the fair value debate has had a technical focus on how to place fair values on assets for which no market values *exist.*

answer: (c) exist

A3 While the technical issues are important, the real driver should be improving *transparency* for users of financial statements.

answer: (d) transparency

A4 A single global standard will increase the *consistency* of financial presentations, which currently vary considerably.

answer: (c) consistency

A5 A comprehensive standard *facilitates* comparability across all types of financial institutions.

answer: (b) facilitates

A6 When accounting values for assets *diverge* from their underlying market values, some managements take uneconomic actions to protect accounting performance measures.

answer: (c) diverge

A7 For example, during the U.S. savings and loan crisis in the 1980s, many institutions *sold off* assets with market values above book and continued to hold assets with book values above market.

answer: (a) sold off

A8 In hindsight, users of their financial statements were not well served by the accounting system *in place* at the time.

answer: (b) in place

A9 Fair value *proponents* argue that measuring financial assets as close as possible to their true underlying economic values removes these perverse incentives.

answer: (b) proponents

A10 Users would also benefit from a clearer picture of the economic *health* of the enterprise.

answer: (b) health

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Quality Control at Ford

A1 Writing of Ford's quality control problems, Tom Murphy of Ward's Auto World magazine mentions internal data suggesting suppliers were more culpable than the auto maker as recalls and warranty claims seemed to be *spinning* out of control.

answer: (d) spinning

A2 The Firestone tire *debacle* got the most attention, but in many respects it was merely a symptom of a much broader ailment afflicting the No. 2 auto maker.

answer: (a) debacle

A3 A Ford executive contended that suppliers deserved a trip to the *woodshed* for a number of costly, boneheaded mistakes.

answer: (d) woodshed

A4 By last fall, however, the tone had softened; instead of berating parts makers, Ford was openly *conciliatory.*

answer: (a) conciliatory

A5 Caught up in the industry-wide trend toward *outsourcing*, Ford may have relied too heavily on suppliers for engineering.

answer: (b) outsourcing

A6 This demonstrates that OEMs run the risk of becoming *subservient* to the technical capabilities — or liabilities — of their suppliers if they merely purchase, rather than engineer.

answer: (d) subservient

A7 To *rectify* the problem, Ford reclaimed some engineering responsibility.

answer: (c) rectify

A8 The *ripple* effect of the new philosophy will be felt for years to come by many of the 2,000 production suppliers Ford taps for parts every day.

answer: (b) ripple

A9 Many suppliers are reserving judgment until the strategy is fully implemented over the next two years, but most are cautiously *optimistic.*

answer: (c) optimistic

A10 It is humbling for the company that pioneered mass production of the automobile to admit nearly 100 years later that it took its eye *off the ball*, that it sacrificed engineering prowess in what ironically was an attempt to make itself more efficient.

answer: (b) off the ball

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Product Development (1)

A1 This white paper by the American Productivity & Quality Center explains that the most successful new product development teams are *multifunctional*, with representation from a core group of areas such as finance, marketing, manufacturing, design, engineering, and research.

answer: (d) multifunctional

A2 An open communication environment enables team members to *bounce* ideas around the group, receive feedback more quickly, and facilitate brainstorming sessions.

answer: (c) bounce

A3 Team membership is vital to the success of the group; *empowering* program managers to select those individuals they determine to be of the greatest value is a critical step.

answer: (b) empowering

A4 In addition, teams are being given greater authority and held more *accountable* for the success or failure of the project.

answer: (b) accountable

A5 The use of various team reward and recognition structures is mixed, with a trend toward more recognition as opposed to monetary *incentives.*

answer: (c) incentives

A6 Several best-practice companies have specific companywide awards for work "*above and beyond* the call of duty".

answer: (a) above and beyond

A7 In addition, the NPD process needs a "champion", who is *tasked* with monitoring and adjusting the process as new experiences, good or bad, present themselves.

answer: (d) tasked

A8 The NPD process can be *broken down* into four general categories: idea generation, concept development, product and process design, and production and delivery.

answer: (a) broken down

A9 One organization stores all ideas in a database and revisits them until they are *deemed* useless.

answer: (a) deemed

A10 Once viable ideas are chosen, they must be further developed, examined, and *prioritized* before the select few concepts proceed to full design.

answer: (b) prioritized

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Product Development (2)

A1 The American Productivity & Quality Center study identified specific sources that tend to be good idea *generators* for new product development, including market research, focus groups, third-party/inventor input, and brainstorming.

answer: (c) generators

A2 The concept development phase requires a more formal review and planning process that ensures the concepts are technically feasible, will make a *sustainable* product, and will allow the organization to make a profit.

answer: (d) sustainable

A3 At this point, an executive review generally approves the product for design and additional resource *allocation.*

answer: (c) allocation

A4 The product and process design stage involves turning the concept into a tangible product design and transforming that design into *a working* prototype or pilot.

answer: (c) a working

A5 Prototypes or pilots allow the designers to test and *verify* the ability of the product or service to perform as originally expected.

answer: (d) verify

A6 At this stage, to change the original product *specification*, some form of approval is required.

answer: (d) specification

A7 This approval can range from upper management review to individual functional area review to team *consensus.*

answer: (b) consensus

A8 Once the final design is finalized and approved, the product is *launched* into production.

answer: (c) launched

A9 A *scale*-up period normally is required before full production can begin.

answer: (c) scale

A10 A quality assurance group within each business unit is responsible for verifying that the product and each manufacturing site meets the required *criteria.*

answer: (c) criteria

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Auto Leasing

A1 LeaseGuide.com author Al Hearn explains that automobile leasing is based entirely on the *concept* that you pay for the amount by which a vehicle's value depreciates during the time you're driving it.

answer: (a) concept

A2 Depreciation is the difference between a vehicle's original value and its value at lease-end (*residual* value), and is the primary factor that determines the cost of leasing.

answer: (c) residual

A3 Generally, European and Japanese automobile *makes* have lower depreciation than American brands.

answer: (c) makes

A4 Manufacturer's *Suggested* Retail Price (MSRP) is the full price for a vehicle as displayed on its window sticker, including optional packages and destination charges.

answer: (d) Suggested

A5 When you and your dealer sit down and agree on a lease price for a car, this becomes the *capitalized* cost, or "cap cost".

answer: (a) capitalized

A6 Cap cost can be reduced by rebates, factory-to-dealer incentives, trade-in credit, or a cash *down* payment; these are known as cap cost reductions.

answer: (a) down

A7 When you lease, you're *tying up* the leasing company's money while you're driving their car and they rightfully expect you to pay interest on that money, the same as with a loan.

answer: (d) tying up

A8 This interest is expressed as a money factor, sometimes called lease factor, and is specified as a small *decimal* number such as.00297.

answer: (a) decimal

A9 A good rule of *thumb*: Lease money factors, converted to an annual interest rate, should be comparable to, if not lower than local new-car loan interest rates.

answer: (d) thumb

A10 However, you may not qualify for great money factors unless if you have *a spotless* credit rating.

answer: (c) a spotless

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Essential Advertising

A1 Stephen Whyte, CEO of Leo Burnett, observes that Marshall McLuhan may have had his *tongue in his cheek* when uttering his much-quoted statement, "Advertising is the greatest art form of the 20th Century".

answer: (d) tongue in his cheek

A2 You can dispute whether or not advertising is art, but there is no *denying* that advertising is big business.

answer: (b) denying

A3 Advertising's global landscape is changing constantly, as agencies and holding companies consolidate to achieve international clout and economies of *scale.*

answer: (a) scale

A4 Media, telecommunications and electronics are converging to become one giant industry, illustrated by powerful *alliances*, such as the merger between AOL and Time Warner.

answer: (a) alliances

A5 Media expansion causes problems for advertisers, but it also presents new opportunities by increasing the possibilities for effectively targeting individuals, rather than taking a *scattergun* approach.

answer: (c) scattergun

A6 Of the three central roles — account manager, planner and creative — only the account handlers manage the relationship with the client on a *day-to-day* basis.

answer: (b) day-to-day

A7 The account manager is the *hub* of the wheel — someone who organises the agency team of account managers, planners and creatives.

answer: (b) hub

A8 The planner's role is to find the most *compelling* communication strategy and develop a real insight into the relationship between the brand and the consumer.

answer: (a) compelling

A9 The creatives are the brilliant executional thinkers, working in teams made up of a copywriter and an art director to develop the planners' ideas and think up ads which will give brands a strong competitive *advantage.*

answer: (b) advantage

A10 We develop relationships with possible future clients, even though sometimes it is years down the line before something *comes of* it.

answer: (b) comes of

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Asset Classes

A1 Cathy Smart and the investment analysts at 401k Forum help you get down to the *basics* with this article about the different asset classes.

answer: (c) basics

A2 Asset classes are the categories that your different investments *fall* into — such as cash, bonds, large-cap stocks, small-cap stocks, and international stocks.

answer: (a) fall

A3 Studies have shown that the key to successful investing is to *spread* your wealth among different asset classes.

answer: (d) spread

A4 Market capitalization (market cap) is a measure of the size and value of a company; to determine this, you simply multiply the number of the company's *outstanding* shares of stock by the market price of one share.

answer: (d) outstanding

A5 Market capitalization is important because history has shown us that the stocks of companies with different market caps *behave* differently in terms of return and risk.

answer: (a) behave

A6 Cap-size shift: mid-cap stocks may have once been defined as large cap, but fell out of *favor* with investors.

answer: (b) favor

A7 Mid-cap stock performance usually falls somewhere in between the returns of their large- and small-cap *counterparts.*

answer: (b) counterparts

A8 However, mid- and small-cap stock returns tend to be more *volatile* than the returns of large-cap stocks.

answer: (b) volatile

A9 If a smaller company loses a few key executives, or if the economy takes a *turn* for the worse, it only takes a few nervous investors to cause the stock to drop drastically.

answer: (d) turn

A10 *Diversification* can reduce your risk and help protect your investment: if one asset class in your portfolio is performing poorly, there's a chance that another asset class within your portfolio will be performing well.

answer: (d) Diversification

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Business Law

A1 The Commission on European Contract Law recognizes that throughout Europe there is great interest in developing a common European *civil* and commercial law.

answer: (a) civil

A2 The efforts and money which it will cost to unify the private law will be *amply* repaid when it is there.

answer: (a) amply

A3 In 1997, the Third Commission began to prepare rules on subjects which are common to contracts, torts and unjust enrichment, such as plurality of creditors and debtors, and *assignment* of debts and claims.

answer: (d) assignment

A4 With a few exceptions the members of the Commission of European Contract Law have been academics, but many of the academics are also *practicing* lawyers.

answer: (c) practicing

A5 The Members have not been representatives of specific political or governmental *interests*, and they have all pursued the same objective, to draft the most appropriate contract rules for Europe.

answer: (a) interests

A6 The Principles may be compared with the American Restatement of the Law of Contract, which consists of non-binding rules, or "*soft law*".

answer: (d) soft law

A7 Some of the Principles of European Contract Law reflect ideas which have not yet *materialised* in the law of any state.

answer: (c) materialised

A8 The Commission has made an effort to deal with those issues in contract which face business life of today and which may *advance* the trade.

answer: (b) advance

A9 The Council and the Commission of the EU have been invited to prepare new procedural legislation in *cross* border cases, in particular on those elements which are instrumental to a smooth judicial co-operation.

answer: (c) cross

A10 It is envisaged that the general principles of the law of contracts provided in the PECL will be *integrated* in what may eventually become a European Civil Code.

answer: (c) integrated

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Email Do's and Don't's

A1 Joan Lloyd, of Joan Lloyd & Associates, writes that email is a medium of communication *unparalleled* for sheer convenience.

answer: (d) unparalleled

A2 However, she warns that it also carries many *pitfalls* and even dangers in the office environment.

answer: (c) pitfalls

A3 Delivering a negative message is difficult, even when it is spoken face-to-face; *defensiveness* is almost guaranteed when it's received by email.

answer: (b) defensiveness

A4 What's worse, email can be printed and saved: both parties will often haul out their "documentation" to prove how the other party has *wronged* them.

answer: (d) wronged

A5 If you receive an email that *ticks* you off, and your first reaction is to counterattack, don't; close it and wait 24 hours before you respond.

answer: (d) ticks

A6 Because the tone and *inflection* are missing, it is more important to use friendly language, descriptive adjectives and carefully chosen words.

answer: (a) inflection

A7 If you don't consider how it will sound on the other end and take steps to shape the delivery so the meaning is understood, you could be doing *damage* control later.

answer: (c) damage

A8 When I get a sloppy email, with poor punctuation, misspelled words or in lower case letters, it tells me the person just doesn't realize that what and how they write *telegraphs* their credibility to others.

answer: (c) telegraphs

A9 Email feels private, but it's anything *but.*

answer: (c) but

A10 Write every email for your boss's eyes: it's a great way to keep you honest and *politically* sensitive.

answer: (a) politically

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Organizing a Business

A1 According to Ron Kurtus of School for Champions, some companies may be *mildly* successful, but they could be even more profitable if they paid attention to the basics of organization.

answer: (b) mildly

A2 Good organization results in reducing losses due to *duplicate* work or unclear objectives.

answer: (a) duplicate

A3 All personnel do better work, because they know what they should be doing and what their place is in the *scheme* of things.

answer: (d) scheme

A4 In order to improve, you must have a vision or goal of where you want to end *up.*

answer: (d) up

A5 The primary purpose or reason to start a business *entity* is to earn profits for its owners or stockholders.

answer: (b) entity

A6 For the *sake* of public relations, such a stated purpose is kept private.

answer: (d) sake

A7 You should also be aware of your core *competencies*: what are you good at?

answer: (b) competencies

A8 Often companies become diluted and start to get into a field that they think is *lucrative*, but in which they cannot compete.

answer: (b) lucrative

A9 A good *mission* statement accurately explains why your company exists and what it hopes to achieve in the future.

answer: (c) mission

A10 A very good way to organize your business is by following the *ISO* 9000 standards; you do not necessarily have to become certified, but you can still use them as a guide in how to effectively operate your business.

answer: (b) ISO

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SKUs and Pricing

A1 Sales derive from a product's stock-keeping Units (SKU), the *unique* combination of the specific quality, price, container size, colour, model, etc, and the product name.

answer: (d) unique

A2 SKUs are what manufacturers produce, what retailers sell, and what consumers buy; *brands* are what are advertised.

answer: (a) brands

A3 A large *proliferation* of SKUs for consumer products has led to myriad choices for customers.

answer: (c) proliferation

A4 This has led to complicated supply and demand logistics, *erosion* of brand loyalty and more pressure on profit margins.

answer: (c) erosion

A5 Buyers have become much more *demanding* in recent years, forcing retailers to respond more quickly and efficiently.

answer: (b) demanding

A6 Many stores use a psychological pricing strategy called odd pricing, *whereby* prices end in odd numbers, such as $19.95.

answer: (b) whereby

A7 Presumably, customers see odd prices as being *substantially* below even prices, and consequently a bargain.

answer: (c) substantially

A8 On the other hand, luxury boutiques, to project a *prestigious* image for their products, use even pricing such as $10.00 or $50.00.

answer: (c) prestigious

A9 Multiple unit pricing is a strategy in which the customer perceives *quantity* buying as involving more savings.

answer: (b) quantity

A10 Multiple unit pricing is usually effective in increasing *immediate* sales of a product, but it may not increase the rate of consumption.

answer: (b) immediate

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Managerial Decisions

A1 Dr. Said Atri, Professor of Economics at SUNY, explains that most managerial decisions involve making a choice from among *alternative* courses of action or options in order to achieve a certain objective.

answer: (b) alternative

A2 *Optimization* is the process by which a desired outcome is achieved through the most efficient course of action.

answer: (d) Optimization

A3 In consumption, a consumer with a *given* amount of income purchases the mix of goods that provides him or her with the greatest level of satisfaction or utility.

answer: (a) given

A4 Often managerial decisions have to be made subject to some *constraints.*

answer: (b) constraints

A5 For instance, a manager that is trying to cut his labor costs may be under a union *contract* limiting his ability to lay off workers.

answer: (a) contract

A6 A farmer who wants to take advantage of good market conditions and increase the size of his *crop* is limited by the amount of land that he has available.

answer: (a) crop

A7 Managerial decisions are not made in a *vacuum*: economic and market conditions constantly change and managers must decide in accordance with the dynamics of the business environment.

answer: (d) vacuum

A8 As complex as managerial problems may appear, often their various elements can be fitted into microeconomic models; that is why managerial economics is also called "*applied microeconomics*".

answer: (a) applied microeconomics

A9 The manager's internal environment is made up of those factors over which he has at least some *degree* of control.

answer: (b) degree

A10 Macroeconomics is *relevant* to managers, as managers are often interested in knowing the state of the economy and the direction of macroeconomic measures such as interest rates and inflation.

answer: (c) relevant

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Operations Management

A1 Some claim that management should exist only to support employees' efforts to be fully productive members of the organization — therefore, any form of control is completely *counterproductive* to management and employees, says Carter McNamara of Authenticity Consulting, LLC.

answer: (d) counterproductive

A2 The phrase "management control" itself can have a negative connotation, e.g. it can sound dominating, coercive and *heavy*-handed.

answer: (b) heavy

A3 Organizations often use *standardized* documents to ensure complete and consistent information is gathered.

answer: (c) standardized

A4 Documents include titles and dates to detect different *versions* of the document.

answer: (d) versions

A5 Organizations typically require a wide range of reports, e.g. financial reports, status reports, project reports, etc, to *monitor* what's being done, by when and how.

answer: (d) monitor

A6 Computers have *revolutionized* administrative controls through use of integrated management information systems, project management software, human resource information systems, office automation software, etc.

answer: (d) revolutionized

A7 Delegation is an approach to getting things done in *conjunction* with other employees.

answer: (b) conjunction

A8 Delegation generally includes assigning responsibility to an employee to complete a task, granting the employee authority to gain the resources to do the task and letting the employee decide how that task will be carried *out.*

answer: (c) out

A9 Typically, the person assigning the task shares *accountability* with the employee for ensuring the task is completed.

answer: (a) accountability

A10 *Evaluation* is carefully collecting and analyzing information in order to make managerial decisions.

answer: (b) Evaluation

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Human Resources Management

A1 Dr. John Sullivan, Head and Professor of Human Resource Management at San Francisco State University stresses the necessity of establishing a set of assessment tools that will let you know in advance where *head* count and overhead costs are excessive.

answer: (c) head

A2 In this changing world, it is not uncommon for new markets to open (and close) rapidly, so companies need to have a strategy to move people and resources rapidly from areas of low to areas of a higher *return.*

answer: (c) return

A3 Developing HR systems and metrics known as "*smoke detectors*" that indicate potential problems gives us sufficient time to develop plans and strategies to either avoid the problem or minimize its impact.

answer: (d) smoke detectors

A4 A *bench* strength or back-fill plan differs from succession planning in that it only covers replacing key jobs within a single department; individual managers are held responsible for developing at least one individual to fill every key job.

answer: (a) bench

A5 One of the primary reasons employees leave their jobs is due to a lack of challenge, but HR can dramatically increase *retention* rates if it gets managers to develop individual "Challenge Plans" for each worker.

answer: (c) retention

A6 Because most companies have eliminated many management positions, there are fewer opportunities for promotion to stimulate workers, so they need to develop *horizontal* transfer and job rotation plans to ensure the continued development of skills.

answer: (b) horizontal

A7 New hires, as well as our current workers, are demanding an increasing array of benefits and work life *balance* options like job sharing and sabbaticals.

answer: (a) balance

A8 In order to rapidly *redeploy* resources and fill unexpected vacancies HR must develop computerized skill or competency inventories.

answer: (b) redeploy

A9 One of the primary reasons that employees quit their jobs are the bad management *practices* of their direct supervisor.

answer: (d) practices

A10 A strong economy *coupled* with large swings in the health of world economies makes predicting the supply of labor increasingly difficult.

answer: (d) coupled

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Entrepreneurship

A1 Millions of new enterprises are begun each year in spite of a more than 50% *failure* rate.

answer: (a) failure

A2 There is increasing research on the subject, more and more courses in entrepreneurship, and heightened *coverage* by the media.

answer: (a) coverage

A3 Initiating a new business involves considerable risk, as well as an effort to overcome all the *inertia* against innovative ideas.

answer: (b) inertia

A4 The French word "entrepreneur", *literally* translated, means simply "undertaker".

answer: (d) literally

A5 The entrepreneur's connection with risk evolved in the 17th century, when an entrepreneur was someone who entered into a contract with the government to perform a service or to supply *stipulated* products.

answer: (d) stipulated

A6 Since the contract price was fixed, any resulting profits or losses *reflected* the efforts of the entrepreneur — the better he performed, the more profit he made.

answer: (d) reflected

A7 In the 18th century, the person with capital was *differentiated* from the one who needed capital; in other words, the entrepreneur was distinguished from the capital provider.

answer: (a) differentiated

A8 In contrast to an entrepreneur, a venture capitalist is a professional money manager who makes risk investments from a *pool* of capital to obtain a high rate of return.

answer: (a) pool

A9 In the mid-20th century, the *notion* of an entrepreneur as an innovator was established.

answer: (b) notion

A10 The concept of innovation and newness is now an *integral* part of entrepreneurship.

answer: (b) integral

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The US Mint

A1 When the *framers* of the U.S. Constitution created a new government for their untried Republic, they realized the critical need for a respected monetary system.

answer: (d) framers

A2 Soon after the Constitution's *ratification*, Secretary of the Treasury Alexander Hamilton personally prepared plans for a national Mint.

answer: (a) ratification

A3 On April 2, 1792, Congress passed The *Coinage* Act, which created the Mint and authorized construction of a Mint building in the nation's capitol, Philadelphia.

answer: (a) Coinage

A4 President George Washington appointed Philadelphian David Rittenhouse, a *leading* American scientist, as the first Director of the Mint.

answer: (b) leading

A5 When the United States government began minting coins in 1792, the original facility in Philadelphia was *hard-pressed* to produce enough currency for the small country.

answer: (b) hard-pressed

A6 Under Rittenhouse, the Mint produced its first *circulating* coins: 11,178 copper cents, which were delivered in March 1793.

answer: (b) circulating

A7 The primary mission of the United States Mint is to produce an adequate volume of coins for the nation to *conduct* its trade and commerce.

answer: (a) conduct

A8 In addition to producing coins, the United States Mint has other responsibilities, including maintaining physical *custody* and protection of the Nation's $100 billion of U.S. gold and silver assets.

answer: (a) custody

A9 It also produces proof and uncirculated coins, *commemorative* coins, and medals for sale to the general public.

answer: (a) commemorative

A10 In addition. the mint is responsible for receiving, redeeming, and processing *mutilated* coins.

answer: (c) mutilated

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Consumer Credit

A1 Findlaw for Small Business has prepared the following introductory information on *extending* credit to a business's customers.

answer: (a) extending

A2 Consumer credit laws regulate how you advertise interest rates, how much time you have to respond to claims of billing mistakes, and how *aggressive* you can be when attempting to collect a debt.

answer: (a) aggressive

A3 Mechanics' and materialmen's *liens* exist in most states to provide special collection rights to those who provide services or building materials used to improve real property.

answer: (c) liens

A4 If the debt is not paid, the property can be *foreclosed* and sold to pay the obligation.

answer: (a) foreclosed

A5 The debtor has the benefit of an 'automatic *stay*' immediately upon filing a bankruptcy petition, which prevents the creditor from taking any further action to try to collect the debt unless or until the bankruptcy court decides to the contrary.

answer: (c) stay

A6 The Truth in Lending Act helps customers know what they're *getting into*, requiring the creditor to disclose the exact credit terms to applicants.

answer: (a) getting into

A7 Among the items you must *disclose* to a consumer who buys on credit are the monthly finance charge and the annual interest rate.

answer: (a) disclose

A8 The Credit Practices Rule prohibits creditors from using certain contract *provisions* that the Federal Trade Commission has found to be unfair to consumers.

answer: (c) provisions

A9 This Rule applies to all creditors subject *to* the jurisdiction of the Federal Trade Commission.

answer: (b) to

A10 Interest charged on late payments may be limited by state *usury* laws controlling the amount of interest that can be charged.

answer: (c) usury

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Asset-based Loans

A1 The Bank of America offers asset-based loans, which are *secured* by a company's accounts receivable, inventory, equipment, and/or real estate.

answer: (d) secured

A2 Asset-based loans are an alternative to traditional bank lending because they serve borrowers with risk characteristics typically outside a bank's *comfort* level.

answer: (b) comfort

A3 A bank will look first to the cash *flow* for the repayment of a loan, then to collateral, while an asset-based lender looks to collateral first.

answer: (b) flow

A4 Banks typically require less collateral controls and monitoring but more financial *covenants.*

answer: (d) covenants

A5 *Turnaround* financing is often used by under-performing businesses that are not achieving their full potential; it is sometimes used for businesses that are either insolvent or on their way to becoming insolvent.

answer: (d) Turnaround

A6 Debtor-in-possession (DIP) refers to a company that has filed for *protection* under Chapter XI of the Federal Bankruptcy Code and has been permitted by the bankruptcy court to continue its operations to effect a formal reorganization. protection provisions penury prosecution

answer: (c) protection

A7 In a leveraged buyout (LBO), the target company's assets are used as collateral for debt, and its cash flow is used to *retire* debt accrued by the buyer to acquire the company.

answer: (d) retire

A8 A Leveraged ESOP (Employee Stock Ownership Plan) allows a company to raise its capital-to-asset *ratio* by issuing new shares of stock to an employee trust, which finances the transaction with an asset-based loan.

answer: (c) ratio

A9 A typical loan agreement with an asset-based lender provides protections, rights, and *remedies* for both parties.

answer: (a) remedies

A10 The level of controls and monitoring by the asset-based lender is directly related to the credit *worthiness* of the borrower.

answer: (d) worthiness

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Consumer Protection

A1 The US Federal Trade Commission has prepared the following information to help consumers understand the antitrust laws and protect consumer *sovereignty* — the freedom to choose goods and services in an open marketplace at a price and quality that fit the consumer's needs.

answer: (d) sovereignty

A2 A *naked* agreement on price among competitors — where the agreement is not reasonably related to the firms' business operations — is illegal.

answer: (b) naked

A3 Price similarities also can result from normal economic conditions: for example, *vigorous* competition can drive prices down to a common level.

answer: (d) vigorous

A4 As for the appearance of uniformly high prices, *collusion* may not be the only basis for the situation: prices may increase if consumer demand for a product is particularly high and the supply is limited.

answer: (b) collusion

A5 An agreement to restrict production or output is illegal because reducing the supply of a product or service *inevitably* drives up its price.

answer: (a) inevitably

A6 A group *boycott* — an agreement among competitors not to deal with another person or business — violates the law if it is used to force another party to pay higher prices.

answer: (d) boycott

A7 Market division — agreements among competitors to divide sales territories or *allocate* customers — are presumed to be illegal.

answer: (b) allocate

A8 Restrictions on price advertising can be illegal if they *deprive* consumers of important information.

answer: (c) deprive

A9 A professional *code* of ethics may be unlawful if it unreasonably restricts the ways professionals may compete.

answer: (b) code

A10 Vertical price-fixing — an agreement between a supplier and a dealer that fixes the minimum resale price of a product — is a *clear-cut* antitrust violation.

answer: (b) clear-cut

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Efficient Capital Markets

A1 In the current article, Professors Steven L. Jones and Jeffry M. Netter offer their detailed *insights* on the nature of efficient capital markets.

answer: (a) insights

A2 Shortly after the US Constitution went into effect, Secretary of the Treasury Alexander Hamilton proposed that Congress *redeem* at face value securities that had been issued by the states and the federal government, even though these securities were then selling for much less.

answer: (c) redeem

A3 After Hamilton's proposal was made public, however, congressmen and others who knew of the plan made large profits by sending their agents into the countryside to buy the securities at *depressed* prices before most security holders heard of the plan.

answer: (b) depressed

A4 Contrast this *scenario* with security markets today, in which the prices of securities react very quickly to new information about their value.

answer: (a) scenario

A5 Efficient capital markets are commonly thought of as markets in which security prices fully reflect all relevant information that is available about the *fundamental* value of the securities.

answer: (b) fundamental

A6 Because a security is a claim on future cash flows, its current value is the *present* value of the future cash flows that the owner of the security expects to receive.

answer: (c) present

A7 Future cash flows are discounted by an interest rate that is a *function* of the riskiness of those cash flows; the riskier the cash flows, the higher is the rate used.

answer: (b) function

A8 The study of capital market efficiency examines how much, how fast, and how accurately available information is *incorporated* into security prices.

answer: (b) incorporated

A9 The capital markets *channel* funds from savers to firms, which use the funds to finance projects, so informational efficiency is necessary if funds, allocated through the capital market, are to flow to the highest-valued projects.

answer: (b) channel

A10 Management compensation packages tied to stock *performance* are one way in which stockholders align management's interests with their own.

answer: (c) performance

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Basic Investment Types

A1 Common shareholders have the right to elect directors, to vote on certain corporate matters, and to share in any *residual* assets of the company if it is wound up.

answer: (d) residual

A2 Common shareholders are the last to claim assets in cases of *insolvency.*

answer: (b) insolvency

A3 Preferred shareholders may have no voting rights, but special features on redemption or *conversion* of preferred shares into common shares exist in many cases.

answer: (a) conversion

A4 U.S. Savings Bonds are backed by the general credit and taxation powers of the federal government, so there is virtually no risk of *default.*

answer: (b) default

A5 A bond is a loan by an investor to the government or a company, which generally promises to pay a specified rate of interest and to repay a certain amount, the *face* value of the bond, at maturity.

answer: (b) face

A6 Certificates of Deposit (CDs) are short-term, interest-bearing savings certificates issued by banks or brokers, bearing a maturity date and a specified interest rate; they can be issued in any *denomination.*

answer: (b) denomination

A7 Money-market mutual funds (MMMF) pool money from large numbers of investors and use it to buy short-term investments, such as T-Bills and commercial *paper.*

answer: (c) paper

A8 The returns on mutual funds depend on the fund's investment objectives, described in its *prospectus*, and its success in achieving them.

answer: (c) prospectus

A9 *Closed-end* funds are much like mutual funds, but shares are not issued or redeemed on an ongoing basis; a set number of shares are issued and then listed on an exchange for trade among investors.

answer: (a) Closed-end

A10 Options give the holder the right to buy ('call' option) or sell ('*put*' option) a security at a specific price for a specific period of time.

answer: (c) put

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Agricultural Market Development

A1 The Food and Agriculture Organization of the UN advises that an efficient and adequate marketing system is a *precondition* for agricultural diversification, providing better prices to producers and the availability of competitively priced produce to consumers.

answer: (a) precondition

A2 Physical improvement is usually addressed in two ways: by providing improved market infrastructure (both urban and rural) and by improving rural *access* roads.

answer: (a) access

A3 Rural markets form part of a trade network; they are normally arranged on a *periodic* basis on specific weekdays and are commonly organised at a central place in a village or district centre.

answer: (d) periodic

A4 Larger rural markets ('assembly markets') are found where greater quantities of produce are traded, either by the producers themselves or by traders, and are normally situated on main highways, or near to ferries and other local transport *nodes.*

answer: (c) nodes

A5 *Terminal* wholesale and semi-wholesale markets are located within or near major cities (usually with populations exceeding 0.5 million).

answer: (d) Terminal

A6 Retail markets directly serve consumers in main urban areas; although primarily retail, they may have some semi-wholesale functions, particularly if they allow producers to trade — in which case, they are often called *farmers'* markets.

answer: (b) farmers'

A7 Internal factors for change include increasing volumes of produce to be handled; alterations to commercial practices and trading patterns; and the *emergence* of professional specialised wholesalers.

answer: (c) emergence

A8 The main external causes for change are *demographic* factors, including increase in population of a city as a result of migration and natural growth, population shifts within cities and moves to the suburbs, and changes in the location and nature of workplaces.

answer: (b) demographic

A9 A common problem at both wholesale and retail levels is that the markets are viewed as tax *instruments* rather than as means of facilitating the marketing of local produce: the marketing system is 'kidnapped' by municipalities, with the sole purpose of collecting taxes.

answer: (b) instruments

A10 These factors all need to be taken into *account* in identifying the best approach to market development.

answer: (b) account

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Direct Sales

A1 The Direct Selling Association is the national trade association of the *leading* firms that manufacture and distribute goods and services sold directly to consumers.

answer: (c) leading

A2 Direct selling is the sale of a consumer product or service, person-to-person, away from a *fixed* retail location.

answer: (a) fixed

A3 Products are sold primarily through in-home product demonstrations, parties and *one-on-one* selling.

answer: (b) one-on-one

A4 Data from surveys indicate that direct selling remains a *vibrant* marketing method that engenders considerable loyalty among its representatives and customers.

answer: (c) vibrant

A5 Early direct sellers — hawkers, peddlers, traders, *itinerant* merchants and caravans — were part of an ancient tradition that originated in man's basic need to exchange goods and to communicate.

answer: (d) itinerant

A6 The development and use of roads and water routes for commercial activity were *pivotal* points in the history of direct selling.

answer: (c) pivotal

A7 As early as 2000 B.C., the *Code* of Hammurabi, a monument of Babylonian law, protected the general welfare and integrity of the Babylonian direct seller, stating that 'the peddler shall swear the oath of God' if any enemy caused him trouble in the travels.

answer: (a) Code

A8 The *notions* of the renowned Yankee Peddler in the early American territories of the 18th and 19th centuries consisted of items like pins, needles, hooks, scissors, combs, small hardware and perfume.

answer: (b) notions

A9 he advent of the home party in the 1950s added a new *dimension* to direct selling as customers gathered at the home of hostesses to see product demonstrations and socialize with friends.

answer: (b) dimension

A10 Today, at the beginning of the 21st century, the Internet has become an important element of direct selling — essentially giving each direct seller a worldwide customer *base.*

answer: (a) base

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Dotcom Retail Stores

A1 Melissa Campanelli, a marketing and technology writer in Brooklyn, comments on the reasons for dotcoms to open a physical store to extend their life *spans.*

answer: (c) spans

A2 In the traditional realm of business, you open a retail store first and then launch a website, but since the dotcom revolution, many surviving dotcoms that skipped that first step are realizing the benefits of opening a *brick-and-mortar* location.

answer: (a) brick-and-mortar

A3 Anyone that has a business plan with a goal of e-commerce needs to *augment* that business plan with a retail reality.

answer: (a) augment

A4 "We realized very early that we could not exist purely as a dotcom," says Sal Perisano, of iParty Corp, "We knew we needed some terrestrial link, some reality other than a virtual company, to *bolster* what we were doing."

answer: (c) bolster

A5 Physical stores give your customers a more convenient way to return goods and try out products — two options analysts say are *sorely* missing from Net stores.

answer: (c) sorely

A6 Owning a store offers a natural *traffic* flow into and out of the store, which allows an entrepreneur to gather names and begin direct-to-consumer marketing programs.

answer: (d) traffic

A7 However, opening a retail store is an expensive *proposition.*

answer: (d) proposition

A8 For those of you who lack the funding needed to open a retail store right now, try renting a *kiosk* in a local shopping mall.

answer: (c) kiosk

A9 If you do want to set up *shop*, you should do whatever you can to learn about launching and running a traditional retail business before you do so.

answer: (c) shop

A10 Your best *bet* is to determine ahead of time whether a multichannel strategy is a good move for your dotcom.

answer: (a) bet

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Consumer Behaviour

A1 Dr. Lars Perner explains that as well as the study of how products are purchased, consumer behavior also involves their use and *disposal*, since many environmental problems result from the latter.

answer: (a) disposal

A2 Consumer behavior involves services and ideas as well as *tangible* products.

answer: (d) tangible

A3 Product use is often of great interest to the marketer, because this may influence how a product is best *positioned* or how we can encourage increased consumption.

answer: (c) positioned

A4 For example, by understanding that consumers are more *receptive* to food advertising when they are hungry, we learn to schedule snack advertisements late in the afternoon.

answer: (c) receptive

A5 The impact of consumer behavior on society is also of relevance; for example, aggressive marketing of high fat foods may have serious *repercussions* for the national health.

answer: (c) repercussions

A6 Since new products are usually initially adopted by a few consumers and only spread later and gradually to the rest of the population, companies that introduce new products must be well financed so that they can stay *afloat* until their products become a commercial success.

answer: (c) afloat

A7 It is important to please initial customers, since they will in turn influence many *subsequent* customers' brand choices.

answer: (c) subsequent

A8 Common sense suggests that if you buy a 64-ounce bottle of laundry detergent, you should pay less per ounce than if you bought two 32-ounce bottles; in practice, however, you often pay a size *premium* by buying the larger quantity.

answer: (d) premium

A9 Consumer surveys, as any kind of research, are vulnerable to *bias*: the wording of a question can influence the outcome a great deal.

answer: (b) bias

A10 *Physiological* measures are occasionally used to examine consumer response; for example, advertisers may want to measure a consumer's level of arousal during various parts of an advertisement.

answer: (b) Physiological

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Retail Marketing

A1 The Discount Store News offers some tips for *forging* effective in-store partnerships.

answer: (b) forging

A2 Imagine a consumer shopping experience where there's no *wading* through the confusing tangle of options or having to guess which size to pull out for a closer look.

answer: (d) wading

A3 Now imagine the increased sales that could be generated when shoppers are directed by quality *signage* to fixtures whose design and planogram makes merchandise almost irresistible.

answer: (c) signage

A4 The above scenario is more than a *pipe dream*, as vendors are now working with retailers in creating displays that fuel movement of inventory from stores' back doors into patrons' hands.

answer: (c) pipe dream

A5 Retailers, who are always keeping an eye on the bottom line, continually search for ways to speed up the rate at which they put manufacturers' merchandise on the *floor.*

answer: (c) floor

A6 Cooperation from vendors in repositioning merchandise closer to the *point* of sale pushes the envelope toward faster turnover.

answer: (d) point

A7 Melanie McIntosh adds that in today's competitive retail environment a retailer cannot afford to consider merchandising as a *frill.*

answer: (b) frill

A8 Merchandising and display are an important part of the marketing plan and should have a reasonable budget allocated, even for a retailer operating on a *shoestring.*

answer: (d) shoestring

A9 After investing money on the important priorities such as merchandise, location, staff, insurance, accountant, advertising, your carefully budgeted money can be lost if your store doesn't *measure* up to the customers' expectations.

answer: (b) measure

A10 If your store looks like a bargain *basement*, customers will expect those kinds of prices and may draw the conclusion that your product is poor quality.

answer: (b) basement

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The Law of Agency

A1 The common law of agency is the body of law applicable to *consensual* relationships in which one person (the agent) consents to act on behalf of another person (the principal) and subject to that person's control.

answer: (d) consensual

A2 Agency doctrine *governs* the consequences, for the agent and principal, of the agent's interactions with third parties, as well as the consequences of the relationship as between the agent and principal.

answer: (c) governs

A3 Agency is a common-law subject of wide *scope* that intersects with a number of other subjects.

answer: (b) scope

A4 *Prototypical* examples of agency relationships include those between officers and corporations, between employees and employers, and between real-estate and other specialized agents and their clients.

answer: (c) Prototypical

A5 Despite the fact that specific rules concerning certain of those agency relationships have evolved, there remains a *free-standing* law of agency with substantial application across diverse legal contexts.

answer: (a) free-standing

A6 The regular appearance of corporate scandals in newspapers—Enron in particular—has emphasized that agency law continues to be *relevant* in business and employment relationships.

answer: (d) relevant

A7 Those scandals are characterized by businesspeople who 'should have known', and who appear to have acted *adversely* to the organizations for which they worked.

answer: (b) adversely

A8 Courts responding to cases relating to the scandals have focused on the legal relationships among principals, agents, and *affected* third parties.

answer: (a) affected

A9 Agency law has retained a structural coherence, despite statutory developments, in part because many statutes make reference to common law or *presuppose* a background that includes basic common-law doctrines.

answer: (b) presuppose

A10 The law of agency is based on the Latin *maxim* 'Qui facit per alium, facit per se', which means 'he who acts through another is deemed in law to do it himself'.

answer: (c) maxim

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The Law of Contracts

A1 In the nineteenth century, also known as the classical age of English contract law and the *heyday* of laissez-faire economic theory, common law rejected the moral theory of Lord Mansfield, which held that promises are a moral obligation.

answer: (c) heyday

A2 Contracts are promises that the law will *enforce.*

answer: (b) enforce

A3 The law provides remedies if a promise is *breached* and recognizes the performance of a promise as a duty.

answer: (d) breached

A4 Contracts *arise* when a duty does or may come into existence, because of a promise made by one of the parties.

answer: (d) arise

A5 The Law of Contracts deals with self-*imposed* duties, that is, agreements voluntarily concluded between parties.

answer: (d) imposed

A6 To be legally *binding* as a contract, a promise must be exchanged for adequate consideration.

answer: (c) binding

A7 Adequate consideration is a benefit which a party receives which reasonably and fairly *induces* them to make the promise/contract.

answer: (c) induces

A8 Promises that are purely *gifts* are not considered enforceable because the personal satisfaction the grantor of the promise may receive from the act is normally not considered adequate consideration.

answer: (a) gifts

A9 Certain promises that are not considered contracts may, in limited circumstances, be enforced if one party has relied to his *detriment* on the assurances of the other party.

answer: (c) detriment

A10 The Law of Contracts is usually broadly classified either as part of the Law of Obligations or as part of the system of private law (which *encompasses* contracts, property and torts).

answer: (c) encompasses

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Real Estate Brokers

A1 Real estate agents and brokers act as *intermediaries* in price negotiations between buyers and sellers.

answer: (a) intermediaries

A2 When selling real estate, brokers arrange for title searches and for meetings between buyers and sellers during which the details of the transactions are agreed upon and the new owners take *possession* of the property.

answer: (d) possession

A3 Brokers spend a significant amount of time obtaining *listings*-agreements by owners to place properties for sale with the firm.

answer: (b) listings

A4 A broker may help to arrange favorable financing from a lender for the prospective buyer; often, this makes the difference between success and failure in *closing* a sale.

answer: (a) closing

A5 In the prequalifying phase, the agent determines how much the buyers can *afford* to spend.

answer: (a) afford

A6 In addition, the agent and the buyer usually sign *a loyalty* contract which states that the agent will be the only one to show houses to buyers.

answer: (c) a loyalty

A7 Agents identify and emphasize the most *pertinent* selling points.

answer: (d) pertinent

A8 To a young family looking for a house, they may emphasize the convenient floor plan, the area's low crime rate, and the *proximity* to schools and shopping centers.

answer: (c) proximity

A9 If bargaining over price becomes necessary, agents must follow their client's instructions carefully and may have to present *counteroffers* in order to get the best possible price.

answer: (c) counteroffers

A10 Once both parties have signed the contract, the real estate broker or agent must make sure that all special terms of the contract are *met* before the closing date.

answer: (c) met

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Realtor Advertisement

A1 Founded over 30 years ago, Winoker Realty Company is a privately *held* second-generation commercial real estate firm serving the diverse real estate needs of a highly prestigious list of tenants, owners, large corporations and growing businesses.

answer: (c) held

A2 We are committed to providing you with value-added, timely solutions — and we *deliver.*

answer: (b) deliver

A3 Winoker Realty Company's vast experience allows us to provide expert property redevelopment services, with timely, cost-efficient results and quality solutions to every need that may *arise.*

answer: (b) arise

A4 Winoker Realty Company also provides superior leasing services; for building owners seeking to increase cash-flow, *time is money*, and speed to market is critical.

answer: (d) time is money

A5 We take *pride* in our ability to rapidly gain a comprehensive understanding of an owner's specific needs and objectives.

answer: (b) pride

A6 Winoker Realty Company has a *steadfast* commitment to senior level involvement in every aspect of customer relationship.

answer: (c) steadfast

A7 We implement the marketing strategy approved by you — seeking out the right prospects, creating and placing ads, conducting *open* houses with full attention to detail, and more.

answer: (c) open

A8 Our decades of New York real estate experience from both the *landlord* and the tenant sides help us provide customized solutions for every real estate niche and geographic area.

answer: (b) landlord

A9 Winoker's hands-on approach and roll-up-your-*sleeves* attitude has benefited building owners for more than 30 years.

answer: (b) sleeves

A10 Our true depth and breadth of expertise is simply *unsurpassed* in the greater New York real estate marketplace.

answer: (d) unsurpassed

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A good real estate rental market

A1 Ray Alcorn of Park Real Estate Inc remarks that real estate is a capital-intensive industry, and its health rises and falls with capital availability; currently the capital markets are so *flush* with cash, they can't find a place for it all.

answer: (c) flush

A2 Boom times typically engender oversupply of product, but construction prices have skyrocketed due to natural disasters and rising commodity prices, which has *tempered* new building in all property types.

answer: (c) tempered

A3 Rising consumer interest rates will further slow consumer purchasing and the housing market, and may produce the desired soft *landing.*

answer: (c) landing

A4 Historically, contractions in capital have a negative effect on valuations, and current *rumblings* from government regulators aiming to trim commercial banks' real estate loan exposure are worrisome.

answer: (d) rumblings

A5 Global markets are literally awash in capital, all of it seeking yield and stability; fortunately, commercial real estate offers both, and even if banks are constrained there is a *surfeit* of capital to fill the void.

answer: (c) surfeit

A6 Construction costs have gone through the *roof* in the past year due to natural disasters and increased commodity prices.

answer: (c) roof

A7 High construction costs and condo conversions have reduced new supply and a slowing housing market increases rental demand, so owners can now flex their muscles with rent increases, and those who bought at high valuations may yet get the *last laugh.*

answer: (d) last laugh

A8 Areas with declining employment and population will experience an acceleration of those trends, and investors will not acquire properties in such markets without good reason to believe a comeback is in the *offing.*

answer: (d) offing

A9 Retail properties will suffer as owners rediscover risk as a component of value, but most of these assets are owned by well-capitalized private equity groups that can easily *ride out* the storm.

answer: (b) ride out

A10 Acquisition of stabilized properties at low cap rates with little potential for rent growth is a sure *recipe* for below market returns.

answer: (b) recipe

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Selling to Businesses

A1 The amount of purchasing undertaken in the business market easily *dwarfs* the total spending by consumers; because the business market is so large it draws the interest of millions of companies that market exclusively to business customers.

answer: (c) dwarfs

A2 In certain business markets purchase decisions *hinge* on the outcome of a bidding process between competitors offering similar products and services.

answer: (b) hinge

A3 In these cases the decision to buy is often *whittled* down to one concern who has the lowest price.

answer: (d) whittled

A4 Consumer and business markets differ in that business markets are more likely to be price than brand-*driven.*

answer: (c) driven

A5 The demand by businesses for products and services is affected by consumer purchases; this is called *derived* demand.

answer: (b) derived

A6 Because so many organizations may have a part in creating consumer purchases, a small *swing* in consumer demand can create big changes in business purchasing.

answer: (d) swing

A7 The search for alternatives is a significant difference between consumer and business purchasing; while a consumer will probably not search hard to save two cents a gallon on gas, a company that has a large *fleet* of cars or trucks certainly will.

answer: (c) fleet

A8 In more advanced purchase situations, members of the Buying Center may evaluate each option using a checklist of features sought by the buyer, and each feature is assigned a *weight* that corresponds to its importance to the purchase decision.

answer: (d) weight

A9 If the product is *well* received, it may end up moving to a straight re-purchase status, thus eliminating much of the evaluation process on future purchases.

answer: (d) well

A10 Business purchase decisions can *drag on* for an extensive period; unlike consumer markets where impulse purchasing is rampant, the number of people involved in business purchase decisions results in decisions taking weeks, months or years.

answer: (b) drag on

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Small Businesses

A1 T. Fuller states that, historically, all business operated at a small scale and were centred on the individual *artisan.*

answer: (c) artisan

A2 Even now there are strong cultural *affinities* to individual enterprise.

answer: (a) affinities

A3 Over the centuries, business has emerged, legitimised by reflexive social *notions* of entrepreneurship and fuelled by regulated international free trade, competition, property rights and usury.

answer: (d) notions

A4 In this *landscape*, small businesses are increasingly important but relatively powerless.

answer: (b) landscape

A5 The overall thesis is that small businesses, once *ubiquitous*, have been systematically othered, then homogenised.

answer: (c) ubiquitous

A6 The article traces a brief history of small business from post-medieval times, through the Industrial Revolution to the *present* day.

answer: (d) present

A7 In doing so, it *uncovers* a number of principles upon which small business in the UK is founded, and illustrates how corporatism has emerged as these principles evolved.

answer: (d) uncovers

A8 Small business is *conceived* as being in a weak position relative to corporate business but co-dependent upon it.

answer: (a) conceived

A9 The link between the entrepreneurial individuals and innovation is discussed, outlining a view that entrepreneurs may best be *served* by corporate ecologies.

answer: (c) served

A10 The future trajectory of small business in the UK and Europe is by *no means* certain.

answer: (c) no means

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Trade Multilateralism

A1 Multilateral trade agreements serve the interests of today's global production system in a way that the alternative — a *fragmented* system of bilateral agreements — does not.

answer: (d) fragmented

A2 Victor K. Fung gives his point of view as a businessman on what is at stake and why WTO negotiators have an interest in finding common *ground.*

answer: (a) ground

A3 Global rules *ease* global production.

answer: (b) ease

A4 In the old days, manufacturing would be done "in-house", but manufacturing carries a completely different meaning today: products are no longer made *under one roof.*

answer: (c) under one roof

A5 Increasingly, production is *dispersed* across different factories in different countries — it is becoming globalized.

answer: (d) dispersed

A6 Information technology and logistics help dissect the value-added process into *component* parts, with factories, locations and countries assigned for each stage according to their competitive advantage.

answer: (b) component

A7 Over the past several years, we have seen *discord* in Seattle and Cancn, with what appears to be a widening divergence of views between developed and developing countries, and a rise in bilateral trade agreements.

answer: (c) discord

A8 Bilateralism distorts the flow of goods: it *throws up* barriers, creates friction, reduces flexibility, raises prices and hinders companies' ability to bring new countries into the global production system. throws up breaks down bowls over stands on

answer: (d) throws up

A9 Of particular concern are 'rules of origin', which define where a product is made and determine what kind of market *access* it will have.

answer: (a) access

A10 With each new bilateral agreement, considerations relating to rules of origin multiply and become more complex in the *phenomenon* trade experts call 'the spaghetti bowl effect'.

answer: (c) phenomenon

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Thinking to Export

A1 There are several ways to evaluate the export *potential* of your products and services in overseas markets; the most common approach is to examine the success of your products domestically.

answer: (d) potential

A2 Another means is by examining the unique or important features of your product: if those features are hard to *duplicate* abroad, then it is likely that you will be successful overseas.

answer: (b) duplicate

A3 *Sizeable* export markets may still exist, especially if the product once did well in the United States but is now losing market share to more technically advanced products.

answer: (b) Sizeable

A4 Other countries may not need state-of-the-art technology and/or may be unable to afford the most *sophisticated* and expensive products.

answer: (d) sophisticated

A5 Such markets may have a surprisingly *healthy* demand for U.S. products that are older or considered dated by U.S. market standards.

answer: (d) healthy

A6 All aspects of an export plan should be agreed upon by the personnel involved in the exporting process, as they will ultimately *execute* the export plan.

answer: (c) execute

A7 From the start, the plan should be viewed and written as a management tool, not as a *static* document.

answer: (c) static

A8 Many companies begin export activities *haphazardly*, without carefully screening markets or options for market entry.

answer: (a) haphazardly

A9 While these companies may or may not have a *measure* of success, they may overlook better export opportunities.

answer: (b) measure

A10 If early export efforts are unsuccessful because of poor planning, your company may be *misled* into abandoning exporting altogether.

answer: (c) misled

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Starting a Business

A1 When deciding on which form of business will best serve your purposes, you should take into account the time *commitment* necessary to handle regulations and formalities.

answer: (a) commitment

A2 The need for funding is one of the first concerns for any new business, and unless you have the personal assets or can *tap into* friends, family or your bank, you will be seeking investors.

answer: (b) tap into

A3 Determining not only the type of business you are starting, but the type of customers you will attract and the manner in which you will attract them should also be *factored* into your decision making process.

answer: (b) factored

A4 The potential for liability from customer relationships or interaction *impacts* heavily on your liability risk.

answer: (a) impacts

A5 For example, someone with a business that sells goods via the Internet or through mail order is less likely to *garner* lawsuits than someone who owns physical store locations, where customer foot traffic (and potential injuries) could result.

answer: (a) garner

A6 It will also be assumed that a professional business such as a law firm or accounting practice will have greater assets, making them greater targets in a *litigious* society.

answer: (d) litigious

A7 Someone who has already had previous business success and has significant assets from a previous business venture would also want to protect those assets *closely.*

answer: (a) closely

A8 Apathy can come back to *haunt* a successful entrepreneur; plan ahead.

answer: (a) haunt

A9 It is wise to *sit down* with both an attorney and an accountant and discuss the details of the business that you are planning to start and where you see it going in five or ten years.

answer: (d) sit down

A10 *Cover* all the bases, including liabilities, taxes, employee benefits and the need for investors, before making your decision.

answer: (a) Cover

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Eco-tourism in Australia

A1 Tourism is one of the world's largest and fastest growing industries; it can contribute to *sound* economic development and substantial employment generation in Australia in the coming years.

answer: (d) sound

A2 Tourism has many links with other industries, such as agriculture, manufacturing and telecommunications, and can provide a powerful *stimulus* to economic growth, particularly in regional areas.

answer: (d) stimulus

A3 A strong and viable tourism industry will remain an important contributor to continued employment growth, and tourism's contribution to foreign exchange earnings will continue to be a significant item in Australia's *balance* of payments.

answer: (a) balance

A4 Ecologically sustainable development has as its basic aim to meet the needs of the present without *compromising* the ability of future generations to meet their needs.

answer: (b) compromising

A5 A recent report by the Industry Commission found that the Australian environment is a major tourist attraction and the provision of accommodation in appropriate locations is important for ensuring access to *sought-after* sites.

answer: (c) sought-after

A6 It also suggests that accommodation provision should have regard to *impacts* on the environment in which it is situated and that this applies to both the original siting decision and continuing operations.

answer: (c) impacts

A7 The construction of accommodation and service *amenities* and associated transport and service links can cause changes in vegetation, soil compaction and erosion, siltation of rivers and estuaries, and generation of waste.

answer: (a) amenities

A8 These changes can affect the balances and relationships in ecosystems and may contribute to the modification of habitats, a change in the competitive advantage of species, and in some cases loss of representative habitats and species or a reduction in genetic *diversity.*

answer: (d) diversity

A9 The report also says that tourism development should recognise and support the identity, culture and interests of *indigenous* people.

answer: (c) indigenous

A10 As the market for environmentally *sensitive* tourism facilities continues to expand, it is vital that local businesses have the information necessary to meet global expectations and standards.

answer: (d) sensitive

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Tourism after 9/11

A1 Travel advertisers were confronted with a major decision after September 11, 2001: should they spend more on advertising to *spur* travel by people who were apprehensive but fence-sitting?

answer: (d) spur

A2 Meanwhile, corporations cut *back* their budgets, reducing the volume of business travel.

answer: (b) back

A3 On an annual basis, trends varied *by* industry.

answer: (a) by

A4 Airlines *understandably* decreased their advertising spending, as they normally do after a crisis or an accident.

answer: (d) understandably

A5 Spending was down across the *board* on network and spot TV, cable TV and national spot radio — although domestic carriers boosted their outlay for outdoor advertising in 2001.

answer: (a) board

A6 In contrast to the *troubled* airlines, hotel companies spent more on advertising in 2001.

answer: (c) troubled

A7 Holiday Inn remained on top of the domestic spending *heap*, laying out $38.3 million in 2001, an increase of 25 percent.

answer: (a) heap

A8 The car rental industry has been plagued by financial problems, so it is no surprise that the *cash-strapped* companies cut back on their ad spending.

answer: (d) cash-strapped

A9 After a brief downturn in late 2001, the cruise industry's sales *revived* quickly, thanks to discounting and steady advertising.

answer: (d) revived

A10 The industry as a whole laid *out* $237 million on advertising for the year, a slight gain of 2.7 percent over 2000.

answer: (c) out

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Internet Travel Arrangements

A1 The Economist explains that the internet has *pitted* travel agents against travel providers in an intense battle to win customers.

answer: (c) pitted

A2 This year's travel season, now *drawing* to a close, has been busier than ever, despite strikes and terrorist threats.

answer: (a) drawing

A3 Freed from having to ring busy call centres or queue at high-street travel agents, consumers have gone online in *droves* to find flights, hotels, car rentals and other travel services, making travel one of the most successful forms of e-commerce.

answer: (b) droves

A4 By designing websites that ordinary people could use, online travel agents were able to put product availability and price transparency at their customers' *fingertips.*

answer: (b) fingertips

A5 After the September 11th terrorist attacks on America, online agents helped airlines and hotels overcome a worldwide travel *slump* by making bargains more visible to a greater number of people.

answer: (c) slump

A6 These websites work like shopping comparison services: matching users' *itineraries* with offers and then directing bookings to the websites of agents and suppliers.

answer: (b) itineraries

A7 In America, suppliers and distributors currently each take about half of all online bookings; that adds up to a *sizeable* chunk of the travel industry.

answer: (c) sizeable

A8 Most analysts *reckon* about one-third of America's $200 billion travel market will be booked online this year.

answer: (d) reckon

A9 The travel market can be broken down into two parts: leisure combined with 'unmanaged' business travel (this is because individuals booking business trips can be *indistinguishable* from leisure travellers) and managed corporate travel.

answer: (b) indistinguishable

A10 People booking online are now presented with a range of fares to choose from, with the busiest flights commanding the highest premiums, because customers are *shrewd* enough to understand the laws of supply and demand.

answer: (c) shrewd

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Tobacco Marketing

A1 Health experts from throughout the world are meeting in the U.S. to *address* the tobacco industry's marketing efforts in developing countries, Reuters reported August 5th.

answer: (a) address

A2 "We're bringing the world's tobacco-control community together in one place to see how can we *stem* this tide of export, promotion and production by the tobacco industry," said Dr. Thomas Houston of the American Medical Association.

answer: (d) stem

A3 The tobacco industry views developing countries as an *untapped* market, which causes concern among health officials.

answer: (c) untapped

A4 The World Health Organization estimates that 70 percent of deaths caused by smoking-related illnesses will take place in the developing world, mainly because people in those countries may be unaware of the dangers *posed* by smoking.

answer: (c) posed

A5 "It will be a huge tragedy for developing countries and will *overwhelm* their health-care systems," Houston said.

answer: (b) overwhelm

A6 WHO officials noted that the tobacco industry is dealing with legal *setbacks* in the U.S. by marketing their products worldwide.

answer: (c) setbacks

A7 In addition, the tobacco industry is working towards *dissuading* developing countries from levying taxes on cigarettes or enacting western-style laws that ban smoking in office buildings and other public places.

answer: (b) dissuading

A8 "Most people in the developing world believe cancer is a communicable disease," Houston said, "The warnings are *nebulous* and not particularly clear."

answer: (b) nebulous

A9 "The companies have found loopholes in the law, and we have not *plugged* them," said H.J. Sallehudin, an assistant director of Malaysia's Department of Public Health, which enforces Malaysia's tobacco ad bans.

answer: (b) plugged

A10 An international tobacco-control treaty sponsored by the United Nations is aimed at *curbing* the increase in tobacco-related deaths worldwide.

answer: (d) curbing

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Financial Assets

A1 In financial accounting, financial assets are cash and other assets that convert directly into *estimated* amounts of cash.

answer: (b) estimated

A2 In the balance sheet, financial assets are listed at the current value: for cash, this means the *face* amount.

answer: (b) face

A3 Marketable securities are listed at current market value, while receivables are listed at net *realizable* value.

answer: (c) realizable

A4 The objectives of cash management are accurate accounting for cash transactions, the prevention of losses through *theft*, and maintaining adequate cash balances.

answer: (d) theft

A5 One major step in achieving *internal* control over cash transactions is separating cash handling from the accounting function.

answer: (c) internal

A6 The cash balance shown on the month-end bank statement will usually differ from the amount of cash shown in the depositor's ledger; this is a result of such items as *outstanding* checks and deposits in transit.

answer: (b) outstanding

A7 The bank *reconciliation* adjusts the cash balance per the books and the cash balance per the bank statement for any unrecorded items and thus produces the correct amount of cash to be included in the balance sheet at the end of the month.

answer: (c) reconciliation

A8 Under the allowance method, the portion of each period's credit sales expected to prove uncollectible is written *off* by debiting Allowance for Doubtful Accounts and crediting Accounts Receivable.

answer: (b) off

A9 The most *liquid* financial asset is cash, followed by cash equivalents, marketable securities, and receivables.

answer: (c) liquid

A10 Interest is a contractual amount that accumulates day by day; the amount of interest *accruing* over a time period may be computed by the formula Principal x Rate x Time.

answer: (a) accruing

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The Cybernation Economy

A1 The cybernation revolution has been brought *about* by the combination of the computer and the automated self-regulating machine.

answer: (a) about

A2 This results in a system of almost unlimited productive capacity which requires *progressively* less human labor.

answer: (d) progressively

A3 Cybernation is already reorganizing the economic and social system to *meet* its own needs.

answer: (b) meet

A4 In the past, when new technologies have replaced workers in a given sector, new sectors have always emerged to absorb the *displaced* laborers.

answer: (c) displaced

A5 Today, all three of the traditional sectors of the economy — agriculture, manufacturing, and service — are experiencing this, forcing millions onto the unemployment *rolls.*

answer: (d) rolls

A6 The only new sector *emerging* is the knowledge sector, made up of elite entrepreneurs, scientists, technicians, computer programmers, professionals, educators, and consultants.

answer: (c) emerging

A7 While this sector is growing, it is not expected to absorb more than a fraction of the hundreds of millions who will be eliminated in the next several decades in the *wake* of revolutionary advances in the information and communication sciences.

answer: (d) wake

A8 The technological changes now occurring will not make human labor *superfluous*; on the contrary, they will require tremendous numbers of highly skilled and highly trained managers and technicians.

answer: (c) superfluous

A9 In the entire occupied population, a larger fraction of members than at present will be *engaged* in occupations where 'personal service' involving face-to-face human interaction is an important part of the job.

answer: (b) engaged

A10 I am confident of stating this conclusion, but far less confident in *conjecturing* what these occupations will be.

answer: (a) conjecturing

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Micromanagement

A1 Estienne de Beer, author of Boosting Your Career, warns that sooner or later you will report to a micromanager who *obsessively* controls and manipulates you to the point of desperation.

answer: (b) obsessively

A2 Harry Chambers explains that micromanagers always have their *antennae* up, trying to detect violations.

answer: (a) antennae

A3 If you get frustrated and tell the boss to back *off*, you get accused of having a bad attitude and not being a team player.

answer: (c) off

A4 It feels as if you are controlled like a robot and *second-guessed* every step of the way.

answer: (d) second-guessed

A5 Everything needs to get approved beforehand and *double-checked* afterwards.

answer: (c) double-checked

A6 It is important to understand what motivates a micromanager to command and control, even if it is *unknowingly.*

answer: (b) unknowingly

A7 Most micromanagers tend to have a controlling tendency and simply don't believe that outstanding work will be done without their constant *intervention.*

answer: (d) intervention

A8 *Coping* skills and effective communication are the keys to successfully managing your micromanager.

answer: (a) Coping

A9 One of the best lines of defence is your diligence in clarifying expectations and keeping a(n) *paper trail* of everything that you have done.

answer: (c) paper trail

A10 Micromanagers need to learn how to transform themselves into leaders; micromanagers just twist your arm, but leaders *sway* your opinion.

answer: (d) sway

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The Southeastern European Economies

A1 In an address to the Second International Banking Forum, Panayotis Thomopoulos states that the southeastern economies are turning the *corner* and can now start enjoying the benefits of stability and growth within the European Union.

answer: (a) corner

A2 Greece will continue to make a positive contribution to the economies of the region, but he admits that he *draws* comfort from the fact that Greece is now surrounded by open, dynamic economies.

answer: (a) draws

A3 The recent *appreciation* of the euro is an indication of the markets' confidence in our economies.

answer: (a) appreciation

A4 There have been of course problems, especially in the European insurance sector, *exacerbated* by natural catastrophes, but all financial institutions have managed through.

answer: (c) exacerbated

A5 Nonetheless, such problems, whenever they surfaced, were *contained* and did not have systemic repercussions that could threaten the macroeconomic stability of our economies.

answer: (b) contained

A6 As a result of not very *prudent* policies, the significant losses of insurance and re-insurance companies in the last few years have been partly absorbed by the banking sector.

answer: (c) prudent

A7 The banking sector in some countries has unwillingly assumed the responsibility for the well-being of the financial sector as a whole, because it understands the danger of systemic risks, which can *wreak* havoc.

answer: (a) wreak

A8 With the help of the central banks, the private sector has become more *adept* in dealing with risks and the supervisors have learned from the mistakes of the past and improved their vigilance.

answer: (a) adept

A9 The new practices to be introduced will further improve our ability to deal with financial risks and better *tailor* our requirements to each market's special needs.

answer: (d) tailor

A10 Looking at the developments in the Southeastern Balkans themselves, the present situation is a far *cry* from the bleak picture at the early stages of transition more than a decade ago.

answer: (b) cry

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Internet Securities Trading

A1 The World Wide Web consists of a vast network of Web 'sites'. i.e., graphical presentations of information that is controlled by the site-holder; sites can contain pictures, text and sound in *static* or moving form.

answer: (c) static

A2 The World Wide Web creates a(n) *dramatically* new environment for both investors and companies issuing securities.

answer: (b) dramatically

A3 Web sites, bulletin boards, e-mail and push technology can all be used in advertising, offering and selling securities, and for *disseminating* investment advice.

answer: (b) disseminating

A4 In the mid-1990's, the marketing of securities on the Internet began to *take off.*

answer: (d) take off

A5 A number of small discount brokers started online secondary trading in 1995 and the number gradually *swelled.*

answer: (d) swelled

A6 Developments in cyberfinance have virtually *exploded* since these early entries.

answer: (c) exploded

A7 Investment bankers can post their underwritings of stock issues on the World Wide Web to *expose* them to vast numbers of prospective investors at very low cost.

answer: (d) expose

A8 Issuers can *bypass* traditional underwriters and make direct public offerings ('DPOs') of securities using the Web bulletin boards and push technology.

answer: (a) bypass

A9 Since 1995, the SEC has sought by rule and interpretive release to *mesh* the Securities Acts of 1933 and 1934 and the regulatory framework built up around them with the new Internet world.

answer: (c) mesh

A10 Electronic disclosure of information must provide adequate and timely notice to investors, *afford* effective access to the information, and give reasonable assurance that the information in fact has been delivered.

answer: (b) afford

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Mortgage Law

A1 A mortgage involves the transfer of an interest in land as security for a loan or other *obligation.*

answer: (b) obligation

A2 Normally, a mortgage is paid in *installments* that include both interest and a payment on the principle amount that was borrowed.

answer: (b) installments

A3 Failure to make payments results in the *foreclosure* of the mortgage.

answer: (a) foreclosure

A4 This allows the mortgagee to declare that the entire mortgage debt is due and payable immediately, accomplished through an acceleration *clause* in the mortgage.

answer: (a) clause

A5 In the case of failure to pay the debt, the most common processes to effect seizure and sale are court *proceedings* or grants of power to the mortgagee to sell the property.

answer: (d) proceedings

A6 Under the title theory, title to the security interest *rests* with the mortgagee.

answer: (c) rests

A7 Most states, however, follow the lien theory, under which the legal title *remains* with the mortgagor.

answer: (b) remains

A8 Finally, the intermediate theory applies the lien theory until there is a *default* on the mortgage, whereupon the title theory applies.

answer: (b) default

A9 If the mortgage is not the only lien on the property, then state law determines the *priority* of the property interests.

answer: (c) priority

A10 The Uniform Commercial Code governs conflicts between mortgages on real property and liens on *fixtures* (personal property attached to a piece of real estate).

answer: (c) fixtures

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Basic Microeconomics

A1 A *crucial* concept in understanding microeconomics is that of utility: utility is how much a product pleases people.

answer: (d) crucial

A2 Marginal utility is how much every *incremental* quantity of a product pleases; it tends to drop as the numbers of a product consumed increases.

answer: (d) incremental

A3 Consumers choose what products they want to buy by comparing something's *price* and its utility.

answer: (b) price

A4 They will pick the product that gives them the biggest *bang* for the buck, the product that gives them the greatest satisfaction for every unit of money spent.

answer: (a) bang

A5 Based on the law of demand, quantity demanded is inversely *related* to price.

answer: (c) related

A6 'Perfect competition' is defined as economic forces *at work*, uninterrupted by any other force.

answer: (b) at work

A7 In reality, no *such* thing as a true perfectly competitive market exists; there are other types of market structures, however — monopoly, oligopoly, and monopolistic competition.

answer: (c) such

A8 In monopolistic competition, there are many firms *vying* for control of one market.

answer: (d) vying

A9 Oligopoly is a small number of competing firms, so the key property of oligopolies is that all firms *execute* strategic planning.

answer: (d) execute

A10 Some oligopolies act as cartels, in which many firms act *as one.*

answer: (a) as one

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Trade Regulation

A1 Recent World Bank research suggests that countries should complement trade openness with greater flexibility of their investment *climate* and labor markets.

answer: (a) climate

A2 "Trade *boosts* growth in flexible economies, but its positive impact is much reduced — and in some cases, even reversed-in excessively regulated economies," says Caroline Freund, Senior Economist in the World Bank's Trade Research Team.

answer: (a) boosts

A3 Trade stimulates growth by directing resources into their most productive uses both within and *across* industries.

answer: (a) across

A4 An excessive regulatory *burden* will prevent this reallocation of resources from occurring, reducing the prospects for trade-generated growth.

answer: (a) burden

A5 However, complications can arise because of interest groups that *stand* to lose in a more flexible environment.

answer: (c) stand

A6 Some of the steps that *heavily* regulated economies need to take are easy and inexpensive; for example, it does not cost much to reduce excess procedures for registering a new business.

answer: (b) heavily

A7 New technologies can also *facilitate* deregulation, such as implementing online registration systems.

answer: (b) facilitate

A8 The success of openness depends on whether firms can adjust quickly to the new conditions *imposed* by international competition.

answer: (a) imposed

A9 Doing well in the areas of public infrastructure, governance and ease of firm entry clearly correlates with stronger trade-related growth, suggesting that countries may need to simultaneously *undertake* reform in several areas in order to benefit from trade openness.

answer: (c) undertake

A10 An analysis to help identify the areas requiring reform helps design a policy package tailored for a particular country, as opposed to a(n) '*one-size-fits-all*' approach.

answer: (d) one-size-fits-all

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A Quick History of Advertising

A1 Encarta's History of Advertising notes that *archaeologists* have found evidence of advertising dating back to the 3000s BC, among the Babylonians.

answer: (b) archaeologists

A2 One of the first known methods of advertising was the outdoor display, usually an *eye-catching* sign painted on the wall of a building.

answer: (b) eye-catching

A3 An outdoor advertisement *excavated* in Rome offers property for rent, and one found painted on a wall in Pompeii calls the attention of travelers to a tavern.

answer: (a) excavated

A4 In medieval times word-of-mouth praise of products gave rise to a simple but effective form of advertising, the use of so-called town *criers.*

answer: (b) criers

A5 These were citizens who read public notices aloud and were also employed by merchants to shout the *praises* of their wares.

answer: (c) praises

A6 Although graphic forms of advertising appeared early in history, printed advertising made little *headway* until the invention of the movable-type printing press by German printer Johannes Gutenberg about 1450.

answer: (b) headway

A7 In the United States, the advertising profession began in Philadelphia, Pennsylvania, in 1841, when Volney B. Palmer *set* up shop as an advertising agent, the forerunner of the advertising agency.

answer: (b) set

A8 The introduction of radio created a new opportunity and by the end of the 1920s, advertising had established itself in radio to such a(n) *extent* that advertisers were producing many of their own programs.

answer: (b) extent

A9 The early 1930s *ushered* in dozens of radio dramatic series that were known as soap operas because they were sponsored by soap companies.

answer: (c) ushered

A10 Television had been introduced in 1940, but because of the high cost of TV sets and the lack of programming, it was not immediately *embraced.*

answer: (a) embraced

Hedge Funds

A1 A hedge fund is a fund that sells some stocks short, and buys other stocks long; with this technique, the overall value of buying and selling balances out, thereby eliminating heavy losses due to large market *swings.*

answer: (d) swings

A2 The term hedge fund refers to the practice of balancing out transactions to ensure that a profit can still be made in any market turning, which distinguishes them from the *spate* of other fund strategies that sprang up at the beginning of the 21st century.

answer: (b) spate

A3 Profit gains in a hedge fund rely on the choosing of appropriate stocks and acting on them at the most *opportune* moment.

answer: (c) opportune

A4 Stock pioneer Alfred Winslow Jones used borrowed money to *inject* his funds with additional capital (leverage), and charged an incentive fee to his customers to place their money in his fund.

answer: (c) inject

A5 For the most part, the term hedge fund now refers to any mostly unregulated fund using *unconventional* methods of investing.

answer: (d) unconventional

A6 Some common hedge fund strategies include trading stock options and bonds, the purchase or sale of highly undervalued securities, and *arbitrage.*

answer: (d) arbitrage

A7 Unlike mutual funds, hedge funds are very *lightly* regulated, and so can keep their actions relatively secret.

answer: (c) lightly

A8 This secrecy makes it difficult to predict actual numbers for hedge funds, but estimates for 2003 were over US $650 billion *under* hedge fund management.

answer: (c) under

A9 Hedge funds are subject to the same prohibitions against fraud as are other market participants, and their managers have the same *fiduciary* duties as other investment advisers.

answer: (b) fiduciary

A10 Only accredited investors and qualified purchasers may invest in them — those who have incomes of over $200,000 per year or a net *worth* of over $1 million, or those who already have at least $5 million in investments.

answer: (d) worth

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The Victorian Apprentice (1)

A1 From 'The Dictionary of Daily Wants', 1858-1859: 'Apprentice' signifies a person who is bound by *indenture* to serve a master for a certain term, and receives in return for his services instruction in his master's profession, art, or occupation.

answer: (b) indenture

A2 Apprentices and masters are equally bound to perform their portion of the contract towards each other; and if the master neglect to teach the apprentice his business, is liable to be *summoned* before a magistrate to answer the complaint against them.

answer: (d) summoned

A3 A master cannot legally *compel* his apprentice to work an unreasonable length of time.

answer: (a) compel

A4 There is no specific duration marked out by law, but doubtless the habitual employment of an apprentice for more than twelve hours daily (exclusive of meal times) would be *deemed* unreasonable.

answer: (c) deemed

A5 When an assignment is made of a trader's *effects*, the apprentice may form part of the assignment and he is bound to serve him to whom he is transferred in all respects the same as his original master.

answer: (a) effects

A6 In cases of *dissolution* of partnership, the apprentice is bound to serve the remaining members of the firm, just as though the partnership remained intact.

answer: (d) dissolution

A7 When the master dies the apprenticeship is *at an* end, for the contract is held to be a personal one between master and servant.

answer: (a) at an

A8 If there be any *covenant* for maintenance in the contract, the executor of the deceased master is bound to make provision for the same so far as the assets will allow.

answer: (c) covenant

A9 A master may *administer* reasonable corporal chastisement to his apprentice, but he cannot discharge him.

answer: (a) administer

A10 If an apprentice *enters* another person's service, his master is entitled to his earnings, and he may bring an action against the persons who enticed him away.

answer: (b) enters

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The Victorian Apprentice (2)

A1 From 'The Dictionary of Daily Wants', 1858-1859: As apprenticing has the most important influence upon success in life, it ought to be exercised by parents and guardians with the most *scrupulous* care and discretion.

answer: (d) scrupulous

A2 In apprenticing a youth, it is not alone sufficient that he should learn a trade from which good earnings may afterwards be derived, but that the trade selected should be in accordance with his taste, and also *conformable* to his mental and physical capacity.

answer: (b) conformable

A3 It may be said that a boy does not *know* his own mind, and that it is consequently idle to consult him upon a subject when his seniors are better qualified to judge.

answer: (b) know

A4 But in the majority of cases, a boy will be found to give unmistakeable indications of the branch of mechanical employment upon which his mind is most *bent* and for which his hands will be consequently most fit.

answer: (a) bent

A5 If the boy is apprenticed to a trade of a totally opposite nature to that for which he has a *predilection*, the incessant struggle between natural desire and constrained duty will frequently entail failure and disappointment.

answer: (d) predilection

A6 Equally necessary is it that the mental and bodily *faculties* should be considered before apprenticeship.

answer: (b) faculties

A7 And it is also a species of cruelty to select for a youth of a weak and delicate constitution such a trade as is only adapted for the *robust* and hardy.

answer: (c) robust

A8 The premiums for apprenticeship are governed by no stated tariff, but as a general rule they are proportioned to the wages which the trade *affords.*

answer: (b) affords

A9 The amount of the premium, therefore, is a secondary consideration to the advantages which its outlay *secures.*

answer: (d) secures

A10 The usual term of apprenticeship is seven years, namely, from fourteen to twenty-one years of age, but that period of *probation* is not always necessary, and, generally speaking, it is optional to determine upon a shorter term.

answer: (c) probation

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Current Liabilities

A1 In the normal *course* of trading with external vendors on credit terms, the University incurs current liabilities (i.e. accounts payable within 12 months).

answer: (a) course

A2 These accounts payable are subsequently *extinguished* by regular creditors payment runs.

answer: (d) extinguished

A3 Amounts owed to creditors which have not been paid or recorded at 31 December are *accrued*, and a liability is recorded in the general ledger; these are reversed in the following year.

answer: (a) accrued

A4 Procedures established in *respect* of incurring a liability through the procurement of goods and services are specified in Section 5, 'Expenditure', of the manual.

answer: (d) respect

A5 The University is bound by legislation and industrial awards to provide its employees with various entitlements accumulated as a result of the *rendering* of their services to the University.

answer: (c) rendering

A6 Liabilities *arising* from the accumulation of employee entitlements are recognised in the financial statements.

answer: (b) arising

A7 Staff who commenced employment with the University prior to 1 April 1961 are entitled to receive a gratuity on retirement at *age 55 years* or later, or on death.

answer: (c) age 55 years

A8 In accordance with The University Act of 1998, the Senate, in the *name* of and on behalf of the University, may borrow funds by way of loan or overdraft from any bank or other financial institution.

answer: (b) name

A9 Borrowings will only be undertaken in exceptional circumstances where operating or research funds are not sufficient to *satisfy* existing funding requirements.

answer: (b) satisfy

A10 A current liability arises where students pay a refundable *deposit* on locker keys, laboratory equipment, slide boxes, accommodation, etc. to a School.

answer: (a) deposit

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Global Capital Management

A1 Rainer Rauleder and Therese Hockey, two Deutsche Bank Treasury managers, here outline practical approaches in dealing with issues relating to allocation and investment of the bank's capital, *performance* measurement of regional businesses, and regulatory compliance across multiple regimes.

answer: (a) performance

A2 Sunrise in Auckland and another business day begins at Deutsche Bank, where members of the Treasury team located in the Asia-Pacific region take the *baton* from their colleagues in the Americas managing the bank's capital and balance sheet.

answer: (a) baton

A3 These regional managers, specialists in their local market conventions and regulatory requirements, work with the business divisions to optimize the *return* on the bank's capital.

answer: (d) return

A4 Later in the working day, the European members of the team based in the corporate center join with their colleagues to ensure that the practical *matters* of the localities are aligned with the bank's strategic global issues.

answer: (c) matters

A5 Like Deutsche Bank, banks the world *over* are pursuing the ultimate capital framework, which will optimize the mix of capital, adequately assess capital at risk, and maximize capital growth.

answer: (c) over

A6 These global banks are faced with an array of regulatory requirements, business practices, and infrastructural complexity, demanding a dynamic approach to ensure a sufficiently robust yet flexible *framework.*

answer: (a) framework

A7 What is meant by the term capital? — though a seemingly basic question, the notion of capital varies, depending on the *perspective* being considered.

answer: (b) perspective

A8 From an accounting standpoint, capital is just the *shareholder* equity as it is reported on the balance sheet.

answer: (d) shareholder

A9 The regulatory view of capital expands on this by *allowing* for the inclusion of hybrid capital instruments, usually accounted as liabilities, and then deducting purchased goodwill.

answer: (d) allowing

A10 While regulatory requirements will *pose* a constraint on the bank's businesses, they will not determine the internal allocation of capital.

answer: (a) pose

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Price-based or Target Costing

A1 The target cost is a financial goal for the full cost of a product, *derived* from estimates of selling price and desired profit (which top management sets on the basis of firm strategy and financial goals).

answer: (c) derived

A2 Product selling price is *constrained* by the marketplace and is determined by analysis along the entire industry value chain and across all functions in a firm.

answer: (a) constrained

A3 *Common* to most target-cost applications is a belief that large-scale cost planning and reduction must occur early in the product life cycle.

answer: (b) Common

A4 However, Shank and Fisher believe there is no *conceptual* reason the methodology cannot be a value-added exercise applied to existing products during manufacturing.

answer: (a) conceptual

A5 They *posit* that if managers were to believe that, during manufacturing, only incremental (i.e., slight) change is possible, firms would likely miss significant strategic opportunities.

answer: (b) posit

A6 Shank and Fisher present a case study that demonstrates the relevance of target-costing techniques for a process-industry plant built in the 1890s that had been making *largely* the same products for fifty years.

answer: (d) largely

A7 The firm's managers, who had used a standard-cost system for many years, might have concluded that *kaizen* costing was most appropriate for this plant.

answer: (a) kaizen

A8 However, competitive realities necessitated a major strategic change that employed target costing as an important *ingredient* in cost-reduction efforts leading to strategic revitalization.

answer: (c) ingredient

A9 The standard cost concept essentially dropped out of the *picture.*

answer: (b) picture

A10 Because standard costing accepts the existing game rules and the existing value chain, the authors believe that fundamental cost *breakthroughs* are much more probable when using target costing.

answer: (c) breakthroughs

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Transfer Pricing

A1 When one part of a multinational organisation in one country transfers (that is, *sells*) goods, services or know-how to another part in another country, the price charged for these goods or services is called 'transfer price'.

answer: (c) sells

A2 According to Manfred Davidmann, this may be a purely *arbitrary* figure, meaning by this that it may be unrelated to costs incurred, to operations carried out, or to added value.

answer: (d) arbitrary

A3 In other words, it is possible for a multinational company to minimise its *liability* for corporation tax by transfer pricing.

answer: (c) liability

A4 This is done without any change to procedures, operations or added value; it is done by merely changing book *entries.*

answer: (c) entries

A5 This tax *avoidance* is legal until governments legislate to prevent this practice.

answer: (b) avoidance

A6 If a multinational has increased its profits by this method, then the government, whose expenses have not changed, must make up this *shortfall* elsewhere.

answer: (c) shortfall

A7 Its citizens pay more tax, the government can spend the same amount as before, and the multinational's profits have increased: in other words, the multinational's increased profits arise from money which is in *effect* collected by the government from its taxpayers.

answer: (b) effect

A8 This is a matter far *removed* from earning reasonable profits on needed quality goods and services at reasonable prices in open competition with other corporations.

answer: (d) removed

A9 It seems that at times some top US companies pay no federal income tax at all or obtain an overall *rebate.*

answer: (c) rebate

A10 Multinationals need to be made accountable to elected representatives of the people, for their policies and for acting for or against the national *interest.*

answer: (c) interest

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Internal Controls

A1 Senior executives have long *sought* ways to better control the enterprises they run.

answer: (b) sought

A2 Internal controls are put in *place* to keep the company on course toward profitability goals and achievement of its mission, and to minimize surprises along the way.

answer: (d) place

A3 They *enable* management to deal with rapidly changing economic and competitive environments, shifting customer demands and priorities, and restructuring for future growth.

answer: (a) enable

A4 Internal control is looked *upon* more and more as a solution to a variety of potential problems.

answer: (d) upon

A5 This report defines and describes internal control to provide a standard *against* which business and other entities can assess their control systems and determine how to improve them.

answer: (a) against

A6 Internal control is broadly defined as a process, *effected* by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in several categories.

answer: (c) effected

A7 The first category, effectiveness and efficiency of operations, *addresses* an entity's basic business objectives, including performance and profitability goals and safeguarding of resources.

answer: (a) addresses

A8 The second, reliability of financial reporting, relates to the preparation of reliable published financial statements, including interim and condensed financial statements and selected financial data *derived* from such statements, such as earnings releases, reported publicly.

answer: (d) derived

A9 The third, compliance with applicable laws and regulations, deals with complying with those laws and regulations to which the entity is *subject.*

answer: (a) subject

A10 While internal control is a process, its effectiveness is a state or condition of the process at one or more points *in* time.

answer: (a) in

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Internal Control Activities

A1 Control activities are the policies and procedures that help ensure management *directives* are carried out.

answer: (a) directives

A2 Control activities occur throughout the organization, at all levels and in all functions, and include a range of activities as *diverse* as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

answer: (d) diverse

A3 *Pertinent* information must be identified, captured and communicated in a form and time frame that enable people to carry out their responsibilities.

answer: (c) Pertinent

A4 Information systems produce reports containing operational, financial and compliance-*related* information that make it possible to run and control the business.

answer: (d) related

A5 They deal not only with internally generated data, but also information about external events, activities and conditions necessary to *informed* business decision-making and external reporting.

answer: (d) informed

A6 Internal control systems need to be monitored — a process that assesses the quality of the system's performance *over* time.

answer: (c) over

A7 Internal control deficiencies should be reported *upstream*, with serious matters reported to top management and the board.

answer: (d) upstream

A8 There is synergy and linkage among these components, forming an integrated system that reacts dynamically to changing conditions; the internal control system is *intertwined* with the entity's operating activities.

answer: (d) intertwined

A9 Internal control is most effective when controls are built into the entity's infrastructure and are a part of the *essence* of the enterprise.

answer: (c) essence

A10 In sum, internal control can help an entity get to where it wants to go, and avoid *pitfalls* and surprises along the way.

answer: (b) pitfalls

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Business Software Competitors

A1 Brian Moran writes in SQL Server Magazine (March 2005) that an interesting battle is taking *shape* between Microsoft and Oracle, two titans of the database world, and the prize is business-application software.

answer: (c) shape

A2 Pricing for databases and prices for high-end business-application software can be *inexorably* entwined when a vendor controls both the business layer software and the database.

answer: (b) inexorably

A3 Vendors who sell both have a lot more margin to *play* with and can be a lot more creative about how they price a total package for customers.

answer: (c) play

A4 Microsoft and Oracle are *fierce* competitors in the database space; competition in other areas inevitably has an effect on their database competitions.

answer: (c) fierce

A5 Earlier this year, Oracle (the second largest provider of business application software) merged with PeopleSoft (the third largest provider), which had already *swallowed* J. D. Edwards (another major provider) back in 2003.

answer: (d) swallowed

A6 SAP is still the dominant provider, but Oracle's PeopleSoft acquisition is intended to grow the company's *flagging* application division.

answer: (a) flagging

A7 So a series of acquisitions has led to a(n) *oligopoly* in which SAP and Oracle share market leadership in the world of business application software.

answer: (d) oligopoly

A8 At the same time, Microsoft has been *making* slow but steady strides in building its own competitive offerings in this space.

answer: (b) making

A9 Microsoft has been on a buying *spree* since its purchase of Great Plains several years ago, acquiring Solomon and several other niche companies to stitch together the Microsoft Business Solutions Business Group.

answer: (d) spree

A10 The competition between Microsoft and Oracle isn't only about business software; both companies are *striving* to be platform companies.

answer: (d) striving

Electronic Tax Records

A1 Tax authorities throughout the world want organizations to maintain records, regardless of form or media, that are true and accurate, legible, accessible, and *retained* for as long as they are needed for tax purposes.

answer: (c) retained

A2 However, electronic records *pose* certain risks not generally encountered with manual, paper-based recordkeeping.

answer: (b) pose

A3 In Draft Taxation Ruling 97/D4, the Australian Tax Office notes that electronic tax records (i.e., those required to compute a corporation's tax liability and to *justify* that liability to the government during tax audits) are subject to destruction, tampering and obsolescence.

answer: (c) justify

A4 Unauthorized tampering may *compromise* their integrity as true and accurate records.

answer: (a) compromise

A5 DTR 97/D4 sets forth *provisions* prescribing the characteristics of electronic recordkeeping systems required to make computerized accounting systems sufficient for tax purposes.

answer: (d) provisions

A6 Records processed and kept electronically must be in a form which ATO staff can access and understand in order to *ascertain* a company's tax liability.

answer: (a) ascertain

A7 Businesses operating computerized accounting systems must have *in place* adequate controls to safeguard the security and integrity of the records processed and retained in such systems.

answer: (b) in place

A8 The level of controls must be sufficient to *demonstrate* that the records retained in the computer system are secure and accurate.

answer: (a) demonstrate

A9 The ruling provides that any tax records using this technology must be stored for the *statutory* period of five years.

answer: (d) statutory

A10 In the new tax ruling, the ATO's *position* is that the general principles governing records processed and kept in an EDI (electronic data interchange) environment are the same as those for a normal computerized accounting system.

answer: (c) position

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Accounting Information Systems

A1 Accounting information systems are a *vital* part of an organization's day-to-day operations.

answer: (d) vital

A2 Prices can vary from customized multimillion dollar systems to *prepackaged* software that costs less than $100.

answer: (c) prepackaged

A3 Customization allows for a good fit to the business's needs, smooth *interfacing* with other internal systems, and the ability to implement special security measures.

answer: (c) interfacing

A4 Advantages of non-custom software include low cost, immediate availability, quality, documentation on data flow, good compatibility with external systems, and *support* from the vendor.

answer: (c) support

A5 Disadvantages include lack of features, paying for *unwanted* features, and risk of vendor availability.

answer: (d) unwanted

A6 Good accounting systems allow users to run informal reports such as *aged* accounts receivable or to keep track of inventory.

answer: (a) aged

A7 Accounting systems have to track *transactions* in three business processes: order entry/sales, billing/accounts receivable/cash receipts, and purchasing/accounts payable/cash.

answer: (c) transactions

A8 The order entry/sales process *captures* sales data and records the information.

answer: (a) captures

A9 This process starts with a customer order, which initiates a credit *check.*

answer: (b) check

A10 After the customer is approved, the sales order department must let the warehouse know what goods to pick, and the shipping department needs to know that an order has been *placed.*

answer: (c) placed

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Global Protocol Advertisement

A1 Global Protocol's seminars and training will give you the techniques for *projecting* confidence through the way you present yourself and for controlling a variety of difficult business situations with ease.

answer: (d) projecting

A2 Our techniques have a proven *track* record and will teach you how to inspire, lead, and succeed.

answer: (d) track

A3 The Global Protocol team delivers personal *enhancement* techniques that leverage years of experience.

answer: (d) enhancement

A4 This expertise ensures that each of our clients *embarks* from our program with a powerful set of skills to navigate today's diverse workplace and thrive in our global economy.

answer: (b) embarks

A5 Through our individual and group training, hundreds of companies and thousands of individuals have *reaped* the benefits gained from knowing appropriate business behavior and protocol and having a confident, powerful presence.

answer: (c) reaped

A6 Knowing and utilizing the proper code of conduct with the right professional *demeanor* will prepare anyone for any situation.

answer: (b) demeanor

A7 Our mission at Global Protocol, Inc. is to provide both the foundation and the framework for success by building each participant's confidence and self-*esteem*, thereby improving morale and productivity and encouraging teamwork and integrity.

answer: (c) esteem

A8 By teaching behavior modification, personal presentation, and business protocol, Global Protocol has established itself as the *premier* resource for personal performance improvement and leadership development.

answer: (b) premier

A9 Our Topic Specialists, because they are experts in their field, add another *dimension* that helps our programs meet the needs of the marketplace, keeping them up to date and timely with the latest information on each given topic.

answer: (a) dimension

A10 Tip: when faced with uncertainty, make the decision that is in the best *interest* of the other individual and demonstrates good form.

answer: (d) interest

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The Global Financial Environment (1)

A1 Timothy F. Geithner, CEO of the New York Reserve Bank, remarks (March 2006) that we are in the midst of another *wave* of global economic and financial integration.

answer: (d) wave

A2 Stronger real and financial *linkages* across nations have the potential to significantly raise the prospects for long-run world growth.

answer: (d) linkages

A3 The *ensuing* development of the market sector in emerging market and developing economies offers probably the most powerful means available for raising income growth and living standards in a very large share of the world's population.

answer: (a) ensuing

A4 These changes, and the *complementary* advances in technology, offer the prospect of more productive and stable real economies.

answer: (a) complementary

A5 The increase in the ties between national financial systems and the increase in capital flows across borders, allow risks to be shared more broadly and capital to flow to where the returns are *highest.*

answer: (a) highest

A6 This process of integration has, of course, a range of *implications* for policymakers.

answer: (a) implications

A7 The benefits of integration over time are powerful and *compelling* for all economies.

answer: (c) compelling

A8 Economic integration may make the principal job of central banks easier, by contributing to productivity growth and reducing inflation pressure, at least during the transition when a large share of the working age population of the world is being *brought* into the market.

answer: (a) brought

A9 Our understanding of how these changes affect our capacity to forecast economic activity and inflation and our ability to assess how monetary policy affects the economy almost certainly *lags* the changes underway.

answer: (d) lags

A10 As the world progresses toward increasingly integrated financial and goods markets, other things being *equal*, one might expect to see an increase in the number of countries with surpluses or deficits, as flows of both financial assets and goods work to equalize desired saving and investment around the world.

answer: (a) equal

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The Global Financial Environment (2)

A1 Timothy F. Geithner, CEO of the New York Reserve Bank (March 2006) focuses on two features of what is happening in the world economy and financial markets today, which are among the most interesting and consequential questions we *face* today.

answer: (b) face

A2 These are, first, the *behavior* of forward interest rates in financial markets, and, second, the pattern of external imbalances.

answer: (b) behavior

A3 These features are interesting, in part, because they seem somewhat *anomalous*, or inconsistent with what the past has led us to expect.

answer: (b) anomalous

A4 Understanding the forces behind these phenomena is important to thinking *through* what they mean for policy.

answer: (d) through

A5 The source of the relatively low level of nominal rates is still a matter of *considerable* debate.

answer: (c) considerable

A6 The other surprising feature of the current economic environment is the pattern of global imbalances, and the size and *persistence* of the U.S. current account deficit.

answer: (c) persistence

A7 As Alan Greenspan has explained, the greater dispersion in external imbalances can be seen as the *inevitable* result of fundamentally healthy changes in the world economy.

answer: (a) inevitable

A8 If one were confident that observed imbalances reflected an efficient allocation of the world's saving to its most productive uses, then we might also expect these imbalances to *resolve* themselves through smooth and gradual adjustments in relative prices and flows of goods and services.

answer: (d) resolve

A9 We do not yet live in a world of perfect capital *mobility*, one in which savings move across borders to their most productive use without constraint in the form of capital controls or without distortions affecting the behavior of private actors.

answer: (a) mobility

A10 *Recognizing* this is important to understanding both why the U.S. imbalance has grown as large as it has and, perhaps more importantly, why it has been financed with such apparent ease despite obvious concerns about its sustainability.

answer: (a) Recognizing

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Dividends

A1 Dr. Sharon Garrison explains that the term 'dividend' usually refers to a cash *distribution* of earnings; if it comes from other sources, it is called 'liquidating dividend'.

answer: (d) distribution

A2 The dividend may be a signal to the public of the management's anticipations for future policy of the firm and *prospects.*

answer: (d) prospects

A3 Companies that have a *long-standing* history of stable dividend payouts would be negatively affected by lowering or omitting dividend distributions.

answer: (d) long-standing

A4 According to the *proponents* of the no-dividend policy, a company's alternatives to paying out excess cash as dividends are the following: undertaking more projects, repurchasing the company's own shares, acquiring profitable assets, and reinvesting in financial assets.

answer: (c) proponents

A5 Once the company decides on whether to pay dividends, they may establish a(n) *somewhat* permanent dividend policy, which may in turn impact on investors and perceptions of the company in the financial markets.

answer: (d) somewhat

A6 Dividends are payments made to stockholders from a firm's earnings, whether those earnings were *generated* in the current period or in previous periods.

answer: (b) generated

A7 Dividends may affect capital *structure*, because financing with earnings is cheaper than issuing new common equity.

answer: (d) structure

A8 The Dividend Irrelevance Theory purports that a firm's dividend policy has no effect on either its worth or its cost of capital: investors *value* dividends and capital gains equally.

answer: (d) value

A9 The hypothesis for dividend policy irrelevance is based on the assumptions of 1) perfect capital markets; 2) *rational* behavior on the part of participants in the market; 3) certainty about the investment policy of the firm; and 4) managers that act as perfect agents.

answer: (a) rational

A10 For dividend policy to *matter*, one or more of these assumptions cannot hold.

answer: (c) matter

Tort Law

A1 Torts are civil wrongs recognized by law as *grounds* for a lawsuit.

answer: (d) grounds

A2 These wrongs result in harm constituting the basis for a claim by the *injured* party.

answer: (d) injured

A3 While some torts are also crimes punishable with imprisonment, the primary aim of tort law is to provide *relief* for the damages incurred and deter others from committing the same harms.

answer: (a) relief

A4 The plaintiff may sue for *an injunction* to prevent the continuation of the tortious conduct or for monetary damages.

answer: (a) an injunction

A5 There are numerous specific torts, including trespass, assault, battery, products liability, and intentional *infliction* of emotional distress.

answer: (b) infliction

A6 Torts fall into three general categories: intentional torts (e.g., intentionally hitting a person); *negligent* torts (e.g. causing an accident by failing to obey traffic rules); and strict liability torts (e.g. liability for making and selling defective products).

answer: (b) negligent

A7 Damages, in a legal sense, is the sum of money the law imposes for a *breach* of some duty or violation of some right.

answer: (a) breach

A8 *Compensatory* damages, as the name suggests, are intended to redress the loss or injury.

answer: (a) Compensatory

A9 *Punitive* damages are awarded to punish a wrongdoer.

answer: (d) Punitive

A10 There are other modifying terms placed in front of the word 'damages', like 'liquidated damages' (contractually established damages) and '*nominal* damages' (where the court awards an amount such as one dollar).

answer: (c) nominal

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Products Liability Law

A1 Products liability refers to the liability of any or all parties along the *chain* of manufacture of any product for damage caused by that product.

answer: (a) chain

A2 This includes the manufacturer of *component* parts, the assembling manufacturer, the wholesaler, and the retail store owner.

answer: (c) component

A3 Products containing *inherent* defects that cause harm to a consumer of the product, or someone to whom the product was loaned, given, etc., are the subjects of products liability suits.

answer: (b) inherent

A4 While products are generally thought of as tangible personal property, products liability has *stretched* that definition to include intangibles (gas), naturals (pets), real estate (house), and writings (navigational charts).

answer: (c) stretched

A5 Many states have *enacted* comprehensive products liability statutes.

answer: (b) enacted

A6 While the product might *serve* its purpose well, it can be unreasonably dangerous to use due to a design defect.

answer: (a) serve

A7 On the other hand, manufacturing defects occur during the construction or production of the item; only a few out of many products of the same type are *flawed* in this case.

answer: (c) flawed

A8 Defects in marketing deal with improper instructions and failures to warn consumers of *latent* dangers in the product.

answer: (a) latent

A9 Translated to products liability terms, a defendant is *liable* when it is shown that the product is defective.

answer: (d) liable

A10 When a person fails to exercise the care that a reasonable, *prudent* person would exercise under the same circumstances, that person is open to prosecution.

answer: (c) prudent

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Detecting Competition

A1 Mark Hennricks in Entrepreneur magazine (December 1999) warns that you should not count on friendly competition; if you do, your rivals might just steal your customers from under your *nose.*

answer: (c) nose

A2 Potential competitors for Sparks.com, an online retailer of real greeting cards, run the *gamut*, from the corner gift shop to Amazon.com.

answer: (b) gamut

A3 That awareness was *brought* home during a recent meeting with executives of another company, supposedly to explore setting up a strategic alliance with Lindau's 70-person firm.

answer: (a) brought

A4 "One of them laid down a briefcase and out popped one of our business plans from a year ago, which they had clearly obtained through *channels* we had not intended," recalls Lindau.

answer: (b) channels

A5 "Someone to whom we had given a *confidential* copy of our business plan had shared it with our competition."

answer: (b) confidential

A6 Query vendors, customers, consultants and others who *do* business with companies in and around your field to find out if and when new competitors are likely to emerge.

answer: (a) do

A7 Lindau says venture capitalists represent a fruitful source for competitive information for her because due *diligence* requires investors to research related businesses before backing a company.

answer: (c) diligence

A8 Companies that occupy spots on your value chain often understand your business and customers well enough to become *potent* rivals.

answer: (d) potent

A9 Carefully *scrutinize* firms that have mastered technology similar to yours, even if they appear to operate in distant sectors.

answer: (d) scrutinize

A10 No one wins every sale, but if you start to lose sales to companies you've never heard of, you may be *witnessing* the birth of new and unexpected competitors, and your early warning system may be faulty.

answer: (d) witnessing

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Globalization in Aviation

A1 Globalization is illustrated in aviation by commercial, marketing and technical alliances amongst airlines, in some cases involving ownership and control issues beyond national boundaries, while transnationalization means airlines going '*offshore*', that is locating parts of their operations outside their national base.

answer: (a) offshore

A2 One factor affecting civil aviation is the emergence of regional and sub-regional blocs, which provide *vehicles* for sharing of some of the safety responsibility in a common localized geographic approach.

answer: (c) vehicles

A3 Another factor is the *blurring* of sectoral boundaries: developments in economic activity have led to a lessened distinction between the boundaries of responsibilities of regulatory authorities at national, regional and global levels alike.

answer: (b) blurring

A4 This can lead to *evasion* of labour, competition and, most importantly, safety regulation, in the absence of adequate safeguards, particularly when the international dimension is added.

answer: (a) evasion

A5 One very significant trend in recent years is the commercialization of service providers, including the handing over of airport and other air navigation facilities and services by governments to *autonomous* authorities or even to the private sector.

answer: (d) autonomous

A6 The commercialization of such provision therefore necessitates both *prescribed* delegation of operational functions of governments and changed regulatory functions of governments.

answer: (a) prescribed

A7 Civil aviation is unique in that it remains regulated at the international level largely by *bilateral* agreements between governments, but several regional and subregional air services agreements are already in place and others are under consideration.

answer: (a) bilateral

A8 Economic liberalization is being *fostered* transnationally by the Organization for Economic Co-operation and Development as well as globally by the World Trade Organization which is responsible for the General Agreement on Trade in Services.

answer: (b) fostered

A9 A factor which is having an increasing impact on civil aviation, and one which is likely to grow in importance in the future is environmental *consciousness.*

answer: (c) consciousness

A10 There is increasing recognition of and response to environmental concerns, and a perception that the aviation sector may be contributing *unduly* to both existing and emerging problems.

answer: (c) unduly

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Interpersonal Skills

A1 A leader has the ability to influence others through qualities such as personal *charisma*, expertise, command of language, and the creation of mutual respect — all of which require strong interpersonal skills.

answer: (b) charisma

A2 Interpersonal skills include the ability to *read* and manage the emotions, motivations, and behaviors of oneself and others during social interactions or in a social-interactive context.

answer: (b) read

A3 Those who have interpersonal skills are able to manage their behavior during social interactions and align their goals to the goals of others during *collaborative* activities.

answer: (b) collaborative

A4 They are able to empathize and are sensitive to the needs of others and to the forces that *shape* the way that others feel and behave.

answer: (d) shape

A5 They manage conflict effectively by devising win-win solutions, constructively influencing the behavior of others, and using effective communication and *persuasive* strategies.

answer: (d) persuasive

A6 Many have wondered how it happens that persons with high IQs don't always *land* the top jobs: the answer often lies in interpersonal skills.

answer: (a) land

A7 Modern teamwork often brings together individuals from diverse groups who may not share common norms, values, or *vocabularies* but who do offer unique expertise, insights, and perspectives.

answer: (d) vocabularies

A8 E-mail, voice mail, audioconferencing and videoconferencing, and the myriad other technologies that enable individuals to communicate with each other not only increase the ways in which individuals can interact but also require a heightened sensitivity to the *nuances* of interpersonal interactions.

answer: (c) nuances

A9 This idea is particularly true in the worlds of virtual learning and virtual communication, where one cannot yet use hand gestures, facial expressions, or body *language* to fully express ideas.

answer: (a) language

A10 The challenge is to *perfect* interpersonal skills not only in face-to-face interactions but in virtual interactions as well.

answer: (a) perfect

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Electronic Commerce (1)

A1 This paper by Derek Miers received critical *acclaim* when it was published in 1996, and the issues highlighted are just as relevant today.

answer: (a) acclaim

A2 Over recent years information technology has experienced an unprecedented degree of change, enabling the transformation of the basic *mechanisms* of business.

answer: (d) mechanisms

A3 Within the next years we will see the emergence of secure, cost-effective electronic payment systems to *augment* these technologies.

answer: (c) augment

A4 Those waiting for clear signs of this new age before acting will forever be destined to observe from the *sidelines.*

answer: (d) sidelines

A5 The fundamental opportunity offered by the Internet is for suppliers to gain direct access to consumers without the attendant costs associated with the maintenance of physical distribution channels-- people, bricks and *mortar.*

answer: (c) mortar

A6 Markets and marketing concepts will change radically, driven by those companies who successfully *rise to* the challenge.

answer: (b) rise to

A7 11th-century Europe saw the emergence of credit-based banking systems and financial instruments such as bills of exchange, and these concepts remain with us, in their modified form, *to this day.*

answer: (c) to this day

A8 These basic concepts *underpin* all modern forms of commerce.

answer: (c) underpin

A9 The rise of the Internet since the *advent* of the World Wide Web has provided an easy-to-use communication channel for businesses to contact current and potential customers.

answer: (a) advent

A10 The emergence of the Internet as a general communication channel has also given *rise* to the possibility of widespread electronic commerce.

answer: (b) rise

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Reverse Marketing

A1 Fast technological developments, growing globalisation of markets and higher customer requirements have resulted in *cutthroat* competition in many consumer and industrial markets.

answer: (b) cutthroat

A2 Emergent global markets are populated by *stateless* companies that try to position themselves as local firms by emphasizing local content.

answer: (d) stateless

A3 In this continuously changing world, the importance of price is being reduced and quality becomes a significant means of *realizing* sustainable competitive advantage.

answer: (d) realizing

A4 Leenders and Blenkhorn (1988) introduced the term 'reverse marketing' for an aggressive kind of purchasing that they had *encountered* in the U.S. and Japan.

answer: (d) encountered

A5 Reverse marketing describes how Purchasing actively identifies potential suppliers and offers *suitable* partners a proposal for long term collaboration.

answer: (d) suitable

A6 Successful reverse marketing requires a *concerted* effort.

answer: (b) concerted

A7 The upgraded demands and reduced supplier roster lead to the substition of traditional *arm's-length* relationships by close and long term partnerships, characterized by mutual trust and interdependence and mutual benefits.

answer: (a) arm's-length

A8 The current development of the purchasing function shows *remarkable* similarities to the development of the marketing concept.

answer: (d) remarkable

A9 This conceptual *parallel* between purchasing and marketing can also be found within individual firms.

answer: (c) parallel

A10 Purchasing and marketing are basically comparable activities directed at facilitating exchange transactions and relationships with external parties; accordingly, the purchaser's and marketer's tools and methods are more similar than might be expected at first *glance.*

answer: (c) glance

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Natural Gas Resources

A1 Alan Greenspan (June 2003) states that in recent months, in response to very *tight* supplies, prices of natural gas have increased sharply.

answer: (d) tight

A2 Working gas in storage is currently at very low levels relative to its seasonal norm because of a colder than average winter and *a seeming* inability of increased gas well drilling to significantly augment net marketed production.

answer: (d) a seeming

A3 Canada, our major source of imported natural gas, has had *little room* to expand shipments to the United States, and our limited capacity to import liquefied natural gas (LNG) effectively restricts our access to the world's abundant supplies of gas.

answer: (b) little room

A4 Our inability to increase imports to *close* a modest gap between North American demand and production is largely responsible for the marked rise in natural gas prices over the past year.

answer: (a) close

A5 Competitive crude oil prices, after wide *gyrations* related to the war in Iraq, are now only slightly elevated from a year ago, and where spot markets for natural gas exist, prices exhibit little change from a year ago.

answer: (a) gyrations

A6 Today's natural gas markets have been a long time in coming, and futures prices suggest that we are not *apt* to return to earlier periods of relative abundance and low prices any time soon.

answer: (b) apt

A7 It was little more than a half-century ago that drillers seeking valuable crude oil *bemoaned* the discovery of natural gas.

answer: (a) bemoaned

A8 Given the lack of adequate transportation, wells had to be *capped* or the gas flared.

answer: (a) capped

A9 Natural gas consumption by 1970 had risen to three-fourths of that of oil, but its consumption lagged in the following decade because of competitive *incursions* from coal and nuclear power.

answer: (c) incursions

A10 Increased marginal supplies from abroad, while likely to notably *damp* the levels and volatility of American natural gas prices, would expose us to possibly insecure sources of foreign supply, as it has for oil.

answer: (a) damp

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Canada's Monetary Policy

A1 Monetary policy is concerned with how much money *circulates* in the economy, and what that money is worth.

answer: (a) circulates

A2 The *cornerstone* of the Bank of Canada's monetary policy framework is its inflation-control system, the goal of which is to keep inflation near 2 per cent.

answer: (b) cornerstone

A3 Inflation is a *persistent* rise over time in the average price of goods and services.

answer: (b) persistent

A4 This system provides a clear *measure* of the effectiveness of monetary policy, and increases the predictability of inflation.

answer: (c) measure

A5 When the level of demand for Canadian goods and services is *strong*, it can push the economy against the limits of its capacity to produce.

answer: (d) strong

A6 This tends to raise inflation above the midpoint, so the Bank will raise interest rates to *cool* off the economy.

answer: (b) cool

A7 When demand is weak, inflationary pressures are likely to *ease.*

answer: (a) ease

A8 The Bank will then lower interest rates to stimulate the economy and absorb economic *slack.*

answer: (a) slack

A9 The Bank carries out monetary policy by influencing short-term interest rates, and it does this by raising and lowering the target for the overnight rate, the interest rate at which major financial institutions borrow and lend one-day funds among *themselves.*

answer: (d) themselves

A10 The goal of Canadian monetary policy is to contribute to rising living *standards* for all Canadians through low and stable inflation.

answer: (d) standards

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Australian Aboriginal Governance

A1 John Taylor's publication, 'Social Indicators for Aboriginal Governance', *addresses* the issue of how and whether current social and economic conditions in remote regions can be quantified to establish a baseline against which the impacts of policies might be measured.

answer: (a) addresses

A2 Two recent policy *initiatives* (one from the Council of Australian Governments, and one from the Northern Territory Government) raise the need for such a question.

answer: (d) initiatives

A3 Writing in 1971 on the *cusp* of change from the assimilationist years of welfare administration to the era of Indigenous self-management, Charles Rowley described the myriad mission and government settlements across remote Australia as instrumental in frustrating urbanisation.

answer: (d) cusp

A4 With the benefit of more than 30 years' hindsight, during which time Indigenous people have been free from the institutional and legislative *shackles* that governed their place of residence, Rowley's proposition is only partially upheld.

answer: (d) shackles

A5 The more striking and profound observation concerning Indigenous population distribution concerns the growth in size of remote Aboriginal towns *alongside* the increased dispersion of Aboriginal population to outstations on Aboriginal lands.

answer: (b) alongside

A6 Some contemporary opinion would *lament* this continuity of Indigenous rural settlement, seeking the means to socially engineer migration to urban areas.

answer: (a) lament

A7 It is interesting to compare such views with the current activities of Federal, State, and Territory governments, which appear increasingly prepared to respond to the reality of a growing Indigenous population in remote areas by seeking ways to enhance life chances and life quality in *situ.*

answer: (a) situ

A8 Such efforts are in line *with* a growing search for more efficient regionalism in Indigenous community governance.

answer: (d) with

A9 This study takes its *cue* from these policy directions.

answer: (b) cue

A10 Taylor closes with a note on cultural *relevance*, questioning whether the information obtained from an instrument such as census data, principally designed to establish the characteristics of mainstream Australian life, is in fact valid in this region.

answer: (b) relevance

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First Nations Rights (1)

A1 In August of 1993, the authorities arrested Donald Marshall on three *charges* under the Fisheries Act: the selling of eels without a license, fishing without a license and fishing during the closed season with illegal nets.

answer: (b) charges

A2 The issue at trial, his defense, was the affirmation of a treaty right to catch and sell fish as found in the treaties of 1760-61 that he believed exempted him from *compliance* with the fishery regulations.

answer: (a) compliance

A3 The trial judge *found* him guilty.

answer: (b) found

A4 However, in September, 1999, the Supreme Court of Canada allowed his *appeal* and acquitted him on all charges.

answer: (a) appeal

A5 The court decided that Donald Marshall had a treaty right to *secure* a 'moderate livelihood' by hunting, fishing and gathering natural resources.

answer: (c) secure

A6 By affirming the treaty right of First Nation peoples to make a moderate livelihood from fishing, hunting and gathering, the people of Burnt Church attempted to *exercise* their legally-affirmed treaty right by fishing for lobster in September and October, 1999.

answer: (b) exercise

A7 This initiative was *met* with an unprovoked attack by non-native fishermen who cut lobster trap lines and destroyed $210,000 (Canadian) worth of traps belonging to the people of Burnt Church.

answer: (b) met

A8 The Canadian government authorities, the Department of Fisheries and Oceans (DFO) and the Royal Canadian Mounted Police (RCMP), were *dormant*; no action was taken to prevent or stop the destruction of property or escalating levels of violence.

answer: (b) dormant

A9 An atmosphere of fear and anger emerged as violent threats, *gun-toting*, and assaults increased between native and nonnative people.

answer: (b) gun-toting

A10 One Mi'kmaq man was seriously injured during an *altercation.*

answer: (b) altercation

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First Nations Rights (2)

A1 In November, after the destruction of the lobster traps, a clarification of the Marshall decision (see First Nations Rights Part 1) was drafted by the judges who *dissented* in the original decision.

answer: (b) dissented

A2 The Marshall judgment referred to the Court's principal *pronouncements* on the various grounds on which the exercise of treaty rights may be regulated.

answer: (c) pronouncements

A3 The paramount regulatory objective is conservation, and responsibility for it is placed *squarely* on the minister responsible and not on the aboriginal or non-aboriginal users of the resource.

answer: (d) squarely

A4 However, it also was stated that the Minister has an obligation to consult aboriginal people about limitations on treaty and aboriginal rights, and that any regulation should not *infringe* upon the right to earn a moderate livelihood.

answer: (b) infringe

A5 Following this clarification, the Department of Fisheries and Oceans limited the number of Burnt Church lobster traps to 600 and began to *confiscate* traps.

answer: (a) confiscate

A6 Sound justification for these limits was not provided to any of the *concerned* parties; the issue of conservation was simply stated as a justification but never demonstrated by the DFO.

answer: (a) concerned

A7 The Atlantic Policy Congress of First Nations Chiefs found the *template* of an offered agreement unsatisfactory in that it would have negative impacts on future treaty right rulings.

answer: (d) template

A8 The congress advised bands not to sign the agreement; nevertheless, the DFO managed to have 29 of 34 bands sign full or *interim* agreements.

answer: (c) interim

A9 To encourage signing, the DFO offered access to commercial and food fisheries, substantial *monies*, boats, gear, training, and fishery-related economic development initiatives.

answer: (b) monies

A10 Because the agreements are for communal licenses, it is believed by some that economic benefits will *accrue* to only a few people in the First Nations community.

answer: (b) accrue

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Internal Communications

A1 According to the Government Communication Network (GCN), a plan for internal communications should be *integrated* into every communication strategy.

answer: (b) integrated

A2 Winning the support of internal *stakeholders* can be as important as reaching key external audiences, and will be vital to the success of your communication programme.

answer: (c) stakeholders

A3 Internal communications need exactly the same kind of analysis and strategy as external communications: there will be distinct audience groups who should be *segmented*, and the same processes of information collection and insight generation apply to internal as to external groups.

answer: (b) segmented

A4 Far from being the poor *relative* of external communication, internal communication performs a crucial role within government.

answer: (c) relative

A5 By *engaging* staff with the departmental vision and values so that they can apply them in their day-to-day work, it creates a culture that does two things: it improves policy delivery and it increases the chance of meeting departmental objectives.

answer: (b) engaging

A6 Organisations that have a strong communications function frequently *outperform* those that don't; private sector companies that communicate effectively have a 19.4 per cent higher market premium than companies that do not.

answer: (a) outperform

A7 As with external communications, it is not enough to have a tactical approach; every department should have an internal communications strategy that is developed, implemented and monitored according to industry *best* practice and the needs of staff.

answer: (a) best

A8 Printed or online surveys might be your first port of *call* when it comes to understanding communication needs within your department.

answer: (b) call

A9 Before selecting a research method, produce a *brief* that sets out clear objectives and explains what you are trying to achieve.

answer: (a) brief

A10 You might also need to set up a different dialogue with each team within your department to take on *board* cultural differences.

answer: (a) board

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External Communications

A1 The first discussion by the Executive Board of the International Monetary Fund (IMF), in July 1998, called for preserving and enhancing the IMF's credibility, including by providing more information to the public, extending the *reach* of IMF communications, and engaging critics more effectively.

answer: (d) reach

A2 A second Board discussion, in February 2000, considered plans to strengthen IMF external communications, including recommendations that they develop a strategy comprising a clearer message, *sharper* focus and improved coordination of the IMF's public output, and more proactive external communications.

answer: (d) sharper

A3 The IMF's external communications strategy has also been shaped by Board decisions to expand *transparency* by publishing staff country reports (when the country concerned agrees) and many other Board documents, and Public Information Notices, shortly after Board discussions.

answer: (d) transparency

A4 The Executive Directors took *stock* of the progress achieved in recent years in increasing the IMF's openness and enhancing its responsiveness to outside views, including concerns and criticism.

answer: (d) stock

A5 Directors felt that the current relatively high media *visibility* of the IMF offers a valuable opportunity to enhance the implementation of its external communications strategy.

answer: (c) visibility

A6 They observed that, although the work of the IMF — based on its *mandate* to safeguard the macroeconomic and monetary foundations of economic growth — is vital to economic welfare and rising living standards worldwide, much of its work tends to attract controversy.

answer: (d) mandate

A7 This is not *least* because a prominent part of the IMF's job is to advise countries on how best to face economic reality in difficult circumstances, including when they need the IMF's financial support.

answer: (b) least

A8 In this context, Directors considered that improving understanding of the IMF's work and respect for its competence, and enhancing the credibility of its policies, are key objectives of its communications — and *more so* than increasing its popularity.

answer: (c) more so

A9 A continuing, concentrated effort to improve understanding of the institution will, over time, be valuable in increasing support for its work in member countries even if progress may seem *incremental* and modest.

answer: (d) incremental

A10 In a similar *vein*, Directors called for continued efforts to enhance the communication skills of all IMF staff, which will be important not only for improved interactions with the public, but also for enhancing the learning culture of the institution more broadly.

answer: (d) vein

The US International Trade Administration

A1 The *defining* purpose of the International Trade Administration (ITA) is helping to create economic opportunity for American workers and businesses.

answer: (a) defining

A2 By promoting trade and investment we are promoting prosperity and a better world; to increase trade and investment, the ITA helps U.S. companies *navigate* foreign markets.

answer: (d) navigate

A3 We help educate companies about how to tailor their activities to the specific market with respect to their product *slate*, financing, marketing, assembly and logistics.

answer: (b) slate

A4 While the United States exports more than any other country, making that first export can still be a *daunting* challenge for a small- or medium-sized business.

answer: (c) daunting

A5 The U.S. Commercial Service is the trade promotion arm of the U.S. Department of Commerce's ITA; its Web-based services are provided through the U.S. government's export *portal*, www.export.gov.

answer: (a) portal

A6 The ITA *advances* policies and strategies that stimulate innovation and investment, enhance economic growth, and support U.S. manufacturing and services industries.

answer: (a) advances

A7 Unfair foreign pricing and government subsidies distort the free flow of goods and *adversely* affect American business in the global marketplace.

answer: (a) adversely

A8 According to a University of Michigan study, the average U.S. family of four still *stands* to gain an estimated $7,800 per year if there were total elimination of global barriers to trade in goods and services.

answer: (d) stands

A9 The World Bank has reported that the elimination of global trade barriers could *lift* 300-500 million of the world's poor out of poverty over the next 15 years.

answer: (d) lift

A10 Market Access and Compliance (MAC) country desk officers are experts on the commercial, economic, and political *climates* in their assigned countries.

answer: (a) climates

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Business Buzzwords from Mumbai to Virginia

A1 In Mumbai, the bullish phase in the stock markets has attracted a whole new breed of investors, including students and housewives; the latest to join the party on *Dalal* Street are BPO employees.

answer: (a) Dalal

A2 An entrepreneur for over 35 years mentioned to me that it's a common misconception that it takes *a ton* of money to create a business; in his experience, many of the successful businesses out there have been started by people with little or no money at all.

answer: (c) a ton

A3 *Fair* Funds for Investors was put into place to benefit those investors who have lost money because of the illegal or unethical activities of individuals or companies that violate securities regulations.

answer: (a) Fair

A4 The cost of executive pension plans is rarely laid out for shareholders, but is usually so deep in a company's regulatory filings that it is difficult to find, let alone calculate; Critics call it 'stealth wealth' or '*camouflage* compensation'.

answer: (a) camouflage

A5 Say an entrepreneur selling a business is asking $2,000,000 based on projected revenue, but the buyer is willing to pay only $1,000,000 based on historical performance: *an earnout* provision structures the deal so that the entrepreneur receives more than the buyer's offer only if the business achieves a certain level of gross sales.

answer: (b) an earnout

A6 In the stock market, *capitulation* is associated with giving up any previous gains in stock price as investors sell equities in an effort to get out of the market and into less risky investments.

answer: (a) capitulation

A7 "I tell folks to invest to *eat* well but not beyond the point that they no longer sleep well," said Richard F. DeMong, Virginia Bankers Professor of Bank Management at the University of Virginia, "That trade-off is different for each individual."

answer: (a) eat

A8 "My wife knows me as a perfidious stock picker; over the years my technique has been to buy a fallen *angel* at 4, then ride it to 2, panic and bail." — Rich Karlgaard, "Do As I Say," Forbes, December 20, 1999.

answer: (a) angel

A9 When somebody likes a stock enough to back up the *truck*, the buyer is very bullish on it.

answer: (d) truck

A10 Accounting *noise* can be seen either as a consequence of necessary rules regarding generally accepted accounting principles or as a result of management's attempts to massage the numbers to present a rosier financial picture of the firm.

answer: (b) noise

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Business Buzzwords through the Seasons

A1 If a nervous *nellie* ever does decide to invest, he or she is likely to liquidate the investment at any time.

answer: (a) nellie

A2 Exchange Traded Funds or *iShares* aim to duplicate the growth of a stock exchange index, usually an index of ordinary shares, working like Index Tracker Funds except that they are closed ended to a private investor.

answer: (c) iShares

A3 Some economists divide the Kondratiev *wave* into two 'seasons', namely, the Kondratiev Fall and the later part, the Kondratiev Winter.

answer: (c) wave

A4 Otherwise known as Yasuo Hamanaka, Mr *Copper* was a trader who lost over $2.5 billion for his employer, Sumitomo Corporation in Japan; Hamanaka's scandalous activities rank first for the greatest unauthorized trading loss in history.

answer: (a) Copper

A5 A foreign currency trading at 75.25 and a money market security trading at 75.75 both have *handles* of 75.

answer: (b) handles

A6 *Garbatrage* is an increase in price and trading volume in a particular sector of the economy that results from a recent takeover creating a change in sentiment towards the sector; proponents of behavioral finance theory would view this psychological impact as evidence supporting their theory.

answer: (b) Garbatrage

A7 *Lady Godiva* Accounting Principles (LGAP) will supersede generally accepted accounting principles (GAAP) as companies 'come clean' in post-Enron Wall Street.

answer: (a) Lady Godiva

A8 A *daisy chain* is a group of unscrupulous investors who, practicing a kind of fictitious trading or wash selling, artificially inflate the price of a security so that they sell it at a profit.

answer: (b) daisy chain

A9 The January *Barometer* does have a fairly successful track record: from 1950 to 2003, the S&P 500 was up in January 34 times, and in 30 of those 34 instances, the S&P 500 traded higher 11 months later, for a success rate of 88%.

answer: (a) Barometer

A10 To be considered a *gazelle* company, its revenue must be larger than $1 million in each of the four prior years, the sum of the last four years' net income must be positive, and its growth in revenue and gross profit should exceed 100% from the first to the last balance sheet in the four-year period.

answer: (a) gazelle

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Business Buzzwords for Better or Worse

A1 *Hammering* the market is achieved through large sale orders or many small sell orders; in some cases, investors may even collaborate on orders to attempt to push the share's price even lower.

answer: (b) Hammering

A2 A general *obligation* bond (GOB) is one that is issued on the county's ability to tax; no assets are used as collateral, and the county will provide payment to the bond from taxes collected specifically for this purpose.

answer: (a) obligation

A3 Baby *Bills* are the hypothetical companies that would have been formed if the Justice Department had broken up Microsoft Corporation.

answer: (b) Bills

A4 A college has until recently been thought of as an institution that exists to provide instruction; subtly but profoundly, however, we are shifting to a new *paradigm*: a college is an institution that exists to produce learning.

answer: (a) paradigm

A5 The telecommunications giant, *WorldCom*, is perhaps best known for a massive accounting scandal; its executives effectively fudged the company's accounting numbers, inflating the company's assets by around 12 billion dollars, and the swift bankruptcy that followed led to massive losses for investors.

answer: (d) WorldCom

A6 The real estate assets subject to a *synthetic* lease do not appear on the lessee's balance sheet and no depreciation is charged against earnings for SEC reporting purposes, but its structure allows improvements to be depreciated for tax purposes, thus preserving the tax shelter aspect of owning improved real estate.

answer: (b) synthetic

A7 A former McKinsey & Company consultant named Michael Lanning coined the term in a 1984 white paper, where he said that a business was a "value delivery system" and that system could be articulated in a 'value *proposition*'.

answer: (b) proposition

A8 *Tailgating* is the purchase of a security by a broker after the broker places an order for the same security for a customer; the broker hopes to profit either because of information which the customer has or because the customer's purchase is of sufficient size to affect security prices.

answer: (d) Tailgating

A9 If a person wanted to buy one billion U.S. dollars, he or she might say, "I would like to buy a *yard* of U.S. dollars"; by using this word in place of 'billion', the person ensures that the counter-party will not misunderstand 'billion' for 'million' or 'trillion'.

answer: (d) yard

A10 Machinery in *a mothballed* facility is kept in working order so that production may be restored quickly if needed.

answer: (b) a mothballed

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Business Buzzwords through Thick and Thin

A1 The Hong Kong government might have won this particular battle against the speculators, just as the Malaysians reckon they have done; but with both administrations' credibility hugely damaged as a result, these are *Pyrrhic* victories that they may come to rue.

answer: (d) Pyrrhic

A2 The cost of mortgage payments, property taxes, insurance and maintenance on *an alligator* property is greater than the income it brings in, and if this situation is not corrected, it will eat up all of the owner's profit, leaving him or her with negative cash flow.

answer: (b) an alligator

A3 The *Lady Macbeth* strategy is one in which a third party poses as a white knight in a takeover bid, and then joins forces with an unfriendly bidder.

answer: (b) Lady Macbeth

A4 The seven categories of variables used in the *quadrix* stock valuation system are momentum, quality, value, financial strength, forecasted earnings, performance, and volume.

answer: (a) quadrix

A5 A *gunslinger* is a high-strung portfolio manager who, looking for high returns, invests in very high-risk stock.

answer: (a) gunslinger

A6 *Cyber* Monday is often associated with the unfounded belief that it is the busiest (highest sales volume) shopping day of the year for online retailers, because people would continue shopping from the company's computer while at work.

answer: (b) Cyber

A7 A securities firm is practicing the fraudulent act of *kiting* if it fails to purchase the securities on the open market and maintains a short position, delays delivery or takes part in transactions contrary to SEC regulations regarding the proper settlement of trades.

answer: (d) kiting

A8 The level of net debt per *capita* is an important factor to consider when analyzing a government's ability to continue to pay its debt service costs through its current levels of tax revenue; this measure helps indicate the default risk of government bonds.

answer: (b) capita

A9 The *upstream* oil and natural gas industry's exploration and production activities may have impacts on air, land and water, and to offset these impacts, it invests in programs and technologies that help to reduce its environmental footprint.

answer: (d) upstream

A10 A dawn *raid* is a sudden and unexpected buying of a significant proportion of a company's shares, usually as a prelude to a takeover bid; the aim is to prevent the target company from having time to organize opposition to the takeover.

answer: (c) raid

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Business Buzzwords from New England to Michigan

A1 The tendency of stocks newly added to the S&P composite index to rise in price due to a large number of buy orders as funds add the stock to their portfolios is called the S&P *Phenomenon.*

answer: (c) Phenomenon

A2 As demand for metals lurched lower and layoffs swelled, the once pulsing industrial belt that stretches from Illinois across to western New England took on the grim, ground-down demeanor of a half-century earlier, acquiring the glumly descriptive epithet of *Rust* Bowl.

answer: (d) Rust

A3 Once a firm's stock becomes substantially *overvalued*, managers who wish to eliminate this are faced with disappointing the capital markets.

answer: (d) overvalued

A4 An angel investor's *love* money is sometimes the only way a business can get off the ground; this type of financing can create growth that would be impossible through traditional financing channels.

answer: (d) love

A5 IT managers often must promise a higher rate of return to justify technology investments than other corporate departments; in some organizations, the *hurdle* rate for a project to pass the funding threshold may exceed 30% to 50%.

answer: (d) hurdle

A6 Fannie Mae's 15-year mortgage-backed securities and Bilbo Baggins's friends are called *dwarves.*

answer: (a) dwarves

A7 The settlement price for a weather futures contract is calculated by summing *Heating* Degree Day values for a month and multiplying that sum by $20.

answer: (c) Heating

A8 An *air pocket* stock is one whose price suddenly plunges; the fall is usually caused by panicked shareholders rushing to sell after hearing unexpected bad news.

answer: (b) air pocket

A9 The *Pac Man* defense is used in a hostile takeover situation: the target firm turns around and tries to take over the company that has made the hostile bid.

answer: (b) Pac Man

A10 I can imagine why that Ford manager in Michigan recently announced that they would eat their own *dog* food (only Ford- or subsidiary-built vehicles are allowed to park on the plant premises); it must be discouraging to see the place swarmed every day by Daihatsus, Suzukis and Toyotas.

answer: (b) dog

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Business buzzwords: English villages

A1 That formidable fighting force, the English village, flexed its muscles yesterday to *gazump* a Scientology plan to open a drug rehabilitation centre next to a primary school; residents raised over 175,000 in three days to outbid the proposed centre at a former inn.

answer: (d) gazump

A2 The bigger the *melon*, the sweeter it tastes to investors!

answer: (c) melon

A3 On April 12th, 2002, the Toronto Stock Exchange will introduce the *iceberg* order feature to the trading system: market participants will be able to place orders larger than typically displayed in the TSE market, without paying an informational price for revealing the entire order size.

answer: (b) iceberg

A4 Similar to other restrictive provisions contained in bond indentures, a net revenue *pledge* serves to make the bond issue less risky for bondholders: since it forces the government to use revenue from its debt-financed projects to pay debt service costs first, bondholders enjoy a reduced risk of default.

answer: (c) pledge

A5 Four years ago, the Dow Jones Industrial Average hovered in the range of 10,500 points, nearly the same place it is now; its path has traced what stock traders call a '*sideways* market' always on the move, but not going anywhere.

answer: (b) sideways

A6 Usually, *most-active* stocks experience higher-than-normal trading volume due to significant new information reaching the market and creating a strong impetus amongst investors to buy or sell the stock, resulting in heavier trading volume and often strong momentum in the stock.

answer: (a) most-active

A7 Most pyramid *schemes* take advantage of confusion between genuine businesses and complicated but convincing moneymaking scams; the idea behind them is that the individual makes only one payment, but is promised to receive exponential benefits from other people as a reward.

answer: (c) schemes

A8 Using the *Macaroni* Defense, a company issues a large number of bonds with the condition that they must be redeemed at a high price if the company is taken over.

answer: (a) Macaroni

A9 Quadruple *witching* days occur four times a year, on the third Friday of the quarter-ending month (March, June, September, December), when three different types of derivatives related to stocks expire: options on individual stocks, options on Stock Index Futures, and Stock Index Futures.

answer: (d) witching

A10 *Raiders* look for companies with undervalued assets and then attempt the hostile takeover by purchasing enough shares to have a controlling interest.

answer: (c) Raiders

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Business buzzwords: A well thought out strategy

A1 When you're setting up your business, it's essential to think about how you'll ultimately end your involvement with it; a well thought-out *exit* strategy can help you maximise the value you get from your business, successfully market it to potential buyers, and ensure you end your involvement with little disruption.

answer: (b) exit

A2 Even a dead *cat* will bounce if dropped from high enough!

answer: (a) cat

A3 During the LTCM crisis there was extensive *front-running* by dealers who traded on their own accounts in the same direction as LTCM did, but just one or two minutes beforehand.

answer: (b) front-running

A4 When the market has a strong and quick upward movement, you'll hear 'the market has a *woody*'.

answer: (d) woody

A5 Bendigo Mining Ltd is a fully fledged 'falling *knife*' at this stage; IMHO I would not attempt to punt the situation, as it is conceivable that the valuation could fall back even further towards cash value.

answer: (b) knife

A6 When traders attempt to time the market by identifying the end of a price trend and the beginning of a new one, but, due to greed and fear, tend to *overstay* their positions, this usually results in reduced gains or worse, further losses.

answer: (c) overstay

A7 In the wild market of the Roaring '20s, one of Wall Street's games was called '*painting* the tape': savvy investors secretly pooled to buy and sell shares in unison, and by creating an illusion of hectic activity on the ticker tape, they lured in unwitting small investors and pocketed big profits by dumping when prices were artificially high.

answer: (c) painting

A8 Any instrument described by the word '*synthetic*' is, as the root of the word implies, made from something else or from components; it may consist of a single contract, security, etc., or it may be a collection of instruments whose combined features are comparable to the instrument it replicates.

answer: (d) synthetic

A9 A yellow *knight* makes a takeover attempt but ends up discussing a merger with the target company; the implication is that the company attempting the takeover has chickened out, deciding to discuss things instead of making an aggressive move.

answer: (c) knight

A10 If a trader goes bankrupt, it is not the result of one bad trade but a long string of them — such a trader is called a lame *duck* because s/he is ineffective as a trader.

answer: (c) duck

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Business buzzwords: Screaming guts

A1 Your gut is screaming, "There is no way this company can hit those targets!", but your hope and the Mad *Hatter* CEO's enthusiasm get the better of you — this scenario is repeated many times at under-performing companies; there can be too much over-optimism and not enough effort made at analyzing the facts and confronting reality.

answer: (b) Hatter

A2 On the one hand, the idea of *carbon* trade seems like a win-win situation — greenhouse gas emissions are reduced while some countries reap economic benefit — on the other hand, critics suspect that some countries will exploit the trading system and the consequences will be negative.

answer: (b) carbon

A3 Following the technology boom of the late 1990s and early 2000s, many investors, because of their huge losses, were said to have taken a *bath.*

answer: (a) bath

A4 Because *cutoff* points are largely subjective, they will vary widely among investors; if an investor has a lower required rate of return, he or she will likely pay more for the same security than a person with a higher required rate of return.

answer: (b) cutoff

A5 During the extreme price volatility in *fast* markets, currency pair prices will gap and spreads widen; a price gap occurs when the price of a currency pair either jumps or plummets from its last bid/offer quote to a new quote, without trading at prices between those quotes.

answer: (b) fast

A6 Testing small before you spend lots of money on ads or mailings will keep you from losing your *shirt* on ineffective marketing efforts.

answer: (a) shirt

A7 Companies, usually with the help of *killer bees*, use a number of strategies to repel a hostile takeover bid.

answer: (b) killer bees

A8 This club will be funded through dock permits of our residents, which will create an *evergreen* funding source of some amount in the future that will be perpetual, and we look forward to working with staff to see that this revenue stream is used for the enforcement of the manatee zone.

answer: (c) evergreen

A9 Temporary *buydowns* are the most effective way to reduce expense ratios because the payment reduction is concentrated in the early years of the loan: to cover the shortfall between the reduced payments made by the borrower and the regular payment received by the lender, cash is withdrawn from an escrow account.

answer: (a) buydowns

A10 The so-called *Baby Bell* local phone companies are among the most potent forces in the US telecommunications business today, shielded from the worst effects of the downturn by their control of local phone markets.

answer: (b) Baby Bell

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Business buzzwords: Greenhouse gas emissions

A1 Using ocean data collected by diving floats, U.S. climate scientists released a study Thursday that they said provides the '*smoking gun*' that ties manmade greenhouse gas emissions to global warming.

answer: (c) smoking gun

A2 There's a name for people who are able to identify the customer-grabbing, revenue-generating power in their particular job and maximize it at every possible opportunity — they're called *rainmakers.*

answer: (c) rainmakers

A3 For all the debate over President Bush's $87 billion request for military operations and economic reconstruction in Afghanistan and Iraq, no one seems to have noticed that the sum includes a *slush* fund of $9.3 billion which Secretary of Defense Rumsfeld can spend pretty much as he pleases.

answer: (d) slush

A4 Recent versions of shareholder rights plans have contained what has been called *a 'dead hand'* provision, which provides that only incumbent directors or their designated successors, so-called 'Continuing Directors', can redeem the rights.

answer: (a) a 'dead hand'

A5 As a general guideline, an order may be cancelled if it is more than 30% *away from* the market, depending upon where it has been routed to for execution, and you may receive a warning message when attempting to place a trade that fails a price reasonability check.

answer: (a) away from

A6 When I bought my seat on the exchange, if someone gave me an order, I took it to an order clerk, who called it down to the floor; the clerk wrote out the order ticket, gave it to a *two* dollar broker who had to be a member of the NYSE, who took it to the specialist's post, bought or sold the stock, and repeated the whole process back.

answer: (b) two

A7 If you are *unsubscribed* to a given public securities issue, you will not be buying any shares through the public offering.

answer: (d) unsubscribed

A8 *Sheep* follow trends, tips and gurus; they sometimes put on bull horns or a bearskin and try to swagger; you recognize them by their pitiful bleating when the market becomes volatile.

answer: (d) Sheep

A9 The failures of well known *pure-play* retailers like Garden.com, Pets.com and discount retailer Value America have experts talking about the value of multi-channel retailing.

answer: (d) pure-play

A10 Recently, the SEC's Enforcement Division has signaled a change in philosophy from a reactive approach (i.e. investigations of individuals or companies were initiated after evidence of a possible violation) to '*wildcatting*' — pursuing investigations where it is not clear that a securities violation has occurred.

answer: (d) wildcatting

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Business buzzwords: Israeli scientists

A1 *Imclone*, the company best known for the insider-trading scandal that sent founder Samuel Waksal and domestic diva Martha Stewart to prison, received more bad news this week when a U.S. judge ruled that the patent for its only product was actually owned by three Israeli scientists.
answer: (b) Imclone

A2 Today's stock market scandals are different because the main victims today are *Main Street* investors — everyone from parents saving for their children's college education to the firefighter saving for retirement to the elderly who don't have time to rebuild their nest egg.
answer: (c) Main Street

A3 In another move towards making itself a financial center, north China's port city of Tianjin has applied to the State Council to establish an *over-the-counter* market rather than a third stock exchange for the Chinese mainland.
answer: (d) over-the-counter

A4 From 1989, more share-buying opportunities were made available to the British public as a number of financial institutions demutualised; these *windfall* shares' for members of the societies offered instant cash or the opportunity to continue as a part owner of the newly public entity.
answer: (d) windfall

A5 Builders slammed on the brakes in August as housing *starts* sank to their lowest level in more than three years, and a drop in permits signaled more weakness ahead for the real estate market.
answer: (d) starts

A6 Broker-dealers impliedly represent that they will deal fairly with their customers, and therefore unfair dealing is a breach of this implied representation and a violation of the antifraud provisions; this representation arises from the mere act of hanging up a sign and going into business, and therefore it is known as the '*shingle* theory'.
answer: (b) shingle

A7 Nasdaq data indicate that 94% of the share volume from 4:00 p.m. to 4:15 p.m. resulted from after-hours transactions rather than *runoff* from the regular trading session.
answer: (b) runoff

A8 WPP CEO Sir Martin Sorrell has accused Rupert Murdoch of *panic-buying* internet companies because of falling ad revenues; he said it was intriguing to speculate why Mr Murdoch launched a multimillion-dollar internet shopping spree, and accused him of buying web operations willy-nilly.
answer: (b) panic-buying

A9 A third of first-time home buyers may cut their offer at the last minute, forcing the seller to take less or find a new buyer; "In total, 31% would consider '*gazundering*', reflecting first-time buyers' new-found confidence in a slowing market," says a Yorkshire Bank.
answer: (d) gazundering

A10 When Seagate Technology went public, the giant drivemaker took an important stand: unlike most initial public offerings, it declined to offer any *friends-and-family* shares, the coveted shares issuers and their bankers can quietly offer to whomever they choose.
answer: (a) friends-and-family

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Business buzzwords: Dutch colonists

A1 *Wall Street* was named after the wooden structure Dutch colonists built in this area in 1653 to defend themselves from the British and Native Americans.

answer: (d) Wall Street

A2 In early 2000, *Enron*, the natural gas pipeline company turned online phenomenon, held a conference for Wall Street analysts and investors, who were particularly receptive when Jeffrey Skilling, its president, suggested that their money-losing broadband network business alone was worth $29 billion, or an extra $37 a share.

answer: (b) Enron

A3 A long *jelly* roll is a time value trade (involving the sale and purchase of options with different expiry months) and as such cannot be adequately plotted in terms of its risk/reward profile.

answer: (c) jelly

A4 Boating Industry Magazine reports that demand for the new 4-stroke outboard has by far outpaced supply, and Mercury officials have implemented a *ramp-up* in production: they expect to reach maximum output within a month, and catch up with demands sometime later this year.

answer: (b) ramp-up

A5 Alan Greenspan, in a speech entitled 'The Challenge of Central Banking in a Democratic Society', posed a now-famous rhetorical question: "How do we know when irrational *exuberance* has unduly escalated asset values, which then become subject to unexpected and prolonged contractions as they have in Japan over the past decade?"

answer: (d) exuberance

A6 The break-up of Equitable Life has moved closer following the launch yesterday of a *vulture* fund, Synesis, backed by some of the City's most powerful institutions, to buy out distressed annuity and pension liabilities.

answer: (d) vulture

A7 *Punters* aren't concerned with the fundamentals of an investment; instead, they attempt to make a quick profit by selling to somebody else at a higher price.

answer: (b) Punters

A8 In the U.K., the exchange may determine that ashare movement is so sharp that quotes cannot practically be kept current; under its Fast *Market* Rule, it may permit trading outside quoted ranges where updating quotes is deemed impractical.

answer: (c) Market

A9 Statements made that are not historical facts are forward-looking statements and made pursuant to the safe *harbor* provisions of the Securities Litigation Reform Act of 1995; in some cases, these forward-looking statements may be identified by the use of words such as 'may', 'should', 'expect', 'plan', or 'project', or their negatives, or other comparable words.

answer: (a) harbor

A10 This new publication incorporates all facets of trading technology for *buy-side* organisations: each month, it will deliver up-to-date news and analysis on the business and technology trends, drivers and processes shaping the hedge fund and investment management industries.

answer: (a) buy-side

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Business buzzwords: Online exchange

A1 *HedgeStreet*, Inc., the nation's first government-regulated online exchange for binary options and futures, today announced that it has secured $12.5 million from Norwest Venture Partners (NVP), a leading Silicon Valley venture capital firm.
answer: (b) HedgeStreet

A2 Confident that there was a healthy base of stockholders who would not sell out, the Walbro board created more shares and looked for a large capital base that could keep these new shares in friendly *hands.*
answer: (b) hands

A3 The *dragon* bond, essentially a Eurobond sold and listed in Asia, primarily in Hong Kong, Singapore and Taiwan, was pioneered by the Asian Development Bank, which saw in its own needs to raise money an opportunity to spur the development of capital markets for Asian borrowers in their own time zones.
answer: (a) dragon

A4 Bloomberg News uses the *Cardboard* Box Index, which follows leading packaging and boxing stocks to predict manufacturing output; the reasoning is, if you manufacture something, you need something to put it in.
answer: (a) Cardboard

A5 The reason for the January *Effect* is debated among academics; the most common explanation is for tax reasons — individual investors sell their small stocks that have declined in December to offset capital gains taxes, and selling knocks down the prices.
answer: (a) Effect

A6 Before Google priced its $1.9 billion IPO, Playboy magazine published an interview that the company's founders had given months earlier; because the interview occurred before Google filed its IPO registration statement, the interview could have been viewed as a *gun-jumping* violation of the securities laws.
answer: (a) gun-jumping

A7 On December 4, 2001, intending to execute a large amount of short sale of a stock, traders of Morgan Stanley Securities realized that such execution was difficult, insomuch as buy orders were only placed at lower prices than the latest market price and short sale on a minus *tick* is prohibited by a Cabinet Order.
answer: (d) tick

A8 In an article published in the Journal of Petroleum Technology titled 'Competitive bidding in high risk situations', by Capen, Clapp and Campbell of the Atlantic Richfield Company (ARCO) in 1971, the authors coined the term 'winner's *curse*'.
answer: (b) curse

A9 Christopher Cox, the SEC Chairman, recently testified that "hedge funds were too risky for *Mom and Pop* investors"; he even wants to increase the net worth threshold to be considered wealthy enough to invest in hedge funds.
answer: (b) Mom and Pop

A10 In the *downstream* sector, OPEC Member Countries are planning nearly a 50% increase in distillation and condensate splitter capacity, which would bring the combined capacity to 17.7 mb/d by the end of 2011, a relatively short time span considering the usual lead times required for refinery projects.
answer: (b) downstream

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Business buzzwords: Jack Be Nimble

A1 While the big money trade over the past two years has been to buy both sheer optimism and extreme pessimism, now the hedge funds are back in the green for the year, they'll try to lay low and preserve capital — only the nimble *grinders* are likely to coin money in this tape.

answer: (c) grinders

A2 This company may be a disaster that has already happened, a walking corpse that doesn't yet know that it's dead — because it has created an insulated culture systematically excluding any information that contradicts its rosy picture of reality; companies that cultivate these positive qualities to excess become '*zombie* businesses'.

answer: (d) zombie

A3 New WTO Director General Pascal Lamy faces a *baptism* of fire at the WTO's conference on December 13, four months after he took the helm of the global trade body; Lamy will face a fierce test of his mettle that is likely to shape the Frenchman's reputation for the rest of his term.

answer: (a) baptism

A4 Smaller swings in the Dow Jones industrial average in the current quarter, compared to the swings of last quarter, will trigger stock market trading *curbs* under the NYSE's quarterly revision of the levels; the Big Board's new circuit-breaker and trading-collar trigger levels go into effect Monday, Oct. 1.

answer: (b) curbs

A5 *Managed* money products and process continue to evolve as extensive progress is made in institutionalizing investment administration for individuals and households.

answer: (c) Managed

A6 The rule of thumb for the *General Motors* indicator is that whenever its stock price fails to make a new high within any given four month period, it harbingers economic recession for the U.S.

answer: (b) General Motors

A7 In a normal market the bid is less than the ask, and the difference (the bid-ask spread) would be the market maker's profit, so we would not expect to see *a locked* market with a single market maker; however, in a market with more than one market maker, one market maker may show the best bid and another the best offer, and these may be the same.

answer: (d) a locked

A8 Massive *panic* selling sparked by a criminal investigation of a high-profile Internet company and weaker-than-expected U.S. tech earnings forced the Tokyo Stock Exchange to suspend trading in the world's second-largest market.

answer: (c) panic

A9 Despite the many changes in the tax system, there has been relatively little change in its role as an *automatic* stabilizer: we estimate that individual federal taxes offset perhaps as much as 8 percent of initial shocks to GDP.

answer: (b) automatic

A10 *Death Spiral* financing, the latest big thing in Japan's investment banking world, can raise money for cash-hungry companies but is also susceptible to abuse; the financing involves the issuance of 'moving strike convertible bonds' by Japanese firms to investment banks, who are allowed to convert the MSCBs into stock at a discount of about 10 percent.

answer: (b) Death Spiral

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Business buzzwords: Illegal trading activities

A1 The rule currently being considered by the SEC to prevent illegal *late-day* trading activities is by no means foolproof: imposing a deadline that a trade must be received by 4 p.m. EST by the mutual fund company would not prevent it from conspiring with traders to manipulate the deadline.
answer: (b) late-day

A2 Predictions have prompted investors to take a *flier* on all manner of podcasting businesses;more than $40 million has gone into the sector in the last two years, yet many podcast businesses are trying to make a buck with a mostly untested business — selling airtime to advertisers in a medium that hasn't yet established a set of common measurement metrics.
answer: (b) flier

A3 In the investing world, the *herd* instinct is often blamed for unsubstantiated rallies or sell-offs; but we are, after all, social animals, and many aspects of that mentality are beneficial.
answer: (c) herd

A4 Defense stocks should continue to *outperform* in 2007: Lockheed Martin Corp., Boeing Co., Raytheon Co., and General Dynamics Corp. shares are all up around 33% over the year, and according to LMT spokesman Thomas Jurkowsky, they "certainly don't foresee any change".
answer: (a) outperform

A5 Today, we are living in a transition period to a new *economy* defined by global competition, rampant change, faster flow of information, increasing business complexity, and pervasive globalization; the pace of change is so rapid that it has taken a different type of firm to be dominant and marks an entirely new era of business.
answer: (a) economy

A6 In periods of depressed stock valuation and sluggish economic times, unscrupulous venture capitalists — often referred to as *vulture* capitalists — often take advantage of entrepreneurs.
answer: (d) vulture

A7 Proponents of the *October* effect argue that that is when some of the greatest crashes in stock market history, including 1929's Black Tuesday and the 1987 stock market crash, occurred; while statistical evidence doesn't support the phenomenon that stocks trade lower then, the psychological expectations of the effect still exist.
answer: (b) October

A8 Wall Street financial analysts are bullish on the proposed merger between auto maintenance giant Jiffy Lube and fast food bluechip McDonalds; this deal has *synergy* written all over it — just in economics of scale the merger is bound to increase the value of the combined stock by a factor of five.
answer: (d) synergy

A9 Product line *rationalization* is a powerful technique to improve profits, free valuable resources, and simplify operations by examining product lines to eliminate or outsource products that are problem prone, have low sales, have excessive overhead demands, have limited future potential, or may really be losing money.
answer: (a) rationalization

A10 Six company and three gold *wallflower* stocks, including Boeing, General Motors, and Pegasus Gold, have the potential of providing rewarding returns despite their lackluster performance in recent months; the market has danced on without them, but someday they could be the life of the party.
answer: (d) wallflower

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Business buzzwords: A 'Non-institution'

A1 The *Paris* Club has remained strictly informal; it is the voluntary gathering of creditor countries willing to treat in a co-ordinated way the debt due to them by the developing countries, and can be described as a 'non-institution'.

answer: (d) Paris

A2 Arthur Levitt, the chairman of the SEC, says that Lebed seems to have mastered an age-old Wall Street swindle called the *pump-and-dump*: buy, lie and sell high.

answer: (c) pump-and-dump

A3 There are tens of thousands of desktop Java applications for all kinds of specialized tasks and specialized people; what we're not seeing from Java is just one gigantically successful, widely used, everyone has just got to have it, *killer* application.

answer: (b) killer

A4 The drop in the stock market might have investors feeling sick, but they have yet to reach the '*puke* point', according to A. Gary Shilling, attributing the queasy phrase to Dennis Gartman, a Suffolk, Va., investment analyst.

answer: (b) puke

A5 The franc gained nearly 100 points against the greenback and 60 points against the euro in tonight's Asian and European sessions, and news that European drug maker Merck was buying Zug-based Serono for 13 Billion also helped the *swissie.*

answer: (d) swissie

A6 The *squawk* box is used by many by wirehouses as a way to share information about potential orders to people on the sales desk, but all of that information is supposed to be proprietary and, for the most part, not to be shared with anyone outside the firm.

answer: (b) squawk

A7 It doesn't matter if demand is falsely created by a hedge fund taking the *street* (buying large amounts of a single stock to drain a market maker of its inventory, forcing them to buy it back at a higher price): demand is demand and that is what drives markets higher.

answer: (d) street

A8 The Finance Ministry's monetary policy as a whole meets the market expectations: it is more of a guidance note laced with moral *suasion* rather than a regulator's prescription full of quantitative measures.

answer: (b) suasion

A9 Valencia-based MannKind has estimated an *offering* price of between $13.00 and $15.00 per share in an IPO filing with the SEC; for 5.5M shares of stock, it is expected to raise up to $94.8M for the company.

answer: (c) offering

A10 Cardiac Science argues that the real revenue generator in its line isn't the monitoring system, but the disposable electrodes which make the monitoring possible — the classic *razor-razorblade* model applied to medical devices; "Ultimately, we're a disposable defibrillator electrode company," says Cohen, and Powerheart becomes simply a vehicle to sell electrodes.

answer: (c) razor-razorblade

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Business buzzwords: Illegal profits

A1 It is generally agreed that speculators can make profits from insider trading or from the release of false information, and both forms of stock-price *manipulation* have now been made illegal.
answer: (d) manipulation

A2 Bush, on the other hand, has a very steep and consistent decline in his approval rating the longer he goes without a major event; it is notable that this trend has never been upward, not even following 9/11 when his approval rating took a tremendous positive *spike* as the country rallied around their leader.
answer: (d) spike

A3 Millennium Bank, which purchased the building in a bankruptcy sale 'free and *clear* of all liens and encumbrances' and subsequently resold the building to the sole lessee, did not thereby assume an obligation to pay a commission to a third-party broker under a lease provision providing for such commission upon a sale to the lessee.
answer: (a) clear

A4 The unlucky folks who bought shares at the peak almost certainly lost money — as does every other investor who buys into a collapsing market hoping the worst is over; but to the extent that most holders didn't sell, the *paper* loss simply wiped out the apparent profit that was created by the inflating bubble.
answer: (c) paper

A5 Windows, Office, and the Internet Explorer Web browser all have greater than 90 percent share of their respective markets, and to protect these *cash cows*, Microsoft must do things that no other software company would be doing right now; it's a victim of its own success.
answer: (a) cash cows

A6 Under '*Reaganomics*', small government was both a fiscal imperative and a political belief; adopting supply-side economics, the White House believed that reducing taxes would free individuals and businesses to invest elsewhere, thereby maximizing economic gain.
answer: (d) Reaganomics

A7 Pinnacle Entertainment, Inc. (NYSE: PNK) announced that the underwritten public *offering* of 10.0 million of its newly issued shares of common stock has been priced at $32.00 per share, which will result in gross proceeds to Pinnacle of $320 million.
answer: (b) offering

A8 In late October and early November of last year, because Enron was changing the outside administrator of its 401(k) plan, employees' shares were *locked* down in their 401(k) accounts for at least two weeks during a volatile period in the company's stock price, making them powerless to sell their Enron stock as it was dropping.
answer: (a) locked

A9 Data security is an increasing priority for many CIOs, and for good reason: corporate databases contain the *crown jewels* — proprietary and sensitive information such as non-public financial data, trade secrets, and personal information about customers and employees.
answer: (c) crown jewels

A10 Disillusioned investors who bought the convertible bond specifically for the conversion feature will typically sell the bond at a lower price; therefore we can we buy a *busted* convertible security at a discounted price.
answer: (d) busted

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Business buzzwords: Animal markets

A1 Neither a bull or bear market, a *deer* market is characterized by low activity, with timid investors waiting for a sign of which way the market is going to end up moving.

answer: (a) deer

A2 Aggressive price cutting by Wal-Mart Stores, the world's biggest retailer, is likely to put *margin* pressure on food manufacturers this year: with commodity prices rising, one would expect that manufacturers would pass their cost increases along — but not if Wal-Mart won't allow it.

answer: (b) margin

A3 The NHS in England will be 750m in the *red* by the end of the financial year on 31 March, a BBC survey suggests: twenty predicted deficits total 799m, while a handful of surpluses brought the net deficit to 750m.

answer: (b) red

A4 In May 2000, Luminous had raised a $60-million round of private financing that it expected to be its last, but market conditions forced the company to put off IPO plans indefinitely; should the company go public, they hoped *crossover* investors would buy the offering and continue to buy the company's shares.

answer: (a) crossover

A5 Request a copy of the decedent's credit report and request that the report be flagged with a deceased *alert*: this should ensure that no fraudulent accounts are opened.

answer: (a) alert

A6 'Derivatives' is rich in details about factual trading matters, something rarely found in textbooks; it includes a list of the major old tricks, such as cherry picking, chumming, and *ghosting* (in which market makers collude to push a price in a given direction), something I have not seen in options books before.

answer: (c) ghosting

A7 SupplierMarket.com was poised to go public, but in the meantime, it received a *godfather* offer it couldn't refuse from Ariba, a software maker; the all stock deal was worth $581 million — not bad for a company that was around for 17 months.

answer: (a) godfather

A8 A *lobster* trap is a defense mechanism used by a company that has convertible securities outstanding to prevent an unfriendly takeover; it prohibits conversion into common stock of any convertible preferred stock or bonds if the owner of those securities would control 10% or more of the firm's common stock following conversion.

answer: (b) lobster

A9 George Akerlof, Michael Spence and Joseph Stiglitz, who received the Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel, 2001, extended economic theory when they augmented it with the realistic assumption of *asymmetric* information: agents on one side of the market have much better information than those on the other side.

answer: (a) asymmetric

A10 Jeffrey Saut, chief market strategist with Raymond James, described the current environment as a '*fox-trot*' economy, meaning he expects several periods of strong economic and earnings growth to be followed by times where profits and the economy slow down a bit.

answer: (b) fox-trot

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Business buzzwords: Corporate sleuths

A1 American Express's sleuths could not protect them against one of the biggest business frauds of all time — the Great *Salad* Oil Scandal, in which a subsidiary was conned into issuing warehouse receipts for the nonexistent oil of the Allied Crude Vegetable Oil Company and commodities speculator Anthony De Angelis, who is now appealing his 20-year jail sentence.
answer: (d) Salad

A2 Our model predicts that people will exhibit what we call the *ostrich* effect: given bad or ambiguous news, they optimally choose to avoid collecting additional information, while given favorable news, individuals will seek out definitive information about the value of their portfolio.
answer: (c) ostrich

A3 Several top credit card issuers now slap penalty rates just shy of 30% on customers, including some who have made a single slip or even pay their bills on time; these modern-day versions of loan *sharking* won't endanger your kneecaps, but they may push you into bankruptcy court.
answer: (d) sharking

A4 The U.S. Department of Labor enforces several major laws that directly protect *whistle* blowers or have provisions to shield employees from retaliation, for reporting violations of the laws, refusing to engage in any action made unlawful by the laws, or participating in any proceedings under the laws.
answer: (d) whistle

A5 In the case of the WorldCom-Sprint combination, the FTC charged that the merger would have increased concentration in long-distance telecommunications and created *barriers* to entry that would have excluded competitors, such as the Baby Bells that lobbied hard against the merger.
answer: (a) barriers

A6 The Canadian dollar, also known as the 'loonie' for the beautiful bird on its one-dollar coins, has long been the weak *sister* to the U.S. dollar; oh, how nice it is for Yanks to go shopping in Canada — but maybe not for much longer, because the loonie is in a stealth rally.
answer: (c) sister

A7 *Swing* trading is a trading strategy where you hold stock positions for a short duration of time, but longer than a day trade; positions can last anywhere from 2 to 30 days, and generally try to take advantage of short and mid-term movements in stock prices.
answer: (d) Swing

A8 The Joint Bookrunners will endeavor to procure purchasers for the Offer Shares not subscribed for through the exercise of PARs during the exercise period by way of private placements in the Netherlands and elsewhere, at a price per *Rump* Share which is at least equal to the total of the Issue Price and any expenses relating to procuring such purchasers.
answer: (d) Rump

A9 This paper develops a theoretical model to analyze a firm's incentives to preannounce its new products: we consider a two-period model where a single firm controls the market with one product in the first period and it introduces a new and better product in the second period, where a preannouncement *cannibalizes* the sales of the old product in the first period.
answer: (a) cannibalizes

A10 After an aggressive run, the markets gave up some of their gains Thursday to profit *taking*, which was not unexpected.
answer: (d) taking

Business buzzwords: Auditor's doubt

A1 The auditor will normally reach substantial doubt that an entity can continue as a *going* concern if the entity is unable to meet its obligations as they become due without (1) substantial disposition of assets outside the ordinary course of business, (2) restructuring of debt, or (3) externally forced revisions of its operations or similar actions.
answer: (b) going

A2 Bankers in emerging markets often view treasury activities common in the developed world as *casino* finance, so they have lagged behind developed-market competitors in managing risk and creating profitable treasury units; but high-performing treasuries seek out and profit from market risk, and emerging-market banks must commit themselves to a more aggressive posture.
answer: (a) casino

A3 Each country established working groups to plan migration at national level, under the aegis of the banking and/or payment associations, to ensure that a *critical* mass of national credit transfers and card payments migrate to SEPA payment instruments by the end of 2010, as demanded by the regulators and committed to by the European Payments Council.
answer: (a) critical

A4 After the first day Google's stock was publicly traded on the NASDAQ, approximately 1,000 (or almost 50 percent) of its employees were estimated to be *paper* millionaires.
answer: (c) paper

A5 On Black Tuesday, Reuben Thorson, 77, retired senior partner of Paine Webber, recalls, "The volume was so heavy that the *tape* was late by hours; we had no idea what the prices were."
answer: (d) tape

A6 The Nikko Cordial Corporation announced a stock consolidation to its common shareholders in Japan at the rate of one (1) new share to be issued for every two (2) existing ordinary shares held; the *assimilation* of the ordinary shares in the local market will be effective September 1, 2005.
answer: (d) assimilation

A7 Bill Nguyen is the subject of a story in The WSJ about how entrepreneurs are cautiously spending venture capital, especially compared to the last crop of Internet entrepreneurs in the 90s; the story includes some of the monthly *burn* rates at Silicon Valley companies — about $160,000 a month at Meebo, $200,000 at LaLa and $500,000 at Sharpcast.
answer: (b) burn

A8 Last week, the County announced that they no longer needed to consider Mandatory Time Off as a budget balancing device; some of the '*found money*' was a reallocation of about $35k previously earmarked for the expensive (and unnecessary) study of raising Coyote Dam.
answer: (a) found money

A9 When a law firm that handled tons of sensitive legal matters for Valley startups and VC firms then goes belly up, what happens to all that information? — currently *defunct* Brobeck, Phleger & Harrison LLP notified clients that their digital files would be placed in a 'closed archive' managed by the Library of Congress.
answer: (c) defunct

A10 Filtronic, the telecoms equipment manufacturer, has got its house in order and is looking forward to the future with confidence: the banks have agreed new five-year facilities and the company's problem *child*, a mobile phone antennae business, is to be sold off.
answer: (a) child

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Business buzzwords: Tight curbs

A1 Tight curbs on money supply, enforced by Indonesian monetary authorities for more than a year to prevent the economy from over-heating, have driven domestic interest rates up to about 28 percent; analysts said this prolonged credit *squeeze* is straining the repayment capacity of many Indonesian businesses.
answer: (c) squeeze

A2 In 1983, the major success of *Japan, Inc* was serving to focus international attention on their ways of doing business: the Japanese corporate and political sectors were employing cooperative organizing strategies that produced the highest productivity and quality of work-life in the industrial world.
answer: (a) Japan, Inc

A3 Companies which are incorporated and listed in Hong Kong but controlled by Chinese entities or have Chinese state-owned enterprises as their parent companies have been viewed as a major experimental tool in China's economic reform; in this paper we analyze the market performance of red *chip* stocks in the first year following Hong Kong's reversion to China.
answer: (b) chip

A4 A sell of an overnight position and subsequent buy of the same security on the same day (which does not constitute a day trade) is treated as a same-day *substitution* and the customer can use the proceeds of the sale towards a new purchase.
answer: (d) substitution

A5 If we look at selling 500- to 550-lb. calves for 82-85 cents, and that's at your breakeven level, then it might make some sense to consider retained ownership; if all that can be had is *trading* dollars and giving away your time for the year, profit demands looking for other opportunities before selling them.
answer: (d) trading

A6 The *Trilateral* Commission was formed in 1973 by private citizens of Japan, Europe (European Union countries), and North America (United States and Canada) to foster closer cooperation among these core democratic industrialized areas of the world with shared leadership responsibilities in the wider international system.
answer: (d) Trilateral

A7 A *foul weather* fund is a mutual fund that tends to perform well in bear markets.
answer: (a) foul weather

A8 John A. Thain, who took the New York Stock Exchange (NYX) public earlier this year, is racing to keep the Big *Board* competitive.
answer: (b) Board

A9 Infoseek (NASDAQ:SEEK) may be close to selling a piece of the Web search engine to a large media firm, with Disney cited as the most likely buyer and Time Warner a close second; this *rumortrage* has sent SEEK up 8.3% to $32.625.
answer: (c) rumortrage

A10 Currently, there are 10 *spiders* that cover the S&P 500, nine of which cover individual sectors of the index; this selection allows investors to place their money in an ETF that covers either the whole market or a specific segment of the market.
answer: (c) spiders

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Business buzzwords: Confidence in Christmas

A1 CEO Craig Barratt was very cautious in his interview with CNBC, where he went out of his way to say that this networking technology company with a big retail component could not feel confident going into Christmas; I think that he is *sandbagging*, setting the bar low so the stock can advance, take the medicine now for a rally later.
answer: (c) sandbagging

A2 The Direct Approach to estimating going *concern* value is based on the direct costs of creating a business, excluding the costs of the tangible assets; it also includes the owner's investment in working capital to finance early year losses.
answer: (c) concern

A3 Protus and Voice Shot have modified their voice broadcasting software to work seamlessly with Gold Calling's Automatic Response Management software to make Gold Calling the leading prospecting and lead generation contact management system currently available; the era of *dialing* and smiling is on its way out.
answer: (b) dialing

A4 P&G Chief Executive A.G. Lafley discussed why his company is no longer dependant on mergers to continue sales and profit growth: "Our growth has been quality growth because of *organic* growth," he said, adding that non-merger related growth has averaged 8 percent in recent years.
answer: (c) organic

A5 How long it will take for your money to double is easy to calculate using *the Rule of 72*: simply divide 72 by the percentage of interest you earn on your savings. If you're not pleased with the answer, start investigating other options that pay a higher rate of return.
answer: (d) the Rule of 72

A6 When you run out of credit and can't Top Up, you can get a 2 Call Credit *IOU* from Vodafone; so when you get that punctured tyre or absolutely have to respond to that special someone, you can!
answer: (d) IOU

A7 Basically, *going* public (or participating in an IPO) is the process in which a business owned by one or several individuals is converted into a business owned by many.
answer: (a) going

A8 As for the Robertson and Armco transactions, Bilzerian engaged in '*stock parking*' shares of the two companies: Bilzerian 'sold' his stock in Robertson and Armco to a broker who held it for 30 days with the understanding that Bilzerian would buy the stock back for the purchase price plus interest and commissions.
answer: (c) stock parking

A9 Unlike the credit *crunch* of the early 1990s, when homeowners had the fiscal life squeezed out of them by high interest rates and unemployment, this time it seems the young are in the firing line.
answer: (a) crunch

A10 The *Leading* Lipstick Indicator is based on the theory that when a consumer feels less than confident about the future, she (or he) turns to less expensive indulgences such as lipsticks, and therefore, lipstick sales tend to increase during times of economic uncertainty or a recession.
answer: (b) Leading

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Business buzzwords: The old days

A1 Investment banker Gary Lutin told the E-Commerce Times that in the old days when paper stock certificates were issued, some people used worthless stocks as *wallpaper*, but that since the securities market had gone digital and stock certificates are no longer issued, that is no longer an option.
answer: (c) wallpaper

A2 An employee embezzles millions of dollars from his company, but he doesn't know his firm is on to him; to combat his schemes, the company brings in *a forensic* accountant, a professional with a combination of financial expertise and investigative prowess, to determine exactly what's going on.
answer: (c) a forensic

A3 The acquisition of Corus will propel Tata Steel into the *Fortune 500* list, making it one of the eight steel companies globally that figure in this elite list.
answer: (b) Fortune 500

A4 Managers are looking to cut costs, and one way to do it that's currently gaining favor is to go *offshore* for all or parts of the project; for example, one of the Intranet Design Annual 2001 winners was headquartered in the United States, but hired a firm in Mexico to design its intranet.
answer: (b) offshore

A5 Almost 1 million British adults are still living with their parents even though they are approaching 40, a study says; while this may not be a problem in itself, the real worry is how much these *kippers* cost — and the extent to which they eat into parents' retirement savings.
answer: (b) kippers

A6 Second only to the Saudi Arabia reserves, Alberta's oil *sands* deposits were described by Time Magazine as 'Canada's greatest buried energy treasure' and 'could satisfy the world's demand for petroleum for the next century'.
answer: (c) sands

A7 Ronald Reagan made supply-side economics a household phrase, and promised an across-the-board reduction in income tax rates and capital gains tax rates; when vying for the Republican party presidential nomination for the 1980 election, George H.W. Bush derided Reagan's supply-side policies as '*voodoo* economics'.
answer: (d) voodoo

A8 A 2-minute preview of the investment *teaser* for a new feature film by Borderstop Filmed Entertainment called 'Urban Renewal' is now available on the official film site urbanrenewal.com and borderstop-studios.com; the production is scheduled for 2009.
answer: (c) teaser

A9 Reacting with horror to a huge proposed pay package for GlaxoSmith-Kline's chief executive JP Garnier, shareholders blocked the *sweetheart* deal; by doubling his share option grant and trebling his allocation of free performance-related shares, the plan would have almost doubled his remuneration to an estimated $18 million.
answer: (c) sweetheart

A10 As costs of energy and other commodities soar, investors should be on the hunt for companies with *pricing* power; the ability to pass along higher product costs to consumers gives such outfits an edge and, in the long run, boosts returns.
answer: (c) pricing

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Business buzzwords: A basket of goods

A1 Purchasing power parity theory states that the exchange rate between two countries should ultimately move toward the rate that equalizes the prices of an identical basket of goods and services in each country; the Economist has suggested that the 'basket' is a *Big Mac*, which is produced in about 120 countries.
answer: (a) Big Mac

A2 The Bond Market Association has long promoted greater *transparency* and has worked hard to provide actual price data to investors, supplying all MSRB price data free of charge on its website www.investinginbonds.com.
answer: (d) transparency

A3 *Redlining* Rules may be Weakened: Federal banking regulators in the Bush administration are poised to weaken the nation's primary law requiring small banks to serve low-income residents in their own back yards through housing investments and development projects.
answer: (b) Redlining

A4 The next time somebody taunts you for being a gold *bug*, tell them that the International Monetary Fund believes in gold: fromits website, we read that one ofits principles is, "As an undervalued asset held by the IMF, gold provides fundamental strength to its balance sheet; any mobilization of IMF gold should avoid weakening its overall financial position."
answer: (a) bug

A5 If you want to maximize the amount of money that you are investing (which in turn leads to higher returns), then a *no-load* mutual fund is for you: more of your money will go directly toward working for you, rather than finding its way into someone else's pocket.
answer: (b) no-load

A6 A '*goldbrick* share' is a stock or security that appears to be of high quality and worth, although the company that issued it is actually worth very little.
answer: (b) goldbrick

A7 The Dow Jones Industrial Average is the oldest and most widely recognized stock market index, and the Dow *Diamonds* ($104.37) is an exchange-traded fund that holds the 30 stocks that comprise the venerable index.
answer: (d) Diamonds

A8 Although inventory data indicates that U.S. crude and product stocks are at above-average levels, market *jitters* remain over the possibility that international oil supplies could be disrupted further as a result of political problems in both Iran and Nigeria.
answer: (a) jitters

A9 The *Footsie* stalwarts have money to burn: cash generation in the UK's major listed companies is at record levels, and over the next three years, the FTSE350 will generate close to 200bn in surplus cash, according to new research by KPMG.
answer: (d) Footsie

A10 I'm just on my way out to work when a sudden headache gripped me — could've been one of those migraines that one gets when stock markets fall, which has been coined the '*Aspirin* Count Theory'.
answer: (a) Aspirin

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Business buzzwords: Investment leverage

A1 In the case of Oanda they offer you leverage of 50 times your good *faith* money: if you put $1000 into your account, you may buy or sell currencies up to an amount that would require $50,000 cash to actually buy at the time.
answer: (b) faith

A2 The upcoming Google IPO contains a two-tier voting structure that gives Class B shareholders (primarily company founders Larry Page and Sergey Brin) 10 votes for each share while each Class A share being offered only carries one vote; this provision is shark *repellent*, intended to make it difficult for outsiders to take over Google or influence the company's operations.
answer: (d) repellent

A3 Altria has long been considered a classic widow-and-*orphan* stock: great for its stability and big annual dividend, currently about 4.1 percent.
answer: (b) orphan

A4 Central Canada Foods Corporation has agreed to lease terms for its Timberlea plant from 1469818 Ontario Inc., a company controlled by George Michaels, Central's president and majority shareholder in *a related* party transaction.
answer: (d) a related

A5 Around Wall Street, the talk is that the U.S. economy is not too hot, not too cool, but just right — the fabled '*Goldilocks*' economy that means corporate profits can continue to grow, while inflation stays tame
answer: (a) Goldilocks

A6 The opening up of new markets and the development from the craft shop to such concerns as U.S. Steel illustrate the same process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one; this process of Creative *Destruction* is the essential fact about capitalism.
answer: (a) Destruction

A7 In financial markets here in London we call it 'The *Rio* Trade' — a trader who has lost big and has so far managed to cover up the fact puts on a huge trade, enough to cover all his losses, and buys a first class ticket to Brazil, where there is no extradition to the UK, just in case the trade goes wrong.
answer: (c) Rio

A8 Today's online video market is stuffed full of entrants with names like Broadsnatch, Eyeka, and Gkko, but video company CEOs like Tom McInerney of Guba agree that a *shakeout* is coming: "There'll be a lot of casualties in the next year," McInerney predicts.
answer: (c) shakeout

A9 A huge number of investors think they are buy-and-holders, but in fact they use a peculiar form of market *timing*, the ICSIA or 'I can't stand it anymore' system; this is probably the most widely used system in the world, and it relies on emotional reactions to market fluctuations.
answer: (d) timing

A10 A successful price war was the one Philip Morris began on *Marlboro* Friday, 2nd April 1993: the company cut the price of the world's best-selling cigarette by almost 20% — and in the process knocked almost $10 billion off the market value of the company.
answer: (b) Marlboro

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Business buzzwords: Takeover remedy

A1 A *chastity* bond is designed to prevent unwanted takeovers by having a maturity that is activated once a takeover is complete; the idea this is that companies will be less inclined to take over a company if they know that afterward they will immediately be forced to pay bondholders.
answer: (d) chastity

A2 The flow of *risk* capital in India has increased substantially since 2000, but over 90 percent of the money is invested in late-stage initiatives by mature firms; even the remainder mostly finances new firms replicating proven business ideas, and as a result, very few innovative startups are funded.
answer: (b) risk

A3 A syndicate desk employee, sales representatives or sales traders entered customers' indications of interest in the IPO into the IPO institutional *pot* book, the computer database where all of the institutional indications of interest in the IPO and allocations were recorded.
answer: (c) pot

A4 The *wild* card option is, for example for bond futures, the option to initiate delivery between 2 p.m. and 8 p.m. in the afternoon during the delivery month of the contract; the point here is that the futures price is settled at 2 p.m. but the trade in the underlying bonds goes on until 8 p.m.
answer: (d) wild

A5 The nucleus accumbens kicked into action two seconds before subjects made a risk-seeking choice that was a mistake (investing in a stock with a bad history); in contrast, the anterior insula was activated just before the volunteers made a less than optimal *risk-averse* choice prompting them to invest in a safe but low-return bond instead of the good stock.
answer: (c) risk-averse

A6 If a business division falls into the '*dog*' quadrant — stagnant or shrinking industry growth and poor business unit performance — management usually sells it off or slashes it to a bare minimum.
answer: (b) dog

A7 *Diworsification* affects many individual investors, who simply have too many stocks (often, too many or the wrong type of mutual funds) in their portfolio; a company's share value could shoot to the moon, but it would have very little impact on the fund's overall performance because of its very small exposure.
answer: (a) Diworsification

A8 The *bottom-up* approach is the staple of professional investors worldwide: it involves picking stocks for reasons specific to particular companies, regardless of the prospects of their sector or market — no matter how markets are performing, some stocks have more value than others.
answer: (b) bottom-up

A9 The 'ring *fence*' around the profits of North Sea companies is designed to prevent losses from non-North Sea activities from being set against profits of North Sea activities; one of the rules is that interest can only be deducted from North Sea profits if the capital has been borrowed for a North Sea oil purpose.
answer: (b) fence

A10 One remedy, Walden says, would be to index the state tax rates to inflation: "That would tend to reduce bracket *creep*, and in fact this is what the federal government does with the federal income tax."
answer: (a) creep

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Small-business salaries

A1 Mary Crane at Forbes.com says, "Which way is the economy going? — if executive salaries at smaller companies are any *indication*, the answer is sideways at best."

answer: (b) indication

A2 According to a new small-business compensation survey released today by Salary.com, *median* base salaries for most executives at small firms increased this year over last.

answer: (a) median

A3 The average paycheck for marketing managers rose 4.7% to $136,100; head *bean* counters got a 3% bump, up to $155,000; and plant managers took home $80,000, or 1.8% more.

answer: (a) bean

A4 The annual survey *spanned* 11 job functions (not including 'owner') at more than 1,800 organizations, both privately and publicly held, employing one to 500 employees.

answer: (b) spanned

A5 Ken Kerr, chief executive and financial officer of Kettley Publishing, a small consumer-education company *based* in Newport Beach, Calif., has filled out the www.Salary.com survey for the past two years.

answer: (a) based

A6 He says the survey results *mesh* with what he's seen in the California small-business community and in his own 30-person firm.

answer: (d) mesh

A7 "In this region, we're seeing the economy coming back strong; the tide raises all *boats* — small businesses have really felt the impact of that," he says.

answer: (a) boats

A8 Bill Dunkelberg, chief economist for the National Federation of Independent Business is optimistic, too; he says the labor market is the *tightest* it's been in thirty years, sans the dot-com years.

answer: (d) tightest

A9 The bad news: while salaries have been on the rise, *so* too has inflation.

answer: (c) so

A10 For the trailing 12 months ended in August, the Consumer Price Index ticked up nearly 4% — *eviscerating* salary gains in real-dollar terms.

answer: (c) eviscerating

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Various views of accounting

A1 Commercial, financial and taxation accounting rules *serve* their own purposes and, as a consequence, differences in the results should be expected and accepted.

answer: (d) serve

A2 Commercial accounting rules are used to determine the commercial results of a single entity, and establish, in particular, whether a profit or a loss has resulted for *a given* period.

answer: (a) a given

A3 The rules are intended to protect the rights of shareholders and creditors and, as a consequence, the *prudence* principle occupies an important place.

answer: (c) prudence

A4 Financial accounting and reporting rules are part of a country's capital *market* regulations.

answer: (d) market

A5 Their objective is to give investors and other stakeholders a reliable and as accurate as possible picture of the financial situation of the economic entity (group); the guiding principle is '*fair presentation*'.

answer: (c) fair presentation

A6 Other important rules in this respect are 'substance over form', 'market value measurement', and the factual prohibition of hidden *reserves.*

answer: (a) reserves

A7 Taxation rules are used to determine taxable profits, and their objective is to define the tax liability of enterprises to the *State.*

answer: (d) State

A8 The rules must be susceptible to *compliance* by taxpayers and control and enforcement by tax authorities.

answer: (d) compliance

A9 Taxation rules for companies are usually designed to preserve economic neutrality, so that business decisions are not *unduly* influenced by fiscal measures.

answer: (a) unduly

A10 Tax laws reflect general principles of taxation, such as non-discrimination or taxation according to economic capacity, but also *practicalities* such as availability of funds for payment of the liability and long-term profitability.

answer: (b) practicalities

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Corporate communications

A1 Paul Chin, in his 'The Evolution of Corporate Communications', realizes that communicating to hundreds, sometimes thousands, of employees within an organization is no *mean* feat.

answer: (a) mean

A2 This challenge is further complicated in organizations with a global *presence*, where corporate headquarters is responsible for delivering the same message to satellite offices in geographically dispersed locations.

answer: (d) presence

A3 And don't fool yourself in thinking that there's some long process of *deliberation* when they receive one of these messages; most corporate communications will grab the attention of an employee for no more than a few seconds — if at all.

answer: (b) deliberation

A4 It's within that very narrow *window* of opportunity that they will decide whether to read something or toss it aside.

answer: (d) window

A5 Communication is a two-way *street*; it requires a sender and a receiver: if no one is listening, you're just a crazy person talking to yourself.

answer: (c) street

A6 Anyone involved with corporate communications needs to be aware of their receivers' habits and *idiosyncrasies* before deciding on message and medium.

answer: (c) idiosyncrasies

A7 It wouldn't make sense to use technology-based communications with an audience who's not *tech-savvy* without first providing them with adequate training.

answer: (c) tech-savvy

A8 In the '90s, the IT industry was *abuzz* with the concept of push technology, a method of delivering content to users' desktop without requiring them to actively seek it out.

answer: (a) abuzz

A9 The technology, however, never lived up to its hype and communications fell back to old *stalwarts*: the intranet and e-mail.

answer: (b) stalwarts

A10 Momentum is also growing in the corporate environment for RSS, where organizations are beginning to see that RSS can be used to pick up where e-mail *left* off as an internal corporate communicator.

answer: (d) left

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Business buzzwords: Whiplash

A1 Market *mavens* are nursing a bad case of whiplash: most of the 42 strategists surveyed by 'Business Week' a year ago saw their yearend forecasts surpassed in the first few months of 1996 — the consensus view then was for the Dow Jones to rise 5% and end the year at 5430, but the Dow passed 5430 in early February.
answer: (c) mavens

A2 Long-struggling Randall Park Mall now is in the hands of a Raleigh, N.C., real estate investor who specializes in buying ailing malls and who, until earlier this year, owned Euclid Square Mall; investor Haywood Whichard bought Randall Park for the type of price that gives spice to the life of real estate *bottom-fishers.*
answer: (d) bottom-fishers

A3 One reason traders are moving to the Forex is the momentum and longevity of trends: currencies tend to trend 1,000 pips or more in a direction, and thenmove back 1,000 pips or more within a 4- to 6-week period, and this type of movement gives the position trader a great opportunity for *chasing* the market.
answer: (a) chasing

A4 If the total asset value of your portfolio averaged $1 million and the total value of assets sold during the year equals $200,000, then the portfolio *turnover* is 20% or one fifth.
answer: (d) turnover

A5 The purchase of YouTube by Google for $1.65bn (883m) is just the latest in a series of high-profile, high-value deals among internet firms, but does it mean that we are entering another *dotcom* boom era, like the one in the late 1990s that ended in a stock-market collapse?
answer: (a) dotcom

A6 The 1980s was a decade of corporate *cannibalism* as companies sought to buy out or build strategic alliances with competitors; nearly $1.3 trillion was spent on corporate mergers in the 1980s, more than the annual economic output of the UK.
answer: (a) cannibalism

A7 The Act also restores the power of local governments to issue *double-barreled* bonds, which are general obligation bonds payable from enterprise funds or from a special revenue source or both, with the general obligation of the local government acting as a back-up security.
answer: (a) double-barreled

A8 Dennis N. Abbott, a former trader at BP, admitted that he carried out a strategy to buy large quantities of February 2004 TET propane to become the dominant long-holder of TET propane; he intended that the purchasing strategy would *corner* the market by reducing the supply, permitting him to sell propane at an artificially inflated price.
answer: (c) corner

A9 Almost 10 years after Telfonos de Mxico (TMX), Mexico's 800-pound *gorilla*, was privatized, Mexicans still find reasons to hate the phone company; although the Mexican market has been open to competition for four years, the company is still a quasi-monopoly.
answer: (c) gorilla

A10 Since it is nearly Christmas, I thought I would write something about the Boston Snow *Indicator*: the theory is that if there is snow in Boston on Christmas day then the price of stocks will go up for the coming new year.
answer: (d) Indicator

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Business buzzwords: Unregistered securities

A1 An unregistered security may be sold by a broker, but specific documentation must be completed by the owner and presented to a broker before a sell order can be placed; moreover, this *letter* security may not be sold for at least two years from the date of purchase.
answer: (a) letter

A2 *Parking* violations involve a brokerage house or bank keeping a client's stock in its own name in disregard of its reporting requirements; such an act may allow the client to temporarily bypass his margin requirements, keep secret his position in a company, or stay within limits imposed by other rules.
answer: (c) Parking

A3 Now that investors are loath to believe anything good about a public company, con artists are finding that a new tactic, the '*short and distort*' scam, is working better; with this strategy, scammers profit by selling while gambling that a stock will decline — and subsequently forcing shares down by spreading nasty rumors about the company.
answer: (d) short and distort

A4 Plug Power (NASDAQ: PLUG) Long Recommendation: Seems to be reaching stops — weak *hands* shaken out — may hold $4 — add $3.50.
answer: (c) hands

A5 In the 1960s and 1970s, a group of bond dealers known as the Memphis Bond Daddies were notorious for their unscrupulous methods of selling tax-exempt bonds to the elderly; eventually closed down by regulators, their role was to dispose of the *toxic waste* generated as Collateralized Mortgage Obligations were sliced into more and increasingly complex tranches.
answer: (d) toxic waste

A6 Government *golden* shares have their risks and their costs: the full benefits of privatization will not be realized, for example, if management is completely protected from every sort of takeover, and the device could be abused by less scrupulous governments in order to maintain political control over an enterprise while nominally privatising it.
answer: (a) golden

A7 I personally favour, as long as it is open, what is called the '*sunshine trade*', all the cards on the table, everybody in the whole world knows what you are auctioning; the market will adjust immediately at that point and people will pay the price of it.
answer: (c) sunshine trade

A8 My first experience as an investor looking at companies trading below *cash* value was to buy the stock: how could I lose? — one could liquidate the company and make money at the very least.
answer: (b) cash

A9 The NYSE and the Chicago Mercantile Exchange agreed to impose restrictions when prices begin falling out of control; one safeguard is a shock *absorber*, a half-an-hour price floor that goes into effect on the S&P's 500 index whenever it drops on the Merc by the equivalent of about 96 points on the Dow Jones average.
answer: (a) absorber

A10 The human genome may go down in history as the biggest *white elephant* for humanity: it cost a lot and is useless, it does not work, and is so expensive to maintain and grows so big so fast that it will bankrupt the industry as well as entire nations.
answer: (d) white elephant

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Business buzzwords: Spin tour

A1 Shell Oil and a bunch of its friendly top executives are bringing a genuine old-fashioned dog and *pony* show to 50 towns this summer, and their goal is to convince angry consumers that Big Oil is not ripping them off; it's sure to be complete with photo ops and baby kissing, and it ought to be called the Web Minus Zero spin tour.
answer: (d) pony

A2 The *Super Bowl* indicator gets attention at this time every year due partly to the fact that there are so many fans on Wall Street trading desks; even Bob Stovall, who helped popularize it in the 1970s when he served as investment policy director at Dean Witter Reynolds, admits there's not a lot of logic or validity behind it.
answer: (b) Super Bowl

A3 A newer trading strategy is the *spark* spread, which is intended to simulate the profits from a power plant; it was possible from 1996 to 2002 to hedge or sell such a spread on Nymex by shorting electric power and buying the fuel used for generation fuel oil, natural gas, or coal.
answer: (c) spark

A4 Dunlop Standard Aerospace Holdings plc announced today that it will make an optional *partial* redemption of US$ 23.6 million aggregate principal amount of its 11-7/8% Senior Notes due 2009; the outstanding principal amount of the Senior Notes remaining after this redemption will be US$ 321.4 million.
answer: (c) partial

A5 The critical piece of this puzzle, the element that made it all work, was a transaction called a 'price *swap* derivative' between Enron and Raptor, in which Enron committed to give stock to Raptor if Raptor's assets declined in value; but the more Raptor's assets declined, the more of its own stock Enron was required to post.
answer: (c) swap

A6 In a number of *cowboy* marketing cases, a company has approved an email campaign because the marketer promised that it would send only to people who opted in to receive stock announcements; then the company is surprised to learn that the so-called 'opt-in list' is just a standard bulkmailer's list of addresses scraped from Usenet and the Web.
answer: (c) cowboy

A7 Six-year futures for light sweet oil and natural gas are among the most important indicators of value for oil and gas producers; such a far-sighted view, imperfect as it may be, is not widely available for the refining *crack*, the margin between crude oil and refined products.
answer: (a) crack

A8 In a *blitzkreig* takeover, iBank was suddenly history, and its blue, white and yellow marquee will soon be replaced by the blue and white of Unionbank, following the former's multibillion buy-out of the latter's majority shareholders concluded Friday; "The speed in which it was consummated really caught us off guard," quipped an iBank executive.
answer: (a) blitzkreig

A9 Technology is better than ever and more people than ever before are using it, but still, technology stock prices keep falling, and Wall Street is overcompensating by giving these stocks the cold shoulder: this is where we've gone astray. and it has more to do with the happenings on Wall Street than with problems on *Tech* Street.
answer: (c) Tech

A10 Federal Reserve Chairman Alan Greenspan said yesterday that the U.S. economy is 'going through a *soft* patch,' but that it won't hold back a 'broadening' economic expansion that has gained momentum this year.
answer: (b) soft

Business buzzwords: Food stocks

A1 Food stocks aren't as exciting as some of the tech names, but they don't go up nearly as much when the market is going crazy and they also don't go down as much because they're not as dependent on the economy; they're steady stocks, which is why Kraft could be a good *core* holding to diversify your portfolio.
answer: (c) core

A2 "Much of what happens in history," Nassim Taleb notes, "comes from Black *Swan* dynamics, very large, sudden, and totally unpredictable outliers, while much of what we usually talk about is just noise; our track record in predicting those events is dismal, yet by hindsight bias we think that we understand them."
answer: (d) Swan

A3 The Small Order Execution System allows small investors near-instant execution of trades of 1,000 or fewer shares on the Nasdaq, and these SOES *bandits* are a growing force in the market, accounting for about 15% of the trades on the Nasdaq Stock Market.
answer: (a) bandits

A4 When the CEO or minister announces the agency is going to *restructure* in the name of operational efficiencies or an expanded range of services, public sector managers suspect they are really hearing "The last approach didn't work, so let's try another".
answer: (d) restructure

A5 'Why Bill Gates?' — this is the question for a small clique of *siliconaires* — Scott McNealy of Sun Microsystems, Larry Ellison of Oracle, Steve Jobs of Pixar; a decade ago, the four geek tycoons were all stumbling around an industry as small as their pocket protectors, but Gates graduated into the history books, while the other three seem headed for footnote status.
answer: (c) siliconaires

A6 The director of a funds management company says that smaller companies focusing on a single service like sustainable living, alternative energy, etc. are less likely to be involved in big *uglies* like the defense industry and oil.
answer: (d) uglies

A7 The OS/400 high availability market was a *dog-eat-dog* market before the merger of one-time foes iTera and Vision, and that intense competitiveness continues following the merger.
answer: (c) dog-eat-dog

A8 Typically Wal-Mart and other retailers debut the eagerly awaited day-after-Thanksgiving specials a few days in advance; Wal-Mart hasn't officially debuted its Black *Friday* ads, but the information appears to have been leaked to a few Web sites.
answer: (b) Friday

A9 A dividend *clawback* is an arrangement under which sponsors of a project agree to contribute as equity any prior dividends received from the project to the extent necessary to cover any cash deficiencies.
answer: (b) clawback

A10 Since 1975, the number of money management firms that provide research and other products and services in exchange for commissions has grown; the total value of third-party research purchased annually with *soft* dollars is estimated to exceed $1 billion.
answer: (c) soft

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Business buzzwords: China's mass media

A1 Driven by increasing investments and consumption, China's mass media industry will grow into *a sunrise* industry with high profits and investment potential in future years; within the industry, newspaper, audio and video products and online games are the fields seeing the fastest growth potential, the blue paper said.
answer: (d) a sunrise

A2 At some point, investors will recognize that Wal-Mart stock is poised for a rebound, but what's needed to speed up that process is *a catalyst*, and sales of generic drugs may give Wal-Mart just the boost it needs.
answer: (b) a catalyst

A3 In his book, 'The Logical Trader', author Mark Fisher discusses techniques for identifying potential market tops and bottoms; one, the '*sushi roll*', has nothing to do with food, except that it was conceived over lunch where a number of traders were discussing market set-ups.
answer: (d) sushi roll

A4 Microsoft has an interesting, if dubious, *cookie jar* accounting scheme where profits from successful quarters aren't reported so that less successful quarters can be padded; this creates a false growth curve that is smooth and steady, not the typical up and down earnings you'd expect from a company that relies on periodic product rollouts.
answer: (a) cookie jar

A5 Perhaps the most famous example of a speculative *bubble* is the 'tulipmania' that struck 17th century Holland: Dutch collectors devised a hierarchy of values for the various flowers, the tulip became an object of speculation, and people mortgaged their homes and industries in order to buy the bulbs for resale at higher prices.
answer: (b) bubble

A6 Matlock allegedly made or retained no record of having received individual orders from customers, how many shares each had ordered, or when the orders were placed; *bunching* the orders allowed Matlock to grant preferential treatment to certain customers, and to himself.
answer: (c) bunching

A7 Golden *handcuffs* are to be offered across the ranks in a desperate bid by defence chiefs to stop the haemorrhaging of British troop numbers; the Ministry of Defence is drawing up plans for a massive expansion of a multi-million-pound programme offering bonuses of up to 5,500 if personnel promise to stay in the forces for at least two years longer.
answer: (c) handcuffs

A8 ETFs (Exchange-Traded Funds) do not sell individual shares directly to investors and only issue their shares in large blocks (blocks of 50,000 shares, for example) that are known as *creation* units.
answer: (b) creation

A9 Several Democratic groups have already begun spending large donations on advertising and get-out-the-vote activities, but Republicans had asked the Federal Election Commission to stop the activities under the campaign law that broadly banned big checks known as '*soft money*' from federal elections.
answer: (d) soft money

A10 Investments that glittered, but turned into *fool's* gold: the metal industry has been tarnished by several high-profile scandals in recent years that have left City banks owed millions of pounds and politicians red-faced.
answer: (a) fool's

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An economic profile of the Pacific Rim

A1 James V. Koch, in Business Horizons (March 1989), explains that it is now *commonplace* to talk of the Asian economic miracle, a phenomenon that has provided certain countries with the highest real rates of economic growth and the most rapidly rising per capita incomes in the world.
answer: (b) commonplace

A2 The beneficiaries of this miracle are only part of a larger, economically *fertile* area known as the Pacific Rim, and the World Bank predicts that the Pacific Rim will be the fastest growing region in the world over the next five years, averaging a real growth rate of 4.3 percent annually compared to an average of only 3.5 percent for all industrialized nations.
answer: (c) fertile

A3 The Pacific Rim *comprises* a group of extremely diverse countries that are united by their common access to the Pacific Ocean and their export-oriented economies.
answer: (c) comprises

A4 The United States and Japan dominate the Pacific Rim from an economic standpoint, while the economically immature People's Republic of China, by *virtue* of its more than one billion citizens, is a force of growing importance.
answer: (d) virtue

A5 Together, these three countries constitute the economic giants of the region; by comparison, the remainder of the countries of the Pacific Rim are economic *dwarfs.*
answer: (a) dwarfs

A6 Others in the region, the ASEAN group (Indonesia, Malaysia, the Philippines, Thailand, and Singapore), generally exhibit lower levels of per capita GDP than the NICs (Hong Kong, South Korea, and Taiwan) but are more fully *integrated* economically and have had high rates of economic growth in recent years.
answer: (c) integrated

A7 The British Commonwealth nations of Australia, Canada, and New Zealand are prosperous in terms of their per capita incomes, although they have exhibited only *modest* rates of economic growth in recent years.
answer: (d) modest

A8 The so-called 'Island Countries', such as Fiji, French Polynesia, Papua New Guinea, and Vanuatu, exhibit traditional native *agrarian* economies that are small in size and seldom based upon organized markets.
answer: (a) agrarian

A9 Finally, the considerable physical presence of the Soviet Union, Southeast Asian states such as Vietnam, and Spanish-speaking Central and South American countries such as Mexico and Peru *belies* their relatively insignificant economic role in the area to date.
answer: (c) belies

A10 There are surprisingly few common *threads* among the countries on the Pacific Rim; they are exceedingly diverse ethnically, politically, socially, religiously, and geographically.
answer: (d) threads

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Cross-border corruption

A1 Bribery has been the leading ethical issue in business activities, and international bribery is more complicated and has greater *repercussions* than bribery within one country.

answer: (a) repercussions

A2 Cross-border corruption has become a serious issue in international business especially in Asia's commercial activities, and is threatening the *integrity* of all cross-border business transactions.

answer: (d) integrity

A3 Cross-border bribery is bribery aimed at manipulating business decisions made by a public official or a corporate employee across the national border in such a way that they are no longer motivated by the *interest* of the employer.

answer: (a) interest

A4 The issue of cross-border bribery by American companies was first brought to public attention by the Foreign Corrupt Practices Act in 1977; it was recognized that many American companies were involved in questionable foreign payments in order to gain *an edge* over their competitors.

answer: (c) an edge

A5 It remains unclear, however, whether the Act has had any *detrimental* effect on the competitiveness of American companies in international business.

answer: (a) detrimental

A6 Cross-border corruption exists also in business activities between mainland China and Hong Kong: according to the Independent Commission Against Corruption, in *some* 50 Hong Kong companies with a production base on the mainland, payments intended to bribe accounted for three to five per cent of their operating costs.

answer: (c) some

A7 While the Prevention of Bribery Ordinance in Hong Kong gave the ICAC the power to *combat* corruption in Hong Kong, there has been no legislation similar to the FCPA that deals with cross-border corruption.

answer: (a) combat

A8 Mainland Chinese authorities too show much concern about the issue; the Premier's Office has issued Corruption Prevention Directives to *tackle* the problem.

answer: (c) tackle

A9 The influence of ethical norms on cross-border business transactions can be examined from three different *perspectives*: cultural relativism, ethical imperialism (universalism), and the development of contextualized hypernorms.

answer: (c) perspectives

A10 Education can be used to shape people's attitudes towards corruption, but this is a time-consuming process; an *expedient* alternative would be to pass legislation to deter business executives from giving or receiving bribes.

answer: (a) expedient

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Management of transboundary fishing

A1 In 'The Management of Transboundary Fishery Resources and Property Rights', Gordon R. Munro tackles one of the *knottiest* questions in the field of rights-based fishing.

answer: (a) knottiest

A2 His paper concerns itself with the difficult issue of managing transboundary fishery resources, in which state, *let* alone individual, property rights may be poorly defined.

answer: (c) let

A3 The paper aims to *break* new ground, in that the consequence for the management of transboundary fishing resources of establishing fishermen/company based property rights has never been properly dealt with.

answer: (a) break

A4 The paper begins with a brief history of the legal position of national ownership over *offshore* fishery resources.

answer: (c) offshore

A5 Munro reminds us that it is now established by the 1982 UN Convention on the Law of the Sea (CLS) that coastal states have property rights to the fishery resources contained within their Exclusive Economic Zones extending 200 *nautical* miles offshore.

answer: (d) nautical

A6 This principle established, coastal states such as Canada quickly discovered that the stocks *stubbornly* refused to stay within their EEZ, and hence international management issues arise.

answer: (c) stubbornly

A7 Two issues concern us here: one is the issue of 'shared stocks', which are fish stocks shared by two or more coastal states whose EEZs are *contiguous.*

answer: (a) contiguous

A8 The CLS *admonishes* coastal states to cooperate in the management of shared fishery resources, but provides little or no guidance as to how the cooperation is to be effected.

answer: (a) admonishes

A9 The second issue is that of 'straddling stocks', or those that move back and forth between a country's EEZ and the *high* seas.

answer: (c) high

A10 The new element which is introduced into resource management when the resource is transboundary is the fact that the resource is subject to *exploitation* by one, two, or more states which can be expected to interact with one another.

answer: (b) exploitation

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Technology licensing

A1 Technology licensing is a contractual arrangement in which the licensor's patents, trademarks, service marks, copyrights, trade secrets, or other *intellectual* property may be sold or made available to a licensee for compensation that is negotiated in advance between the parties.

answer: (c) intellectual

A2 This compensation, or royalties, may be a *lump* sum royalty, a running royalty (royalty that is based on volume of production), or a combination of both.

answer: (c) lump

A3 A technology licensing agreement usually enables a firm to enter a foreign market quickly, and *poses* fewer financial and legal risks than owning and operating a foreign manufacturing facility or participating in an overseas joint venture.

answer: (c) poses

A4 Licensing also permits U.S. firms to overcome many of the tariff and nontariff barriers that frequently *hamper* the export of U.S. manufactured products.

answer: (c) hamper

A5 Technology licensing can also be used to acquire foreign technology, such as *cross-licensing* agreements awarding rights to improved technology developed by a licensee.

answer: (b) cross-licensing

A6 Franchising is also an important form of technology licensing used by many service industries, where the franchisor (licensor) permits the franchisee (licensee) to employ its trademark or service mark in a contractually *specified* manner for the marketing of goods or services.

answer: (c) specified

A7 As a form of 'exporting', technology licensing has certain potential *drawbacks*: one negative aspect of licensing is that control over the technology is weakened because it has been transferred to an unaffiliated firm.

answer: (c) drawbacks

A8 In considering the licensing of technology, it is important to remember that foreign licensees may attempt to use the licensed technology to manufacture products in direct *competition* with the licensor or its other licensees.

answer: (b) competition

A9 In many instances, U.S. licensors may wish to *impose* territorial restrictions on their foreign licensees, depending on U.S. and foreign antitrust laws as well as the licensing laws of the host country.

answer: (c) impose

A10 Also, U.S. and foreign patent, trademark, and copyright laws can often be used to bar unauthorized sales by foreign licensees, provided that the U.S. licensor has valid patent, trademark, or copyright protection in the United States or the other *pertinent* countries.

answer: (c) pertinent

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International accounting standards (1)

A1 With the activities and interests of investors, lenders and companies becoming increasingly global, the Securities and Exchange Commission is increasing its involvement in a number of forums to develop a globally accepted, high quality financial reporting *framework.*

answer: (b) framework

A2 Our efforts, at both a domestic and international level, consistently have been based on the view that the only way to achieve fair, liquid and efficient capital markets worldwide is by providing investors with information that is *comparable*, transparent and reliable.

answer: (c) comparable

A3 That is why we have pursued a dual objective of upholding the quality of financial reporting domestically, while encouraging *convergence* towards a high quality global financial reporting structure internationally.

answer: (b) convergence

A4 Over the last two decades, the global financial *landscape* has undergone a significant transformation.

answer: (a) landscape

A5 These developments have been *attributable*, in part, to dramatic changes in the business and political climates, increasing global competition, the development of more market-based economies, and rapid technological improvements.

answer: (d) attributable

A6 Our efforts to develop a global financial reporting structure have been guided by the *cornerstone* principle underlying our system of regulation — pursuing our mandate of investor protection by promoting informed investment decisions through full and fair disclosure.

answer: (b) cornerstone

A7 In 1988, we issued a policy statement that noted that all securities regulators should work together *diligently*, to create sound international regulatory systems that will enhance the vitality of capital markets.

answer: (c) diligently

A8 Currently, issuers wishing to access capital markets in different jurisdictions must comply with the requirements of each jurisdiction, which differ in many *respects.*

answer: (b) respects

A9 Throughout this effort, we have been *steadfast* in advocating that capital markets operate most efficiently when investors have access to high quality financial information.

answer: (d) steadfast

A10 While the accounting standards used must be high quality, they also must be supported by an infrastructure that ensures that the standards are *rigorously* interpreted and applied, and that issues and problematic practices are identified and resolved in a timely fashion.

answer: (d) rigorously

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International accounting standards (2)

A1 High quality accounting standards are critical *to* the development of a high quality global financial reporting structure.
answer: (c) to

A2 Different accounting traditions have developed around the world in response to varying needs of users for whom the financial information is prepared; in some countries, accounting standards have been *shaped* primarily by the needs of private creditors, while in other countries the needs of tax authorities or central planners have been the predominant influence.
answer: (b) shaped

A3 Establishing and maintaining high quality accounting standards are critical to the U.S. approach to regulation of capital markets, which depends on providing high quality information to facilitate *informed* investment decisions.
answer: (d) informed

A4 High quality accounting standards are essential to the efficient functioning of a market economy because decisions about the allocation of capital rely heavily on *credible* and understandable financial information.
answer: (c) credible

A5 When issuers prepare financial statements using more than one set of accounting standards, they may find it difficult to explain to investors the accuracy of both sets of financial statements if significantly different operating results, financial *positions* or cash flow classifications are reported under different standards for the same period.
answer: (c) positions

A6 Questions about the believability of an entity's financial reporting are likely where the differences highlight how one approach *masks* poor financial performance, lack of profitability, or deteriorating asset quality.
answer: (b) masks

A7 Also, the audit is an important element of the financial reporting structure because it subjects information in the financial statements to independent and objective *scrutiny*, increasing the reliability of those financial statements.
answer: (d) scrutiny

A8 Recent events in the United States have highlighted the importance of high quality auditing standards and, at the same time, have *raised* questions about the effectiveness of today's audits and the audit process.
answer: (d) raised

A9 Audit firms should have a responsibility to *adhere* to the highest quality auditing practices, on a world-wide basis, to ensure that they are performing effective audits of global companies participating in the international capital markets.
answer: (b) adhere

A10 Historically, audit firms have developed internal quality control systems based on their domestic operations; however, as clients of audit firms have shifted their focus to global operations, audit firms have followed *suit* and now operate on a world-wide basis.
answer: (d) suit

Optimal hedging

A1 The article, 'Optimal Hedging and Foreign Exchange Risk', by Nancy Beneda, illustrates the technique of computerized optimization and *simulation* modeling to manage foreign exchange risk, and the results indicate that a lower level of risk can be achieved, given a specified level of expected hedging cost, from using optimization modeling.

answer: (b) simulation

A2 The focal point of the technique is its ability to identify optimal combinations of hedging *vehicles* (i.e. futures, options, forward contracts, leaving the position open).

answer: (d) vehicles

A3 An optimal combination is one which minimizes the *variance* of the expected cost of the commodity (i.e. foreign currency), given a desired level of hedging cost.

answer: (a) variance

A4 This paper examines optimal hedging strategies for a *long* position in the Japanese yen/US$ foreign exchange market.

answer: (a) long

A5 In the *context* of this paper, the expected hedging cost is the expected cost of the commodity (i.e. foreign currency) using a specified hedging strategy minus the expected cost of the foreign currency when the position is left open.

answer: (c) context

A6 The technique is similar to achieving optimal portfolios: portfolio theory suggests that optimal allocations of *a pool* of money exist which minimize the standard deviation of the portfolio for any targeted expected return.

answer: (c) a pool

A7 The optimization methodology increases the hedger's range of choices, and in this way risk managers will have the information needed to choose the desired level of foreign exchange risk which fits *in with* the firm's overall risk strategy.

answer: (a) in with

A8 Being able to more accurately measure the total risk which a firm faces will result in a better understanding of the extent to which the firm will be able to handle new *speculative* projects.

answer: (d) speculative

A9 Risk-return analysis suggests that the amount of gain expected from investing is *positively* related to the level of risk incurred.

answer: (d) positively

A10 If this concept is applied to hedging, the more risk a hedger is willing to *incur*, the more gain potential from favorable market conditions there will be for the hedger, and the lower the expected hedging cost.

answer: (c) incur

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Top 10 online marketing predictions for 2007

A1 Social networking (like YouTube and MySpace) will get more and more *niche*; people use specific tools to connect, recommend, rate and communicate within their groups, and for this reason, there are many types of social media now and there will be five times this many by the end of next year.
answer: (c) niche

A2 *Viral* campaign websites (initiated by Spent2000.com) will have a purpose; next year will feature more substantial sites, like Philips's ShaveEverywhere, PassportToFlavor from Kettle Foods, and Snakes on a Plane.
answer: (d) Viral

A3 *User-generated* content (which enables customers to co-create with their brands) will be a component on most new websites; ultimately, allowing users to post their stories through text, images and video helps to build community and long-term brand loyalty.
answer: (c) User-generated

A4 Email marketers will demand to know more advanced strategies for their email programs by asking questions like these: How does this email *render* in the default settings of the different email environments (AOL, Yahoo, Gmail, Hotmail, etc.)? What content shows up above and below the fold on the email preview?
answer: (d) render

A5 Quality content is more important now than ever before; there is a *glut* of content, and it's only going to get more crowded.
answer: (c) glut

A6 Most successful companies will become media companies: more and more companies are starting their own blogs, stepping into their customers' shoes and providing them with more industry knowledge and news rather than simply ramming products down their *throats.*
answer: (c) throats

A7 The Democrat majority in Congress swings the tide of online marketing: marketers will push the *envelope* far more aggressively in 2007 now that the fear of death by Republican firing squad has been reduced.
answer: (d) envelope

A8 Greater integration of video into all websites; the ShaveEverywhere site proves that the use of video is hugely *engaging* and effective in converting sales.
answer: (b) engaging

A9 eROI published an email study in early 2006 showing a direct correlation between smaller, more relevant lists and higher open and *click* through rates; updating email content and starting a conversation will be more important as people move toward seeing their inboxes as sacred places that they don't want violated by one-way advertising messages.
answer: (a) click

A10 Thoughtful, *cause-related* marketing is the biggest winner in 2007: ask your company what one nonprofit they want to support, and throw a lot of energy behind it, and you'll see that your employees, customers, and prospects will help you take this cause, and indirectly your company, to the next level.
answer: (a) cause-related

Apple advertising philosophy

A1 It was on September 30, 1997 that Steve Jobs revealed Apple's new marketing strategy, which would entail focusing on Apple's brand; Steve cited Nike commercials that left people with a feeling of physical excellence without ever showing the *shoe.*

answer: (b) shoe

A2 The problem with Steve's *analogy* is, of course, that Nike doesn't just advertise with television ads, Nike also sponsors athletes, tons of them.

answer: (c) analogy

A3 Undoubtedly Apple would have pursued the sponsorship idea, but since people won't willingly watch other people use computers, they were unable to *avail* themselves of that option.

answer: (b) avail

A4 Apple's strategy may have been mistaken, incomplete or a *stroke* of genius depending on your perspective.

answer: (d) stroke

A5 In any event, Apple held the *course* for years: if you were to take any particular television ad produced between the date of Steve's speech and the most recent July you'll note that they share a common theme.

answer: (a) course

A6 What could a TV spot featuring Einstein, Gandhi, Picasso and a Richard Dreyfuss voiceover have in common with G4 towers surrounded by tanks? — rest assured the common theme is there, but it takes a moment to *ferret* the thing out.

answer: (b) ferret

A7 Once it *hits* though, it becomes impossible not to notice it in every subsequent ad.

answer: (a) hits

A8 The theme isn't one of some hidden message or even a *shared* background but rather something that is omitted: specifically, you never see the Apple products actually working.

answer: (d) shared

A9 You'll be treated to spinning Macs, slovenly snails, or silhouettes dancing, but never an actual product doing what it was designed to do: the most *unfathomable* example of this is the spot introducing Airport.

answer: (d) unfathomable

A10 While the technology has become commonplace today it was Apple who first *glommed* onto the wireless future, yet they never showed Airport operating wirelessly.

answer: (b) glommed

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Quebec tourism

A1 Between now and 2010 the *outlook* for growth in international tourism in French Canada appears excellent.

answer: (b) outlook

A2 Around the world, international tourist arrivals will *escalate* from 702 million in 2000 to 1.18 billion in 2010, an increase of 45%.

answer: (c) escalate

A3 Tourist clienteles travelling to foreign destinations will become increasingly diversified as a result of the emergence of new *originator* markets.

answer: (c) originator

A4 The outlook for domestic tourism is interesting: retirees during this period (especially between 2005 and 2010) will be wealthier than their *predecessors.*

answer: (d) predecessors

A5 Contrary to the past decade, the active population should benefit from more *disposable* income with a lowering of income tax rates; therefore, people will have more money to travel.

answer: (d) disposable

A6 The increasing number of Canadian retirees will have an impact on travel behaviour, with the emphasis likely to be placed on short trips during the *off-season.*

answer: (b) off-season

A7 Finally, the population of *allophones*, who tend to travel little in Qubec, is growing.

answer: (a) allophones

A8 However, competition will continue to be *fierce* on all markets.

answer: (c) fierce

A9 Under the pressure of demographic, social and technological changes, clienteles are becoming diversified and demanding, which is having a major impact on tourism behaviour: interests are multiplying, leading to a rising number of *theme* trips and an upsurge in products and activities.

answer: (d) theme

A10 More and more often, tourists are seeking *memorable*, personalized trips that feature better integrated products and services; currently, the most successful businesses are those that organize their products in the form of experiences (for example, cruises).

answer: (b) memorable

Business buzzwords: Worst investments

A1 Investment *turkeys* of 2002: the three worst-performing funds of the year — Aberdeen Fund of Investment Trusts, Exeter High Income and Aberdeen Progressive Growth — are all invested in split capital trusts.
answer: (d) turkeys

A2 Buying and selling stock rather than looking for dividend income was seen as a new form of entertainment for women in 1720: "Stock-*jobbing* is now become so laudable, that many great ladies forsake their tea to go to Change Alley", reported one paper, while another announced that "several great ladies repair into the city, and pawn their jewels to buy South Sea".
answer: (b) jobbing

A3 In its effort to thwart the takeover attempts of Campeau Corp., FDS unveiled a restructuring plan to sell off its discount chain and other non-department store assets; the retailer said it may also seek a 'white *squire*' by issuing new preferred stock with a value of 15 percent of total outstanding shares in the company.
answer: (c) squire

A4 On one side, double-*dippers* offer fund-of-fund vehicles for hedge fund investors and on the flip side they offer contract marketing agreements on the hedge fund side, so it is possible for them to not only make money from their own investors but also clip a marketing fee for putting their fund-of-funds investment with a manager in any given strategy.
answer: (b) dippers

A5 Most specialty drug companies obtain product rights only for one or two national markets and so cannot fund clinical development and sales expansion by sub-licensing or partnering; they must sell equity to finance 100% of development & marketing costs, resulting in highly *diluted* founders and lower returns for all their investors.
answer: (b) diluted

A6 Instead of benefitting the company, the defendants have saddled it with a risky and costly share repurchase program, in order to dispose of its cash and make it less attractive to potential buyers; the plan was designed as a defensive barrier akin to a '*suicide pill*', decreasing the likelihood of any potential acquirer making an offer for the company.
answer: (d) suicide pill

A7 The ICF is a new private-public partnership, focused on improving the continent's investment *climate*; our mission is to make Africa an even better place to do business, by removing obstacles to domestic and foreign investment and by promoting Africa as an attractive investment destination.
answer: (b) climate

A8 Since 2000, Market Harmonics has been dedicated to giving traders and investors an edge through an understanding of what truly drives markets — investor psychology; in the research area, we have specialized in tracking market *sentiment* as the key to successful and profitable trading.
answer: (d) sentiment

A9 IRC has agreed to pay $37.4 million to acquire a sliding-scale NSR royalty on the Pascua Lama gold project, expected to become Barrick's third largest gold operation; the acquisition is expected to provide significant growth in cash flow, and by having the world's largest gold producer as its operator, long life and low cash costs, this is truly a *marquee* asset.
answer: (a) marquee

A10 Back in the far off days of the early 1980's the general view was that, when battered by a financial market *crash*, investor risk-aversion increased and that it tended to take about a decade for the pain experienced from severe financial loss to ebb.
answer: (b) crash

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Business buzzwords: Penny stock

A1 A small group of speculators will accumulate a large number of shares in a penny stock, and once their positions are in place, they will release positive financial *porn* — news so unexpected and titillating it can drastically affect people's perception of the stock; the intent is to get small time investors to start trading irrationally.
answer: (d) porn

A2 We are downgrading Brady Corp. to *market* perform from outperform, as we believe the issues the company is facing in its OEM business may take several quarters to resolve, which will likely limit stock appreciation until visibility improves.
answer: (b) market

A3 When she hears stirrings of a corporate takeover by the family's archrival, North Grayhawk, Jocelyn heads to North's ranch to offer a valuable commodity — herself — if he will call off his plans: "He's the man my shark *watcher* says is our anonymous corporate raider," she explained.
answer: (d) watcher

A4 To many, perhaps most, observers of today's legal scene, a 'white *shoe*' law firm is nothing more than a large, prominent firm serving a primarily corporate clientele; but those who entered the profession before the 1980s can remember a time when there were those firms and there were the Jewish firms, and the former worked to keep it that way.
answer: (c) shoe

A5 When you 'pay *yourself* first', you send 10% of your paycheck (your take-home pay) to a separate account before you have a chance to spend it; combined with your tax-deferred savings, this monthly contribution to your long-term savings will make you wealthy over time.
answer: (c) yourself

A6 Stop *hunting* is a practice by traders and/or market makers whereby they move prices intentionally to hit a specific level in order to trigger the stop orders they know are piled up there; the reason for doing so is to be able to take the other side of those trades and profit by the short-term move the flurry of activity creates.
answer: (b) hunting

A7 This is a good place to start if your company isn't one of the elite investment banks that pay their top traders to attend; this information is critical to trading success, and if you want to make a *buck* a year ($US1million in trading terms) you better start here.
answer: (a) buck

A8 Any 'stock *idea*' is subject to detailed fundamental analysis using a framework based on four key factors of quality, value, growth and change; if detailed analysis demonstrates the opportunity for a stock to achieve a significant return, it becomes a conviction recommendation and is swiftly communicated to product managers for consideration in portfolios.
answer: (a) idea

A9 At a time when your career is reaching a peak and you are looking ahead to your own retirement, you may find yourself in the position of having to help your children with college expenses while at the same time looking after the needs of your aging parents: squeezed in the middle, you've joined the ranks of the '*sandwich* generation'.
answer: (b) sandwich

A10 The Rule of *18* is a rule whereby the sum of the inflation rate and the P/E ratio of the Dow Jones Industrial Average is an indicator of the direction of the stock market.
answer: (a) 18

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Business buzzwords: Stale inventory

A1 Some companies allow inventory to become stale through product obsolescence or inattention; it sits on balance sheets, consumes capital to maintain, and is unattractive to potential buyers, and analysts get a good picture of *FISH* accounting when inventory turns are slowing over time and consistently below industry averages.
answer: (c) FISH

A2 For widely held, publicly traded firms, dividends are taken as a signal that the firm is financially healthy; but this 'signaling *approach*' is not applicable to closely held firms, where communication between management and shareholders is more direct and signals are not required.
answer: (a) approach

A3 New brokers got the desks nearest the noise of the quote board, but as a broker gained experience and stature he got to move further away from the board; most brokers moved out of the *bullpen* to a private office when they had enough experience and customers to justify the move to management.
answer: (c) bullpen

A4 Should the U.S. stock market rally falter, some analysts may try to blame it on the *TED* spread, which measures the gap between the prices of U.S. Treasury bills and Eurodollar deposits; this has lately been at its lowest level ever, and that, to some, is an ill omen for interest rates and share prices.
answer: (b) TED

A5 Apple is in the *pink*: Apple Computer is riding a wave that shows no sign of breaking; on March 6, the Cupertino, CA-based computer pioneer celebrated its highest stock price in over three years, buoyed by the popularity of Apple's iPod portable music player and the company's iTunes downloadable music service.
answer: (c) pink

A6 Missouri's commitment to openness in government is clearly stated in Section 610.011 of the *Sunshine* Law: "It is the public policy of this state that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless otherwise provided by law."
answer: (c) Sunshine

A7 Ours is an era when huge increases in home values and stock prices make people feel richer and cause them to buy more; they spend more of their regular incomes, borrow more or sell something, most likely stocks, so you can imagine this 'wealth *effect*' as a powerful afterburner that's boosted the economy for roughly 20 years.
answer: (b) effect

A8 Inventory *shrinkage*, a combination of employee theft, shoplifting, vendor fraud and administrative error, cost United States retailers over $31 billion last year according to the latest National Retail Security Survey report on retail theft, which analyzed theft incidents from 118 of the largest U.S. retail chains.
answer: (c) shrinkage

A9 In the London equities markets, both the FTSE 100 and the FTSE 250 finished both the day and the week on a positive note; volume was a very high 4.1 billion shares traded, explained by a double *witching* hour in which both stock options and index futures on the main index expired.
answer: (c) witching

A10 With the SMTP forwarding feature, Fetchmail pulled far enough in front of the competition to potentially become a *category* killer, one of those classic programs that fills its niche so competently that the alternatives are not just discarded but almost forgotten.
answer: (a) category

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Business buzzwords: 2007 market decline

A1 The market decline on Tuesday, February 27th, 2007, was triggered by the 'Shanghai *Sneeze*', a steep fall in stock prices on China's Shanghai market, which triggered big declines in other stock markets around the world.
answer: (b) Sneeze

A2 Style *drift* is a serious problem for clients because it distorts asset allocation and undermines performance when styles rotate; value managers who have slowly changed over the past three years toward more favored growth stocks are regretting those moves, but not as much as their clients.
answer: (a) drift

A3 On a recent Friday, the foreign currencies and exchange floor looked like a large frat party without beer: runners in yellow jackets gave each other backrubs, frisked each others' pockets for bid cards, and flung waste paper aside while traders flung themselves around the *pit* , conducting their business by the time-honored means of 'open outcry.'
answer: (c) pit

A4 Traders often times will adopt a simple buy low, sell high' range bound approach, but when we strive to pick the next major top or bottom, we may encounter a fairly frustrating event: our trade is stopped *out* as the market continues to slightly new highs or lows.
answer: (b) out

A5 China has just announced that it is going to come off the dollar peg currency arrangement, but in fact this is a very *dirty* float, since the trading price of the US dollar against the renminbi will now float within a trading band of plus or minus 0.3 per cent, while the band of other currencies against the renminbi will be set by the central bank.
answer: (a) dirty

A6 The appropriate procedure in evaluating returns adjusted for risk is to subtract from a fund's return the risk-*free* return (here taken as the return on United States government money market funds), and to divide the surplus return by the fund's beta, the measure of risk.
answer: (b) free

A7 Many start-up companies issue stock warrants or options under one of two scenarios: (1) as a *sweetener* to induce potential investors to purchase stock in an offering or (2) as compensation for executives, directors or other service providers; when these situations are distinct, the tax treatment is very straightforward.
answer: (d) sweetener

A8 When he was a U.S. attorney, Rudolph Giuliani is credited with patenting the *perp* walk for white-collar defendants: when three prominent Wall Street traders and bankers were accused of insider trading, Giuliani had the defendants arrested at their offices, handcuffed and escorted from the building to a mob of press that had been previously alerted.
answer: (c) perp

A9 The markets that consistently show the largest amounts of inefficiency are the dollar-pound-yen, dollar-mark-yen, and dollar-yen-franc markets; inefficiencies in *triangular* arbitrage imply that risk-free profitable opportunities exist, and attentive traders can take advantage of these.
answer: (d) triangular

A10 Energy exchanges offer *crack* spreads as futures, where both legs of the combination (crude oil and an oil product) can be traded in one single transaction; these derivatives help refineries to offset or manage their risks, but investors can also use these instruments.
answer: (a) crack

Business buzzwords: Lost horizons

A1 An investor with a short horizon should buy stocks in *bull* markets, thus chasing general trends; an investor with a long horizon should reduce her commitment to stocks in the same markets.
answer: (b) bull

A2 Markets are full of *cats and* dogs — stocks of unprofitable companies that at some point fly through the roof,defying gravity: each dog has its day in the sun before reality sets in.
answer: (a) cats and

A3 Marty Lipton and Joseph Flom's first big tender fight was the $84 million Colt (Flom) takeover of Garlock (Lipton), where the term 'Saturday Night *Special*' was coined to describe Colt's lightning raid.
answer: (d) Special

A4 With regard to the share transfer document, if the handwriting expert opinion is accepted, it would show that Kokabi was a *dummy* shareholder, who was used to secure the allocation of a school plot to a company controlled by Parastaran which would otherwise not have qualified to be allocated.
answer: (d) dummy

A5 In a troublesome stock market, many investors seek out something that gives them confidence that a stock will pay off big over the next five or 10 years, allowing them to ignore the bumps and bruises that might come over the short run; typically, these kinds of *story* stocks have glowing potential, but some things that glow could be radioactive.
answer: (c) story

A6 Despite all the hand-wringing about the dangers of hedge funds, regulators have been reluctant to clamp down; the President's Working Group said that concerns about hedge funds' impact on average investors "can be best addressed through sound practices on the part of the fiduciaries that manage such vehicles." — in other words, *caveat emptor.*
answer: (a) caveat emptor

A7 Rather than quoting a specific price, a fast *tape* will give a range of prices for an investment marked by the word 'fast' to indicate that the market is moving rapidly.
answer: (d) tape

A8 The leading *bulge* bracket banks are US firms Goldman Sachs, Morgan Stanley Dean Witter and Merrill Lynch; these three are regarded as being in a super league of their own, because of the scale and quality of their work across the full range of investment banking business sectors and geographical regions.
answer: (b) bulge

A9 Much controversy surrounds the question of whether the victim of a breach of contract may seek, as an alternative to the claim for damages, the remedy of *disgorgement* of the profits secured through breach by its perpetrator.
answer: (c) disgorgement

A10 Wall Street heads toward Christmas sitting on healthy gains for 2006 after another solid week, and some analysts say the so-called Santa Claus *rally* may not be over yet: the blue-chip Dow Jones Industrial Average vaulted to a new all-time closing high Friday of 12,445.52 with a weekly gain of 1.12 percent.
answer: (a) rally

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Business buzzwords: Platinum blonde

A1 By the 1930s, platinum blonde hair was in vogue, and actresses Marian Davies and Jean Harlow personified the look of the early 1930s; oddly, hemlines went down again after the Stock Market Crash of 1929, helping to create the *skirt length* theory of economics.
answer: (d) skirt length

A2 A *phishing* attack succeeds when a user is tricked into forming an inaccurate mental model of an online interaction and thus takes actions that have effects contrary to the user's intentions.
answer: (b) phishing

A3 'The Mail on Sunday' called Andy Gilchrist, the fire union leader, a 'fat *cat*' for his 82,000 salary, but its editor-in-chief, Paul Dacre, receives a basic yearly salary of 690,000 — so who's fat?
answer: (b) cat

A4 The Companies Act defines '*sweat* equity shares' as equity shares issued by the company to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions.
answer: (c) sweat

A5 A European-type payer *swaption* gives the owner the right to enter a swap at a predetermined fixed rate, where s/he pays the fixed leg of the contract and receives the floating leg, i.e. the Libor rate, at the expiration (maturity) of the option.
answer: (d) swaption

A6 Dell bucked the upward trend in hardware manufacturers by closing lower; like Apple and Gateway, the company saw *coverage* initiated by Needham & Co. though the Austin, Tx. based company was rated a 'Hold', which is a somewhat negative rating.
answer: (c) coverage

A7 Stock prices used to have a fractional component, which was generally quoted in sixteenths of a dollar (called a *teenie* by stock market insiders), but there are no major stock markets that trade in sixteenths nowadays — The NYSE converted to the decimal system on January 29, 2001.
answer: (d) teenie

A8 The report filed with the SEC added details of the 'corporate *kleptocracy*' Black and Radler created at Hollinger: it said they treated the company as a 'piggybank' and fashion accessory, with Black using the prestige of the newspapers to gain access to the wealthy, powerful and royal.
answer: (c) kleptocracy

A9 *Scalping* is based on an assumption that most stocks will complete the first stage of a movement; some of the stocks will cease to advance and others will continue, and the dealer intends to take as many small profits as possible, not allowing them to evaporate.
answer: (a) Scalping

A10 It was agreed that in response to the clamor of the outside public, Daniel Drew was to be officially ousted, and a *dummy* director put in his place, while he remained in actual charge of their mutual affairs; this was done at the stockholders' meeting of October 18, 1867.
answer: (b) dummy

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Business buzzwords: Odd auction

A1 *A Dutch* auction is characterized by its decreasing price mechanism: the auction starts at a relatively high price and repeatedly decreases the price until a bid is announced by one of the auction participants; the auction is then terminated and the bidder wins the auction.
answer: (a) A Dutch

A2 *Boomerang* workers were your company's onetime peak performers who left your employ for advancement opportunities elsewhere, for more salary or other reasons; with the scarcity of qualified workers, workplace demographics are putting pressure on companies to woo these former workers back.
answer: (a) Boomerang

A3 *Scripophily* is the hobby of collecting scrip such as securities, documents and ephemera issued by firms and governments in the past; usually these securities have no value as financial claims, though they may have considerable value for their artistic merit or historical interest.
answer: (c) Scripophily

A4 Futures traders frequently manipulated prices: from the end of the Civil War until 1879, *corners* (control of enough of the available supply of a commodity to manipulate its price) allegedly occurred with varying success in wheat (1878/9), corn (1868), oats (1874), rye (1868) and pork (1868).
answer: (b) corners

A5 Each quarter, the NYSE publishes circuit *breaker* levels at 10 and 20-percent of the average value of the Dow from the prior month: if the market drops beyond these points, trading is stopped for a specified time based on the time of day when the drop occurred.
answer: (b) breaker

A6 A *sushi* bond is a bond that is not denominated in yen and is issued in any market by a Japanese financial institution; this type of bond is often bought by Japanese institutional investors.
answer: (d) sushi

A7 The investing method known as the *Dogs* of the Dow, is simply to buy equal dollar amounts of the ten Dow stocks with the highest yield and hold them for one year; for the last 25 years, this canine approach has compounded at an annual rate of 18%, beating the market (15%) soundly.
answer: (a) Dogs

A8 The SEC has accused the former CFO of Lantronix Inc. of engaging in a scheme to overstate financial results for personal gain through artificially boosting sales by offering distributors special terms to induce them to purchase more product than they needed, which is called channel *stuffing.*
answer: (d) stuffing

A9 GM has terminated customer leases of the EV-1 high-tech vehicle and sent the cars to the crusher, and it has waged its *scorched* earth policy against a technological threat before: in the 1940s, it bought out the electric street car industry and burned all the cars so it could replace them with diesel buses.
answer: (a) scorched

A10 The survivorship *bias* problem has increased in recent years as mutual fund families try to bury poor performance; in 1998 alone, 387 stock and bond funds were merged out of existence, an increase of 43% over the previous year.
answer: (b) bias

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Business buzzwords: Taking delivery

A1 When used of deliveries on futures contracts, the term '*strong* hands' usually means that the receiving party will probably take delivery and retain ownership of the commodity; when speaking of futures positions, the term usually means positions held by trade interests or well-financed speculators.
answer: (d) strong

A2 *A chameleon* option is an option that has the ability to change its structure, should certain pre-determined terms of the contract be met: an example would be a put option that automatically changes into an identical call option after the price of the underlying exceeds a certain price.
answer: (b) A chameleon

A3 Normally, a firm's earnings and dividends grow at some constant rate forever; one category of nonconstant growth stock is *a supernormal* growth stock, which has one or more years of growth above that of the economy as a whole, but at some point the growth rate will fall to the normal rate.
answer: (d) a supernormal

A4 *Control* securities are those held by an affiliate of the issuing company — a person, such as a director or large shareholder, who has the power to direct the management and policies of the company in question, whether through the ownership of voting securities, by contract, or otherwise.
answer: (a) Control

A5 In less than 40 years, the *BRICs* economies together could be larger than the G6; by 2025 they could account for over half the size of the G6, though their growth may slow significantly toward the end of the period, with only India seeing growth rates significantly above 3% by 2050.
answer: (b) BRICs

A6 When Enron *cooked* the books, there were rightly no end of indignant columns and talk shows condemning these high-paid fraudsters who massaged the numbers to fit their agenda and bolster their bank accounts.
answer: (b) cooked

A7 A prestigious *seat* on the New York Stock Exchange is plummeting in value, and industry experts blame the decline on slower volume on the exchange, which shrinks fees, as well as thinner spreads between bid-and-ask prices for stocks traded.
answer: (d) seat

A8 *Securitization* involves pooling and structuring predictable cash flows, derived from the transfer and sale of assets, to an entity that is 'bankruptcy remote'; among other benefits, this is an efficient source of off-balance-sheet financing.
answer: (c) Securitization

A9 This $1,000 compromise undermines the principle of campaign finance reform and is awkward to implement: it leads to a situation using dollars to chase *nickels*, because significant staff resources are used to try to verify that corporate subsidiaries, for example, are not being used to violate the $1,000 rule.
answer: (b) nickels

A10 The SEC alleged that George Motz, the President of MFA, engaged in fraudulent trade allocation or '*cherry-picking*': Motz allegedly unfairly allocated trades that had appreciated in value to MFA's proprietary trading account and allocated purchases that had depreciated in value to the accounts of his advisory clients.
answer: (b) cherry-picking

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Business buzzwords: Listed for destruction

A1 With the approval of the SEC, the DTCC will be taking the first steps of a multi-year initiative to eliminate non-transferable certificates and help lower expenses for holding such certificates in custody; once an issue is listed for destruction, DTC said it would *chill* all activity on that issue.
answer: (b) chill

A2 *Equity* stripping is a type of predatory lending brought on by the housing boom: as housing prices and property taxes skyrocket, many homeowners are forced into default; the stripper, in one way or another, satisfies the loan and usually takes the title.
answer: (a) Equity

A3 The Minister of Finance pays the Royal Canadian Mint to produce and distribute all coins; it costs the Mint about 12 cents to produce and distribute a dollar coin, which generates for the government approximately 88 cents in *seigniorage* on each $1 coin sold to financial institutions at face value.
answer: (d) seigniorage

A4 Reminiscent of the 'Asian *contagion*' triggered by Thailand in 1997, which became a full-blown financial crisis, other Asian stock indices reacted to the Thai news with sharp falls on Tuesday: the Bombay Stock Exchange's Sensitive Index dropped 2.5% and Indonesia's Jakarta Composite Index lost 2.9%.
answer: (a) contagion

A5 Yoshiaki Murakami flouted convention once again by launching a hostile takeover bid against Shoei Co., a little-known electronics and real estate company; this *Black* Knight, who heads his own M&A consulting firm, MAC Corp., lambasted Shoei's managers for the company's sluggish stock price.
answer: (a) Black

A6 These organizations may award *seed* capital for especially promising projects that meet their guidelines: this money can be used for initial investment in a project or startup company, for proof-of-concept, market research or initial product development.
answer: (d) seed

A7 For a company, being '*streetable*' means that it is of high enough quality to have the respect of the financial district; although individuals are the ones who come to eventually own companies, a company must first impress the investment bankers and those on Wall Street to make it to the market.
answer: (c) streetable

A8 A *wash* is a situation in which two events or actions have the effect of nullifying each other; in terms of investment, this could be when the gains in a portfolio equal the losses.
answer: (d) wash

A9 *Com-dev* companies build and sell or lease commercial real-estate, software, or applications for wide-scale commercial use; they are also referred to as business-to-business (B2B) companies.
answer: (b) Com-dev

A10 Joe invests in XYZ Corp. because the stock is undervalued; it doubles in price in two months, but Joe holds on to the whole investment, hoping it will double again in the next two months, instead of selling a portion to realize a gain — Joe is a *piggish* investor because he is greedy for huge gains and allows his greed to supersede his original investment strategy.
answer: (b) piggish

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Business buzzwords: The best valuator

A1 We believe that owner/managers are the best valuators of their business, so when one is willing to trigger a *shotgun* clause, the best indication of value has been given — an insider has declared his price, and we're ready to respond quickly: we can close transactions in less than 5 days of first making contact.
answer: (c) shotgun

A2 Moral *hazard* is the risk that the presence of a contract will affect on the behavior of one or more parties; the classic example is in the insurance industry, where coverage against a loss might increase the risk-taking behavior of the insured.
answer: (b) hazard

A3 *Straight Through* Processing (STP), a solution that automates the end-to-end processing of transactions for all financial instruments from initiation to resolution, is set to revolutionize the financial industry; it will streamline back office activities, leading to reduced failures, lower risks, and significantly lower costs per transaction.
answer: (d) Straight Through

A4 To complain about abusive *cold* callers, write down the name of the caller, the name of the firm, the date and time of the call or calls, what the caller said to you, and what you said to the caller; you can send your complaint to either the SEC or your state's securities regulator.
answer: (a) cold

A5 A market dominated by program trading offers lots of sharp, short-term volatility but not much in the way of long-term direction, and the short *squeeze* is well-suited to this kind of volatility, resting as it does on reading the bets that short sellers are making that specific stocks will fall and then buying the very stocks that the shorts are selling.
answer: (b) squeeze

A6 The two greatest traders that ever lived, Bertram J. Seligman and Jesse Livermore, taught that a successful manipulation must always be in the direction that the market wants to take; any other manipulation not only fails, but will also create a *coiled* market that goes further in the direction of its intention than it would have gone in the first place.
answer: (a) coiled

A7 When a market order arrives, the NYSE specialist can offer a price one tick better than the limit orders on the book and trade for his own account; alternatively, the specialist can '*stop*' the market order, which means he guarantees execution at the current quote but provides the possibility of price improvement.
answer: (d) stop

A8 Commodity markets are beginning to show early signs of inflationary trends: the Producer Price Index for October showed the largest gain in 22 months, and in addition to the *bulge* in producer prices, the Commodity Research Bureau Index (CRB) has surged 11% since July.
answer: (d) bulge

A9 Prudential's new chief executive Mark Tucker is to receive a *golden* hello of almost 500,000; Tucker, who was poached from his position as finance director at retail bank HBOS earlier this year, will be paid a special guaranteed bonus of 475,000, which the Prudential declared is a 'one-off'.
answer: (a) golden

A10 The three traders were accused of the long-forbidden practice of '*bucketing*', where a broker takes a customer's order to buy or sell soybeans or other commodities but, instead of making the transaction on the open market, the trader arranges a private rigged deal that can bring him an illegal profit.
answer: (d) bucketing

Science and marketing (1)

A1 Gitte Meyer of the Copenhagen Business School notes that during the past decades, swarms of scientists from a wide range of fields have migrated from their *ivory towers* and descended onto the marketplace, adapting themselves to marketing practices in the process.

answer: (a) ivory towers

A2 With surprising ease, science journalism seems to be adapting too; penduling comfortably between old-fashioned enlightenment, aimed at promoting science as a *common good*, and PR exercises, aimed at selling science on behalf of private interests.

answer: (a) common good

A3 This development provides *food* for thought in more than one sense.

answer: (a) food

A4 In one respect, it prompts a critical question regarding conventional science journalism, marked by a lack of distinction *vis-vis* science popularization: does this kind of science writing in fact differ significantly from marketing practices?

answer: (d) vis-vis

A5 At first *glance* at least, there does not appear to be a big difference — if any at all — between promoting and selling.

answer: (a) glance

A6 Moreover, it prompts *reflection* on what kind of practices journalists, who are committed to enlightenment ideals about the rule of reason — ambiguous as those ideals are — should pursue in modern societies in order to keep the ideals alive.

answer: (c) reflection

A7 Should they *stick* to conventions and simply continue to promote or to sell science?

answer: (d) stick

A8 Or should they acknowledge that to promote what is seen, navely perhaps, but nevertheless as a general benefit, is a far *cry* from selling the same thing, in much the same way, on behalf of vested interests?

answer: (a) cry

A9 The fundamental convention of science journalism is the convention of science transmission; that is, the *prescription* that journalists should relate to science by way of transporting scientific facts from scientists to a lay public for consumption.

answer: (d) prescription

A10 The convention also contains the *proscription* that journalists should not interfere in any way with the scientific facts.

answer: (d) proscription

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Science and marketing (2)

A1 Gitte Meyer of the Danish Centre for Bioethics explains that the fundamental convention of science journalism is that of science transmission; science journalists should not concern themselves with questions of knowledge; reflection on such questions should be strictly confined within the scientific *community.*

answer: (a) community

A2 From this description, it is fairly easy to spot what is similar between the convention and marketing: neither allows for sceptical and critical questions to be *posed.*

answer: (a) posed

A3 The convention may be seen as an *annex* to an old, unwritten contract between science and society.

answer: (c) annex

A4 That is, the at the same time *paradoxical* and pragmatic agreement that science was a valuable part of society by not being part of society: science was agreed to be, somehow, situated outside society.

answer: (d) paradoxical

A5 Residing in a remote spot, supposed to be above moral disagreement and conflicts of *interest*, science was expected to produce 'pure' knowledge, and this knowledge everybody could rely upon — exactly because it was understood to be disconnected from society.

answer: (a) interest

A6 *Lines* of information had, however, to be established in order for the rest of society to share in the pure light of science; scientific results, thus, had to be transmitted, by scientists themselves, or by journalists.

answer: (a) Lines

A7 In the early 18th century, science was energetically promoted amongst the public: in London's *coffee* houses, lecturers offered demonstrations with globes, orreries and other instruments displaying the marvels of the clockwork universe, while performing chemical, magnetic, and electrical experiments.

answer: (a) coffee

A8 In the spring of 1713, Newton's protg William Whiston was holding *forth* on mathematics and science at both Douglas's in St. Martin's Lane and at the Marine near the Royal Exchange.

answer: (d) forth

A9 In the journal 'The Spectator', Joseph Addison and Richard Steele in 1711 foresaw with delight those times "when Knowledge, instead of being *bound* up in Books, and kept in Libraries and retirement, is thus obtruded upon the Publick; when it is canvassed in every Assembly, and exposed upon every Table."

answer: (a) bound

A10 So the convention and the practice of science transmission has quite a long history; it has been motivated by aims of 'pure' enlightenment and of spreading the *gospel* of the scientific worldview, but probably it has always been a mixed-purpose enterprise.

answer: (a) gospel

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Science and marketing (3)

A1 To a varying degree the convention and the practice of science transmission has been motivated by aims of promoting and providing support for individual scientists, or by straightforward marketing aims — mirroring the fact that the attitude of science towards the marketplace always was one of *ambivalence.*
answer: (d) ambivalence

A2 In the 1940s, Robert K. Merton, the American sociologist, described the values of science in this way: "Four sets of institutional imperatives — universalism, communism, disinterestedness, organized scepticism — comprise the *ethos* of modern science."
answer: (d) ethos

A3 By 'communism' he meant that scientific knowledge was regarded as common *property.*
answer: (c) property

A4 He remarked that "the institutional conception of science as part of the public domain is linked with the imperative for communication of findings; secrecy is the *antithesis* of this norm; full and open communication its enactment."
answer: (d) antithesis

A5 Thus, clashes between ideals about knowledge as a common good on the one hand and knowledge as an instrument and as the private property of *vested* interests on the other hand is not a new phenomenon.
answer: (d) vested

A6 The case can, indeed, be made that modern science was born with a *schism* of being connected to and alienated from the market-place at the same time.
answer: (c) schism

A7 H. Butterfield refers to the end of the 17th century when stating: "The passion to extend the scientific method to every branch of thought was at least equalled by the passion to make science serve the *cause* of industry and agriculture, and it was accompanied by a sort of technological fervour".
answer: (b) cause

A8 Francis Bacon always laid stress on the immense utilitarian possibilities of science, and it is difficult to separate the interest shown in pure scientific truth from the curiosity in respect of useful inventions on the one part, or the inclination to *dabble* in fables and freakishness on the other.
answer: (a) dabble

A9 A *tentative* conclusion from this brief discussion would be that ambiguity towards marketing is inherent to the convention of science transmission in the same way as ambiguity towards the marketplace is inherent to science.
answer: (a) tentative

A10 The convention is a product of ideals about knowledge as a common good, but it encompasses, at the same time, the complicated relationship between science and private interests in the marketplace; it was, so to speak, *born and bred* with frustrations regarding the issue of public and private interests in relation to knowledge.
answer: (b) born and bred

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Group influences on the consumer

A1 Dr. Lars Perner of the Marshall School of Business reminds us that humans are *inherently* social animals, and individuals greatly influence each other.

answer: (d) inherently

A2 A useful framework of analysis of group influence on the individual is the so-called 'reference group' — the term comes *about* because an individual uses a relevant group as a standard against which oneself is compared.

answer: (a) about

A3 Reference groups come in several different forms: the *aspirational* reference group refers to those others against whom one would like to compare oneself; for example, many firms use athletes as spokespeople, and these represent what many people would ideally like to be.

answer: (a) aspirational

A4 *Associative* reference groups include people who more realistically represent the individuals' current equals or near-equals — e.g., coworkers, neighbors, or members of churches, clubs, and organizations.

answer: (b) Associative

A5 Finally, the *dissociative* reference group includes people that the individual would not like to be like.

answer: (b) dissociative

A6 For example, the store named 'The Gap' was created because many younger people wanted to actively be distinguished from parents and other older and '*uncool*' people.

answer: (c) uncool

A7 The Quality Paperback Book specifically suggests in its advertising that its members are '*a breed apart*' from conventional readers of popular books.

answer: (a) a breed apart

A8 Another *typology* divides reference groups into the informational kind (influence is based almost entirely on members' knowledge), normative kind (members influence what is perceived to be 'right', 'proper', or 'responsible'), or identification kind.

answer: (d) typology

A9 In case of the normative reference group, the individual tends to comply largely for *utilitarian* reasons-dressing according to company standards is likely to help your career, but there is no real motivation to dress that way outside the job.

answer: (d) utilitarian

A10 In contrast, people comply with identification groups' standards for the *sake* of belonging-for example, a member of a religious group may wear a symbol even outside the house of worship because the religion is a part of the person's identity.

answer: (c) sake

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Fixed annuities

A1 In a fixed annuity, the insurance company guarantees the principal and a minimum rate of interest; in other words, as long as the insurance company is financially *sound*, the money you have in a fixed annuity will grow and will not drop in value.
answer: (b) sound

A2 The growth of the annuity's value and/or the benefits paid may be fixed at a dollar amount or by an interest *rate*, or they may grow by a specified formula.
answer: (c) rate

A3 And the growth of the annuity's value and/or the benefits paid does not depend directly or entirely on the *performance* of the investments the insurance company makes to support the annuity.
answer: (b) performance

A4 Some fixed annuities credit a higher interest rate than the minimum, via a policy dividend that may be *declared* by the company's board of directors, if the company's actual investment, expense and mortality experience is more favorable than was expected.
answer: (b) declared

A5 Money in a variable annuity is invested in a fund-like a mutual fund but one *open* only to investors in the insurance company's variable life insurance and variable annuities.
answer: (c) open

A6 The fund has a particular investment objective, and the value of your money in a variable annuity and the amount of money to be paid out to you-is determined by the investment performance (*net* of expenses) of that fund.
answer: (c) net

A7 An equity-indexed annuity is a type of fixed annuity, but looks like a *hybrid*: it credits a minimum rate of interest, just as a fixed annuity does, but its value is also based on the performance of a specified stock index — usually computed as a fraction of that index's total return.
answer: (b) hybrid

A8 A market-value-adjusted annuity is one that combines two desirable features-the ability to select and fix the time period *over* which your annuity will grow, and the flexibility to withdraw money from the annuity before the end of the time period selected.
answer: (b) over

A9 A fixed period annuity pays an income for a specified period of time; the payments depend on the amount paid into the annuity, the length of the payout period, and (if it's a fixed annuity) an interest rate that the insurance company believes it can *support* for the length of the pay-out period.
answer: (b) support

A10 A lifetime annuity provides income for the remaining life of a person (called the *annuitant*); no other type of financial product can promise to do this.
answer: (a) annuitant

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Business buzzwords: The street goes nuts

A1 Coburn operates what they call a 'reverse *desk*' — his firm purchases a small amount of the stock, then starts selling it off through various Wall Street brokers, and when word gets out that SAC is selling, the Street goes nuts and also starts unloading big blocks; then Coburn swoops to buy.

answer: (a) desk

A2 The retired chairman of furniture maker Herman Miller, Max has long been noted for innovative management practices; for example, he instituted a silver *parachute* for employees at his company so that they would be protected if they lost their jobs as a result of a hostile takeover.

answer: (c) parachute

A3 *RevPAR* may be more correctly defined as the total guestroom revenue per available room per day; it is typically calculated simply by multiplying a given hotel's average daily room rate (ADR) by its occupancy rate.

answer: (d) RevPAR

A4 I think you only need two kinds of people to create a *Silicon Valley*, rich people and nerds: they're the limiting reagents in the reaction that produces startups, because they're the only ones present when startups get started.

answer: (b) Silicon Valley

A5 In the world of penny stocks, '*bashers*' are infamous for causing chaos in internet forums as they attempt to disseminate false or misleading information about companies to lower a stock's price.

answer: (a) bashers

A6 Search engines argue that nobody clicks on an ad unless they're interested; however, a lead that takes no action and leaves no contact information can't be considered more than just an advertising *impression*, and that's the basis for a meaningful comparison to publisher CPM rates.

answer: (d) impression

A7 War *babies* is a slang term for the stocks and bonds of corporations in the defense industry.

answer: (a) babies

A8 There are losses because of the lost opportunities when a *sticky* deal just doesn't make it through; some of the common causes stem from the areas of under-funded pension plans or tax liabilities that may have originated from a prior restructuring of the target company or prior acquisition.

answer: (d) sticky

A9 One Night *Stand* investment is buying a security with the intention of holding it for the long term, but subsequently panicking and selling it the following day.

answer: (d) Stand

A10 The private mezzanine debt securities used to fund middle-market companies include debt with an equity *kicker*, which is usually a contingent common equity interest, either by a way of warrants or a conversion option to which registration rights are typically attached.

answer: (a) kicker

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Business buzzwords: Unethical investment

A1 Unlike socially responsible investors who hold strong convictions against *sinful* stocks, socially irresponsible investors, in their focus on making significant returns, are indifferent to the unethical actions of corporations.
answer: (c) sinful

A2 On February 25, 1862, Congress passed the first Legal Tender Act, which authorized the printing of $150 million in Treasury notes; these bills were printed on only one side and soon became known as '*greenbacks*', and they proved to be universally popular and remarkably sound.
answer: (a) greenbacks

A3 The best way to profit from the trend is to swap back and forth from silver to gold with the rise and fall in the gold/silver ratio; that strategy will convert a *sterile* investment into one that pays dividends, and possibly double the ounces you own over the life of the bull market.
answer: (c) sterile

A4 Smurfit Kappa, Europe's largest cardboard box manufacturer, defied stock market jitters to open at a 6 percent premium to its initial public offering price; the shares yesterday traded at 17.50 in the *grey* market ahead of its official listing next Tuesday.
answer: (a) grey

A5 Bache & Co. offers only a 25% reduction to *in-and-out* traders who are willing to make at least two transactions-one buy and one sell-in any 35-day period, and the cut applies only to the second trade, while most brokerage houses still charge about the same fees as before on small trades on a take-it-or-leave-it basis.
answer: (b) in-and-out

A6 Like so many others who tried to *stem* the tide of the oncoming Depression, Overton made some injudicious and even some unsavory investments; he lost a chunk of his business empire as he fought off bankruptcy, but managed to weather the storm and lived out his final years in financial comfort.
answer: (c) stem

A7 In an open *end* lease, you run the risk of owing extra money depending on the value of the property when you return it; this payment is often called a 'balloon payment'.
answer: (c) end

A8 Using *netback* pricing, the producer-processor starts with the sales price of the processed gas or products, and then subtracts certain costs (such as capital, operating, processing, taxes and transportation) to determine value of the gas when production is complete.
answer: (b) netback

A9 Banks surged 3.21 percent, Leasing soared 8.0 percent, Industrials were 0.84 percent up, Construction ended 2.83 percent higher, Miscellaneous rose 1.05 percent, Holding jumped 3.66 percent, but Insurance and Investment *bucked* the trend to end 0.56 and 0.85 percent down respectively.
answer: (b) bucked

A10 The rumor of the weekend, of course, was that Cisco was hanging out in Finland kicking the *tires* on a huge potential merger with Nokia, but it seems unlikely that Nokia would ever agree to such a deal unless the asking price is too good to be true.
answer: (d) tires

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Business buzzwords: Phone rules

A1 The NYSE will approve the maintenance of such telephone lines only at the *booth* location of a member or member organization; the Exchange will not approve the use of a portable telephone on the Floor.
answer: (a) booth

A2 In financial markets, they call it 'the Greenspan *put*' — a belief that if stock or bond prices fall too much, the FRB will help prop them up with quick interest rate cuts to pump more cash into the system; but this confidence is a worrisome legacy after his nearly 18 years helping to steer the economy.
answer: (d) put

A3 Mark Mobius, who manages one of the biggest emerging markets stock mutual funds for FT Investments, said he has bought shares across the *board* because of opportunities created by a recent slump in global markets; Mobius said he bought shares in Taiwan, Turkey, Brazil, Mexico, Russia and India.
answer: (a) board

A4 The Peter Lynch strategy, based on John Reese's analysis of Lynch's writings, considers SC a true '*stalwart*' company, as its earnings growth of 14.71 percent lies within the moderate 10 percent to 19 percent range and its annual sales of $129.3 billion are in the multi-billion dollar level.
answer: (c) stalwart

A5 The yen and the Swiss franc were the big winners, with both currencies surging as global equities took a pounding; David Woo at Barclays Capital said the '*flight* to quality' had had a limited impact on risky assets, but that a sell-off in Asian equities suggested that risk reduction was becoming more widespread.
answer: (a) flight

A6 The *doomsday* call price is calculated by assigning pre-determined Government of Canada yield plus a specified number of basis points to the bond; these issues are at a higher risk of being retired during a falling interest rate and when improvements in the issuing company's fiscal situation lead to a re-evaluation of liabilities.
answer: (d) doomsday

A7 Frederick Mates, whose $32 million Mates Investment Fund has risen 153% in per-share asset value since the beginning of 1968, the highest growth rate of any fund, is the personification of self-confidence: on one wall of his office, he keeps a framed parody of an old Wall Street slogan: 'Invest, Then *Investigate*'.
answer: (b) Investigate

A8 The term 'mortgage *dollar* roll' covers a variety of transactions that involve an agreement to transfer a mortgage pass-through security in exchange for cash, generally at some future date.
answer: (a) dollar

A9 I do not think it premature to conclude that the entire financial industry of this country is riddled with fraud; as Newsweek observed, this is not a case of a few bad apples, it's the *Cockroach* Theory — you see one, you know there's a whole nest of the disgusting Dictyoptera.
answer: (b) Cockroach

A10 Permanent Insiders are prohibited from purchasing or selling Company securities except as specifically permitted by this Policy; permanent insiders consist of the Company's (a) directors, (b) executive officers and (c) those employees who will be deemed to have ongoing exposure to *material* insider information because of the nature of their jobs.
answer: (b) material

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Business buzzwords: Compensation

A1 A golden *life jacket* is an exceptional compensation package offered by an acquiring company to the top executives of the company being bought, meant to keep them interested in retaining their positions; but it may not be in the best interests of shareholders.
answer: (b) life jacket

A2 The *Chinese Wall* policy combines commercial discretion with legally enforceable mandatory controls; it is required in the operation of many financial services organizations and is, therefore, perhaps as significant to the financial world as Bell-LaPadula's policies are to the military.
answer: (a) Chinese Wall

A3 In the first quarter of fiscal 2007, Adobe achieved revenue of $649.4 million and earnings per share were $0.30; the consensus estimates were for $655 million in revenue and $0.29 in eps, which means that for the quarter Adobe missed on the *top* line but more than made it up by controlling expenses.
answer: (d) top

A4 Securities held by a brokerage firm that meet specific qualifications are used as collateral for securing brokers' loans or customers' margin positions; they are held in safekeeping for clients of a broker/dealer or for the broker/dealer itself in a physical location known as the 'active *box*'.
answer: (a) box

A5 The Commission's Order finds that various NYSE specialists repeatedly engaged in unlawful proprietary trading, which took various forms, including *interpositioning* the firms' dealer accounts between customer orders and trading ahead for their dealer accounts in front of executable agency orders on the same side of the market.
answer: (d) interpositioning

A6 A *sluggish* economy has left many private golf clubs desperate for new members; stagnant growth of golf participation during the past five years, a surplus of private courses and the recession are prime reasons this is one of the best buyer's markets for private golf in recent memory.
answer: (c) sluggish

A7 The inter-relation of economic empire *building*, both in terms of control over overseas markets and enterprises, is closely linked to domestic policies: tax cuts for the corporation and rich increase capital for export, and privatized social security adds billions in profits for Wall Street investment banks.
answer: (a) building

A8 Given that we approach the holiday season and that ANZ has potential further upside, a trading strategy referred to as *a Christmas Tree* may be an appropriate strategy for this stock; this option strategy involves buying a call option and selling two call options all with different strike prices.
answer: (a) a Christmas Tree

A9 This book highlights advanced technologies that might help you make decisions on when to buy or sell stocks, track their ups and downs, and analyze your portfolio, while you're at it; but don't forget, though they might give a bit of techie buzz to investing, there are limits to what *rocket* science can do to help investors.
answer: (c) rocket

A10 *Winding* up is a process where the company's assets will be gathered and will be used to pay all debts, and the balance for the cost of this process will be distributed among the shareholders according to their interests in the company.
answer: (c) Winding

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Business buzzwords: Last increment bidding

A1 The data clearly illustrate that some of the participants in the PJM market are bidding their capacity at well above production costs; the bids include prices approaching 1,000 $/MW, and they also show the so-called '*hockey* stick' bidding of the last increment of capacity at a very high price.
answer: (b) hockey

A2 I tell my broker, "Buy Soybeans at 662.50," but then I find out I was filled at 663.00, two ticks off my price: the two ticks is called *slippage*.
answer: (d) slippage

A3 When the pot is *clean*, the underwriter has no more of the issue to sell to interested investors; if there is still interest in the issue and nothing left for an underwriter to offer, it is probable that the issue was underpriced and oversubscribed.
answer: (b) clean

A4 A leader in sales & contact management since 1995 with over 1 million users worldwide, *Maximizer* Sales Contact Manager makes it easy to succeed by effectively managing your time, customers, and sales.
answer: (a) Maximizer

A5 The All Industry index may spark some interest, but the most meaningful event will not come from the calendar but rather from the completion of the G-20 meeting: if the *FinMins* make any aggressive comments about yen weakness, USD/JPY may be in for more selling as the week progresses.
answer: (a) FinMins

A6 Here, we emphasize the reaction of holders of preferred stock to the call announcement, and examine their decision to sell the convertible rather than convert it; this *clientele* effect explains the increase in trading volume and also has important spillover effects into the market-making activity in the underlying common stock.
answer: (a) clientele

A7 Firms are throwing millions of dollars at university IP portfolios without regard to what is actually in the portfolio — are we seeing another *lemming* investment strategy that will take us to another nanotech bubble bursting because they are ill-informed and believe nanotech is still so far off for ROI that only IP is available?
answer: (d) lemming

A8 A Pork *Chop* is an arrangement on the floor of the NYSE whereby clerks cover the booth of a floor broker and accept orders, phone calls, and associated tasks; this arrangement is beneficial to the floor brokers as it allows them to handle business outside the floor while still taking orders and maintaining trading requirements.
answer: (b) Chop

A9 Section 13(d) of the Securities Exchange Act of 1934 stipulates that once someone obtains five percent of a firm's stock, that person has 10 days to file a disclosure form; but during this period, the potential bidder can continue to make open market purchases, so *toehold* purchases may be larger than 5% of a target firm.
answer: (c) toehold

A10 RBC Dominion Securities is accused of *wash* trading in shares of the firm's parent, Royal Bank of Canada; four of its traders are accused of buying and selling $33 million worth of shares at the same time — improperly taking both sides of the trades — to cut risks they faced because of a series of trading errors and misunderstandings.
answer: (d) wash

Statistical modeling for decision-making

A1 Dr. Hossein Arsham of the University of Baltimore explains that in this diverse world of ours, no two things are exactly the same, and a statistician is interested in both the differences and the similarities; i.e., both *departures* and patterns.

answer: (a) departures

A2 The *actuarial* tables published by insurance companies reflect their statistical analysis of the average life expectancy of men and women at any given age.

answer: (a) actuarial

A3 From these numbers, the insurance companies then calculate the appropriate *premiums* for a particular individual to purchase a given amount of insurance.

answer: (d) premiums

A4 The more widely used descriptive statistical techniques are: Frequency Distribution, *Histograms*, Boxplot, Scattergrams and Error Bar plots, and diagnostic plots.

answer: (a) Histograms

A5 In examining distribution of data, you should be able to detect important characteristics, such as shape, location, variability, and unusual values, and from careful observations of patterns in data, you can generate *conjectures* about relationships among variables.

answer: (a) conjectures

A6 The notion of how one variable may be associated with another *permeates* almost all of statistics, from simple comparisons of proportions through linear regression.

answer: (c) permeates

A7 From the data collection plan, a statistical model can be formulated from which inferences can be *drawn.*

answer: (a) drawn

A8 As an example of statistical modeling with managerial implications, such as 'what-if' analysis, *consider* regression analysis.

answer: (b) consider

A9 Frequently, for example, the marketing managers are faced with the question, 'What sample size do I need?' — this is an important and common statistical decision, which should be given *due* attention, since an inadequate sample size invariably leads to wasted resources.

answer: (c) due

A10 Your organization database contains a wealth of information, yet the decision technology group members can usually *tap* only a fraction of it.

answer: (a) tap

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A very brief history of management theories

A1 Carter McNamara explains that views on management have changed *substantially* over the past century — particularly in the past few decades.

answer: (d) substantially

A2 The Scientific Management Theory (1890-1940): At the *turn* of the century, the most notable organizations were large and industrialized, and often they included ongoing, routine tasks that manufactured a variety of products.

answer: (d) turn

A3 The United States highly *prized* scientific and technical matters, including careful measurement and specification of activities and results, so management tended to be the same.

answer: (c) prized

A4 Frederick Taylor developed the 'scientific management theory', which *espoused* this careful specification and measurement of all organizational tasks.

answer: (c) espoused

A5 Tasks were standardized as much as possible, and workers were rewarded and punished; this approach appeared to work well for organizations with *assembly* lines and other mechanistic, routinized activities.

answer: (a) assembly

A6 The Bureaucratic Management Theory (1930-1950): Max Weber *embellished* the scientific management theory, focussing on dividing organizations into hierarchies to establish strong lines of authority and control; he suggested organizations develop comprehensive and detailed standard operating procedures for all routinized tasks.

answer: (b) embellished

A7 The Human Relations Movement (1930-today): Eventually, unions and government regulations reacted to the rather *dehumanizing* effects of these theories, and more attention was given to individuals and their unique capabilities in the organization.

answer: (c) dehumanizing

A8 A major belief included that the organization would prosper if its workers prospered as *well*, and Human Resource departments were added to organizations. well much before possible

answer: (d) well

A9 The behavioral sciences played a strong role in helping to understand the needs of workers and how the needs of the organization and its workers could be better *aligned.*

answer: (a) aligned

A10 Various new theories were *spawned*, many based on the behavioral sciences (some had names like theory 'X', 'Y' and 'Z').

answer: (d) spawned

Contemporary theories in management

A1 Carter McNamara explains that contemporary theories of management tend to account for and help interpret the rapidly changing nature of today's organizational environments; as before in management history, these theories are *prevalent* in other sciences as well.

answer: (d) prevalent

A2 Contingency theory asserts that when managers make a decision, they must take into *account* all aspects of the current situation and act on those aspects that are key to the situation at hand: basically, it's the approach of 'it depends'.

answer: (a) account

A3 For example, if one is leading troops in the Persian Gulf, an *autocratic* style is probably best, but if one is leading a hospital or university, a more participative and facilitative leadership style is probably preferred.

answer: (b) autocratic

A4 In systems theory, a system is a collection of parts *unified* to accomplish an overall goal; if one part of the system is removed, the nature of the system is changed as well.

answer: (a) unified

A5 For example, a pile of sand is not a system, because if one removes a sand particle, you've still got a pile of sand; on the other hand, a functioning car is a system because if you remove the *carburetor*, you've no longer got a working car.

answer: (a) carburetor

A6 Systems theory has brought about a significant change, or *paradigm* shift, in the way management studies and approaches organizations.

answer: (a) paradigm

A7 Chaos theory recognizes that events indeed are rarely controlled; theorists suggest that systems naturally go to more complexity, and as they do so, these systems become more *volatile* (or susceptible to cataclysmic events) and must expend more energy to maintain that complexity.

answer: (c) volatile

A8 As they expend more energy, they seek more structure to maintain stability, and this trend continues until the system splits, combines with another complex system or falls *apart* entirely.

answer: (a) apart

A9 The main *precept* behind this theory is the underlying notion of small occurrences significantly affecting the outcomes of seemingly unrelated events.

answer: (a) precept

A10 Related to financial markets, proponents of chaos theory believe that price is the very last thing to change for a stock, bond, or some other security, and that price changes can be determined through *stringent* mathematical equations.

answer: (c) stringent

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The entrepreneurial life cycle (1)

A1 Robert W. Price writes that the entrepreneurial life cycle repeats itself in businesses of all sizes, from start-ups in a *garage* to corporate entrepreneurship activities in global Fortune 500 companies.

answer: (a) garage

A2 It starts with an entrepreneur who perceives an opportunity, creates an organization to pursue it, assembles the required resources, implements a practical plan, and *assumes* the risks and the rewards, all in a timely manner for all involved.

answer: (a) assumes

A3 This is the significant difference that *sets* entrepreneurial management apart from other business management practices: in almost all cases, the person making the decisions has personal risk at stake.

answer: (d) sets

A4 The worst-case *scenario* for folks 'at work' is getting fired; the worst case for entrepreneurs is losing their home, personal credit, and lifestyle, as well as the destruction of family relationships.

answer: (d) scenario

A5 We define entrepreneurial management as the practice of taking entrepreneurial knowledge and utilizing it for increasing the effectiveness of new business *venturing* as well as operating small- and medium-sized businesses.

answer: (c) venturing

A6 The heart of entrepreneurial management is continually *juggling* these vital management issues: the mission and values statement, the goals and objectives, growth strategy, people and resources, organizational capabilities, financing strategy, and its vision of success.

answer: (d) juggling

A7 These vital management issues and activities play *out* in what we call the entrepreneurial life cycle.

answer: (c) out

A8 It was once said that entrepreneurship is a lot like driving fast on an icy road, but we prefer to think of entrepreneurship as less *reckless* and more methodical.

answer: (d) reckless

A9 Entrepreneurship is a continual problem-solving process; it is like putting together a huge *jigsaw* puzzle; at first pieces will seem to be missing, obscure, or not clearly recognizable.

answer: (c) jigsaw

A10 Size, profitability, commitment, complexity, scale of organizational structure, decrease in risk, increase in value, and decrease in *founders'* involvement characterize each stage of the entrepreneurial life cycle.

answer: (c) founders'

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The entrepreneurial life cycle (2): The seven stages

A1 Opportunity Recognition: This *gestation* period is quite literally the 'pre-start' analysis; it often occurs over a considerable period of time ranging from one month to ten years.

answer: (d) gestation

A2 Opportunity Focusing: This is a 'sanity check', a go/no-go stage gate for part-time entrepreneurs because it *fleshes* out shaky ideas and exposes gaping holes.

answer: (c) fleshes

A3 It is important to include objective, *outside* viewpoints because different people can investigate the same opportunity and come to opposite conclusions.

answer: (d) outside

A4 Commitment of Resources: Most entrepreneurs see commitment as incorporating their business or quitting their *day* job.

answer: (a) day

A5 But this stage actually starts with developing the business plan; the process will take between 200 to 300 hours, so squeezing that amount of time *into* evenings and weekends can make this stage stretch over three to twelve months.

answer: (a) into

A6 Market Entry: The entrepreneur is committed with a very simple organization, the resources were correctly *allocated* according to the business plan, and the first sales were made.

answer: (a) allocated

A7 If the business model was profitable, reasonable objectives were met, and the venture is on track for attaining true economic health, then the entrepreneur can chose between a capital *infusion* for growth or remaining small with self-financing.

answer: (a) infusion

A8 Full Launch and Growth: Or the venture could remain small, for the simple fact that not all small ventures can or will become big companies; they are not fast growth potential because there is not enough room in the market for growth or their production and management systems are not *scalable.*

answer: (d) scalable

A9 Maturity and Expansion: Now the venture is a market leader at cruising altitude; this professional management team is implementing the venture's growth strategy through global expansion, acquisitions, and mergers as cash is plentiful and inefficiencies are completely *flushed* out.

answer: (a) flushed

A10 Liquidity Event: This *harvesting* stage is focused on capturing the value created in the previous stages through a business exit; typical exits are an initial public offering or being acquired by a larger publicly traded corporation.

answer: (b) harvesting

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Business Buzzwords: The 'Book'

A1 On the NYSE and ASE, the specialist determines the *opening* price by looking at his 'book'; he is supposed to select the one price that clears out the maximum number of orders; i.e. by looking at the buy and sell offers and choosing a single price that will execute the most orders (shares).
answer: (c) opening

A2 UBS Warburg strategist George Vasic said conversations with soccer moms are good places to gather anecdotal research; "typically, it's a lagging *indicator*," he says, "if they're asking me about resource or tech stocks, you know the phenomenon has run its course and has already peaked."
answer: (b) indicator

A3 Traditionally, there is a premium in which the leading television station gains a bigger share of the advertising market than its audience share — hence the name of this effect among media buyers, 'the power *ratio*'.
answer: (c) ratio

A4 The stock market has done a remarkable swoon, reducing some sectors to '*drill* bit' stocks (you know... 3/8, 1/2, 3/4) and it would appear (if you read, watch or listen to much of the media reports) that we are in for even more troubling times.
answer: (a) drill

A5 Michael Lee Davis of Plano was convicted Wednesday of felony charges that identified him as the ringleader of a 'clean *sheeting*' scam that led insurance companies to issue more than $5 million worth of life insurance policies to people with life-threatening illnesses.
answer: (b) sheeting

A6 Nuclear investigators from the US and other nations now believe that the *black* market network run by the Pakistani scientist A. Q. Khan was selling not only technology for enriching nuclear fuel, but also some of the darkest of the bomb makers' arts: the engineering secrets needed to fabricate nuclear warheads.
answer: (a) black

A7 I do have a big problem with the fact that Yahoo! has failed to articulate a clear strategy about how the company will be dominant for years to come independently; doing lots of *ankle-biter* acquisitions is not a strategy (although I like and use MyBlogLog, Flickr, del.icio.us).
answer: (a) ankle-biter

A8 To announce that a forex trader wants to buy he/she may say or type '*Mine*'; this would also be known as taking the offer.
answer: (d) Mine

A9 I've been trying to understand why General Motors is so oppressed by *legacy* costs, and I think I finally have got it: GM, a company with 300,000 employees, is supporting the number of retirees appropriate for a company with a workforce of 800,000, almost triple the size.
answer: (a) legacy

A10 The *tombstone* for the Google IPO appeared in 'The Wall Street Journal' on September 15, 2004; it showed an IPO date of August 18, 2004, the day the issue was priced, and a total sale of 22,534,678 Class A shares, somewhat less than the full overallotment would have produced.
answer: (d) tombstone

Business Buzzwords: A Rounding Bottom

A1 Traders like the rounding bottom in *a J. Lo* stock pattern because it can be an indication of a positive market reversal, meaning expectations are gradually shifting from bearish to bullish.
answer: (a) a J. Lo

A2 Given the very limited number of buyers for such a large block, Gates would be in a weak bargaining position; he might have to sell the stock diffusely in the market or accept a *fire-sale* price for the block, but in either scenario, he would not achieve full value for his block of shares.
answer: (b) fire-sale

A3 Less than a year ago, Gary B. Pruitt, the head of the McClatchy Company, was hailed as the *white* knight of newspapers; while others saw the industry headed for the dinosaur graveyard, Mr. Pruitt rode in to buy the Knight Ridder papers, or some of them anyway.
answer: (d) white

A4 The American democracy has been stolen by a new class of *robber* barons, the CEOs of our big corporations: a political system dependent on charity from rich men in hand-tailored suits with $100 million retirement packages is no democracy; it is a kleptocracy and is not what our founding fathers envisioned.
answer: (d) robber

A5 When starting for the first time, should you invest all your money at once, or *filter* feed it into your portfolio? — one study shows that anyone investing a lump sum in one go would have done better up till now than someone making regular staged payments because the capital would have had longer to grow.
answer: (c) filter

A6 As suggested by Michaely and Womack (1999), analysts may commit to provide a *booster* shot by increasing the strength of their recommendation in the face of an unfavorable market response to the IPO.
answer: (a) booster

A7 Government regulations prevent tips from *dips*, like corporate executives and board members, for the purpose of profiting off virtually guaranteed changes in a stock's price once the news hits the street; anyone with decent insider information is prevented from profiting from it on the open market.
answer: (a) dips

A8 In the early 1990s, Anglamark was the first organic alternative in all food categories, covering 80% of products, and this gave Coop a *first-mover* advantage, but not for very long — because some competitors complied with the minimum environmental requirements only, they were soon able to offer products at lower prices.
answer: (d) first-mover

A9 *An alligator* spread is a position consisting of a combination of put options and call options that collectively create commissions so high that it is almost impossible to turn a profit regardless of which direction the underlier moves; the term originates from the idea of the spread 'eating the investor alive'.
answer: (b) An alligator

A10 Nick Kochan, investigative reporter, describes techniques used by the launderers, such as '*smurfing*', where large sums of money are broken up into small amounts that can be deposited into banking systems without arousing suspicion.
answer: (b) smurfing

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Business Buzzwords: Largest Vendor

A1 SAP tech *honcho* Agassi resigns: The world's largest enterprise software application vendor announced on Wednesday that Shai Agassi is departing at the end of the week as president of SAP's product and technology group.
answer: (a) honcho

A2 True investors will look beneath the surface before they risk their hard earned capital — I mean, really do you expect that I'd dump years' worth of research & DD so I could get into the latest *momo* play?
answer: (c) momo

A3 D-day finally arrived last week for the Washington Public Power Supply System: with its coffers almost empty, *Whoops*, as everyone now calls the agency, formally declared that it could not repay $2.25 billion in bonds used to finance partial construction of two now abandoned nuclear power plants in Washington State.
answer: (c) Whoops

A4 Robert Rubin, the US treasury secretary, is making contingency plans for a possible government funding crisis later this month; the word is that he's planning to issue a new tranche of paper — the Gingrich bond, which has no maturity, the Dole bond, with no interest, and the *Clinton* bond, with no principal.
answer: (c) Clinton

A5 Although the transition from a regulated, inflation-ridden environment to a low-inflation free market provided a *boon* to investors that may be difficult to extend into the future, it does show us the economic conditions that are conducive to high investor returns.
answer: (d) boon

A6 There is still a compelling case for *mid-caps*, as they offer more room for growth than larger companies and greater safety and stability than smaller companies.
answer: (b) mid-caps

A7 Because this is not an exact science, most investment managers work with several risk categories; these categories are summaries of how the investor feels about investment risk, how much *downside* market fluctuations can be tolerated, and how much they expect to profit when the markets are going up.
answer: (a) downside

A8 EXFO Electro-Optical Engineering Inc. announced today it has filed a registration statement with the United States Securities and Exchange Commission and a preliminary *prospectus* with the securities commissions in each Canadian province relating to a proposed initial public offering of 6,000,000 shares of its subordinate voting shares.
answer: (c) prospectus

A9 A financial *blog* is an online journal that provides news and information on the finance industry, commenting on news and information, also providing stock analysis based on both fundamental and technical principles; the style is more casual than an article and often reflects the personal opinion of the its writer.
answer: (a) blog

A10 Energy is Regent's largest industry *bet*, at 27 percent of assets, including hydroelectric power companies in Kyrgyzstan.
answer: (b) bet

Business Buzzwords: Currency Trading

A1 Banks and trading platforms are competing to get a bigger slice of the rapidly expanding business of *anonymous* currency trading, where investors buy and sell without revealing their identity to the market.
answer: (a) anonymous

A2 The dot-com *bubble* ended when the NASDAQ Composite index peaked at 5,048, more than double its value a year earlier, and what followed was a bloodbath of layoffs and consolidation caused by 'dot bombs' — companies launched with great exuberance to grab as much Internet real estate as they could without mounting a successful revenue model.
answer: (a) bubble

A3 The 1929 stock market crash itself, though large in its own right, was nothing compared to the ensuing *graveyard* market and devastating depression.
answer: (d) graveyard

A4 General Motors Corp. Chief Executive G. Richard Wagoner would love to snare stylish Italian sports car maker Alfa Romeo from its floundering parent, Fiat Auto, in which GM has a 20% stake: "The Alfa brand is like a sleeping *beauty*," says one Fiat senior executive, "We can reactivate it with new models."
answer: (b) beauty

A5 A Euroland corporate raised financing for a power station project, but the gas-fired plant was exposed to the risk of a rise in gas prices, and the power tariff was linked to the European inflation index; so ABN AMRO structured and traded a *roller-coaster* swap with the corporate, matching the profile of the corporate's loan.
answer: (d) roller-coaster

A6 Georgia Pacific was especially frustrating to bondholders, as the $2.6 billion of post-junk rated issues were tendered, while the legacy investment-grade fallen *angel* bonds dropped by 12 points after double-A plus rated (buyer) Koch Industries said it would not guarantee the Georgia Pacific bonds.
answer: (a) angel

A7 More than a hundred companies in America are seeking to redefine the *bottom* line — moving away from conventional corporate accounting, where the only consideration is profit, to one that also includes the social and environmental impact the company is having.
answer: (a) bottom

A8 Financial News USA news distribution services will get your Virtual *Road* Show in front of potential investors, both retail and institutional: our press release enhancement services give you expanded coverage on the wires as well as the ability to target specific groups via our EmailWire and FaxWire services.
answer: (c) Road

A9 No image better represents the United States stock markets than the *ticker tape*: the little one-inch-wide strip of paper is as synonymous with following the performance of stocks and their markets as it is with heroes' welcomes and parades.
answer: (d) ticker tape

A10 If you're about to launch into the world of *ecommerce*, or want to boost an existing site's revenue in the coming months, this article is for you.
answer: (b) ecommerce

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Business Buzzwords: Price Fixing

A1 The US Congress passed the Sherman *Antitrust* Act in 1890, and most if not all states have comparable statutes prohibiting monopolistic conduct, price fixing agreements, and other acts in restraint of trade having strictly local impact.
answer: (a) Antitrust

A2 Both parents in a *dewk* household want to work fewer hours, but that kind of cutback can mean jeopardizing advancement, so usually one partner works to maintain a career (usually the man) while the other parent scales back the career to provide child care (usually the woman).
answer: (b) dewk

A3 The broker has to know when to accept a counterparty's price quotation and get the trade done: there are times when a broker just has to lift the offer or *hit* the bid, particularly if the futures market is rocking and rolling — if a glance at the board shows the numbers continually changing, it's not the time to try to finesse the prices.
answer: (a) hit

A4 Known as 'the Oracle of Omaha', *Warren Buffett* is Chairman of Berkshire Hathaway and arguably the greatest investor of all time; his wealth fluctuates with the performance of the market, but for the last few years he has been reported to be worth over $30 billion, making him the second richest man in the world.
answer: (d) Warren Buffett

A5 We can feast away on stocks that the big boys might like but don't bother with since a few grams of profit won't help them at all; our goal is to find the most promising small companies that one day will grow large enough to attract the *elephant* investors.
answer: (b) elephant

A6 Most 'sell-side' active management investment firms produce long term excess returns of zero, blurred by a short term noise band which is sometimes positive, and sometimes negative; in George A. Ackerlof's terms, these firms are *lemons.*
answer: (c) lemons

A7 Under normal operation environment, the *closing* price of a stock on the HKE is determined by taking the median of 5 nominal prices in the last minute of the trading hours: the system will take up 5 snapshots on the nominal prices at 15-second interval starting from 3:59:00 p.m.
answer: (b) closing

A8 The *Monday* effect is related to the weekend market analysis performed by millions of investors and traders: many people think 'linearly', and they believe in trends.
answer: (d) Monday

A9 The more drastic poison pill methods involve taking on large debts that the acquiring company would have to pay off; in rare cases, a company decides that it would rather go out of business than be acquired, so they intentionally rack up enough debt to force bankruptcy — this is known as the *Jonestown* Defense.
answer: (b) Jonestown

A10 Kellogg Company has a rich history of corporate *social* responsibility, a history that has grown and evolved to meet the complexities of today's business world and the challenges of a global society; our founder, W.K. Kellogg, sought to "invest my money in people", and that legacy continues to guide our company and our people.
answer: (c) social

Elements of Organizational Behavior (1)

A1 Donald R. Clark explains that the organization's base *rests* on management's philosophy, values, vision and goals.

answer: (b) rests

A2 This in turn *drives* the organizational culture, which is composed of the formal organization, informal organization, and the social environment.

answer: (a) drives

A3 The culture determines the type of leadership, communication, and group *dynamics* within the organization.

answer: (a) dynamics

A4 The workers perceive this as the quality of work life which directs their degree of motivation, and the final outcomes are performance, individual *satisfaction*, and personal growth and development.

answer: (c) satisfaction

A5 In the autocratic organizational model, the basis is power with a managerial orientation of authority, while the employees are oriented towards *obedience* and dependence on the boss.

answer: (b) obedience

A6 The employee need that is met is subsistence, and the performance result is *minimal.*

answer: (c) minimal

A7 In the custodial organizational model, the basis is economic resources with a managerial orientation of *money* , while the employees are oriented towards security and benefits and dependence on the organization.

answer: (c) money

A8 The employee need that is met is security, and the performance result is *passive* cooperation.

answer: (a) passive

A9 In the supportive organizational model, the basis is leadership with a managerial orientation of *support*, while the employees are oriented towards job performance and participation.

answer: (c) support

A10 In the collegial organizational model, the basis is partnership with a managerial orientation of teamwork, while the employees are oriented towards responsible behavior and *self-discipline.*

answer: (d) self-discipline

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Elements of Organizational Behavior (2)

A1 Clark's 'Big Dog's Leadership Page' remarks that although there are four separate organizational models, almost no organization operates exclusively in one; there will usually be a *predominant* one, with one or more areas overlapping in the other models.

answer: (c) predominant

A2 The first model, autocratic, had its roots in the industrial revolution, and the managers of this type of organization *operate* out of McGregor's Theory X.

answer: (c) operate

A3 The next three models begin to build on McGregor's Theory Y; they have each evolved over a period of time and there is no *one* 'best' model.

answer: (a) one

A4 A social system is a complex set of human relationships interacting in many ways; within an organization, the social system includes all the people in it and their relationships to each other and to the *outside* world.

answer: (b) outside

A5 Also, the social system does not have *boundaries*; it exchanges goods, ideas, culture, etc. with the environment around it.

answer: (a) boundaries

A6 Culture is the conventional behavior of a society that *encompasses* beliefs, customs, knowledge, and practices.

answer: (d) encompasses

A7 It influences human behavior, even though it seldom enters *into* their conscious thought.

answer: (c) into

A8 People depend on culture, as it gives them stability, security, understanding, and the ability to *respond* to a given situation.

answer: (d) respond

A9 Individualization is when employees successfully *exert* influence on the social system by challenging the culture.

answer: (c) exert

A10 The match that organizations want to create is high socialization and high individualization for a creative environment, but this can become quite a balancing *act.*

answer: (a) act

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Asset Allocation

A1 Ope Agbaje, an ABS analyst at CSAM, comments that traditional approaches to asset allocation have tended to focus on packaging together risk and return into one portfolio in the pursuit of *outperformance.*

answer: (c) outperformance

A2 However, there has more recently been a gradual shift towards separating out these two key components into *distinct* strategies, whereby the portfolio is composed of highly risk-controlled 'core' products, combined with more flexible satellite' products that are focused on alpha generation.

answer: (a) distinct

A3 This asset allocation strategy is typically composed of a core portfolio that incorporates strategies invested against liquid benchmarks and managed within very *tight* risk parameters.

answer: (d) tight

A4 Such core strategies include traditional equity and fixed income products that are either passively or actively managed against benchmarks such as the S&P 500 and the JP Morgan Government Bond Index, *respectively.*

answer: (d) respectively

A5 The satellite portion allows the investor to select more aggressive and often less liquid strategies that have *lower* correlations with the core component and provide the portfolio manager with the flexibility to generate attractive returns.

answer: (d) lower

A6 Within this space, investors have the opportunity to add more specialist asset classes, including absolute return products, hedge funds, commodities and property depending on individual risk *budgets.*

answer: (b) budgets

A7 Within the fixed income world, a broad range of innovative alpha generating strategies can be employed as the satellite component of a *diversified* portfolio.

answer: (d) diversified

A8 However, while investors are becoming more familiar with asset classes such as convertibles, high yield and emerging *market* debt, a number of new credit products also make attractive satellite components.

answer: (c) market

A9 One asset class that is beginning to receive more *attention* is asset backed securities (ABS).

answer: (a) attention

A10 These products have been developed from a financing technique called *securitization*, whereby a company will pool its assets together to guarantee the issuance of bonds, which are then sold to investors.

answer: (b) securitization

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Asset Backed Securities

A1 Ope Agbaje, the ABS analyst at CSAM, goes on to explain that there are a number of important advantages for investors *holding* asset backed securities.

answer: (b) holding

A2 Firstly, they gain exposure to a liquid, fixed income investment in a diversified pool of assets, such as auto loans, which make *an attractive* alternative to a corporate bond or other fixed income investment.

answer: (b) an attractive

A3 In some cases *illiquid* assets, or assets which investors would not ordinarily have access to, such as loans to small and medium enterprises, make up the pool of assets.

answer: (c) illiquid

A4 However, unlike unsecured bonds, which are fully dependent on the operating, payment ability and ultimately bankruptcy risk of a company, asset backed securities to various degrees tend to be *removed* (fully or partly) from those risks.

answer: (d) removed

A5 Typically, they are legally separated from the originator and rely entirely on the performance of the ring-fenced assets, transferred and *pledged* as bond collateral.

answer: (b) pledged

A6 Simply put, the investor buying the securities is not *exposed* to the credit risk associated with originator of the assets and, thus, ABS bonds represent one of the more secure forms of fixed income securities from a credit quality standpoint.

answer: (c) exposed

A7 A number of ABS issues also benefit from external protection in the form of insurance, such as a credit enhancement provider that ensures the quality of the issue, as well as a liquidity provider that covers certain cashflow *shortfalls.*

answer: (c) shortfalls

A8 A further benefit for the investor is that the risk associated with consumer credits, such as credit cards and home loans, can be more easily calculated using advanced quantitative techniques, without the same level of *subjectivity* often associated with other fixed income debt such as corporate bonds.

answer: (c) subjectivity

A9 This is because a statistical approach can be more relevant for some asset back bonds that have a *homogenous* underlying collateral consisting of thousands of loans.

answer: (b) homogenous

A10 While ABS bonds have long been a key component of many fixed income strategies, the search for new sources of *yield* have led many investors to the ABS market.

answer: (d) yield

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Swedish Trade Unions

A1 Swedish unions do not rely much on formal organizing campaigns; employees join either of their own *volition* or as a result of group pressure.

answer: (c) volition

A2 Being outside a union is a risky business, as unions control much of labour regulation; though any form of *discrimination* against non-unionized employees is against the law, it can be hidden by employers acting together with unions.

answer: (b) discrimination

A3 Unionization rates in the service sector are significantly lower than in industry, at least among blue-collar workers; still, they *hover* around 70 per cent, a figure that is high enough not to cause serious union worry.

answer: (a) hover

A4 Atypical work has *mushroomed* and now accounts for some 30 to 35 per cent of total employment; however, atypical employees are unionized to the same extent as others, perhaps slightly more so.

answer: (d) mushroomed

A5 The reason seems to be that they are more *vulnerable* to exploitation and so have more to gain from union membership.

answer: (d) vulnerable

A6 Effective collective *bargaining* arrangements exist in all sectors of the economy.

answer: (a) bargaining

A7 Even the temporary work business is unionized and covered by a *comprehensive* collective agreement.

answer: (b) comprehensive

A8 The greatest difficulty is to make salaries respond to changes in market demand: the pay structure is highly *rigid* in the sense that it is extremely difficult to change the relative level of different categories of employees.

answer: (b) rigid

A9 If one union manages to negotiate extra high pay increases for its members, perhaps due to market forces, all other unions will immediately demand — and fight hard for — the same increase, threatening to *undo* the initial effect.

answer: (c) undo

A10 Unions have a *de facto* monopoly on collective pay regulation since there is no free labour market in the sense of a market not governed by collective agreements.

answer: (a) de facto

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Business Buzzwords: At the Bombay Stock Exchange

A1 The Bombay Stock Exchange has shifted certain stocks to the trade-for-trade segment, where you pay Rs 25,000 to take delivery of the shares you bought and the quantity you have sold will be presented for delivery: the reason for the shift is that the exchange wants to curb *circular* trading.
answer: (a) circular

A2 The *Tequila* Effect hypothesis states that the economic crisis that affected several South American countries in 1995 was caused by an exogenous capital flight triggered by the loss of confidence of foreign investors after the collapse of the Mexican peso in December 1994.
answer: (b) Tequila

A3 The Presidential Election *Cycle* Theory (PECT) of stock prices suggests that stocks decline soon after a president is elected when harsh and unpopular measures are necessary to bring inflation, government spending and deficits under control for the long-term health of the economy.
answer: (d) Cycle

A4 Make certain you have, or if you are an entrepreneur, make certain your existing syndicate has, dry *powder* to see you through hard times; this means putting no more than 25-30% of your total allocation up front, and make certain you have reserves to meet pro rata needs.
answer: (b) powder

A5 Deep-Format, who by smell could only be a Microsoft insider, is leaking about Microsoft's botch job on the Ecma spec; this kind of *poop* could only be from a disgruntled employee on the Office or XML dev team.
answer: (d) poop

A6 The multitude of mergers and acquisitions has raised issues that need to be considered before the prospect of an acquisition arises; one is the application of the golden *parachute* rules of Sec. 280G, regarding severance payments to be made to a corporation's top employees and directors on a change in control.
answer: (d) parachute

A7 William McCormick, chairman and chief executive of CMS Energy Corp, said the company's use of '*round-tripping*' — trades where the same amount of electricity is exchanged at the same price between two players — was apparently aimed at making CMS look more powerful in wholesale power markets than it actually was.
answer: (c) round-tripping

A8 Asset size explains in part why funds become index *huggers*: DeGroot thinks most funds need no more than 50 stocks to be well diversified, after which they begin behaving increasingly like an index fund.
answer: (a) huggers

A9 Examples of *leprechaun* leaders are the executives of Enron, who stowed away millions of dollars until they were finally caught.
answer: (b) leprechaun

A10 Ten or more years ago *Boomernomics* was all the rage, spurred by the theories of David Foote; among the many things we were told by its various advocates was that aging baby boomers would invest lots of disposable income in the markets, driving them to dizzy heights.
answer: (d) Boomernomics

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Business Buzzwords: Casino Operations

A1 Shares of Las Vegas Sands Corp. fell after the *bell* on Wednesday, after the casino operator said its first-quarter profit fell: LVS.N shares were down 4 percent at $85 in extended-hours trading.

answer: (b) bell

A2 With the Dow Jones Industrials teetering on the brink of the 12,000 level, *Plunge* Team commander, Henry Paulson, issued a buy signal; "The president's economic advisers are keeping an eye on the markets," said a White House spokesman, revealing that Bush got a phone briefing from Paulson that day.

answer: (a) Plunge

A3 When volume on an exchange is so heavy that the tape runs more than five minutes behind, the *flash* price interrupts the delayed prices every 5-10 minutes to show the current price of a heavily traded stock.

answer: (a) flash

A4 The *dumbbell* strategy places bonds only in very short and very long maturities, making it easy to shift the average maturity of the portfolio.

answer: (b) dumbbell

A5 *Kangaroos* refers mostly to the stocks on the All Ordinaries index, which is composed of 280 of the most active Australian companies.

answer: (a) Kangaroos

A6 Opinion *shopping* can adversely affect the independence of auditors; it is a different activity than obtaining a second opinion, which has the objective of obtaining the right answer, and is in fact illegal.

answer: (c) shopping

A7 The economy is coming in for a landing; optimists say it will be the much sought after '*soft* landing' when the economy slows but doesn't skid into recession, but some economists now are forecasting a bumpy landing, or even worse.

answer: (c) soft

A8 The pro forma combination of buy-recommended ConocoPhillips (COP) and buy-recommended Burlington Resources (BR) would create a new company with a stock market capitalization of $100 billion thereby qualifying as the sixth mega *cap* energy company in our coverage.

answer: (c) cap

A9 Having a *war* chest of $11.2 billion gives Google freedom to make strategic acquisitions, even overpaying if necessary, and to take a longer-term view with its products and acquisitions, enabling it to push new services out the door now and figure out how to make money off them later.

answer: (d) war

A10 *Greensheets* are not intended for public distribution: they are meant to be a rough introduction to the company about to issue the new security, thus they are incomplete and not necessarily accurate.

answer: (c) Greensheets

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Business Buzzwords: South African Labour Laws

A1 The new law will do away with employers who have abused the independent contractor provision in South Africa's existing labour laws, but NMG-Levy labour consultant Brian Allen says 'legislative *overkill*' could affect genuine supplier relationships while wiping out this form of evasion.
answer: (b) overkill

A2 The NYSE applies program trading *curbs* whenever the NYSE Composite Index moves 150 points higher or lower than the previous day's closing price; this restriction stays in place until the NYA returns to within 70 points of the previous day's closing price or until the end of the trading day.
answer: (d) curbs

A3 The *Joseph* Effect, which harkens to the Hebrew slave who prophesied seven years of feast and famine, relates to the market's tendency to have a long-term memory-for example, a rise in stocks tends to be followed by additional increases.
answer: (b) Joseph

A4 I am therefore pleased to report that the second half did indeed show a solid improvement; we managed to more than reverse the first half loss and remain on *stream* for the trading performance to continue along this trend.
answer: (d) stream

A5 August was the cruelest month for Dell Inc, when it recalled 4.1 million laptop batteries because of fears they might ignite, announced a shockingly bad quarter and disclosed that the SEC has launched an investigation of its accounting; 'Dell is in the *penalty* box' admits founder Michael Dell.
answer: (c) penalty

A6 A *Bo Derek* stock is a perfect stock for investment — named after the gorgeous star of the movie '10'.
answer: (a) Bo Derek

A7 Most economists think it's unlikely the *CNN* effect will be enough to tip the U.S. economy back into recession; after all, the average American already watches four hours of TV a day.
answer: (c) CNN

A8 There's a saying in the stock world, that goes, "Don't fight the *tape*" — what this means is that when there's powerful selling going on against a stock, only the foolish step in and start buying, because the price is likely to continue to decline.
answer: (c) tape

A9 Hedge fund managers will often call analysts and present a very persuasive argument as to why a stock deserves an upgraded rating; this *hounding* does not always lead an analyst to change his or her rating, but it works enough of the time for the practice to persist.
answer: (d) hounding

A10 *Risk* Management is the process of identification, analysis and either acceptance or mitigation of uncertainty in investment decision-making.
answer: (d) Risk

Business Buzzwords: Young Companies

A1 *Venture* capitalists mitigate the risk of investing by developing a portfolio of young companies in a single fund.
answer: (c) Venture

A2 Sanyo Electric is cooperating with the investigation into its suspected window-*dressing* of earnings; Sanyo may have falsified its fiscal 2003 earnings report, writing off far fewer losses than its subsidiaries had and falsely reporting a profit when it was in the red.
answer: (b) dressing

A3 Price discrepancies, although at odds with mainstream finance, are persistent phenomena in financial markets; these apparent mispricings lead to the presence of *arbitrageurs*, who aim to exploit the resulting profit opportunities, but whose role remains controversial.
answer: (a) arbitrageurs

A4 While we anticipate that a supplemental for FY07 will ultimately be signed into law, we expect uncertainty surrounding the level of DoD funding will continue, and as a result, we have less *visibility* into our next fiscal year than we normally would have at this point in the year.
answer: (d) visibility

A5 "One of the reasons we have a healthcare crisis is because, as a consumer, I don't have that much *skin* in the game," said Arkansas GOP Gov. Mike Huckabee, "there needs to be a transformation from a third-party insurance system to more financial participation by the patient."
answer: (d) skin

A6 A lot of investors and fund managers sold the stock only to buy it a few days later at lower prices; but there is brokerage to be paid on both the transactions (while buying and selling), so unless the fund manager will make a lot of money on that stock, *churning* may not be all that prudent after all.
answer: (a) churning

A7 The five largest music companies and music retailers agreed to pay $67.4 million to settle a lawsuit over alleged price-*fixing* in the late 1990s; prosecutors said that the industry kept consumer CD prices artificially high between 1995 and 2000 with a practice known as 'minimum-advertised pricing'.
answer: (a) fixing

A8 Insiders are an obvious target for policies designed to provide information security, because they have legitimate uses for communication channels that can also be used to breach security; by restricting the use of these channels, the organisation can create barriers to information *leakage.*
answer: (c) leakage

A9 *An elevator* pitch is a quick and concise way to communicate who you are, what you do, and why you do it better; it's more than a mission statement — it's understanding your business in a way that gets people excited, involved, and thinking.
answer: (c) An elevator

A10 If a trader is in a long position on a currency pair and the exchange rate moves upward in her favor a bit but fails to move past a key resistance level she was expecting as a catalyst for further movement, the trader would probably deem the trade *flat* on a failure and close it out for whatever profit had been earned.
answer: (c) flat

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Business Buzzwords: Japanese Automobiles

A1 The '*keiretsu*' structuring of assembler-supplier relations historically enabled Japanese auto assemblers to remain lean and flexible while enjoying a level of control over supply akin to that of vertical integration.

answer: (b) keiretsu

A2 *Riding* the yield curve, the fixed-income strategy of purchasing a longer-dated security and selling before maturity, is a popular means to achieve excess returns compared to buying-and-holding, despite its implicit violations of market efficiency and the pure expectations hypothesis of the term structure.

answer: (c) Riding

A3 Resident Market Makers would be able to vote to reduce the commission charge for the *Order Book Official* (OBO) who keeps the public limit orders in the relevant class of options.

answer: (d) Order Book Official

A4 '*Bucket* shops' are firms that entice people through various tactics to open trading accounts with them (including misleading job advertisements that promise quick, unrealistic returns), but on contractual terms that are favourable towards these firms.

answer: (a) Bucket

A5 *Infant*-industry theory posits that small or less productive firms in developing countries require protection to catch up to foreign competitors, and this theory is often cited as a validation for government-sponsored protection from trade and foreign direct investment.

answer: (a) Infant

A6 Small capitalization public companies need access to savvy investors in micro and small cap stocks who are actively seeking the next *tenbagger*, but the typical investor thinks that he should avoid the small cap market, that he would never have the insight, inside knowledge, skill or luck to find a blockbuster performer.

answer: (d) tenbagger

A7 Bankruptcy courts are receptive to granting certain protections for the *stalking* horse bid because of the risk and expense incurred in making the first bid and the interest it generates for the assets.

answer: (d) stalking

A8 A persistent growl from the bear camp two years ago was that the U.S. economy was headed for a 'double-*dip* recession', meaning the economy was in danger of sliding back into a period of negative growth after having climbed out of it.

answer: (b) dip

A9 Ultimately, Louis Rukeyser's TV show, 'Wall Street Week', made investing look too easy: you can't rely on *elves* to tell you when to be in or out of the market.

answer: (a) elves

A10 Nicknamed "The Junk Bond King", Michael *Milken* is credited with founding the high-yield debt market but was banned for life from the securities industry.

answer: (c) Milken

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Global Production Systems

A1 The global and national economies, as well as individual industries and firms, have *undergone* a tremendous amount of restructuring in the past several decades.

answer: (c) undergone

A2 Until the 1970s, the global economy was primarily composed of national companies operating mainly within their *borders*, and the system was characterized by shallow integration versus the deeper integration of today, in which global production systems distribute production across the globe.

answer: (a) borders

A3 *Linkages* across firms and countries have strengthened as trade has greatly expanded and production has moved southward.

answer: (d) Linkages

A4 No longer does a single firm control all of a company's activities, but rather the system operates from a network-centric *perspective* and a firm is disconnected from the customers it serves for instance, Nike now has 900 suppliers and 650,000 workers spread over 50 countries.

answer: (c) perspective

A5 But while there has been a diffusion of production, the control has solidified on the retail side as a result of consolidation among top-*tier* firms and a proliferation among potential suppliers.

answer: (d) tier

A6 The increase in world agricultural trade is partly a result of the greater market access that produce receives as compared to other agricultural products, especially under *preferential* trade agreements such as NAFTA and the Lome Convention.

answer: (c) preferential

A7 Accompanying this increased trade has been a restructuring of the market from a fragmented industry with low *barriers* of entry to a market dominated by retail oligopolies that control over half of the fresh produce sold.

answer: (a) barriers

A8 This has caused a change towards greater quality, supply *chain* efficiencies, and product differentiation.

answer: (a) chain

A9 The result of this concentration and higher standards has been a decline in *smallholders* who are unable to meet all the new requirements and a downward pressure on prices and wages, a widening gender gap in terms of wages, and increased insecurity among workers in the industry.

answer: (d) smallholders

A10 Technological advancements happen at such a rapid rate that it is hard for a country to *keep* up and remain competitive.

answer: (b) keep

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Global Production and the Labour Market

A1 The share of trade in world GDP has been increasing with a shift from *commodities* to manufactured goods and a growing importance of intermediary goods as a result of outsourcing.
answer: (b) commodities

A2 This increase in outsourcing has been accompanied by rising income inequality (25% of which is *attributable* to outsourcing) and historic high rates of profits and profit share.
answer: (c) attributable

A3 To *capture* greater gains from trade, countries are seeking to increase their value-added position as they expand their industrialization, but have often found difficulty in upgrading.
answer: (a) capture

A4 The newly industrializing Asian countries have had success in upgrading, whereas Latin America and *Sub*-Saharan Africa have had difficulty (e.g., Mexico has been able to expand exports but only with a small amount of value-added).
answer: (c) Sub

A5 China's rapid rise *poses* an additional threat for most developing countries outside of Asia that have had trouble upgrading.
answer: (b) poses

A6 The 1990s saw only a *meager* growth in per capita income outside of Asia and a rise in income inequality within countries as a result of the Washington Consensus of export-led manufacturing growth, deregulation, and liberalization.
answer: (b) meager

A7 And as China participates even more fully in the global economy, developing countries will not be able to compete with China's abundant supply of cheap labor and developed infrastructure and will therefore be *adversely* affected.
answer: (a) adversely

A8 The increased market linkages that now characterize the global economy have caused considerable product and labor market *asymmetries*: many industries are now characterized by oligopolies on top and increased supplier competition at the bottom.
answer: (d) asymmetries

A9 It is an endogenous process that is sustainable because of barriers to entry on the top, an abundant supply of labor on the bottom, and the entry of more firms on the *ground* level even though many industries already have excess global capacity.
answer: (d) ground

A10 This has led to a value-added *squeeze* for developing countries that face obstacles to industrial upgrading, pressure downstream to keep prices low because of low margins, and pressures on labor markets to keep wages low.
answer: (a) squeeze

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Corporate Social Responsibility

A1 As tales of labor abuse in developing countries by multinational companies have *made* the headlines in developed countries, some of these companies have adopted voluntary corporate social responsibility codes.

answer: (c) made

A2 These codes are *initiatives* taken by companies over and above their legal obligations to treat the stakeholders of the firm ethically and in a responsible manner.

answer: (d) initiatives

A3 This is a move beyond the narrow view of pursuing only short-term profit-maximizing objectives to a broader view of greater social responsibility, but while these codes promote *decent* work standards, they do not necessarily mean more jobs.

answer: (a) decent

A4 Companies are not implementing these new corporate social responsibility standards solely for *altruistic* reasons, but rather there is a burgeoning market for standards in which companies will provide standards if consumer will pay more for this benefit.

answer: (b) altruistic

A5 But the demand curve for standards is kinked, with consumers not willing to pay *that* much more for standards but would cause a huge adverse impact if a company allowed for major labor violations.

answer: (b) that

A6 The persistence of violations and consumers' desire for adequate labor conditions has led to the *proliferation* of vigilantes and verifiers (organizations that check that companies are actually following their reforms, such as the Fair Labor Association and Social Accountability International).

answer: (d) proliferation

A7 For any effort by either the vigilantes or the verifiers to be successful, it needs to involve the workers in *question* since they are the ones who confront the conditions on a daily basis.

answer: (c) question

A8 The standards market has an inherent limitation, since it relies on consumers in developed countries to take action; it therefore limits the number of affected products, and since the worst *abuses* occur in the informal sector, there is much that corporate codes of conduct will be unable to change.

answer: (a) abuses

A9 While voluntary corporate codes of conduct are a start, they are not enough to fully *address* the problem.

answer: (a) address

A10 National action (and perhaps legislation) can improve the *outcomes* of corporate codes and monitoring, in areas such as transparency, consultations by auditors and monitors with local authority, and consistent enforcement of labor standards.

answer: (b) outcomes

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The LS9203 Omni-Directional Presentation Scanner

A1 With stiff competition and commodity price constraints, service is your greatest *differentiator*: that means fast checkout and stocking what your customers want.

answer: (c) differentiator

A2 Your instincts are good, but it's still a guessing *game* to match your inventory with customers' preferences, because you have no way to precisely track what they're buying.

answer: (a) game

A3 Retailers with stores of all sizes are overcoming these challenges by transforming their business processes, abandoning paper-based sales and inventory tracking for electronic data *capture* systems.

answer: (b) capture

A4 While mobile technologies offer new ways to effectively manage inventory and *streamline* retail operations, complex and expensive systems may not fit the needs of your organization.

answer: (d) streamline

A5 Instead, you need a tool that's affordable, reliable, integrates into your *point*-of-sale (POS) environment easily and can be used without extensive training.

answer: (b) point

A6 Symbol's easy-to-use LS9203 omni-directional scanner speeds checkout and improves sales and inventory management in retail operations where *counter* space is limited.

answer: (c) counter

A7 Designed to work as both a presentation and handheld scanner, the LS9203 enables your employees to scan bar codes hands-*free*, as well as bring the scanner to the merchandise to quickly scan several items at once and avoid lifting heavy products.

answer: (a) free

A8 With automated scanning, you eliminate pricing errors caused by manual input mistakes, reduce profit-eroding shrinkage and discourage '*sweethearting*' by requiring a manager's approval before offering special deals for friends and relatives.

answer: (d) sweethearting

A9 With increased *visibility* into what your customers are buying, you encourage repeat business by providing the products your customers want, when they want them.

answer: (d) visibility

A10 And the LS9203's small *footprint* leaves you enough space to set up product displays at the checkout counter, so your customers are able to easily pick up last-minute items.

answer: (c) footprint

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Nanotube Technology

A1 CNTs (carbon nanotubes) have probably been around for a lot longer than was first realized, but *electron* microscopy at that time was not advanced enough to distinguish them from other types of tubes.

answer: (c) electron

A2 The first method for producing CNTs and fullerenes in *reasonable* quantities was by applying an electric current across two carbonaceous electrodes in an inert gas atmosphere.

answer: (a) reasonable

A3 This method is called plasma arcing: it involves the evaporation of one electrode as cations followed by *deposition* at the other electrode.

answer: (b) deposition

A4 The carbon arc discharge method is the most common and easiest way to produce CNTs, but it produces a complex mixture of components and requires further purification to separate the CNTs from the soot and the *residual* catalytic metals present in the crude product.

answer: (d) residual

A5 This method creates CNTs through arc-vaporization of two carbon rods placed end to end, separated by approximately 1mm, in an enclosure that is usually filled with *inert* gas at low pressure.

answer: (b) inert

A6 Another method of nanotube synthesis involves plasma arcing in the *presence* of cobalt with a 3% or greater concentration.

answer: (c) presence

A7 The nanotube product is a compact cathode deposit of rod-like *morphology.*

answer: (c) morphology

A8 However, when cobalt is added, the nature of the product changes to a web, with strands of 1mm or so thickness that stretch from the cathode to the walls of the reaction *vessel.*

answer: (b) vessel

A9 The *mechanism* by which cobalt changes this process is unclear, however one possibility is that such metals affect the local electric fields and hence the formation of the five-membered rings.

answer: (d) mechanism

A10 Arc-discharge and laser vaporization are currently the principal methods for obtaining small quantities of high quality CNTs, but both methods suffer from *drawbacks*: the CNTs are difficult to purify, manipulate, and assemble for building nanotube-device architectures for practical applications.

answer: (d) drawbacks

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Company Mergers

A1 The question is often asked why one huge company should want to take over another massive organisation just for the sake of *toppling* or overthrowing a business rival.

answer: (d) toppling

A2 The winner may well have plenty of resources and *platforms* at its disposal to carry out the take over but there has to be another reason.

answer: (b) platforms

A3 It may well have the *leading* market share in that area with no opposition from any other competitor.

answer: (a) leading

A4 In that case why should it want to carry out its plan and do the *deal* thereby inheriting all the problems that the other company has experienced?

answer: (c) deal

A5 It is possible that it has had a good year and at the end of the financial year it has produced an excellent *set* of results that has pleased its shareholders.

answer: (d) set

A6 Another reason of course is that it just wanted to do what the shareholders wanted by *pandering* to their wishes.

answer: (a) pandering

A7 In that case it won't necessarily increase its profits or *bolster* its reputation in the business world.

answer: (b) bolster

A8 It may indeed suffer an initial *downturn* in business and profits may be substantially reduced.

answer: (d) downturn

A9 Any company on reflection should think seriously before splashing *out* and spending huge sums of money.

answer: (a) out

A10 The reality is that any company bent on a takeover should be wary of losing business and clients because there may well be a mass *exodus* of customers.

answer: (c) exodus

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Business Buzzwords: Con Men

A1 Connie tried selling her family's camper on an Internet auction site, only to have a con man make off with it while sticking her with a *rubber* check — the buyer sent a check for $10,500 and sent a driver to pick up the camper, so Lang turned it over, but two weeks later found out the check had bounced.
answer: (c) rubber

A2 In the charges brought against RT Capital, members of that firm admitted their actions were against the public interest: those actions apparently consisted of 53 cases of causing the price of a security to end the day on an up tick — a high *close.*
answer: (b) close

A3 Parties to an Exchange for Physical trade, which is another form of *an upstairs* trade permitted by most exchanges, have considerable leeway in reporting; EFP transactions can occur at any time, during and after market hours, and there is no time restriction to report an EFP to the exchange.
answer: (d) an upstairs

A4 The methods used by Katz created a false and misleading appearance of trading activity or an artificial price for the securities of Caprice, and included the execution and clearing of orders through other member firms (a '*Jitney* Trade') to disguise the players in the market place.
answer: (b) Jitney

A5 Bridge Mobile Alliance provides a regional *one-stop* shop that supports enterprises with regional mobile needs; this means that instead of having to liaise with multiple parties, you can approach any alliance member to consolidate all your needs and requirements.
answer: (c) one-stop

A6 Trend followers know the trick of letting their profits *run* is key to trading: once you learn that to maximize your profits you must be willing to give up some part of your accumulated profits, you are on your way to sustained success, and refusing to give up a part of that accumulated income due to fear is a big mistake.
answer: (b) run

A7 A political split suggests legislative *gridlock* in Washington, which is not a bad situation for the financial markets; equity investors tend to favor a divided government since it usually suggests less government intervention in the economy and stock market.
answer: (c) gridlock

A8 For purposes of this rule, "agency *cross* transaction for an advisory client" means a transaction in which a person acts as an investment adviser in relation to a transaction in which the investment adviser acts as a broker-dealer for both the advisory client and another person on the other side of the transaction.
answer: (b) cross

A9 *Coattail* investing, where small investors mimic the top pros, may be growing more popular than ever; as markets have gone nowhere over the past five years they went down and then recovered the solution is to find people who you think are making money and attach yourself to them.
answer: (b) Coattail

A10 One of U.S. management's big complaints is against union *featherbedding*; last week the American Institute of Management warned that unions are not alone in insisting on unnecessary jobs — management itself is widely guilty of the practice.
answer: (a) featherbedding

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Business Buzzwords: Hostile Deal

A1 That scenario would include the make-your-best-offer propositions like Verizon and MCI, the '*gray* knight' attempts to upset existing agreements like Blockbuster's, and straightforward hostile deals, which have been rather rare recently.
answer: (b) gray

A2 Leaders on both sides of the Pacific agree on the need to encourage long-term investments in factories and businesses and to minimize the boom and bust effects of so-called '*hot* money', the term for funds from investment companies, banks, and currency traders seeking a high rate of return on a short-term commitment.
answer: (c) hot

A3 Zinc just recently achieved a nominal all-time high and along with its fellow base metals counterparts has bucked the commodities trend in recent months, having an amazing run in its own *bull* market.
answer: (c) bull

A4 Does Your Boss Play *Jekyll and Hyde*? — An account manager thought he was starting off well during his first week at a large advertising agency in Los Angeles, but just a few weeks later, his boss abruptly called him into his office and addressed him using a demeanor and tone he'd never experienced in his 17-year business career.
answer: (c) Jekyll and Hyde

A5 The eagerness for quick riches is hard to squelch; indeed, after an investing bubble, *an echo* bubble where investors rush in to buy all over again isn't uncommon.
answer: (c) an echo

A6 The IMF estimates money *laundering*, the process drug traffickers use to introduce proceeds of the sale or distribution of controlled substances into the legitimate financial market, to amount to between 2 and 5 percent of the world's GDP, about $600 billion annually.
answer: (b) laundering

A7 "For now, let me just say that a strategic *inflection* point is a time in the life of a business when its fundamentals are about to change; that change can mean an opportunity to rise to new heights, but it may just as likely signal the beginning of the end." (Andrew S. Grove)
answer: (b) inflection

A8 The *Ponzi* scheme continues to work on the 'rob-Peter-to-pay-Paul' principle, as money from new investors is used to pay off earlier investors until the whole scheme collapses.
answer: (d) Ponzi

A9 *Doves* prefer low interest rates as a means of encouraging growth within the economy because this tends to lead to increased demand for consumer borrowing and spurs an increase in consumer spending; they believe the negative effects of low interest rates are negligible in the larger scheme of things.
answer: (c) Doves

A10 The *topple* rate in 1974 was about 7-8 percent, but today that rate is about 33 percent; even well established leadership companies can be swept away very, very fast now.
answer: (c) topple

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Business Buzzwords: Competitive Advantage

A1 An important theme of research related to the industry *lifecycle* is that strategies for achieving competitive advantage differ depending on the stage: firms compete primarily on alternative product designs and positioning early in the history of an industry, whereas cost becomes a more important basis of competition in later stages.
answer: (d) lifecycle

A2 Yahoo! and MSN are both good examples of *glocalization* because both have sites in different languages specifically targeted at the people of several countries.
answer: (b) glocalization

A3 It appeared that Old Mutual had fallen prey to a bear *raid*, where short sellers had entered the market for Old Mutual shares and had closed out their positions early this week; Poole said, "The market reacted very badly to our announcement, and we take losing 10 % of our price seriously."
answer: (c) raid

A4 "An obsession with wealth has led to *an Affluenza* epidemic", says Oliver James, "the virus is a set of values which increase our vulnerability to psychological distress, placing a high value on acquiring money and possessions, looking good in the eyes of others and wanting to be famous."
answer: (c) an Affluenza

A5 In 1982, Barry Minkow started his own rug-cleaning business called *ZZZZ* Best and eventually turned it into a public company with a paper value of more than $200 million; he was given a hero's welcome on Wall Street, but in December 1988, he was convicted on 57 counts of fraud and sentenced to 25 years in jail.
answer: (d) ZZZZ

A6 The seller of T Bond futures does not have to notify the clearing house until 8 pm about his intention to deliver, so if bond prices decline after 2 pm, the seller can notify the clearing house of his intention to deliver the cheapest bond that day or he can wait for the next day: this option is called the *wild* card play.
answer: (d) wild

A7 The *voodoo* accounting employed by iMergent could be the reason why the company has lost all coverage from major brokerage houses and now reports numbers to the public without independent scrutiny; in 2005, it confessed a huge restatement of prior earnings and rolled up a mass of prior years' unreported losses.
answer: (d) voodoo

A8 A *sinker* bond is one whose interest and principal payments are made from a fund into which a company sets aside money over time, in order to retire its preferred stock, bonds or debentures.
answer: (b) sinker

A9 A Brookfield real estate agent was charged Thursday in federal court with trying to get a $75,000 *kickback* in the form of a percentage of the sale if the bidder's proposal was accepted, in exchange for giving out confidential bid information on the sale of a $30 million state office building in Madison.
answer: (c) kickback

A10 Investors are starting to worry that Symantec, which makes the popular Norton brand of anti-virus software, is in danger of being *Netscaped*: Microsoft has made some rumblings lately about stepping up its presence in security software.
answer: (d) Netscaped

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Business Buzzwords: Credit-derivative Trades

A1 Fourteen high profile Wall Street investment banks, including a former Federal Reserve regional board member, have gathered in New York to tackle the growing monster of unmatched credit-derivative trades, so Wall Street might ultimately fix this derivatives *time-bomb* before it explodes.
answer: (d) time-bomb

A2 The phrase '*white-collar* crime' was coined in 1939 during a speech given by Edwin Sutherland to the American Sociological Society. Sutherland defined the term as "crime committed by a person of respectability and high social status in the course of his occupation."
answer: (d) white-collar

A3 Why would people want to own General Motors or Ford, just because those stocks are down a lot, when they could own best-of-*breed* Toyota, which is taking share and making big profits? — I know they are drawn by the low dollar amount of the American carmakers, but Toyota is the cheapest and the best, a rare find.
answer: (b) breed

A4 *Club* Deal for Kuwait Parazylene: 18 banks have signed up to the $1.4 billion financing for Kuwait Parazylene Production Company (KPPC).
answer: (b) Club

A5 Considering the few extra percentage points of return that most *enhanced* index funds may give you, you're better off sticking with a conventional index fund; that's where you'll find lower risk and expenses, plus minimal tax liabilities.
answer: (d) enhanced

A6 The company recorded a provision for risk of (34.7) million euros, mainly generated by the discontinuation of production at the Bernin site and focus of the optical business on foundry services, the *badwill* resulting from acquisitions, a litigation with one customer and employee severance costs.
answer: (a) badwill

A7 Partially as a result of the back-of-the-*napkin* business model approach, many eConsultants had not considered the situation thoroughly and lacked one of the most fundamental ideas behind any new company — a better mousetrap.
answer: (d) napkin

A8 We have analyzed connected transactions between Chinese publicly listed firms and their state-owned enterprise (SOEs) shareholders and shown how resources are *tunneled* from minority shareholders of the firm to the state.
answer: (d) tunneled

A9 The bear call *spread* can be seen as writing a call with protection against an unexpected rise in the market; in this instance, the trader may write a call around the money, and take a call out-of-the-money, which effectively provides a ceiling to the potential loss if the market should rise.
answer: (d) spread

A10 In a Mortgage Dollar Roll transaction, the investor sells the securities that he was to receive from the dealer in the front month for one price and buys the same securities from the dealer at a lower price for settlement in the next month: the difference between the two prices is known as the *drop.*
answer: (b) drop

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Business Buzzwords: High Valuation

A1 High valuation means a bigger potential price fall for a *torpedo* stock.

answer: (d) torpedo

A2 The *loss* leader is a pricing strategy which involves selling products/services at a price that will generate little or no profit and in some cases not even cover all associated costs (marketing, overheads, direct costs, etc).

answer: (c) loss

A3 *Froth* Comes Off Starbucks: Shares in Starbucks fell to their lowest level since late 2005 as investor concerns about slower sales and profit growth continued to chip away at the once highflying stock.

answer: (d) Froth

A4 Not all these houses are ugly and shoddy: though most are badly proportioned pastiches of different styles, some are built with attention to detail and materials, but, as the epithet *McMansion* suggests, they're just too big-for their lots, for their neighborhoods and for the number of people who actually live in them.

answer: (d) McMansion

A5 American bankers for decades operated by the *3-6-3* rule; they could afford to be that precise because federal and state laws set the strict rules by which they operated and protected them from competitors, and the power and prestige of bankers remained as secure as their vaults, while profits were steady and certain.

answer: (b) 3-6-3

A6 Going public with a bear *hug* is a great strategy for acquiring a target whose management isn't inclined to sell; it forces a corporate board to consider any reasonable bid because directors have a responsibility to provide shareholders with the best financial returns.

answer: (b) hug

A7 The good and bad of *intaxification*: Tax refunds may be welcome to most taxpayers, but technically speaking, it's not wise to give the government interest-free loans.

answer: (b) intaxification

A8 On the negative side, the market is a stone's throw from refreshing the overvalued, overbought, overbullish, yields-rising condition we've dubbed '*ovoboby*'.

answer: (d) ovoboby

A9 Life expectancy for men aged 60 is more than five years' longer in 2005 than it was anticipated to be in mortality projections made in the 1980s, and this problem threatens the solvency of the life and pensions industries; the amounts exposed to *longevity* risk in the UK pensions industry alone are estimated to be 2,520 billion.

answer: (b) longevity

A10 We have taken a direct sentiment measure, i.e., market sentiment index constucted by 'Investors Intelligence': each week weekly newsletter opinions on the future market movements are grouped, and we use the *bull-bear* ratio as a proxy of sentiment.

answer: (a) bull-bear

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Workforce Planning Methodology

A1 Mertz, Joshua and Grumbach's study of the oral health workforce involved an extensive literature and legislative review, as well as interviews with 20 key *stakeholders.*

answer: (d) stakeholders

A2 The literature review exposed the main theoretical concepts behind workforce planning and was used to assess current DHPSA policy in the *context* of the policy's legislative history.

answer: (b) context

A3 The study provides a synthesis of the alternative personnel planning methodologies (supply-based, demand-based and needs-based), and examines data availability to *support* these methods.

answer: (d) support

A4 The practical application of these methods is found primarily in the DHPSA and National Health Service Corps (NHSC) programs, the primary governmental efforts to *engage* in oral health personnel planning.

answer: (b) engage

A5 The study details the legislative history and institutional development of the current DHPSA criteria and compares the performance of the policy against its expressed goal to identify areas of *unmet* need.

answer: (c) unmet

A6 The legislative directive for monitoring and addressing oral health workforce issues has evolved over the past 60 years from focusing on defining 'manpower shortages' to an emphasis on measuring *underservice.*

answer: (d) underservice

A7 However, the programs developed in *response* to legislation have not evolved to reflect this change.

answer: (c) response

A8 While a variety of *alternative* methodologies for measuring shortages exist, there are little data currently available upon which to base a new method.

answer: (d) alternative

A9 Dental health personnel planning is a process to determine appropriate numbers, types and distribution of providers needed to achieve certain health goals and is rooted with the social *imperative* to use limited resources appropriately.

answer: (a) imperative

A10 This study suggests the need for a revision of oral health care workforce monitoring and planning methods and a *realignment* of assessment efforts and programmatic responses.

answer: (a) realignment

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Information Services Management

A1 Van Deventer and Martha Johanna explain that knowledge economy management literature is *prolific*, but very little of the retrieved literature relates to the application of management philosophies within the library and information services industry.

answer: (d) prolific

A2 The assumptions that *underlie* this research are in the first instance that, if it is not reported in the literature, it is questionable whether library and information services are implementing the new management practices.

answer: (a) underlie

A3 For the purpose of this study it was presumed that the advantages of these knowledge economy management philosophies are *such* that they should also be applicable within the back office environment.

answer: (d) such

A4 The most suitable methodology was identified as a *hybrid* version of Kaplan and Norton's balanced scorecard, based on the philosophy of the intangible asset monitor and including aspects of the value chain scoreboard.

answer: (d) hybrid

A5 An opinion was *expressed* that the monitoring of intellectual capital growth needs to take place at both the individual and the organizational level if monitoring is to be of real objective value.

answer: (d) expressed

A6 Implementation of the management practice (intellectual capital management) occurred in two phases and stretched over a period *close* on 18 months.

answer: (b) close

A7 A situation analysis was done at the start of the research period; Kaplan and Norton's adapted scorecard framework was then utilized to *set* objectives for each of the two implementation phases.

answer: (d) set

A8 An adapted version of Sveiby's Affrsvrlden model was utilized to identify specific implementation actions and initiatives to be *taken.*

answer: (d) taken

A9 From the weaknesses, a number of priority actions were identified while the strengths provided a good *lead* as to what could be considered the good practice that should be continued.

answer: (a) lead

A10 In brief, it is possible to say that intellectual capital management has been an appropriate management philosophy to use within the chosen service environment, and it is appropriate to recommend that its principles and practices be *rolled* out to the rest of the service unit.

answer: (d) rolled

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Capital Cost Allowance

A1 David Trahair, C.A. explains that although most expenses are deductible in the year you paid them, there are types of purchases that are *treated* differently.

answer: (d) treated

A2 For example, purchases of property such as computers, office furniture, buildings, and manufacturing equipment are not usually written *off* in the year of acquisition.

answer: (c) off

A3 These types of properties will *wear out* or become obsolete over a number of years; in recognizing this, you can make a yearly deduction for their cost for income tax purposes called capital cost allowance.

answer: (d) wear out

A4 All property of a capital nature that you purchase must be grouped in a class *specific* to that item. and all property in that class is grouped together and the total cost is used to determine the amount of capital cost allowance.

answer: (c) specific

A5 Classes typically use a *declining* balance to depreciate property and each class is designated a maximum fixed percentage for the year; there are 44 classes of property with rates in the classes varying from as low as 4% to as high as 100%.

answer: (a) declining

A6 If your taxation year is less than twelve months, then the allowable deduction amount will be *prorated* to a portion of the maximum amount allowed.

answer: (d) prorated

A7 Generally, for the year of acquisition the half-rate rule applies, so only 50% of the maximum deduction amount of a particular class can be *claimed.*

answer: (a) claimed

A8 *Recapture* can occur if, when you sell the property, the sale price is more than the total of the undepreciated capital cost (U.C.C.) for that class at the beginning of the period and there were no more items left in that class.

answer: (a) Recapture

A9 *A terminal* loss will occur if you have an undepreciated capital cost for a class but have no more physical property. (i.e. you could have sold an asset for less than its U.C.C.).

answer: (d) A terminal

A10 This amount is deductible from your business income for the year that you *disposed* of the property.

answer: (d) disposed

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Ecosystem Restoration

A1 Ecosystem restoration has existed as a nascent niche study for at least 70 years, but it didn't really pick up *steam* until the practice of environmental mitigation brought serious dollars into the picture.

answer: (c) steam

A2 As ecosystem restoration grew into an industry, the demand for quality standards and *rigorous* research grew.

answer: (d) rigorous

A3 During this period, there was a lot of debate over its *underpinning*: is it an art, a science, an industry, or all three — or is restoring ecosystems playing God?

answer: (d) underpinning

A4 Should we try to restore a system back to a certain point in time that we deem to be *pristine*, or should we merely try to restore the health of its underlying systems, so it can pursue whatever trajectory is appropriate for current circumstances?

answer: (d) pristine

A5 In all of this, there's been much emotion, much soul-*searching*, much business, much science, much poetry, and much politics.

answer: (a) searching

A6 The English language has over three times as many synonyms for restoration as it does for new development, maintenance, and conservation combined: that should tell us something about how important the renewal portion of the natural lifecycle is to our *psyche.*

answer: (d) psyche

A7 An economy that's based primarily on *sprawl* — in a country with finite borders — is a strategy that can only lead to depauperization, degradation, and war.

answer: (a) sprawl

A8 Nowadays, the growth of ecosystem, watershed, and fishery restoration industries, budgets, and sciences far *outstrips* the growth of their counterparts related to extraction of virgin resources.

answer: (d) outstrips

A9 So why are our trade schools and universities still *pumping* out skills and degrees that don't address the fastest-growing sector of the economy?

answer: (b) pumping

A10 For the first time in human history, we can put *hard* numbers to the value of the damage of environmental transgressions; NOAA has pioneered the application of this trend by applying a three-stage fine to those who destroy turtle grass beds in Florida.

answer: (a) hard

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The New York Hospitality Industry

A1 "New York City's hospitality industry is *on* fire," the global chairman of brokerage services at CB Richard Ellis, Stephen Siegel, said, "People from around the world want to visit New York and of course, they all need places to stay."

answer: (c) on

A2 Supply cannot meet the demand which has been created by *the* more than 41 million visitors to the city in 2006.

answer: (c) the

A3 According to industry leaders, 44 million visitors — a record number — are expected this year, helping to *fuel* the hospitality fire.

answer: (b) fuel

A4 Owners and operators in the hospitality *sector* are saying they have not experienced such impressive cash flow, hotel property selling prices, and availability of financing for close to a decade.

answer: (d) sector

A5 Even after several years of *positive* growth, real estate experts say the market is improving so far in 2007.

answer: (c) positive

A6 "Occupancy levels have been close to capacity for the second year in a row, and room rates had another year of double-*digit* growth," the president of Lodging Advisors, Sean Hennessey, said.

answer: (b) digit

A7 In *light* of this, more and more people assume the pace of improvement must moderate; and yet, for the first quarter of 2007, occupancy is up about 1 percentage point over last year, and room rates are up 12%.

answer: (c) light

A8 The Manhattan hotel market is *white* hot, with demand for hotel rooms far outstripping supply.

answer: (d) white

A9 During the past several years, several thousand hotel rooms have been lost from the city's inventory due to the *conversion* of existing hotels to residential use.

answer: (b) conversion

A10 As the New York lodging market continues to experience increases in average rates, and as the robust residential market slows down a bit, we are now seeing that hotel economics begin to *pencil* out the feasibility of new hotel development.

answer: (c) pencil

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The Hospitality Industry

A1 According to Michael Stoler, an influx of capital into the New York real estate market is *driving* the hotel market.

answer: (b) driving

A2 "The availability of funds both on the debt and equity sides from the *plethora* of lending institutions and opportunity funds for hotel projects in the Big Apple is plentiful," the principal of Eastern Consolidated, Alan Miller, said.

answer: (d) plethora

A3 Numerous groups are seeking to be part of the tremendous wave of hospitality demand we are experiencing, from the construction of ground-*up* hotels or the conversion of existing buildings to the repositioning of certain hotel assets.

answer: (c) up

A4 The market is *awash* in capital chasing hotels.

answer: (c) awash

A5 With the strong need for more rooms in Manhattan, *coupled* with the fact that there are no longer any undesirable' neighborhoods, the entire island south of 125th Street from river to river represents a good hotel site.

answer: (d) coupled

A6 Highgate Holdings is planning to convert the Chinatown Holiday Inn at 138 Lafayette St. into a *boutique* hotel.

answer: (c) boutique

A7 "The *pipeline* of hotels is probably at an all-time high, which might lead to increased competitiveness and price wars," Mr. Hennessey said.

answer: (c) pipeline

A8 It will likely hurt those hotels that have benefited from the *compression* of Manhattan's demand.

answer: (a) compression

A9 The greater risk is that the city's economy *falters*, and what many of the newly minted hoteliers don't realize is that a small drop in revenue can cause a huge drop in profitability.

answer: (a) falters

A10 When the slowdown eventually comes, a reverse *ripple* effect is expected whereby the properties living off of the Manhattan-displaced demand, particularly those without adjacent commercial development, will feel the downturn first.

answer: (b) ripple

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A Tourism Partnership

A1 South West Wales Tourism Partnership is the Regional Tourism Partnership serving South West Wales; the Welsh Assembly Government initiated the formation of 4 RTPs across Wales to receive *devolved* resources and responsibilities for tourism marketing and development.

answer: (a) devolved

A2 Four Regional Tourism Partnerships (RTPs) were established in Wales in 2001, *coterminous* with the four regional economic fora areas.

answer: (d) coterminous

A3 The partners in SWWTP are all the local authorities and a broad spread of tourism, hospitality and leisure industry representatives from across the Region; SWWTP acts as the lead *body* supporting tourism in South West Wales.

answer: (b) body

A4 Key elements within the Partnership's aims include the need to maximise potential and eliminate wasteful competition for the benefit of the consumer and the trade and to encourage integration of public and private sector resources by *nurturing* a distinct regional bias in decision-making.

answer: (d) nurturing

A5 The SWWTP drives forward the SWW Regional Tourism Strategy, 'Open All Year', which is now in *place.*

answer: (c) place

A6 SWWTP is a not-for-profit company limited by guarantee; every 3 years elections *open* to all with an interest in tourism will be held across the region to choose one-third of the industry representatives.

answer: (c) open

A7 The SWWTP works within strict *running* cost limits, and so its core staff is limited to 3.5 (Director, Project Manager, Office Manager, and part-time Administrative Officer).

answer: (c) running

A8 The SWWTP will act as an enabling and *commissioning* body, working through others to deliver its objectives.

answer: (a) commissioning

A9 Targets are set for individual projects from training to marketing, based on leverage for both investment and return on expenditure *incurred*; conversion and tracking studies are built into the activity.

answer: (c) incurred

A10 SWWTP took a decision to minimise expenditure on corporate public relations and instead works with its partners to *disseminate* news and opportunities.

answer: (d) disseminate

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US Cultural and Heritage Tourism Management

A1 Ten years ago *a seminal* blueprint for cultural and heritage tourism was adopted by more than 1,500 dedicated political and industry leaders and practitioners as part of their national agenda for the travel industry.nt

answer: (c) a seminal

A2 In their Cultural Tourism in the United States white paper, the authors *encapsulated* a definition for cultural and heritage tourism — "travel directed toward experiencing the arts, heritage, and special character of a place".

answer: (c) encapsulated

A3 Its adoption at the 1995 conference initiated new relationships between *unlikely* partners-the cultural, heritage and tourism sectors-who sought to fulfill its key values and vision of a sustainable industry with appropriate growth.

answer: (c) unlikely

A4 Collaborations spread across the country following the paper's *roadmap* of action steps, and the results have surpassed expectations.

answer: (c) roadmap

A5 Six regional forums catalyzed state action on cultural and heritage tourism, cultural and heritage tourism staff positions were established at convention and visitors bureaus, and *groundbreaking* research on the impact of cultural and heritage tourism was spawned.

answer: (b) groundbreaking

A6 Over the last decade, travel industry research confirms that cultural and heritage tourism is one of the fastest growing segments of the travel industry; for some travelers, cultural and heritage experiences are *value* added, enhancing their enjoyment of a place and increasing the likelihood that they will return.

answer: (d) value

A7 For a growing number of visitors, however, who are tired of the *homogenization* of places around the world, authentic experiences are an important factor and motivator for their travel decisions and expectations.

answer: (a) homogenization

A8 The industry today encompasses cultural and heritage specialists, who are an important resource for the travel and tourism industry in providing these customers with accurate, *insightful* interpretation of local assets.

answer: (b) insightful

A9 *An integral* but often invisible component of the cultural and heritage sector are the artists, performers, writers and other creative workers whose skills and vision bring to life our nation's genius and ideas.

answer: (d) An integral

A10 Cultural and heritage tourism also provides a means of preserving and perpetuating our nation's cultural heritage through education, increased revenues and audiences, and good *stewardship.*

answer: (d) stewardship

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Cultural Brokerage

A1 Wu and Haywood's paper presents the findings of a study of Canadians who have visited China and the tour operators who *facilitate* the trips in an attempt to understand the need for 'cultural brokerage'.

answer: (b) facilitate

A2 Research has revealed that cultural differences are important factors that appeal to and attract international tourists; many seem to *relish* the novelty of the experience.

answer: (d) relish

A3 However, the success of these foreign *sojourns* can be undermined if the travel experience and the encounters are not carefully managed.

answer: (d) sojourns

A4 The intent is to help Canadian tourists and Chinese hosts better understand each other; when Canadian tourists are better able to pre-educate themselves about Canadian and Chinese cultural differences, they will be able to visit China with a greater peace of *mind.*

answer: (b) mind

A5 The greater the differences in the cultural background of travelers, the more likely it is that their behaviour will be misunderstood and lead to *friction* (Reisinger & Turner, 1998).

answer: (b) friction

A6 Experiencing a second culture can be beneficial, since such *exposure* is said to broaden one's perspective, promote personality growth and provide insight into the culture of origin through a contrast with other world-views.

answer: (a) exposure

A7 Milman and Pizam (1988) argue that actual tourism and travel experience is not only composed of physical activities, but also a wide range of *cognitive* activities pertaining to the mind.

answer: (a) cognitive

A8 Since national cultures have certain dominant values, it can be taken for *granted* that international tourists will differ from their hosts in numerous ways (Pizam & Sussmann, 1995; Reisinger & Turner, 1998).

answer: (c) granted

A9 To orientate tourists to exotic host cultures, it may be necessary to engage a 'culture broker', a *mediator* who functions as a link between diverse cultural systems.

answer: (a) mediator

A10 It has been noted that the temporariness of international tourists' cross-cultural encounter may cause tourists and hosts to take a more tolerant view of the strange or threatening fancies and *foibles* of the other.

answer: (b) foibles

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Ecotourism in Vietnam

A1 There are many critics of ecotourism, who see it as a form of environmental *opportunism* that allows continued exploitation of natural environments by mass tourism: mass tourism cloaked in a green name.

answer: (c) opportunism

A2 Ecotourism is certainly a buzzword, and is becoming as *ambiguous* as the word natural' on the supermarket shelf.

answer: (c) ambiguous

A3 Here is another definition of ecotourism: A form of tourism inspired primarily by the natural history of an area, including its *indigenous* cultures.

answer: (c) indigenous

A4 The ecotourist practices a non-consumptive use of wildlife and natural resources and contributes to the visited area through labour or financial means aimed at directly benefiting the conservation of the site and the economic *wellbeing* of the local residents.

answer: (d) wellbeing

A5 The visit should strengthen the ecotourist's appreciation and dedication to conservation issues in general, and to the specific needs of the *locale.*

answer: (a) locale

A6 Ecotourism also implies a managed approach by the host country or region which commits itself to establishing and maintaining the sites with the participation of local residents and using the *proceeds* of the enterprise to fund the area's land management and community development.

answer: (c) proceeds

A7 Further, it is important to emphasise that ecotourism does not equal nature tourism; rather it is a distinct *niche* of the more general nature tourism sector.

answer: (c) niche

A8 One of the reasons for continued debate on the merits of ecotourism to achieve sustainable development is that there is no blueprint for successful ecotourism development in all of its *facets.*

answer: (c) facets

A9 Sites and potential projects need to be considered on a case by case basis, as many local factors — environmental, human, political, economic, social, cultural etc — will work for the benefit of, or to the *detriment* of, an ecotourism project.

answer: (b) detriment

A10 A big difficulty for countries like Vietnam is the idea that in order to achieve a sustainable ecotourism, planners and policy makers must impose limits, and in a country with a huge domestic population, the concept of limiting numbers appears almost *ludicrous* and is certainly controversial.

answer: (c) ludicrous

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Portfolio Statistics

A1 The *correlation* coefficient, which ranges in value between 1 and -1, is a very versatile pattern-matching technical indicator; it is a statistic that is used to measure goodness-to-fit, and we will be using it to compare actual price data against either specific chart patterns, or other price data.
answer: (d) correlation

A2 This rule kicks in when two substantially identical stocks or securities are acquired; remember that the window is 61 days — 30 days before and 30 days after the sale at a loss — so if you own a stock, buy the call and then within 30 days sell the stock at a loss, the loss will be disallowed under the 30-day *wash* sale rule.
answer: (c) wash

A3 The *alternative* minimum tax (or AMT) is an extra tax some people have to pay on top of the regular income tax; the original idea behind this tax was to prevent people with very high incomes from using special tax benefits to pay little or no tax.
answer: (b) alternative

A4 The NYSE's Automated Pricing and *Reporting* System, which processes odd lot orders, does not forward orders to the floor, but automatically executes the orders based upon the prices of trades in round lots and forwards inventory information to the appropriate specialists on the floor, who use this information to manage their positions in the market.
answer: (b) Reporting

A5 Equity *turnover* is annual sales divided by equity, a measure of the ability to grow without additional capital investment; companies with a high profit margin generally have a low figure for this statistic.
answer: (d) turnover

A6 During the Great Depression, many US banks collapsed, with almost half of them failing through bank runs, as banks rarely have enough cash available to cover all of their deposits simultaneously; the Banking Act of *1933* following shortly afterward made such enduring structural changes as the establishment of the FDIC.
answer: (d) 1933

A7 The Central Registration *Depository* is a computerized system that includes the employment, qualification, and disciplinary histories of more than 400,000 securities professionals who deal with the public; consumers can get CRD information about a sales representative by visiting our Web site.
answer: (c) Depository

A8 The seven members of the Board of *Governors* of the Federal Reserve System are nominated by the President and confirmed by the Senate, and a full term is fourteen years.
answer: (c) Governors

A9 The success of *cat* bonds is hard to deny: in the short span of 10 years, they have moved from a novel approach as a replacement for high-level excess property coverage to a growing trend in property protection from disaster.
answer: (b) cat

A10 The *index* bond, where the interest and principal payments are adjusted by inflation, is a popular investment tool; if held to maturity, it provides a certain real rate of return (i.e. the rate of nominal interest over inflation), but its market value, nevertheless, still fluctuates with the level of real interest rates in the intervening period.
answer: (a) index

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Futures and Options

A1 The CFTC is an agency created in 1974 to regulate US futures and options exchanges; in its authorizing statute, the *Commodity* Exchange Act, Congress recognized that these markets are important to our economy, and that fraud and manipulation impinged upon the market's ability to perform vital functions of price discovery and risk management.
answer: (a) Commodity

A2 The back of both the Powerball and Wildcard 2 tickets sold in Idaho say in part, 'SIGN THIS TICKET IMMEDIATELY. This ticket is *a bearer* instrument; anyone possessing a winning ticket may claim the prize.
answer: (a) a bearer

A3 *Days* Sales Outstanding (DSO) is a way of transforming the accounts receivable number into a handy metric that can be compared with other companies in the same industry to determine which player is managing its receivables collection better.
answer: (a) Days

A4 Rule 10b-4 prohibits *hedged* tendering of this type; it provides that a person tendering shares must be net long in all shares tendered both at the time of tender and as of the offer's cutoff date, and had Merrill Lynch executed the sell short order, Bobker would have been in violation of the rule.
answer: (c) hedged

A5 In *Dutch* auctions, a seller has multiple, identical items to sell, specifying the minimum price and the number of items available; bidders bid at or above that minimum for the quantity they are interested in purchasing, and at the close of the auction, the highest bidders purchase the items at the lowest successful bid.
answer: (a) Dutch

A6 Some credit cards let you borrow cash in addition to making purchases on credit, and most companies treat these cash *advances* and your purchases differently; for instance, the APR may be higher than the APR for purchases.
answer: (a) advances

A7 The Employee Retirement Income *Security* Act of 1974 (ERISA) is a federal law that sets minimum qualifications for pension plans in private industry; it does not require any employer to establish a pension plan — it only requires that those who establish plans must meet certain minimum conditions.
answer: (a) Security

A8 The objectives of *discounted* cash flow analysis are to determine the net present value of a stream of expected future cash revenues and expenditures, and the rate of return which the expected future cash flows will yield on a given level of initial cash investment.
answer: (b) discounted

A9 For yen-denominated bonds, the Samurai and the *Euroyen* bond markets have coexisted since the 1970s; the former aims at mobilising financial resources from domestic investors of the issuing market, whereas the latter aims at mobilising financial resources from the broader base of international investors.
answer: (c) Euroyen

A10 The income statements for the current interim period and cumulatively for the current fiscal year to date have been revised, and *comparative* statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year have been added.
answer: (a) comparative

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Comptroller General

A1 The head of the *GAO* is David M. Walker, Comptroller General of the United States, who was appointed October 1998 and whose term of office expires in October 2013.
answer: (c) GAO

A2 The Investment Company Act of *1940* regulates the organization of companies, including mutual funds, that engage primarily in investing, reinvesting, and trading in securities, and whose own securities are offered to the investing public.
answer: (d) 1940

A3 NASD *Regulation*, Inc. advised member firms to amend their historical performance communications to add either updated performance figures or clear disclosure that current performance is less than the figures shown when a security experiences an 'abrupt negative change in performance'.
answer: (b) Regulation

A4 It was, say federal regulators, a classic case of *affinity* fraud: Brazilian-Americans in the Boston area peddled dubious investments to other Brazilian-Americans in part by appealing to their common heritage and religion.
answer: (a) affinity

A5 Form *10-Q* is a quarterly report filed with the US Securities and Exchange Commission that includes unaudited financial statements and provides a continuing view of the company's financial position during the year; it must be filed for each of the first three quarters of the company's fiscal year.
answer: (c) 10-Q

A6 This written policy outlines the proper procedures for requesting records from the Pennsylvania State Police (PSP) under Pennsylvania's Right-to-*Know* Law, 65 P.S. 66.1-66.9.
answer: (b) Know

A7 The Bureau of the Public Debt announced today that Series *HH* Savings Bonds would no longer be offered to the public after August 31, 2004; issued since 1980, they were available in exchange for Series E or EE bonds and paid interest to their owners semiannually.
answer: (d) HH

A8 A Victim *Impact* Statement can be written or oral, and not only provides the court with essential data which leads to appropriate sentences and suitable restitution, but also allows the victim to articulate the pain, anguish, and financial devastation the crime has caused.
answer: (a) Impact

A9 We examine the impact of instalment receipts trading on the underlying stocks' volatility; IRs are a *derivative* security that evidences the purchase of an underlying security on an instalment basis, and they have been used to facilitate large secondary stock offerings in Canada.
answer: (b) derivative

A10 The rationale for imposing *assignee* liability on the trusts that hold securitized predatory loans is compelling when it comes to foreclosures: if a securitized trust, not the original lender, is the one seeking foreclosure, the holder-in-due-course rule prevents the borrower from asserting defenses based on wrongdoing at origination.
answer: (a) assignee

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Discount Bonds

A1 The basis of a bond initially equals the total purchase price; for a discount bond, the basis increases at the rate of the accrued *market* discount until it reaches the principal value at maturity.
answer: (d) market

A2 Security consultants can offer their expertise to a broader market, but recommendations are not entirely unproblematic, as perverse incentives may tempt certain actors to *downgrade* the security ratings of their competitors.
answer: (c) downgrade

A3 The house selling the Catholic bonds published in its formal advertisement that 36% of the inhabitants of the German Reich were Roman Catholics, while the house offering the Protestant bonds asserted in its newspaper reproduction of the bond *circular* that more than two-thirds of the German population was Protestant.
answer: (b) circular

A4 The Cost-of-Living *Adjustment* (COLA) is determined by the U.S. Department of Labor, which calculates the change in the Consumer Price Index (CPI) for urban wage earners and clerical workers from the third quarter average of the previous year to the third quarter average for the current year.
answer: (c) Adjustment

A5 In a *bulk* sales escrow for the sale of a business, a legal notice to creditors is advertised in an approved legal advertising newspaper in the judicial district where the business is located; this is to allow creditors 12 business days to file claims for payment with the escrow.
answer: (a) bulk

A6 When loan officers have little hard information to work with, they must estimate a client's earnings and judge intangible elements such as trustworthiness to determine if s/he is a candidate for a *character* loan; these evaluations may be derived from subjective qualities such as the strength of the client's handshake or how well s/he makes eye contact.
answer: (c) character

A7 A Yankee Certificate of Deposit necessarily involves a foreign bank with a branch in the United States, while *a Eurodollar* Certificate of Deposit involves an American bank with an off-shore branch.
answer: (c) a Eurodollar

A8 The Real Estate Settlement Procedures Act (RESPA) will apply in any transaction in which a buyer is obtaining a federally insured mortgage from a financial institution; this requires use of a *closing* statement developed by the Department of Housing and Urban Development.
answer: (a) closing

A9 The public mission and the defining goal of the *Federal* National Mortgage Association (FNMA) is to help more families achieve the American Dream of homeownership by providing financial products and services that make it possible for low-, moderate-, and middle-income families to buy homes of their own.
answer: (b) Federal

A10 *Continuous* compounding is the limit of taking shorter and shorter compounding periods: compound every hour, every minute, every second, etc, and as you continue this sequence, the formulas get worse and worse, but you are approaching a formula simpler than any of the other compound interest formulas.
answer: (a) Continuous

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Money System

A1 In a *fiat* money system, money is not backed by a physical commodity like gold; instead, the only thing that gives the money value is its relative scarcity and the faith placed in it by the people that use it.
answer: (b) fiat

A2 The U. S. federal securities laws require publicly traded companies to disclose information on an ongoing basis; the annual report on Form *10-K* provides a comprehensive overview of the company's business and financial condition and includes audited financial statements.
answer: (c) 10-K

A3 Germany's Heidelberg Cement has attempted to shut out any rivals for its 8 billion takeover of Hanson by mounting a *dawn* raid that increased its controlling stake to more than 29 per cent; traders at Deutsche Bank spent 1.4 billion buying 125.63 million Hanson shares in the open market at 1,100p.
answer: (a) dawn

A4 We are selling the A model, which cost us under $20,000 apiece, to the Saudis for B model prices, about $46,000 apiece, in order to develop the C model; this type of back *door* financing avoids the Congressional authorization process and provides the Pentagon with an additional source of revenue.
answer: (a) door

A5 Suppose the interest cost on ICICI's DDB is 15 per cent; a non-refunding provision would prevent ICICI from offering new bonds at an interest rate of less than 15 per cent and using the proceeds to redeem the DDBs, and thus helps investors lower their *call* risk.
answer: (a) call

A6 Out of the three major American stock exchanges, *AMEX* is known to have the most liberal policies concerning company listing, as most of its companies are generally smaller; it also specialises in the trading of ETFs and hybrid/structured securities.
answer: (a) AMEX

A7 A *full*-coupon bond is a bond whose coupon rate equals going market rates and consequently sells at or near par.
answer: (b) full

A8 *EBIT* is very closely related to operating profit and often the same; it may include some profits or losses that are excluded from operating profit.
answer: (a) EBIT

A9 Technically speaking, *COGS* amounts to the characterization of an expense as having been necessary to the production of a product or delivery of a service; in other words, of all the expenses your business will incur in a given month, some of those expenses will go into this category and some will stay in the category of normal operating expenses.
answer: (b) COGS

A10 Typically, an investment banking *group* nowadays provides world-wide, either in divisions of the bank or in associated companies, corporate finance and advisory work, normally in connection with new issues of securities for raising finance, take-overs, mergers and acquisitions.
answer: (b) group

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Tax Credits

A1 Beginning on July 1, 1998, taxpayers may be eligible to claim a nonrefundable *Lifetime* Learning Credit against their federal income taxes, for the qualified tuition and related expenses of the students in the taxpayer's family who are enrolled in eligible educational institutions.
answer: (a) Lifetime

A2 Non-*financial* assets are divided into two categories: produced assets and non-produced assets.
answer: (a) financial

A3 The most comprehensive insurance policy is guaranteed *replacement* cost coverage, which will pay to rebuild your home even if the cost to rebuild is more than your policy limit.
answer: (d) replacement

A4 *An operationally* efficient market allows investors to make transactions that move the market further toward the overall goal of prudent capital allocation without being chiseled down by excessive frictional costs, which would reduce the risk/reward profile of the transaction.
answer: (b) An operationally

A5 Stock dividends and splits have basically three occurrences: *announcement* date, record date and payment date; to qualify for split the investor must be the owner on the record date, and therefore, the stock must be purchased at the appropriate time before the record date to qualify.
answer: (a) announcement

A6 The increasing popularity of index funds has created a market *inefficiency* that has artificially raised S&P 500 prices above the levels dictated by economic fundamentals; it thus threatens to interfere with the key function of financial markets — getting investors to put their cash into the most economically promising investments.
answer: (d) inefficiency

A7 Price *limits* set by the market establish boundaries where security prices are allowed to move within a trading day, and so provide a cooling off period; however, since they prevent immediate one-day large price changes, they may cause price adjustments to spread out over a longer period of time.
answer: (d) limits

A8 Technical analysis would include any analysis associated with the determination of investor sentiment and psychology, such as graphs of price and volume, while *qualitative* analysis attempts to measure (although not quantify) less tangible aspects, such as management's ability, business models, etc.
answer: (c) qualitative

A9 FOR VALUE RECEIVED, We, the undersigned, the promisors and mortgagors, jointly and severally agree as follows: To pay to the order of State of Ohio, Promisee and Mortgagee, its successors and assigns, at such other place as may be designated by the holder of this mortgage *note*, interest at the rate of 12 percent per annum.
answer: (c) note

A10 *Savings* accounts are accounts with commercial banks and credit unions that pay interest but cannot be used directly as money (by, for example, writing a cheque); these accounts let customers set aside a portion of their liquid assets that could be used to make purchases while earning a monetary return.
answer: (d) Savings

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Payable on Demand

A1 The *sight* draft is most commonly used in international trade; payment is on demand or on presentation of negotiation documents to the paying bank or importer, although in practice, the bank may pay within three working days after receipt and review of the negotiation documents.
answer: (c) sight

A2 FAST serves as *a Transfer* Agent and Registrar, performing the functions of original issue, cancellation and reissuance of stock certificates; we utilize a state of the art computer system, which is specifically designed to handle high-volume transfers and provide up-to-date shareholder records.
answer: (d) a Transfer

A3 The balance on a *charge* card account is payable in full when the statement is received and cannot be rolled over from one billing to the next; because you cannot carry a balance, the card doesn't have a periodic or annual percentage rate, so there is no rate for a card issuer to disclose.
answer: (c) charge

A4 The big manufacturers of telecom equipment don't want to see part of their potential market shrivel up and die, so they're leaping into the vacuum left by the capital markets and committing billions in *vendor* financing for equipment to shore up cash-strapped service providers.
answer: (c) vendor

A5 A 403(b) plan is a retirement plan similar to a 401(k) plan, but one which is offered by *non-profit* organizations.
answer: (b) non-profit

A6 Also known as liquidation (converting assets into money) or a straight bankruptcy, *Chapter* 7 Bankruptcy is the most common form of bankruptcy filing; under this part of the Code, all non-exempt property of the debtor is sold and the proceeds of the same are distributed to the creditors.
answer: (b) Chapter

A7 If your total losses exceeded your gains, then the remaining amount can be applied in later years at a clip of $3,000 per year, for as long as you live or until they expire; what you have with these old losses is a particularly gruesome kind of asset — the tax loss *carryforward.*
answer: (b) carryforward

A8 The Federal *Open* Market Committee decided to keep its target for the federal funds rate at 5-1/4 percent; its predominant policy concern remains the risk that inflation will fail to moderate as expected, and future policy adjustments will depend on the evolution of the outlook for both inflation and economic growth.
answer: (c) Open

A9 A widely used approach for calculating hedge ratios for Treasury futures contracts assumes that the contract will be settled with the currently cheapest-to-deliver note or bond; with that single-deliverable assumption, the futures' PVBP (price value of a *basis* point) is the converted, forward PVBP of $100,000 par of the cheapest to deliver.
answer: (d) basis

A10 In deciding which risks to take on, you should weigh opportunities against the downside; one standard measure of return on risk is the *Sharpe* ratio, named after the Nobel Laureate professor and calculated using standard deviation and excess return to determine reward per unit of risk.
answer: (d) Sharpe

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Accounting for Depreciation

A1 *Accumulated* Depreciation represents the expense related to the fixed assets still carried on the books of the company; sometimes the term 'reserve for depreciation' is used.
answer: (a) Accumulated

A2 A firm buying stock seldom had sufficient money balances to complete the required payments; instead it relied on its bank for *day* loans, but as NYSE volume grew, banks and their regulators became alarmed at the amount of credit being extended to support securities transactions.
answer: (a) day

A3 Many futures contract months of the same commodity trade simultaneously on the market, sometimes even years into the future; the contracts other than the current one are called the *back* months, even though they are for future months.
answer: (a) back

A4 A *call* swaption gives the buyer the right to receive the swap's fixed rate of interest and pay the floating rate of interest; this is a bullish position in bonds, as you profit if rates fall in the future.
answer: (a) call

A5 Reconciling *payables* to the General Ledger boils down to making sure you know what you owe and what you don't — it's crucial for maintaining business health; it is a fundamental task that can reduce working capital needs and minimize bank borrowings, but it can be a labor-intensive process.
answer: (d) payables

A6 It is the consensus of the committee that all banking institutions are capable of providing the basic treasury management and banking services requested; some banks require a smaller *compensating* balance for no fee services, but their interest rates are adjusted to offset any significant difference in cost.
answer: (b) compensating

A7 An employee stock *option* plan gives you the right to buy a certain number of shares of your employer's stock at a stated price over a certain period of time; often, the shares 'vest' over a period of several years, meaning that some fraction of the shares can be exercised in the first year, another fraction in the second year, etc.
answer: (d) option

A8 Section 1035 of the IRS Code allows the movement of non-qualified monies from certain financial products to others without an income tax consequence; this 1035 *Exchange* allows non-qualified monies from an annuity to move to another annuity, or from a life insurance policy to another life insurance policy.
answer: (b) Exchange

A9 In the case of market orders in the active bonds, whose prices are reported on the right side of the quotation board, the broker after noting the latest price on the board, goes directly to the bond *crowd* and effects a sale at the most favorable bid or asked price he can obtain.
answer: (b) crowd

A10 Descending *bottoms* are a bearish indication formed when a stock begins a downward trend and makes successively lower lows as it declines.
answer: (a) bottoms

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Cutting Your Losses

A1 The most popular variation of the reverse convertible has a contingent *downside* protection built in: this means that as long as the stock does not fall by more than a certain amount, the investment is fully protected.

answer: (b) downside

A2 *Payback* period is the length of time required to recover the cost of an investment, usually measured in years; other things being equal, the better investment is the one with the shorter period — it is considered less risky.

answer: (c) Payback

A3 The credit balance in a margin account is known as a *fictitious* credit because it cannot be withdrawn by the customer, since it is held as collateral to secure the broker's loan of funds and securities to the customer; it is comprised of the proceeds from short sales and the margin requirement.

answer: (c) fictitious

A4 This is the first rule in buying *equity*-linked notes: Peg it to a stock that you would like to own.

answer: (b) equity

A5 The Hulbert rating is a rating by Hulbert Financial Digest of how well the recommendations of various market *letters* have performed.

answer: (b) letters

A6 The SEC Full *Disclosure* Program ensures investors are provided material information to make informed decisions about a company — both when it initially offers stock to the public and on a regular basis as it continues to report information about its business operations.

answer: (c) Disclosure

A7 The SEC's Division of Market Regulation stated that when market conditions are not 'normal', such that OTC Market Makers would not be required to display limit orders within 30 seconds of receipt, then "limit orders *held* at the opening must be displayed as soon as practicable under the circumstances."

answer: (c) held

A8 The Form *1040*, U.S. Individual Income Tax Return, is the starting form for personal (individual) Federal income tax returns filed with the Internal Revenue Service (IRS) in the United States; the first one was published for use for the tax years 1913, 1914, and 1915.

answer: (a) 1040

A9 A *like*-kind exchange requires that you close in escrow through a qualified intermediary such as a title company; the title company holds the proceeds from the first closing in its escrow account until you're ready to close on the replacement property.

answer: (b) like

A10 Investors in mortgage *pools* of single-family loans may have only limited information about the individual loans.

answer: (c) pools

Pension Plan

A1 A non-*insured* plan is a defined benefit pension plan that is not guaranteed.
answer: (b) insured

A2 The policyholder is paying more than the cost of pure protection during the early years of the policy — the excess of the premiums, above the cost of pure protection, is what builds up the savings *element* of the policy.
answer: (b) element

A3 This *Opinion* of Title is being furnished to the City of Fort Lauderdale for use by said party in the recording of a deed (or easement) document to be executed by insert name relating to the properties described herein and for no other purpose.
answer: (b) Opinion

A4 Cash-settled index *options* do not relate to a particular number of shares; rather, the underlying instrument is usually the value of the underlying index of stocks times a multiplier, which is generally U.S. $100.
answer: (c) options

A5 The purpose of the attached Stock *Power* form is to transfer or change the ownership of stock; separate forms are required for each stock certificate that has a different format of the owner's name(s), a different CUSIP number, or a different company name.
answer: (c) Power

A6 After six consecutive weeks in which the closing price has been greater than the opening price, the trend on the Nasdaq is up, and prices are at new 4 1/2-year highs; the importance of trend cannot be overstated, and price *persistence* is how trends get started and how they are maintained.
answer: (d) persistence

A7 The general consensus is that *qualitative* research is a naturalistic, interpretative approach concerned with understanding the meanings which people attach to actions, decisions, beliefs, values etc., and understanding the mental mapping process that respondents use to make sense of and interpret the world around them.
answer: (d) qualitative

A8 *Replacement* value is what it would cost to buy a particular item from a retail vendor, considering its age and condition — for instance, to buy a car from a used car dealer, furniture from a used furniture shop, or electronic equipment on eBay.
answer: (d) Replacement

A9 *A sight* letter of credit is one in which the draft drawn thereagainst is payable on presentation, while a time or acceptance credit is one in which the draft is payable only when the stipulated number of days after date of acceptance has elapsed.
answer: (c) A sight

A10 Tax *lot* accounting is a recordkeeping technique investors can use to track the cost of each security in a portfolio by factoring in purchase and sale dates, corporate action events and wash sales; it provides investors with accurate tax reporting and helps them improve the after-tax performance of their portfolios.
answer: (c) lot

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Monopoly

A1 According to Cornell University Law School, trusts and monopolies are *concentrations* of wealth in the hands of a few.

answer: (c) concentrations

A2 Such conglomerations of economic resources are thought to be injurious to the public and individuals because such trusts minimize, if not *obliterate* normal marketplace competition, and yield undesirable price controls.

answer: (d) obliterate

A3 These, in turn, cause markets to stagnate and *sap* individual initiative.

answer: (b) sap

A4 To prevent trusts from creating *restraints* on trade or commerce and reducing competition, Congress passed the Sherman Act in 1890.

answer: (d) restraints

A5 The Sherman Act is the main source of *antitrust* law.

answer: (a) antitrust

A6 The Sherman Act is a Federal *statute* and as such has a scope limited by Constitutional constraints on the Federal government.

answer: (d) statute

A7 The commerce clause, however, allows *for* a very wide interpretation and application of this act.

answer: (b) for

A8 The Sherman Act applies to all transactions and business involved in *interstate* commerce.

answer: (c) interstate

A9 Most if not all states have comparable laws prohibiting monopolistic conduct, price fixing agreements, and other acts that constrain trade having strictly local *impact.*

answer: (c) impact

A10 The Massachusetts Act reads: it shall be unlawful for any person *engaged* in commerce, to make a sale of goods on the condition that the purchaser thereof shall not deal in the goods of a competitor of the seller, where the effect of such sale or such condition may be to lessen substantially competition or tend to create a monopoly in any line of trade.

answer: (c) engaged

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Negotiating a Contract with Employees

A1 Prior to selecting a bargaining strategy, an employer must identify its goals: is it important to obtain more favorable economic terms, less restrictive contract *language*, or both?

answer: (a) language

A2 An employer must also determine if it has the proper person sitting at the bargaining table on its *behalf.*

answer: (a) behalf

A3 Is it time to introduce a new face as the company spokesperson to show the union that *times* are changing?

answer: (d) times

A4 Alan I. Model asserts that there are several considerations that every employer must *assess* before it sits down to bargain.

answer: (c) assess

A5 A review of judicial and administrative rulings will help determine if contractual provisions may have been modified or even *nullified* by the courts or the National Labor Relations Board (NLRB).

answer: (d) nullified

A6 Obtain the input of operating managers and line supervisors as to how they administer the labor agreement; often the best insights on the company's bargaining position come from the *front* lines.

answer: (d) front

A7 If the company is *party* to an agreement that was negotiated by a multi-employer bargaining group, the company must determine before the beginning of negotiations whether to negotiate as part of the group or as an individual employer.

answer: (b) party

A8 Construct a financial model that computes the specific cost components; this action is vital in determining the *priority* of any bargaining goals and objectives.

answer: (d) priority

A9 Know your *adversary*: use contacts in the labor arena to learn about the union and its officers.

answer: (a) adversary

A10 This information may help identify any intra-union pressures *weighing* on a union negotiator that may facilitate or hinder attempts to reach a deal.

answer: (d) weighing

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Failing in IT

A1 Shamus McGillicuddy writes that it's OK to fail: Every year, Hollywood studios release movies that *bomb* at the box office.

answer: (a) bomb

A2 Record companies *press* albums no one wants to play.

answer: (c) press

A3 The auto industry introduces cars that *tank* — remember the Ford Edsel?

answer: (d) tank

A4 Businesses in every vertical industry take risks when they *innovate*; when they try something new, they know there's a chance for failure.

answer: (b) innovate

A5 But in information technology, CIOs rarely feel they have the *breathing* room to fail.

answer: (a) breathing

A6 CIOs need to *push* back when their companies expect a 100% success rate, said Tom Halbouty, vice president and CIO of Pioneer Natural Resources.

answer: (d) push

A7 When a project fails, put the failure within a context that a company understands; at Pioneer, IT project failures can be compared to the number of wells drilled that came up *dry* — plenty!

answer: (b) dry

A8 He said if he tries to create a system that creates animated *visualizations* of underwater drilling projects and puts them out on the Web for his worldwide users to use, he has to expect some risk.

answer: (d) visualizations

A9 "No one has done it before, and I'm not sure I'm going to pull it *off*," he said.

answer: (a) off

A10 John F. Cole, CIO of Kansas City, Mo.-based Midwest Consulting Group Inc., agreed with Halbouty's notion that CIOs must be prepared for the occasional failure; but on the *flip* side, Cole said CIOs should also be sure they are communicating the successes.

answer: (b) flip

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Roscas

A1 Informal groups cannot rely on external enforcement to insure that members *abide* by their obligations.

answer: (a) abide

A2 It is generally assumed that these problems are solved by social sanctions' and *reputational* effects.

answer: (c) reputational

A3 Roscas are one of the most commonly found informal financial institutions in the developing world; in the absence of an external (social) sanctioning mechanism, roscas are never sustainable, even if the *defecting* member is excluded from all future roscas.

answer: (c) defecting

A4 It is *typically* assumed that informal groups, such as roscas, rely on social sanctions to solve their enforcement problems.

answer: (d) typically

A5 We examine this notion more carefully and distinguish between expulsion from future roscas cycles and *extraneous* social sanctions.

answer: (c) extraneous

A6 We first demonstrate that theoretically expulsion in itself is never a sufficient *deterrent.*

answer: (b) deterrent

A7 We then ask whether institutional features of these groups are chosen in some part to prevent members from *defaulting* on their responsibilities.

answer: (b) defaulting

A8 We focus on the allocation of ranks, and we show that a random allocation of ranks, though preferred by a majority of members, tends to *exacerbate* the incentives to welch.

answer: (a) exacerbate

A9 They are therefore sustainable only if the *costs* of social sanctions on their members are sufficiently high.

answer: (a) costs

A10 We provide some evidence in favour of our hypothesis, since individuals who are more *vulnerable* to those sanctions tend to participate in roscas where the order of ranks is randomly drawn at each cycle.

answer: (d) vulnerable

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Entrepreneurial Behavior

A1 The term 'entrepreneur' was introduced to economics by Richard Cantillon in 1755; since then, entrepreneurship and its central *figure*, the entrepreneur, have been the focus of numerous studies, including the qualities of entrepreneurial behavior, and corporate entrepreneurship.

answer: (a) figure

A2 Recently, a new stream of literature has formed *around* strategic entrepreneurship (Hitt et al. 2002a; Meyer and Heppard).

answer: (b) around

A3 This new area of research is different from what has been traditionally *identified* as strategic management research.

answer: (a) identified

A4 Instead of focusing on the *mechanisms* that can be used to sustain competitive advantage (i.e., existing market position), strategic entrepreneurship is about recognizing and taking advantage of new profit opportunities.

answer: (b) mechanisms

A5 A firm that manages for strategic flexibility and constant renewal is able to *generate* above-average profits and thus is rewarded for its entrepreneurial behavior.

answer: (b) generate

A6 The return to entrepreneurial behavior is entrepreneurial rent, and unlike most factor costs, entrepreneurial rents are noncontractible; this is because the entrepreneur *exercises* judgments to allocate resources in an uncertain environment.

answer: (b) exercises

A7 Because the judgments are framed in an uncertain environment, the judgments themselves are uncertain and are thus ex *ante* noncontractible.

answer: (a) ante

A8 Because entrepreneurship is not as *homogenous* as other factors, the analysis of payments to entrepreneurial behavior is complex.

answer: (a) homogenous

A9 The aim of Ross and Westgren's paper is to include entrepreneurship in a model of the firm while reducing this dimensionality to two categories, arbitrage and innovation; they highlight what the entrepreneur receives for these activities and what governs their *imputation* from the stream of profits.

answer: (d) imputation

A10 Following this model, entrepreneurial rents are then *empirically* calculated for a three-site hog production farm.

answer: (a) empirically

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Payment Programs

A1 Over the next three years, the Public Health Agency of Canada will manage *transfer* payment programs in excess of $5 million for such programs as the Federal Initiative to Address HIV/AIDS and the Aboriginal Head Start programs for Aboriginal pre-school children.
answer: (d) transfer

A2 Desjardins venture capital *limited* partnership is a fund that invests in the industrial, life sciences, telecommunications and information technology sectors; its mission is to support businesses demonstrating high potential with venture capital, expert advice and access to our network.
answer: (d) limited

A3 While each lending situation is unique, many banks utilize some variation of evaluating the five C's when making loan decisions: character, capacity, capital, *conditions* and collateral.
answer: (c) conditions

A4 If you hold securities in physical certificate form and want to transfer or sell them, you will need to sign the certificates or securities powers; before a transfer agent will accept the transaction, however, it will insist on signature *guarantees* in order to limit its liability if a signature turns out to be forged.
answer: (b) guarantees

A5 The *Chartered* Life Underwriter (CLU) is a professional financial advisor specializing in developing effective solutions for individuals, business owners and professionals in the areas of income replacement, risk management, estate planning, and wealth transfer.
answer: (c) Chartered

A6 Finite-*life* real estate investment trusts (FREITs) are a type of equity REIT which have a stated goal of liquidating the real estate portfolio by a specific date; their primary investment goal is to maximize potential capital gain.
answer: (a) life

A7 John Maynard Keynes is reputed to have had extraordinary skills as an investor in the stock market; the *Jensen* index indicates that Keynes was an outstanding portfolio manager, beating the market by a large margin.
answer: (b) Jensen

A8 The *Positive* Volume Index was introduced by Norman Fosback and is often used to identify bull and bear markets; it is based on the assumption that the uninformed crowd dominates trading on active days and highlights days when volume is up from the day before.
answer: (a) Positive

A9 If you are self-employed or own a small business with less than 10 employees, a *Simplified* Employee Pension IRA may offer an easy-to-maintain way to help build retirement savings for you and your employees; as with Traditional IRAs, SEP IRA earnings grow tax-deferred until withdrawal at retirement.
answer: (b) Simplified

A10 The software-as-a-service company began trading at $7 (3.83) a share on the Nasdaq stock market, knocking a few dollars off the $9 to $11 price *range* set last month.
answer: (c) range

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Merit Raises

A1 The University of Washington has agreed to shell out $17.45 million in *back* pay to faculty members who did not receive a merit raise four years ago.
answer: (a) back

A2 On January, 1, 2002, Matlock, Inc. issued its 10 percent bonds in the face amount of $1,500,000, maturing on January 1, 2012.; the bonds were issued for $1,329,000 to yield 12 percent, resulting in a bond *discount* of $171,000.
answer: (a) discount

A3 Essentially, *callable* bonds represent a normal bond, but with an embedded option that is implicitly sold to the issuer by the investor and entitles the issuer to retire the bonds after a certain point in time; this option introduces uncertainty to the lifespan of the bond.
answer: (a) callable

A4 Deutsche Bank takes *charge-offs* based on Credit Risk Management's assessment when it determines that the loans are uncollectible, considering information such as the occurrence of significant changes in the borrower's financial position or the insufficiency of the proceeds from collateral to pay the loan.
answer: (a) charge-offs

A5 The Royal Bank of Scotland has led the landmark 125 million sterling index-*linked* bond issue for Tescol; RBS Financial Markets was the sole bookrunner for the Tesco deal, which mirrors closely the maturity and interest rate payments of the Treasury 2.5% 2016 gilt.
answer: (b) linked

A6 The TFCS provides on-line access to the FRCS, enabling payments to mortgagees to be made to financial institutions that have access to the FRCS; the payment can also be made to financial institutions that do not have access to the FRCS through *correspondent* financial institutions or Federal Banks.
answer: (b) correspondent

A7 *Accumulated* earnings tax is an additional tax on earnings that a business holds in an attempt to avoid the higher income taxes the owners would be subject to if the earnings were paid out to them as dividends.
answer: (a) Accumulated

A8 The Senate Finance Committee Chairman, Charles Grassley, who is a Republican Senator from Iowa, said that they are passing the huge increase in the national debt limit because "It is necessary to preserve the *full* faith and credit of the federal government".
answer: (b) full

A9 A significant difference between silver and gold is that silver has underperformed relative to gold so far this year; the silver chart looks 'uglier' than the gold chart right now, and with a series of lower highs and a trendline break, the *downside* risk is as obvious as the Marquis de Sade's nose.
answer: (b) downside

A10 If you are trying to decide whether to buy a corporate bond paying an annual coupon interest of 8% or a municipal bond paying an annual coupon interest of 5%, how do you decide? — you must calculate an equivalent taxable *yield.*
answer: (d) yield

Underwritten by Lloyds

A1 The Apex *Fidelity* Bond is targeted specifically for employees with a criminal record and is underwritten by Lloyds; this policy can only be taken out by employers on behalf of a named employee within a specific post.
answer: (a) Fidelity

A2 'Descending *tops*' describes a chart pattern where each new high price for a security is lower than the former high price; in other words, from the stock's high price, it falls and then rises, but the price never reaches the stock's previous high price.
answer: (d) tops

A3 After unexpectedly strong demand, makers of everything from laptops to cell phones are paying more for key parts; this industry *hiccup* isn't likely to dampen the tech recovery — overall, prices of computers continue to decline, albeit at a slower pace than usual.
answer: (c) hiccup

A4 Entities with securities exercisable or convertible into common shares have a *complex* capital structure and must present basic and diluted earnings per share amounts, according to the FASB.
answer: (a) complex

A5 Generally, *an investment* company is a company (corporation, business trust, partnership, or limited liability company) that issues securities and is primarily engaged in the business of investing in securities; its performance will be based on (but it won't be identical to) the performance of the securities and other assets that the company owns.
answer: (c) an investment

A6 CHICAGO (Dow Jones) — Chicago Board of Trade corn futures settled *limit* down Tuesday in several nearby months, plunging near midday as forecasts predicting rain for the eastern U.S. Midwest this weekend pushed prices sharply lower, analysts said.
answer: (c) limit

A7 The need to understand and measure the determinants of market maker bid/ask *spreads* is crucial in evaluating the merits of competing market structures and the fairness of market maker rents.
answer: (d) spreads

A8 Mortgage *rates* are still near historical lows — you can refinance into a 30-year mortgage for under 7% at the moment.
answer: (d) rates

A9 A non-interest-*bearing* note is issued at a discount to its face value and requires the maker to pay the face value of the note at maturity; to the payee (lender) the note is a note receivable and to the maker the note is a note payable.
answer: (a) bearing

A10 *An option* account is a type of brokerage account that allows you to trade puts and calls; to open this type of account, your broker will require you to sign a statement that you understand and acknowledge the risks associated with derivative instruments.
answer: (c) An option

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Debt Reduction

A1 Finance Minister Paul Martin announced today that the federal government reduced its debt by $17.1 billion in 2000-01, the largest debt *paydown* in history by a Canadian government.
answer: (d) paydown

A2 If dividends are not paid within the specified period, then before the company pays off its common shareholders, it shall have to distribute the *accumulated* dividend to the preference shareholders.
answer: (b) accumulated

A3 The *quality* spread between corporate bonds and U.S. treasury bonds increased from 1.09 percent (Aaa-rated bonds) and 1.69 (Baa-rated bonds) in July 1998 to 1.84 percent (Aaa) and 2.65 percent (Baa) in October 1998.
answer: (b) quality

A4 A writ of *replevin* shall issue only upon court order on motion of a party claiming the right to possession of chattels; such order may be entered by the court only after it finds that the party in possession appears about to abscond or about to destroy, secrete or otherwise dispose of the chattels.
answer: (d) replevin

A5 The US Bureau of Economic Analysis dished out some discouraging news recently, saying that Americans had a negative savings *rate* of 0.5 percent for 2005, the first time that's happened since the Great Depression; our saving habits have been doing a gradual slide since May 1985 when we saved 11.1 percent of our disposable income.
answer: (d) rate

A6 Employee stock purchase *plans* can be a good deal for those who participate; like incentive stock options, they can make it possible for you to buy stock at a bargain price without reporting income until you sell the stock.
answer: (b) plans

A7 Are you taking advantage of all the tax benefits Uncle Sam has to offer? — the goal of tax *planning* is to help you minimize your federal income tax liability as much as you are allowed by tax law.
answer: (c) planning

A8 In Ontario, land *transfer* tax is imposed on the acquisition of an interest in land by registered conveyance or unregistered disposition; the tax is calculated on the value of the consideration for the transfer, sometimes deemed to be the fair market value of the land.
answer: (d) transfer

A9 The *verbatim* report of the debate in Congregation on 10 March on the general resolution concerning the Report of the Commission of Inquiry is set out herein: "MR VICE-CHANCELLOR: Before we begin the debate, I should express on behalf of Congregation our gratitude to..."
answer: (d) verbatim

A10 It appears that the US federal annual $10,000 gift-tax *exclusion* will finally increase to $11,000 in 2002, and anyone who has an estate vulnerable to estate taxes or who is funding high-cost college expenses should consider use of this benefit.
answer: (b) exclusion

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The White Metal

A1 If the silver market longs get back in and buy the heck out of the markets to teach the big sellers a lesson, restoring trading to above the 2-year trend line, a failed 'bear *trap*' will have occurred; but if the cheap raid ends up paying off for the big sellers, it could send silver down a series of stale long sell stops and shake up the market's complacency.
answer: (d) trap

A2 1040 *EZ* is the simplest version of Form 1040, U.S. Individual Income Tax Return, used by taxpayers with no deductions, no adjustments, income of only wages, interest, or unemployment compensation, and no dependents.
answer: (b) EZ

A3 The *Chicago* Board Options Exchange (CBOE) was founded in 1973 as the first U.S. options exchange and trading begins on standardized, listed options; April 26, the first day of trading, saw 911 contracts traded on 16 underlying stocks.
answer: (b) Chicago

A4 *Fixed* rate mortgages could be the perfect deal if you're unsure which way interest rates are going; they also help if you're planning ahead or working to a budget — you know exactly what your monthly repayments will be, perfect for the control freak in you.
answer: (b) Fixed

A5 A *joint* stock company is a company (usually unincorporated) which has the capital of its members pooled in a common fund; transferable shares represent ownership interest and shareholders are legally liable for all debts of the company.
answer: (b) joint

A6 Amid other international efforts to help Sierra Leone recover from a decade-long civil war, the *Paris* Club of official bilateral creditor nations agreed in October to cancel about $72 mn of the West African country's foreign debt, estimated in 1999 at around $888 mn.
answer: (b) Paris

A7 A *Single* Premium Deferred Annuity (SPDA), a retirement planning product, is an interest-earning annuity contract between you and an insurance company; in return for an initial investment, the company promises to pay you the investment plus accrued interest on the maturity date of the annuity.
answer: (b) Single

A8 Unless you give your broker specific instructions to the contrary, orders to buy or sell a stock are '*day* orders' — those that have been placed but not executed during regular trading hours will not automatically carry over into after-hours trading or the next regular trading day.
answer: (a) day

A9 A company's first annual *meeting* must be within 18 months of incorporation, and the one after that must be within 15 months of the previous one.
answer: (b) meeting

A10 Nothing is more worrisome than dealing with *back* taxes; in such a situation, you need tax debt relief through IRS tax debt settlement help.
answer: (a) back

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Assessing Yourself and Your Business Idea

A1 Four basic factors influence a successful business *start-up*: a qualified entrepreneur, a profitable business idea, a thorough business plan, and adequate capital.

answer: (d) start-up

A2 Before you proceed, you should assess both your own entrepreneurial skills and the *viability* of your business concept.

answer: (c) viability

A3 If it is not *feasible* for you and your business concept to succeed, you will not need to spend time writing a business plan and seeking financing.

answer: (a) feasible

A4 Many studies have been conducted and even more articles written on 'the right *stuff*' for being an entrepreneur — the primary characteristics of successful business owners.

answer: (d) stuff

A5 Self-confidence: the aspirant believes in own ideas and abilities, and *conveys* that belief to others.

answer: (d) conveys

A6 Risk-taking: the aspirant can *abandon* status quo, explore options and pursue opportunities.

answer: (a) abandon

A7 Decision-making: the aspirant has the ability to make *prudent* choices even in a stressful environment.

answer: (c) prudent

A8 Persistence: the aspirant can *tenaciously* pursue goals regardless of the energy and commitment required.

answer: (a) tenaciously

A9 Goal-*oriented*: the aspirant can envision a desired outcome, as well as plan and implement the activities required to achieve it.

answer: (d) oriented

A10 Begin improvement by reading business magazines and books, enrolling in educational programs, and seeking out a *mentor* who exhibits the traits you need most.

answer: (c) mentor

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Portfolio-focused Management

A1 Portfolio management has traditionally been *all* about getting new products to market and prioritizing budgets for R&D.
answer: (a) all

A2 Improving efficiency and effectiveness in those areas is one of the key benefits of a systematic approach to portfolio management and explains why, in R&D-heavy industries, portfolio management is considered a critical management function in its own *right.*
answer: (b) right

A3 Portfolio management can be the vital bridge between strategy and operations and the key method *by* which cross-functional and cross-departmental coordination and strategic alignment can be achieved.
answer: (a) by

A4 In order to handle the complexity of the functions performed and through the pressures of growth and *economies* of scale, companies have become completely organized around specific functions like Finance, R&D, Supply chain, Manufacturing, etc.
answer: (b) economies

A5 Budgets, target setting and the employees themselves have all become departmentalized by functional area, and this leaves top management with the task of ensuring that the sum of all those functions actually *creates* value for the shareholders.
answer: (c) creates

A6 The basic principle is that the market value of a company is driven by the expected future net income from sales of products and services and the *assumption* that top management's primary goal is to optimize the value of a company.
answer: (c) assumption

A7 It seems obvious that any strategic targets one might have set for maximization of the value of a company have to be translated to a product portfolio and through that into net future revenue *streams.*
answer: (d) streams

A8 The simple fact that strategy turns into revenue only through having the right products in the marketplace at the right time and at the right price should put your current and future product portfolio *square* in the middle of your whole company's focus.
answer: (c) square

A9 However, transparency into the complete portfolio, the currently commercially marketed one as well as the planned products, is often lacking due to geographic fragmentation and inconsistencies between information systems *capturing* the data about these products.
answer: (b) capturing

A10 The different functions that are very product-*centric* (R&D, Sales/Marketing, Supply Chain), tend to use different definitions and tools when it comes to product-related planning.
answer: (b) centric

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Derivatives Primer

A1 The purpose of this primer is to clarify some of the key characteristics of the over-the-*counter* (OTC) derivatives markets.

answer: (b) counter

A2 A clearer picture of these markets will help legislators and regulators write better legislation and rules for the *prudential* regulation of OTC derivatives markets.

answer: (d) prudential

A3 Derivatives are financial contracts whose value is linked to the price of an underlying commodity, asset, rate, index or the occurrence or *magnitude* of an event.

answer: (b) magnitude

A4 The term 'derivative' is used to refer to the set of financial instruments that includes futures, forwards, options and swaps, and the combination of a derivative with a security or loan is called a hybrid instrument or alternatively a *structured* security.

answer: (d) structured

A5 Exchanges have traditionally been defined by 'pit' trading through open *outcry*, but exchanges have recently adopted electronic trading platforms that automatically match the bids and offers from market participants to execute trades in a multilateral environment.

answer: (b) outcry

A6 The trading of derivatives (traditionally futures and options) on exchanges is conducted through *brokers* and not dealers.

answer: (b) brokers

A7 The OTC markets are organized *along* several different lines: the first is called a 'traditional' dealer market, the second is called an electronically brokered market and the third is called a proprietary trading platform market.

answer: (a) along

A8 The OTC markets have traditionally been organized around one or more dealers who '*make* a market' by maintaining bid and offer quotes to market participants.

answer: (b) make

A9 The quotes and the negotiation of *execution* prices are generally conducted over the telephone, although the process may be enhanced through the use of electronic bulletin boards by the dealers for posting their quotes.

answer: (a) execution

A10 The trading process of negotiating by phone, whether end-user-to-dealer or dealer-to-dealer, is known as *bilateral* trading because only the two market participants directly observe the quotes or execution.

answer: (a) bilateral

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Currency Valuation and Strategic Hedging

A1 The US dollar's current weakness is making hedging risk very *attractive* for corporates in North America, while their counterparts in Europe don't have the same advantage.

answer: (b) attractive

A2 However, an active and strategic approach to hedging means that Europeans should not be *deterred*, Didier Hirigoyen exhorts.

answer: (b) deterred

A3 The current weakness of the US Dollar *versus* major currencies has revived the debate around net investment hedging as well as earnings translation risk.

answer: (c) versus

A4 Although North American companies' hedging opportunities are now generally benefitting from favourable market conditions, European corporations may not have to *shy* away from managing these risks.

answer: (d) shy

A5 A solid currency valuation assessment combined with a structured hedging framework can lead to a successful programme; this approach however *demands* a slightly more dynamic methodology than is common in the corporate world.

answer: (b) demands

A6 Between internal policy constraints and accounting regulation, most companies have chosen to be mostly passive, implementing hedging strategies in a systematic manner or not at all, but rarely *taking* into consideration market conditions in the decision making process.

answer: (d) taking

A7 While it is fair for companies to state that they are not involved in the currency market to 'punt' on the direction of exchange rates, it is also fair to say that hedging should not be done in *a vacuum* either.

answer: (d) a vacuum

A8 While understanding the mechanisms and characteristics of the FX market is key to a sound hedging policy, remaining aware of currency valuation and including it in the risk management process can add value to a firm *in the long run.*

answer: (c) in the long run

A9 The PPP currency valuation model, modified to reflect the assumption that a currency pair has, on average, traded at fair value over the 20 years preceding the measurement point, offers some *insight* into the long-term behaviour of exchange rates and their tendency to mean-revert on an inflation adjusted basis.

answer: (a) insight

A10 For example, the EUR/USD exchange rate has, over the past 14 years, *hovered* in a broad band around the PPP implied rate.

answer: (b) hovered

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Documentation Analysis

A1 In many projects that use Cognitive Work Analysis methodologies, one of the first steps is bootstrapping, in which the analysts familiarize themselves with the *domain.*

answer: (b) domain

A2 Bootstrapping typically involves an analysis of documents (manuals, texts, technical reports,etc.), and documentation analysis can be a critically important method, one that should be utilized as a *matter* of necessity

answer: (b) matter

A3 Documentation Analysis can be a time-consuming process, but can sometimes be indispensable in knowledge *elicitation* (Kolodner, 1983).

answer: (b) elicitation

A4 In a study of aerial photo interpreters, interviews about the process of terrain analysis began only after an analysis of the *readily*-available basic knowledge of concepts and definitions; to take up the expert's time by asking questions such as 'What is limestone?' would have made no sense.

answer: (d) readily

A5 Although it is usually considered to be a part of bootstrapping, documentation analysis *invariably* occurs throughout the entire research programme.

answer: (b) invariably

A6 For example, in a weather forecasting case study (Hoffman, Coffey, & Ford, 2000), the bootstrapping process focused on an analysis of published literatures and technical reports that made reference to the *cognition* of forecasters.

answer: (a) cognition

A7 However, documentation analyses of other types occurred throughout the *remainder* of the project-analysis of records of weather forecasting case studies, analysis of Standard Operating Procedures documents, analysis of the Local forecasting Handbooks, etc.

answer: (a) remainder

A8 Documentation Analysis can be suggestive of the reasoning of practitioners, and hence contribute to the *forging* of reasoning models.

answer: (b) forging

A9 Documentation Analysis can also be useful in the attempt to construct knowledge models, since the literature may include both useful categories for field knowledge and important specific '*tidbits*' of field knowledge.

answer: (d) tidbits

A10 And finally, Documentation Analysis can be useful in the identification of leverage points-aspects of the work where even a modest *infusion* of or improvement in technology might result in a proportionately greater improvement in the work.

answer: (c) infusion

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Performance Appraisal

A1 Archer North notes that the history of performance appraisal is quite brief; its roots in the early 20th century can be traced to Taylor's pioneering Time and *Motion* studies.

answer: (a) Motion

A2 As a distinct and formal management procedure used in the evaluation of work performance, appraisal really *dates* from the time of the Second World War — not more than 60 years ago.

answer: (a) dates

A3 Yet in a broader sense, the practice of appraisal is a very ancient art; in the scale of things historical, it might well *lay* claim to being the world's second oldest profession!

answer: (b) lay

A4 There is, says Dulewicz (1989), "a basic human tendency to make judgements about those one is working with, as well as about oneself" — appraisal, it seems, is both *inevitable* and universal.

answer: (c) inevitable

A5 In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and *arbitrarily.*

answer: (b) arbitrarily

A6 The human *inclination* to judge can create serious motivational, ethical and legal problems in the workplace.

answer: (d) inclination

A7 Performance appraisal systems began as simple methods of income *justification.*

answer: (d) justification

A8 The process was firmly linked to material outcomes: if an employee's performance was found to be less than ideal, a *cut* in pay would follow.

answer: (a) cut

A9 On the other hand, if their performance was better than the supervisor expected, a pay rise was in *order.*

answer: (c) order

A10 Pay rates were important, but they were not the only element that had an impact on employee performance; it was found that other issues, such as *morale* and self-esteem, could also have a major influence.

answer: (c) morale

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Bond Issues

A1 An issuer may choose to redeem a *callable* bond when current interest rates drop below the interest rate on the bond; that way the issuer can save money by paying off the bond and issuing another bond at a lower interest rate.
answer: (a) callable

A2 In the bond market, we refer to a bond-*equivalent* yield, which means that if a bond yields 6% on a semiannual basis, its BEY is 12%: the semiannual yield is simply doubled.
answer: (b) equivalent

A3 Morgan Stanley Dean Witter & Company said yesterday that it would use a new stock *rating* system beginning March 18th: the firm's analysts will characterize stocks as 'overweight', 'equal-weight' or 'underweight', replacing the old 'strong buy', 'outperform', 'neutral' and 'underperform'.
answer: (b) rating

A4 If you think your financial adviser or brokerage firm has mismanaged your account or otherwise breached your contractual relationship, you can contact the firm's *compliance* department, which is responsible for making sure the company's business activities are in line with the law.
answer: (b) compliance

A5 You do not qualify for the head of household *filing* status because you and your spouse have not lived apart for the last 6 months of the taxable year and are not considered unmarried.
answer: (a) filing

A6 Tax *preference* items are tax deductions which must be computed in calculating the Alternative Minimum Tax liability under federal tax laws; they include, for corporations, deductions for accelerated depreciation, investment tax credits, and increases in loan loss reserves by banks and savings institutions.
answer: (a) preference

A7 Now, Moneypore makes it as easy as clicking a mouse button: with the Moneypore Desktop *Ticker*, you can keep an eye on your stocks and how they're doing even while you're checking mail, catching up on the news or any of the other things you do online.
answer: (d) Ticker

A8 The TradeTrack Simulation Engine reviews the price-action history of all US stocks, identifying past trading signals and testing various trading strategies; the purpose of *back*-testing is to illustrate what might happen if you were to trade on a specific trading signal according to well-defined trading strategies.
answer: (a) back

A9 The undersigned has read and understands the above-mentioned document and agrees to abide by the agreement in the capacity of *a cosigner*; in affixing his or her signature below, s/he may also be held accountable for all terms and conditions of the rental agreement/lease described above.
answer: (a) a cosigner

A10 The Supreme Court has held that the allottees of flats built by the State housing boards or development authority are bound by the *escalation* clause if the final revision results in higher cost; a three-judge Bench held that the authorities were entitled to collect the increased cost from the allottees with interest.
answer: (b) escalation

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Odd-lot Orders

A1 Where a person gives, either for his own account or for various accounts in which he has an actual monetary interest, buy or sell odd-lot orders which aggregate 100 shares or more, such orders shall, as far as possible, be consolidated into *full*-lot units.
answer: (b) full

A2 A *limit* move occurs when a commodity opens up or down its maximum allowed move and does not trade again until the next session; the resulting bar or candlestick would simply be a small dash.
answer: (b) limit

A3 The upsurge in investment *flows* was driven by a general improvement in the local business environment and transnational corporations' plan to invest on the mainland in anticipation of emerging business opportunities following China's accession to the WTO.
answer: (a) flows

A4 Simply put, market-*neutral* funds aim to deliver above-market returns with lower risk by hedging bullish stock picks with an equivalent, but diversified, number of bearish, or short, bets.
answer: (c) neutral

A5 In forecasting models, *detrend* is the process of removing the effects of accumulating data sets from a trend to show only the absolute changes in values and to allow potential cyclical patterns to be identified; this is done using regression and other statistical techniques.
answer: (b) detrend

A6 The SEC believes that if economics and sound regulation dictate the establishment of an exclusive central processor for the *composite* tape or any other element of the national market system, provision must be made to insure that this is not under the control or domination of any particular market center.
answer: (c) composite

A7 A marketable non-*investment* property is a property without an earning expectancy, but is of a type that is commonly bought and sold, and has a value generated by its expected use(s) and/or consumption.
answer: (c) investment

A8 A typical option *chain* (the bid/ask quotes on all the current options for a stock) can easily have 100 or 150 options; leaving aside the fact that each option is quoted on three or four exchanges, for any two-option strategy you choose, there will be 10,000 to 20,000 possible combinations of choices.
answer: (a) chain

A9 We're looking for tangible assets that could be liquidated at a price that would justify the market value of the entire company: examples of these '*hidden* assets' would be oil and gas leases that are not yet generating cash, or real estate purchased in the 1950s and still listed at cost basis on the balance sheet.
answer: (b) hidden

A10 After you pay the remittance amount and handling charge at the post office, a postal money order is delivered to the *payee's* address; the latter can then cash this money order at a local post office.
answer: (c) payee's

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Options Strategy

A1 A price *spread* is created when a person buys and sells call options on the same stock or buys and sells puts on the same stock; it gets its name from the vertical movement of prices, and in this options strategy, the strike prices are different but the months are the same.
answer: (d) spread

A2 *Vertical* acquisitions are usually of noncompeting companies where one's product is a necessary component or complement of the other's; such acquisitions can achieve procompetitive efficiency benefits, lowering transaction costs and leading to synergistic improvements in design, production and distribution.
answer: (d) Vertical

A3 To *quantise* is to express an asset or liability in terms of a currency or denomination other than the one in which it usually trades.
answer: (b) quantise

A4 With a sell *scale* order, the limit orders will increase in price, allowing the trader to take advantage of increasing prices, thereby locking in higher returns.
answer: (c) scale

A5 The 12b-1 *fee* was born in 1980 under the authorization of the Securities Exchange Commission; its name is derived from the section in the Investment Company Act of 1940 that allows a mutual fund to pay distribution and marketing expenses out of the fund's assets.
answer: (b) fee

A6 An unblemished credit history with a positive credit report will be the leading contender for *signature* loans; a good credit history will ensure you get the loan with no collateral.
answer: (c) signature

A7 Charitable *Lead* Trusts offer current income tax deductions and a reduction of capital gains taxes: charities become the income beneficiaries, receiving a steady stream of income during the owner's lifetime, but at the owner's death, named beneficiaries receive the bulk of the CLT's assets.
answer: (a) Lead

A8 When you finance or lease a vehicle, your creditor or lessor holds important rights on the vehicle until you've made the last loan payment or fully paid off your leasing obligation; if your payments are late or you default on your contract in any way, your creditor or lessor may have the right to *repossess* your car.
answer: (d) repossess

A9 *Day* traders rapidly buy and sell stocks throughout the day in the hope that their stocks will continue climbing or falling in value for the seconds to minutes they own the stock, allowing them to lock in quick profits, which is extremely risky and can result in substantial financial losses in a very short period of time.
answer: (a) Day

A10 *A transmittal* or cover letter accompanies a larger item, usually a document, provides the recipient with a specific context in which to place the larger document and simultaneously gives the sender a permanent record of having sent the material.
answer: (d) A transmittal

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New Juggernaut

A1 CHICAGO, July 10, 2007 — Even before the Chicago Mercantile Exchange's $11.9 billion purchase of the crosstown *Board of Trade* won final approval from shareholders, industry experts were speculating on possible acquisitions ahead for the new juggernaut of the financial exchange industry.
answer: (a) Board of Trade

A2 The *forex* market exists wherever one currency is traded for another; by far the largest financial market in the world, it includes trading between large banks, central banks, currency speculators, multinational corporations, governments, and other financial markets and institutions.
answer: (b) forex

A3 Managers' power to influence bids can be strong if they act in concert, threatening a hostile bidder with a mass exodus (the '*Jonestown* defense'); faced with a mass exodus of management, acquirers may be unwilling to proceed with the bid, because they often need existing management to train new management.
answer: (b) Jonestown

A4 STONE HARBOR- A referendum election for a bond *ordinance* appropriating millions of dollars for various improvements in the borough overturned the proposal June 26: of the 819 registered voters, 497 turned out to vote.
answer: (b) ordinance

A5 The Pension Benefit Guaranty *Corporation* protects the retirement incomes of nearly 44 million American workers in 30,330 private-sector defined benefit pension plans; it was created by the Employee Retirement Income Security Act of 1974.
answer: (c) Corporation

A6 A Section 457 *deferred* compensation plan for employees of state and federal governments and agencies is similar to a 401(k) plan, except there are never employer matching contributions and the IRS does not consider it a qualified retirement plan.
answer: (a) deferred

A7 The annual *mortgagor* statement is a yearly statement to borrowers that details the remaining principal and amounts paid for taxes and interest.
answer: (d) mortgagor

A8 In October 1931, the New York Stock Exchange de facto prohibited short sales at a price lower than the previous sale; that is, short sales could not be executed on *downticks.*
answer: (c) downticks

A9 US *Social Security* tax is deducted from our payroll in order to cover a portion of our retirement income when we reach age 65, but also as a survivor benefit, should we become disabled or die as a result of work — in which case the surviving spouse and children would receive a monthly income supplement.
answer: (c) Social Security

A10 *Callable* preferred stock contains a provision that allows the corporation to buy back and retire the preferred stock at a specified price, sometimes at a premium; the stockholders have no choice but to resell the stock to the corporation when it exercises this provision.
answer: (a) Callable

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CRTs

A1 Gifts to a charitable *remainder* trust (CRT) can be made in cash, but more often consist of highly appreciated stock, real estate or a closely held business interest; it pays income to the beneficiary for a fixed period or for life, and at the end of the trust, the remaining assets pass to the charities you have chosen.
answer: (b) remainder

A2 The attached tables illustrate the cash flows for an interest *indexed* loan in its first 10 years under different inflation scenarios: Figure One illustrates the base case, Figure Two shows a potential 'low inflation' scenario and Figure Three a 'high inflation' scenario throughout the 10-year period.
answer: (d) indexed

A3 The fill *or kill* order is used by customers wishing an immediate fill, but at a specified price; our floor broker will bid or offer the order three times and immediately return either a fill or an unable.
answer: (c) or kill

A4 *A daylight* trade account status exists when the purchase and sale or sale and purchase of the same security on the same day in a single account takes place; liquidation of overnight positions and repurchase (or sale) are not considered.
answer: (a) A daylight

A5 In order to successfully build models of mortgage *risk* that capture prepayment, delinquency and default behavior, we must decide upon common, generally accepted definitions for each of these behaviors.
answer: (d) risk

A6 Gold has retrenched below its 20-day moving average of $659.31 to a six-month low of $643.20 where it is now holding but vulnerable to further selling; the *downtrend* has also driven gold below its 50-day and 200-day moving averages of $664 and $646, respectively.
answer: (b) downtrend

A7 In a market where agents trade via *a limit* order book, there is no market maker or specialist who provides bid and ask quotes; instead, any sellers/buyers can place offers/bids in this book and wait until the orders get executed, or they can trade immediately by placing a market order against the existing bids/offers.
answer: (a) a limit

A8 A full *ratchet* enables early round investors to preserve the value of their initial investment in a down round — they get additional 'free' shares so that their effective share price equals the new lower price, thus avoiding a markdown in the value of their investment.
answer: (d) ratchet

A9 The 12(b)-1 fee is not like a sales commission, where the investor's initial purchase is reduced by the charge; it is deducted from the assets of the fund; many call this fee a hidden *load* because it decreases a shareholder's earning power each year without showing up overtly as a sales commission.
answer: (c) load

A10 Your profit or loss depends on the difference between your cost *basis* and the price at which you sold your investment; in the normal scheme of things, the former is your original purchase price, but sometimes you can make adjustments to that figure to make it larger.
answer: (a) basis

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Employee Performance Appraisal

A1 Performance appraisal usually takes the form of a periodic interview in which the work performance of the subordinate is examined and discussed, with a view *to* identifying weaknesses and strengths as well as opportunities for improvement and skills development.

answer: (d) to

A2 In many organizations — but not all — appraisal results are used, either directly or indirectly, to help determine *reward* outcomes.

answer: (d) reward

A3 That is, the appraisal results are used to identify the better performing employees who should get the majority of available *merit* pay increases, bonuses, and promotions.

answer: (b) merit

A4 By the same *token*, appraisal results are used to identify the poorer performers who may require some form of counseling, or in extreme cases, demotion, dismissal or decreases in pay.

answer: (d) token

A5 Organizations need to be aware of laws in their country that might restrict their capacity to *dismiss* employees or decrease pay.

answer: (c) dismiss

A6 Whether this is an appropriate use of performance appraisal — the assignment and justification of rewards and penalties — is a very uncertain and *contentious* matter; few issues in management stir up more controversy than performance appraisal.

answer: (a) contentious

A7 There are many *reputable* sources — researchers, management commentators, psychometricians — who have expressed doubts about the validity and reliability of the performance appraisal process.

answer: (c) reputable

A8 Some have even suggested that the process is so inherently *flawed* that it may be impossible to perfect it (Derven, 1990).

answer: (b) flawed

A9 At the other *extreme*, there are many strong advocates of performance appraisal; some view it as potentially "the most crucial aspect of organizational life" (Lawrie, 1990).

answer: (b) extreme

A10 Between these two views lie various schools of belief; while all *endorse* the use of performance appraisal, there are many different opinions on how and when to apply it.

answer: (a) endorse

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Tests, Quizzes, and Self-evaluation

A1 Feared by learners, discounted by educational *pundits*, short-changed by instructional designers, tests are, nevertheless, an essential element of learning.

answer: (d) pundits

A2 We may call them quizzes, drills, examinations, assessments, competence monitors, or demonstrations of mastery; we may *cloak* them as games or puzzles; yet, they remain an essential ingredient for gauging a learner's progress.

answer: (a) cloak

A3 In a study of 400 vocational-technical learners in Pennsylvania, Internet-conducted tests showed no differences in scores, redesign needed, or any *bias* due to gender, economic disadvantage or educational disability, relative to the same test on paper.

answer: (a) bias

A4 William Horton Consulting advises that costs for *converting* a 100-question paper test to Internet delivery are about $1500 to $2500 USD.

answer: (a) converting

A5 Costs for *conducting* and scoring the test are $2 USD per test-taker.

answer: (c) conducting

A6 One good reason for testing is to let learners *gauge* progress toward their goals.

answer: (a) gauge

A7 One bad reason for testing is to fulfill *stereotypes* and expectations: it's a course; therefore, it must have tests.

answer: (d) stereotypes

A8 After a high-level analysis of why you are testing and what you hope to measure, you can make *tactical* decisions on what kind of test to use.

answer: (d) tactical

A9 Some of these decisions will require balancing your *lofty* objectives against the stark limitations of your authoring tools and the reality of your budget and schedule.

answer: (b) lofty

A10 When teaching adults, my preference is to not record scores unless required to certify performance of learners; in general, treating adult learners as responsible, *conscientious* beings yields better results.

answer: (a) conscientious

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Corporate Credit Cards

A1 Vincent Eavis explains that corporate payment card usage can be divided, but not limited, into two distinct categories: general business travel and entertainment activities (T&E cards) and business *procurement* activities (purchasing or p-cards).

answer: (d) procurement

A2 T&E spending varies according to a business's needs, whereas the proportion of purchasing that is now done on p-cards rather than by traditional *invoice* payment methods is continuously increasing.

answer: (c) invoice

A3 T&E expenses comprise the second largest controllable expense item for companies after salaries, consuming approximately 50 to 80 basis *points* of a company's revenues.

answer: (c) points

A4 For T&E cards, the balance must be *cleared* in full upon presentation of the statement, or within certain defined payment terms, typically around 25 days beyond statement date.

answer: (d) cleared

A5 This means no money is made on *revolving* interest as with the consumer credit card model.

answer: (d) revolving

A6 These cards tend to be for travel and entertainment expenses such as air travel, hotels, rail, car hire and restaurants; the company *settles* card payments on behalf of the individual cardholder, which is known as corporate liability.

answer: (d) settles

A7 There are also mid-way solutions such as joint and *several* liability, where both parties (company and individual) can be liable.

answer: (a) several

A8 Typically, since corporate T&E cards are for business expenses, the preferred option to enable control should be corporate liability: the further liability extends to the individual, the less the company is going to be able to exert control and thereby *reap* the potential benefits.

answer: (c) reap

A9 P-cards are never paid *against* an individual's bank account.

answer: (a) against

A10 P-cards can eliminate several steps in the purchase-to-order process, and this eliminates the purchase order paper *trail*, which can save costs of anywhere from 60 to 100 per transaction.

answer: (d) trail

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Shared Service Centres

A1 Shared service centres (SSCs) are not a new phenomenon within the financial services industry; indeed they have become an established part of the business process *landscape* for many large multinationals, says Hugh Davies of Citi.
answer: (a) landscape

A2 For corporates, the underlying principle is the pursuit of highly efficient operations and service through re-designing and centralising common processes; if a company has *disparate* activities across its organisation — combined with multiple bank interfaces — it will have less control and visibility over its operations.
answer: (d) disparate

A3 This is of particular concern at a time when companies face *compliance* obligations under regulations such as Sarbanes-Oxley, when they must demonstrate high levels of accountability and transparency throughout the organisation.
answer: (a) compliance

A4 There is also the desire among corporates for improved company-wide cost management, as they face increased pressure to obtain extensive cost savings from middle- and back-office operations, as well as better visibility over *working* capital.
answer: (d) working

A5 While greater economies of *scale* and cost efficiencies are derived from centralised processing, corporate treasurers are taking on an increasingly strategic role within the company.
answer: (d) scale

A6 This is resulting in improved use of information and is ensuring that SSCs are becoming an essential tool that can provide visibility and transparency of *actionable* information across the company for the creation of value and competitive advantage.
answer: (b) actionable

A7 Harmonisation of financial infrastructures as a result of the single *euro* payments area (SEPA) is also an opportunity to rationalise accounts and legal structures, and therefore derive further efficiencies from SSCs.
answer: (b) euro

A8 The SSC platform and the related systems built around it are an excellent way to *embed* the fundamentals of SEPA and adapt quickly to realise the benefits.
answer: (a) embed

A9 Establishing an SSC and centralising functions does not necessarily mean the removal of traditional payment and collection *instruments* that are required by local operating companies where supplier and customer relationships are maintained.
answer: (b) instruments

A10 The rationalisation of banks and systems will lead to the concentration of risk, and in order to *mitigate* this risk, the standardisation of interfaces and formats is absolutely critical.
answer: (d) mitigate

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Financial Supply Chain Management

A1 According to Ray Moore of HSBC, the efficient management of information across the financial supply chain (FSC) is a critical *enabler* in getting goods to market early and at the lowest cost.
answer: (c) enabler

A2 As international supply chains become longer and more complex, the risks and costs *inherent* with fulfilment continue to increase.
answer: (c) inherent

A3 The focus of many supply chain management initiatives to date has been the physical processes and logistics costs that are easier to track, but this focus is increasingly shifting towards FSCs and the less *visible* costs hidden in payments, risk management and working capital management processes that are equally important.
answer: (d) visible

A4 Banks are under increasing pressure to demonstrate how core competences can be better applied to improving the efficiency of the FSC: this can be defined as the 'purchase-to-pay' process from the buyer *perspective.*
answer: (b) perspective

A5 In order to meet the challenge, banks are re-*invigorating* traditional trade services and developing new solutions to meet a constantly evolving trade environment and rising customer expectations about what banks can do for them.
answer: (d) invigorating

A6 Most large buyer organisations either source from low cost countries or have established managed services or production facilities that take advantage of lower labour and operating costs, and the pressure to source from these countries and source direct to eliminate expensive trading intermediaries continues to *mount.*
answer: (d) mount

A7 The initial *euphoria* about vastly reduced unit costs has, however, been tempered in recent years, as corporates take a more sophisticated approach to the calculation of total fulfilment cost, which includes all logistics, working capital and finance related costs involved within its supply chain.
answer: (b) euphoria

A8 The *adversarial* approach — often the characteristic of an aggressive buyer — is being replaced with the realisation that there are greater business benefits associated with working more collaboratively with suppliers to help them improve efficiencies and reduce their costs.
answer: (a) adversarial

A9 The focus for many organisations has been streamlining and automating the physical supply chain in order to reduce costs; for *best* practice organisations, the reduction of 1-2% of total costs of fulfilment is critical to keeping a competitive edge.
answer: (b) best

A10 However, as physical supply chains are optimised, savings become harder to realise; this is when the focus shifts to FSC opportunities; the quantum *leap* to streamlining the FSC, where organisations could save 2-3% plus potential savings by taking paper out of the system, is now being taken by many corporates.
answer: (c) leap

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Analysts and Pundits

A1 Some analysts and pundits use a stock's price-to-*book* ratio to decide whether to recommend an equity: if the ratio is below 1.0, it's often considered attractive, and if the ratio is higher than 1.0, it may be deemed overpriced.
answer: (a) book

A2 Gold for the year was up about 23% and Silver was up 46%; the HUI failed to provide the leverage it usually offers to metals, increasing by only 13%, but these are still impressive *annual* returns, since a record-breaking year for the Dow Jones produced only a 16.7% return and the Nasdaq gained just 10%.
answer: (c) annual

A3 *Indexing* is an investment approach that seeks to match the investment returns of a specified stock or bond market benchmark by holding all or a representative sample of those securities; it is a 'passive' investment approach emphasizing broad diversification and low portfolio trading activity.
answer: (c) Indexing

A4 Despite reports that mining giant Rio Tinto is lining up bankers for a bid for Alcan Inc, an industry observer believes the Canadian aluminum giant may be preparing a '*scorched* earth policy' to make itself less attractive to potential suitors; Alcan's board has rejected Alcoa's US$28.1-billion hostile takeover offer.
answer: (a) scorched

A5 With a market *not held* order, the investor allows the floor broker to use his own discretion as to the exact timing of the execution; if the broker expects a decline in price, s/he may wait to buy, figuring that a better price will soon be available, but there is no guarantee that a such an order will be filled.
answer: (b) not held

A6 *Compound* arbitrage is basically buying and simultaneously selling in four or more markets, profiting from a temporary difference; this is a riskless profit for the investor/trader.
answer: (b) Compound

A7 A back-end *load* can be a flat fee (meaning everyone pays the same amount of money when taking money out of the mutual fund) or a sliding-scale fee (meaning that the longer you keep your money in the mutual fund, the smaller the fee you have to pay when you take it out).
answer: (c) load

A8 *A non-qualified* retirement plan is not an IRS plan subject to the eligibility, participation, and non-discrimination provisions set forth in the Employee Retirement Income Security Act and the Internal Revenue Code of 1986 and the regulations thereunder; as such, it is said to be devoid of governmental red tape.
answer: (d) A non-qualified

A9 Options are traded in units called *contracts*, each of which entitles the option buyer/owner to 100 shares of the underlying stocks upon expiration.
answer: (c) contracts

A10 The Director position is responsible for the *quantitative* analysis of our derivatives portfolio, which includes 1) statistical analysis to measure the effectiveness of hedges, 2) projection of Net Investment Income and Net Investment Gain/(Loss), and 3) attribution analysis of actual reported financial results versus market factors.
answer: (d) quantitative

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Repos

A1 Rockwell Collins, Inc. today announced it bought back four million shares, or approximately 2.3 percent of its outstanding common stock, from UBS AG London Branch in conjunction with an accelerated share *repurchase* agreement at an initial cost of $49.10 per share for a total cost of $196 million.
answer: (c) repurchase

A2 The plaintiffs, shareholders of Tellabs, Inc, filed a lawsuit against the company, alleging that the chief executive had made false statements about the company's business and financial results sufficient to support a 'strong inference' of *scienter* — the mental state embracing an intent to deceive, manipulate, or defraud.
answer: (d) scienter

A3 The Federal Reserve is performing tighter monetary policy by *draining* reserves from the banking system; their goal is to slow the growth of the money supply, which will immediately impact short-term interest rates, but not long-tem rates.
answer: (b) draining

A4 You can now get information about your tax *refund* online — this site allows you to determine if your return has been received, if your final amount matches the amount you claimed, and if it has been mailed; simply log on using your social security number and the amount you claimed on your 2006 tax return.
answer: (b) refund

A5 *Full* Stock has a par value of $100 per share, either preferred or common; stocks are generally issued with a zero par value, as they are traded in the market; the par value is not zero only when the stock is purchased directly from the company.
answer: (a) Full

A6 Vertical *line* charting is a technical analysis tool which charts the high, low, and close of a given security each day, in an attempt to spot patterns that might help predict future price movements.
answer: (a) line

A7 This United States tax form is used for, among other purposes, reporting payments made to independent Contractors; the ubiquity of the form has also led to slang use of the phrase '*1099*' to refer to the contractors themselves.
answer: (b) 1099

A8 *Class B* shares do not impose a front-end sales charge, but they may charge higher expenses that investors are assessed over the lifetime of their investment in a fund; they also normally impose a contingent deferred sales charge, which you pay if you sell your shares within a certain number of years.
answer: (c) Class B

A9 The term *Investment* Letter shall mean a letter from the purchaser of the Property to Secured Party stating that: (i) the purchaser is aware that the Property has not been registered under the Securities Act of 1933, and (ii) the Property is being acquired for the purchaser's own account and not with a view to the sale or distribution thereof.
answer: (c) Investment

A10 A self employed person can establish a *Keogh* Plan, and make tax deductible contributions entered on Form 1040, Line 28, and the tax deductible contributions and any interest or gains thereon are not taxed until withdrawn; the two types of Plans are defined contribution plans and defined benefit plans.
answer: (c) Keogh

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Consumer Spending

A1 The hypothesis is that consumer spending drives economic cycles and is therefore a leading indicator for the stock market; for example, Mr. Ellis presents a chart relating quarterly annualized change in *Personal* Consumption Expenditures (PCE) to quarterly change in the S&P 500 index.
answer: (a) Personal

A2 CFD positions held past 5PM EST (New York time) will require a service charge set at 4% to 12% per annum of the notional value of the position, depending on the product; if a position is closed before 5PM EST, there will be no cost of *carry* charge.
answer: (a) carry

A3 Today, the Special *Drawing* Right (SDR) has only limited use as a reserve asset, and its main function is to serve as the unit of account of the IMF and some other international organizations; it is neither a currency, nor a claim on the IMF, but a potential claim on the freely usable currencies of IMF members.
answer: (d) Drawing

A4 With *an accumulation* bond, the interest on the bond is reinvested at the same rate as the principal and is returned to the customer only when the bond is redeemed; hence, it is analyzable as a fixed sum invested at a fixed rate of compound interest for a fixed time period.
answer: (d) an accumulation

A5 Managing the portfolios of your clients and working with brokers or money managers, you can use this software to maintain the investment *history* of all transactions; the statement from your broker (money manager) forms the basis for input into the system and maintains the record of each financial instrument from the time it enters the portfolio until its disposal.
answer: (b) history

A6 In accordance with the provisions of Minnesota Statutes, Section 373.45, Subd. 3, a county that issues bonds covered under the County Credit Enhancement Program must deposit with the paying *agent* three business days before the date on which each payment is due on the bonds an amount sufficient to make that payment.
answer: (a) agent

A7 Bond *quotes* follow a few quirky conventions; for instance, prices are given as percentages of face value, with fractions like 1/32 as the last digits, not decimals.
answer: (c) quotes

A8 Using a pre-defined *chart* of accounts that you find in a bookkeeping or accounting software package may work fine for your business, or you may find that you need to adapt or accommodate it to more closely fit the way you want to keep track of and report on your business.
answer: (a) chart

A9 If you get a notice from the company to whom you have been making monthly payments that your loan is being transferred, it is likely that the ownership of your loan has not changed; just that one big mortgage *servicing* company has bought a portfolio of rights from another.
answer: (d) servicing

A10 The falling *days* payable numbers indicate that suppliers are demanding faster payments from Gander Mountain; most likely, the suppliers are worried about not getting paid, one sign that there's a problem with the business.
answer: (c) days

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Call and Put Options

A1 There are various ways to use a *diagonal* spread, but for our purposes, we'll discuss its normal use: this is when we sell a front-month, lower-strike call option and buy a longer-term, higher-strike call option or when we sell a front-month higher-strike put option and buy the longer-term, lower-strike put.
answer: (a) diagonal

A2 The Exchange indicated that a '*significant* order imbalance' is one resulting in a price change from the last sale of the lesser of 10% or three points for stocks between $10 and $99.99, and five points for stocks $100 or more, unless a Floor Governor deems circumstances warrant a lower parameter.
answer: (c) significant

A3 If a brokerage firm is unable to locate an account owner and the account has remained inactive for the period of time specified by state law, the firm must report it to the state, which then claims the account through a process called '*escheatment*', whereby the state becomes the owner of the account.
answer: (b) escheatment

A4 The final *prospectus* goes to anyone who got a red herring within 25 days.
answer: (c) prospectus

A5 One of the fundamental laws of a capitalist economy is that *a transparent* market-one where every player has access to all product and pricing information — is the ideal market; this market will, over time, converge towards the best pricing for the best products with the best level of services.
answer: (d) a transparent

A6 Unlike sales taxes that appear on a cash register receipt, *hidden* taxes are those charges that are not expressly clear to the taxpayer; for example, the average price of a gallon of gas is $1.49 and 43 cents of that amount represents taxes — that 37% tax rate does not appear on your receipt.
answer: (c) hidden

A7 Philip Morris has a yield of 5% and a payout (dividend divided by estimated 2001 earnings) of only 52% (for *indicated* dividend, we multiply the latest quarterly dividend by four); it is not that Philip Morris is so generous, but the rich yield reflects the uncertain prospects of the tobacco industry.
answer: (d) indicated

A8 The Fair *Credit* Reporting Act (FCRA), enforced by the FTC, is designed to promote accuracy and ensure the privacy of the information used in consumer reports; businesses that supply information about you to CRAs and those that use consumer reports also have responsibilities under the law.
answer: (c) Credit

A9 The ITS participants also proposed to develop a '*limit* order information system', based on the existing ITS, that would require specialists to aggregate and enter orders for display, and brokers executing a block trade outside the best bid or offer would be required to satisfy the LOIS orders.
answer: (b) limit

A10 A market *on close* order is another very common order because a lot of spread betting clients like to finish up the day with a flat position in their account.
answer: (c) on close

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Pass-through

A1 The most common type of pass-through is a mortgage-*backed* certificate, where homeowners' payments pass from the original bank through a government agency or investment bank to investors.
answer: (a) backed

A2 A 'limited partner', who is prohibited from taking part in management and has no liability for debts beyond his/her investment, is a true *silent* partner; however, without a limited partnership agreement, s/he is responsible for the debts of the partnership as a general partner.
answer: (d) silent

A3 Multiple listing of equity options that were already being traded as of January 20, 1990, was phased in over a period of time ending in late 1994; thus, by the end of 1994, each option *exchange* could list any equity option class.
answer: (b) exchange

A4 The legal requirements will usually pose no problem, but the lack of a market minimizes the enthusiasm for and utility value of the non-*qualified* stock option plan; still, it offers the most flexibility for the owner-management of a private company to select key personnel and option pricing arrangements to suit management objectives.
answer: (c) qualified

A5 MIND C.T.I. Ltd, a leading provider of convergent end-to-end billing and customer care product based solutions for carriers worldwide, today announced the record date and *payment* date of the previously declared and announced cash dividend of $0.20 per share.
answer: (b) payment

A6 When this provision is in a lease, a landlord has the power to collect the maximum rent allowed under regulations in effect at the time; the *escalator* clause provides that if the regulations are altered during the time of the lease, the tenant must pay the new fee computed pursuant to the revised regulations.
answer: (b) escalator

A7 With a *quanto* option, usually the underlying and strike price currency is the foreign one and the currency in which the derivative pays out is domestic, calculated as the option's intrinsic value; this type of investment is paid at a fixed exchange rate, protecting the investor from fluctuations.
answer: (c) quanto

A8 *Required* reserves must be held in the form of vault cash and if vault cash is insufficient, also in the form of a deposit with a Federal Reserve Bank; an institution that is not a member of the FRS can maintain that deposit directly with a Reserve Bank or with another institution in a pass-through relationship.
answer: (d) Required

A9 I look for a *price*-to-cash-flow ratio of less than 15 for a large company that can't grow rapidly; for smaller companies, I look at things in more detail because many small companies can go from a dramatic loss to excellent cash flow in one year if they are adding customers without raising costs too badly.
answer: (c) price

A10 Companies often *split* their stock when they believe the price of their stock exceeds the amount smaller individual investors would be willing to pay for the stock: by reducing the price of the stock, companies try to make their stock more affordable to these investors.
answer: (d) split

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Cash Management in Pakistan

A1 The implementation of a real-time gross settlement system will automate the current interbank settlement of large-value payments at the State Bank of Pakistan and will minimise credit and liquidity risks; dial-up proprietary systems are in *demise*, taken over by more robust, functionally enriched Web-based platforms.
answer: (a) demise

A2 According to Shahid A Syed, Pakistan's economy delivered another year of robust growth in 2005-06, despite the *devastating* earthquake on 8 October 2005 and in the midst of an extraordinary surge in oil prices.
answer: (d) devastating

A3 With growth at 6.6% in 2005-06, the economy has expanded at an average rate of 7% a year in the past four years and over 7.5% a year for the last three, thus *positioning* itself as one of the fastest growing economies in Asia.
answer: (b) positioning

A4 The vote of confidence of the international debt capital markets in Pakistan's economic policy, reform agenda and outlook is evident from the successful launch of new 10-year and 30-year *sovereign* bonds totalling US $800m.
answer: (d) sovereign

A5 The SBP has been pursuing a broadening of access of financial services to all segments of society as an important strategic objective: initiatives have been taken to develop a legal framework for *microfinance* institutions to help the poor, and a focus on SMEs and Islamic finance issues.
answer: (b) microfinance

A6 Despite considerable progress towards its goal of fostering a sound and dynamic financial system, a number of areas still demand further attention; SBP has kept its focus on consolidating reforms introduced in preceding years and lifting the regulatory and supervisory framework to meet international best *practices.*
answer: (c) practices

A7 The extensive focus on enhancing the supervisory capacity in recent years has helped SBP to achieve, either fully or largely, *compliant* status for 28 of the 30 Basel core principles for effective banking supervision.
answer: (c) compliant

A8 Federal taxes in Pakistan, like most taxation systems in the world, fall into two broad categories, direct and indirect; direct taxes primarily *comprise* income tax, along with a supplementary wealth tax.
answer: (b) comprise

A9 All public companies, other than banking companies, incorporated in Pakistan, are *assessed* for tax at a corporate rate of 39%; however, the effective rate is likely to differ on account of allowances and exemptions related to such factors as the industry, location and exports.
answer: (b) assessed

A10 The real-time gross settlement system known as the Pakistan Real-time Interbank Settlement Mechanism is at an advanced stage of installation, and its implementation will make the payments systems much more efficient and *resilient*, offering transactional features that are hard to achieve under the current settlement systems.
answer: (d) resilient

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Banking in China

A1 While globalization has sparked a buying *spree* in emerging markets generally, China has been the front-runner in raising new capital in the banking sector, explains Keith Pogson of Ernt & Young.
answer: (c) spree

A2 China's record-breaking performance in raising more than US$46bn is all the more stunning given that, just two years ago, the challenge of cleaning up balance sheets and non-performing loan portfolios was *deemed* next to impossible by the international investment community.
answer: (b) deemed

A3 China's financial institutions have historically suffered the disadvantage of having dual operating roles: the authorities viewed them not simply as banks, but also as a major *vehicle* for providing capital to state-run companies.
answer: (d) vehicle

A4 China's banks kicked *off* their structural reforms ahead of receiving capital injections from the central government.
answer: (a) off

A5 During the past five years, they have streamlined their organizations through closure of less efficient branches and scaling back their workforces through *attrition* and early retirement, among other factors.
answer: (a) attrition

A6 For example, China Construction Bank and ICBC closed more than 11,500 and 12,900 branches respectively, and each reduced its workforce by over 100,000 employees; the financial restructuring of these banks was *unprecedented* in China's banking history.
answer: (b) unprecedented

A7 The initial recapitalization from 2003-2005 amounted to at least RMB608bn, consisting of an injection of capital through State Administration of Foreign Exchange (SAFE) investment, new shares subscribed to by the National Social Security Fund, and accumulated losses *replenished* by the Ministry of Finance.
answer: (d) replenished

A8 In addition to capital injections by the Chinese government, restructuring was accomplished in a two-stage *carve*-out of non-performing loans; initially, approximately RMB420bn of Loss-Classified NPLs were written off from the four banks' accounts.
answer: (a) carve

A9 Alliances with foreign banks turned out to be a vital *ingredient* in the success of the IPOs, as they provided Chinese banks with technical assistance and, most importantly, equity stakes that offered additional credibility and reassurance to other investors when the banks came to market.
answer: (d) ingredient

A10 From a *negligible* combined outlay of estimated US$500m at the end of 2003, foreign investors have now committed as much as US$18bn to the Chinese banking sector in the past 12 months alone.
answer: (c) negligible

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Singapore Banking

A1 Mahesh Kini of HSBC says that a stable government is committed to Singapore's multi-*pronged* growth by focusing on various sectors.

answer: (c) pronged

A2 Singapore's 2006 budget outlines many *incentives* for businesses operating in Singapore in the financial and related sectors.

answer: (c) incentives

A3 In the *pipeline* is the Integrated Resorts project, a large entertainment complex featuring casinos, amusement parks, hotels, and convention centres, which is due to open in 2010.

answer: (d) pipeline

A4 Such large government-backed initiatives and the drive to create a new tourism hub in Singapore *bode* well for the large tourism industry, which saw nine million tourists arrive on Singapore's shores in the past year.

answer: (b) bode

A5 The MAS, in a step to liberalise commercial banking in Singapore, has provided qualifying full bank status to some foreign banks to provide a full *suite* of financial services to individuals and corporates and issued wholesale bank status to a number of foreign banks to serve commercial customers.

answer: (d) suite

A6 Singapore is also seeing a trend to establish global treasury centres; Singapore's infrastructure, political stability and favourable time zone, located centrally in the Asia-Pacific region, have greatly benefited multinational corporations in supporting a global cash *position.*

answer: (c) position

A7 Another growing trend is for companies to *harmonize* their supply chain and cash management to attain greater efficiencies.

answer: (a) harmonize

A8 Singapore's finance industry has fully *embraced* Internet technology and is capitalising on this phenomenon to the fullest extent as a relatively inexpensive distribution and delivery medium to grow market share and improve profitability.

answer: (b) embraced

A9 Besides online banking services, these banks as well as other companies that act as intermediaries and *aggregators*, have developed business-to-business, business-to-consumers, and even person-to-person transaction service initiatives.

answer: (a) aggregators

A10 Singapore has one of the highest Internet *penetration* rates worldwide and all major banks provide Internet banking platforms and many also provide host-to-host capabilities to link up to companies' back-office operations for file transfers.

answer: (c) penetration

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Islamic Finance

A1 With the modern Islamic financial services industry enhancing its sophistication, an increasingly affluent Muslim-investor population has started to express its desire for more investment products that *adhere* to Islamic principles.
answer: (c) adhere

A2 Coinciding with this surge in demand is the more significant role that Islamic finance plays in the global financial community; with respect to the breadth and range of products and services offered, the distinct line that once separated Islamic financial institutions from their conventional counterparts is *blurring.*
answer: (a) blurring

A3 The basic principle of Islamic banking is the prohibition of riba (*usury* or interest); it also prohibits dealing in liquor, pork, gambling, pornography and anything else that Shari'a (Islamic law) deems haram (unlawful).
answer: (c) usury

A4 While permitting the individual the right to seek his economic well being, Islam makes a clear distinction between what is halal (lawful) and what is haram (forbidden) in pursuit of such economic activity; in *broad* terms, Islam forbids all forms of economic activity that are morally or socially injurious.
answer: (b) broad

A5 While acknowledging the individual's right to ownership of legitimately acquired wealth, Islam makes it obligatory for the individual to spend his wealth judiciously and not to *hoard* it, keep it idle or to squander it.
answer: (d) hoard

A6 While allowing an individual to retain any surplus wealth, Islam seeks to reduce the margin of the surplus for the well being of the community as a whole, in particular the *destitute* and deprived sections of society by participation in the process of zakat.
answer: (b) destitute

A7 While making allowance for the ways of human nature and yet not yielding to the consequences of its worst propensities, Islam seeks to prevent the accumulation of wealth in a few hands to the *detriment* of society as a whole, by its laws of inheritance.
answer: (c) detriment

A8 Viewed as a whole, the economic system *envisaged* by Islam aims at social justice without inhibiting individual enterprise beyond the point where it becomes not only collectively injurious but also individually self-destructive.
answer: (d) envisaged

A9 It has been over two decades since Islamic banks first appeared as active players in the global financial market, and today Islamic banking and finance has become a force to be reckoned *with.*
answer: (c) with

A10 Although the Middle East is still home to most of the world's 275-plus Islamic banks, a growing number of banks operating in the marketplace are *domiciled* elsewhere.
answer: (b) domiciled

Organizational Consulting

A1 In our sixty years combined experience, Clear Impact Consulting Group, Inc have assisted thousands of leaders and their organizations in enhancing overall effectiveness; during the assessment phase we gather a great deal of information and *distill* the essence of it in the context of your overall goals.

answer: (b) distill

A2 In addition to confidential interviews, we use diagnostic tools that not only give us initial information, but also set into *place* ways for teams to continuously gather essential information, including our Clear Impact High Performing Teams Checklist.

answer: (b) place

A3 Teams are often bogged down with addressing energy-*sapping* symptoms rather than being able to focus on root causes of obstacles to optimal success and fulfillment.

answer: (a) sapping

A4 Most teams need to be more in tune with their customers, more aware of what they're projecting and through what *filters* they're seeing, as well as having tools to most effectively interact with their customers.

answer: (c) filters

A5 There's a tool we've developed over the last 7 years called 100% Responsibility that has a consistently powerful impact on teams and organizations; it puts 'blame' and 'victim' off *limits* while assisting people to take healthy individual and collective ownership for business results.

answer: (b) limits

A6 Our intention is to help *jump*-start an ongoing process that greatly reduces power struggles and needless conflict, while increasing the innovation and excitement that comes from the possibility of successfully making a difference.

answer: (a) jump

A7 The Enneagram, when used correctly, is a remarkably powerful, respectful, and dynamic system; it describes a path of healthy development for each type of person, and shows each type how they can build on their strengths and avoid their *pitfalls.*

answer: (b) pitfalls

A8 It helps people identify their blind *spots* at the same time that they are building on their unique gifts.

answer: (c) spots

A9 Integration of the Enneagram allows teams and organizations to optimize individuals' strengths, take advantage of synergy, improve teamwork, enhance mutual understanding and respect, improve leadership, enhance communication, and increase morale, productivity, and employee *retention.*

answer: (d) retention

A10 Finally, we've learned that teams learn best in an Action Learning *format*: learning is only relevant if it enables managers and leaders to take more effective action.

answer: (a) format

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Business Systems Contingency Policy

A1 All departments should develop and maintain procedures that will ensure an appropriate level of customer service in the *event* of unexpected business systems failure.

answer: (b) event

A2 Traditionally, disaster recovery planning focused on the physical aspects of computer-based systems, particularly the CPU and closely coupled *peripherals*, e.g. disc banks.

answer: (d) peripherals

A3 Although this approach remains valid, the *scope* of disaster recovery has considerably widened in recent years.

answer: (d) scope

A4 This change of emphasis has resulted in the need for a pragmatic service level delivery rather than plans, *albeit* documented and often untested.

answer: (a) albeit

A5 Departments are now so reliant upon computer-based systems for normal daily operations that small systems failures can cause *a disproportionate* level of disruption to customers and staff.

answer: (a) a disproportionate

A6 A balance must be *struck* between a 'business as usual' approach, with its associated high cost, and recourse to a 'survival' mode of operation with the objective of 'business as usual' within a reasonable period.

answer: (d) struck

A7 Due to the wide variety of business applications across departments, it is not possible to provide *definitive* guidelines for the management of unexpected failure and disruption of computer-based business systems; there are, however, some general guidelines that are globally applicable.

answer: (d) definitive

A8 All *contingency* plans must be tested; critical components of the plan should be tested once a year, and test plans must ensure that the testing itself does not cause a 'disaster'.

answer: (a) contingency

A9 Plan for key personnel not to be present at the test — this aspect is often overlooked, with all key personnel *primed* days beforehand for the test.

answer: (b) primed

A10 *Deploy* the 'walk-through' method for testing the plan prior to putting it into operation; do not declare the testing completed until the whole production system has been re-instated.

answer: (a) Deploy

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How to Avoid Making Decisions (1)

A1 Recourse to someone or even something else: For example, in contrast to astrology, one must accept the fact that success is not due to a *fortuitous* concourse of stars at our birth, but due to a steady trail of sparks from the grindstones of hard work, determination, good planning, and perseverance.

answer: (b) fortuitous

A2 False hopes: False hope and fear are two sides of the same *coin* — we can promise according to our hopes that are under our control only (and have some degree of certainty on its outcome), but we avoid making decisions according to our fears of the outcomes.

answer: (b) coin

A3 Do not think about it: The decision-makers who are waiting for something to *turn* up might start with their shirt sleeves; you can either take action, or you can hang back and hope for a miracle.

answer: (d) turn

A4 Do anchoring: Give *disproportional* weight to some information instead of waiting as long as possible in order to have all the information.

answer: (a) disproportional

A5 *Sunk*-cost conscious: Repeat the same decision because you have invested so much in this approach (or your current job) that you cannot abandon it or make another decision (or look for a better position).

answer: (c) Sunk

A6 Look for confirming evidence: Seek out the information to support an existing preselection and *discount* opposing ones.

answer: (c) discount

A7 Pray for a miracle: Emerson said, "As men's prayers are a disease of the will, so are their *creeds* a disease of the intellect."

answer: (a) creeds

A8 Be over-confident: This makes you optimistic and then you make high risk decisions; as Henri Poincare said, "Doubt everything or believe everything — these are two equally convenient strategies, and with either, we dispense *with* the need to think for ourselves."

answer: (c) with

A9 Be too prudent: Our doubts are traitors and make us lose opportunities by fearing to make our decision — and not only that, but it is *contagious*; it transmits itself to others who depend on you.

answer: (a) contagious

A10 Misrepresentation: Use argument that seems scientific — for example, compute and use the average salary as a typical representative of salary rather than the *median.*

answer: (b) median

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How to Avoid Making Decisions (2)

A1 Pass the *buck*: Pass off the responsibility of making the decision to someone else; do not make decisions by yourself, but bring in someone to blame if things go wrong.

answer: (b) buck

A2 Have second thoughts: Second thoughts have *aborted* more useful decisions than all the difficult circumstances and overwhelming obstacles fate could ever throw at you; and undermining your authenticity by succumbing to someone else's second thoughts is a subtle and seductive form of self-abuse.

answer: (b) aborted

A3 Succumb to failure: Believe that the choices you will make are predestined and you are *bound* to fail (one gets used to failure) versus the result of hard work and thought.

answer: (a) bound

A4 Set up a committee: A committee is a *cul-de-sac* down which ideas are lured and then quietly strangled; the greatest things are often accomplished by individual people, not by committees.

answer: (d) cul-de-sac

A5 False decentralization: this could take place when an authoritative manager assigns accountability to a new 'director of' for every new decision-making problem, but does not *delegate* any authority.

answer: (a) delegate

A6 Commonsense-based decisions: If you start making decisions on the basis of *conventional* wisdom or chatter in the hall, generally speaking, you will make the wrong decision; what is called common sense is almost always uncommon.

answer: (a) conventional

A7 Failure to understand the problem: This is caused by, among other things, subjectivity, irrational analysis, lateness or *procrastination*, lack of sensitivity, and lack of focus.

answer: (c) procrastination

A8 Rationalization to limit the course of actions: This strategy is very popular — *stack* the cards to make one alternative clearly right and remove all risk.

answer: (d) stack

A9 Information: Some information gathered is not valid — decisions are often made first and information sought to support the solution, or much of the information gathered is *irrelevant* to the decision-making.

answer: (c) irrelevant

A10 False alternative: This attempts to *box* the decision-maker into a corner from which there is no escape except to accept the alternative.

answer: (a) box

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System Development Life Cycle

A1 As Russel Kay tells it, once *upon* a time, software development consisted of a programmer writing code to solve a problem or automate a procedure.

answer: (d) upon

A2 Nowadays, systems are so big and complex that teams of architects, analysts, programmers, testers and users must work together to create the millions of lines of *custom*-written code that drive our enterprises.

answer: (a) custom

A3 The system development life cycle models work well when automating the activities of clerks and accountants, but they don't work nearly as well when building systems for *knowledge* workers — people at help desks, experts trying to solve problems, or executives trying to lead their company into the Fortune 100.

answer: (a) knowledge

A4 The waterfall model assumes that the only role for users is in specifying requirements, and that all requirements can be specified in advance; unfortunately, requirements grow and change throughout the process and beyond, calling for considerable feedback and *iterative* consultation.

answer: (c) iterative

A5 The fountain model recognizes that although some activities can't start before others — such as you need a design before you can start coding — there's a considerable *overlap* of activities throughout the development cycle.

answer: (b) overlap

A6 The spiral model emphasizes the need to go back and *reiterate* earlier stages a number of times as the project progresses; it's actually a series of short waterfall cycles, each producing an early prototype representing a part of the entire project.

answer: (d) reiterate

A7 In the rapid application development model, initial emphasis is on creating a *prototype* that looks and acts like the desired product in order to test its usefulness.

answer: (d) prototype

A8 The *incremental* model divides the product into builds, where sections of the project are created and tested separately.

answer: (d) incremental

A9 This approach will likely find errors in user requirements quickly, since user feedback is *solicited* for each stage and because code is tested sooner after it's written.

answer: (d) solicited

A10 The synchronize and stabilize method combines the advantages of the spiral model with technology for overseeing and managing source code; this method allows many teams to work efficiently in *parallel*; this approach was defined by David Yoffie of Harvard University and Michael Cusumano of MIT.

answer: (c) parallel

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Database Management Systems

A1 An organisation uses a computer to store and process information because it hopes for speed, accuracy, efficiency, economy etc. beyond what could be achieved using clerical methods; the objectives of using a DBMS must in *essence* be the same although the justifications may be more indirect.
answer: (a) essence

A2 Early computer applications were based on existing clerical methods and stored information was *partitioned* in much the same way as manual files.ed
answer: (b) partitioned

A3 But the computer's processing speed gave a potential for relating data from different sources to produce valuable management information, provided that some standardisation could be imposed over departmental boundaries: the idea emerged of the *integrated* database as a central resource.
answer: (b) integrated

A4 Data is captured as close as possible to its point of origin and transmitted to the database, then *extracted* by anyone within the organisation who requires it.
answer: (c) extracted

A5 However many *provisos* have become attached to this idea in practice, it still provides possibly the strongest motivation for the introduction of a DBMS in large organisations.
answer: (d) provisos

A6 A DBMS gives some protection against change by taking care of basic storage and retrieval functions in a standard way, leaving the applications developer to concentrate on specific organisational requirements; changes in one of these areas need not have *repercussions* elsewhere.
answer: (a) repercussions

A7 In general a DBMS is a substantial piece of software, the result of many man-years of effort, but because its development costs are spread over a number of purchasers it can probably provide more facilities than would be economic in *a one-off* product.
answer: (d) a one-off

A8 The points discussed above are probably most relevant to the larger organisation using a DBMS for its administrative functions, the environment in which the idea of databases first originated; in other *contexts* the convenience of a DBMS may be the primary consideration.
answer: (c) contexts

A9 The purchaser of a small business computer needs all the software to run it in package form, written so that the minimum of expertise is required to use it, and the same applies to departments (e.g. Research & Development) with special needs which cannot be *satisfied* by a large centralised system.
answer: (d) satisfied

A10 When comparing database management systems it is obvious that some are designed in the expectation that professional DP staff will be available to run them, while others are aimed at the total *novice.*
answer: (b) novice

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TRANs

A1 The Tax Revenue *Anticipation* Note (TRAN) is a tax-free bond that is issued on a one-year basis specifically for the purpose of improving cash flow to public entities heavily reliant on sporadic property tax distributions.
answer: (d) Anticipation

A2 As a way to attract orders from brokers, some exchanges or market-makers will pay your broker's firm for routing your order to them, perhaps a penny or more per share: this is called 'payment for order *flow*'.
answer: (b) flow

A3 A *vertical* merger can harm competition by making it difficult for competitors to gain access to an important component product or to an important channel of distribution — this is called a 'bottleneck' problem.
answer: (d) vertical

A4 A 19c3 stock is a stock that was listed on one of the national securities exchanges, such as the NYSE, after April 26, 1979, *absolving it from* SEC rule 19c3, which forbids exchange members from participating in off-board trading.
answer: (a) absolving it from

A5 *Simple* interest is calculated on the original principal only; accumulated interest from prior periods is not used in calculations for the following periods, and this type of interest calculation is normally used for a single period of less than a year, such as 30 or 60 days.
answer: (c) Simple

A6 The Fair Debt Collection *Practices* Act (1977) is a federal law that outlines what information debt collectors can gather on you, and contains specific rules on how debt collectors can communicate with you; these rules are designed to protect you from abuse, harassment, false and misleading tricks and other illegal actions.
answer: (a) Practices

A7 Rule 405 is the NYSE codification of '*know* your customer' rules, which require that a customer's situation be suitable for any investment being made.
answer: (c) know

A8 *Personal* Injury Protection covers the person named in the policy as the 'named insured', residents of the named insured's household related by blood, marriage or adoption, and passengers or pedestrians; these people will be eligible for medical insurance payments no matter who is at fault in the car accident.
answer: (b) Personal

A9 The Special *Drawing* Right is an international reserve asset, created by the IMF in 1969 to supplement the existing official reserves of member countries; SDRs are allocated to member countries in proportion to their IMF quotas and serve as the units of account of the IMF and other international organizations.
answer: (b) Drawing

A10 During the *accumulation* period of a fixed deferred annuity, your money, less any applicable charges, earns interest at rates set by the insurance company or in a way spelled out in the annuity contract; during the payout period, the amount of each income payment to you is generally set when the payments start and will not change.
answer: (a) accumulation

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Fire Insurance

A1 If insurance data suggests that a serious fire is likely to occur once in 25 years, then the *annualized* rate of occurrence is 1/25 = 0.04.
answer: (a) annualized

A2 Here's something to consider for those of you who may be selling covered calls on stocks you already own: some folks are reluctant to sell covered calls on stocks because they are concerned about having the stock called *away* from them.
answer: (a) away

A3 *Indicated* yield is the dividend or coupon rate stated as a percentage of the security's present market price: for common stock, it is calculated by dividing its annual dividend by its market price, and for preferred stocks, the contractual dividend is divided by the market price.
answer: (c) Indicated

A4 Loans from a foreign parent to a Canadian subsidiary cannot fit within the exemption, so corporations have attempted to structure intercorporate debt in other ways, including '*back-to-back*' loans, where cash is loaned from a foreign parent to an arm's length foreign company that then lends to the Canadian subsidiary.
answer: (a) back-to-back

A5 The interest earned during the first year is found with the formula for simple interest; if the deposit earns *compound* interest, the interest earned in the second year is calculated from the total amount on deposit at the end of the first year.
answer: (b) compound

A6 A company whose shares are traded on the so-called '*pink* sheets' is commonly one that does not meet the minimal criteria for capitalization and number of shareholders that are required by the NASDAQ and OTC and most exchanges to be listed there.
answer: (b) pink

A7 When a dealer sells or leases a car, he always receives cash, whether it's directly from the customer, or from a *finance* company or bank who has loaned a customer the money.
answer: (a) finance

A8 The odd lot *differential* of one eighth or one quarter of a point was one of the ways that the odd lot broker made money, but these days there are no odd lot brokers; small stock trades, whether for 50 shares or 100 shares, are handled by computers rather than by people.
answer: (b) differential

A9 Like the 401(k), the 12 *b*-1 fund is named after a section of a federal law — in this case, the Investment Company Act of 1940; the charge is for marketing and distributing the fund — in other words current investors foot the bill to win new investors.
answer: (b) b

A10 The cost of debt *capital* which has already been issued is the rate of interest (the internal rate of return) which equates the current market price with the discounted future cash flow from the security.
answer: (b) capital

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Asset Ownership

A1 *An escrow* receipt is issued by an approved depository to a clearing corporation on behalf of an investor evidencing ownership of the underlying call, interest, stock or bond; upon assignment, the depository agrees to deliver the underlying property to the clearing corporation against the aggregate assignment value.
answer: (b) An escrow

A2 Because accounts receivable is a use of your company's cash, close attention should be paid to the *days* receivables; when you find that they are greater than your sales terms, the first step in analyzing your problem is to age your accounts receivable by multiples of your terms.
answer: (c) days

A3 An income payment' under a guaranteed income bond contract is treated as a full *surrender* if it is the final benefit under the contract.
answer: (d) surrender

A4 To maintain their exposure to JGBs, investors should arrange to enter a market *on* open order onto the Tokyo Stock Exchange for its morning session the following business day; as we close positions against the TSE's opening price, using such an order will ensure that there is no loss of price exposure from this procedure.
answer: (b) on

A5 *High* credit is defined as the maximum amount of all loans an individual can have outstanding at one time, beyond which a lender is unwilling to provide additional loans.
answer: (b) High

A6 The candlestick techniques we use today originated in the style of technical *charting* used by the Japanese over 100 years before the West developed the bar and point-and-figure analysis systems; in the 1700s, a Japanese trader in futures discovered that the markets were strongly influenced by the emotions of the traders.
answer: (a) charting

A7 The venture division reaches a consensus on whether to pursue the investment further; if the decision is to continue, an investment *memorandum* is written, summarizing the opportunity and the factors leading to the decision, and if a majority of the subcommittee approves the investment, a commitment is made to the partnership.
answer: (a) memorandum

A8 Even if your stock reaches or passes through the *limit* price, your order may not execute if there are orders ahead of yours at the same price: the orders in line ahead of you must be filled first and there may not be enough stock available to fill your order when its turn comes.
answer: (c) limit

A9 An investor who buys *mortgage*-backed securities provides loans to the homebuyer (or business) as a consequence.
answer: (d) mortgage

A10 Non-resident *aliens* are subject to U.S. tax on U.S. sourced income only and are able to claim benefits of tax treaties.
answer: (a) aliens

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Option Contracts

A1 An option *holder* is an individual who pays a premium for the right to buy or sell the underlying instrument under the terms of an option contract.
answer: (c) holder

A2 *Traveler's* checks are advertised as being 'safer than cash', because the issuers promise to replace them if they're lost or stolen; however, the reality is often more harsh, because if the issuer decides that you've been negligent, it may refuse to pay up.
answer: (d) Traveler's

A3 The *price* to sales ratio takes the current market capitalisation of a company and divides it by the sales it made in the last 12 months (the market capitalisation is the current market value of a company).
answer: (c) price

A4 I, Terry Semel, the CEO of Yahoo! Inc, certify that I have reviewed this *quarterly* report on Form 10-Q of Yahoo! Inc. and based on my knowledge, the financial statements and other information included fairly present the financial condition, results of operations and cash flows of the registrant for the period presented in this report.
answer: (c) quarterly

A5 If a defaulter wants to continue to repay the overdue loans, she can do so by converting the overdue amount into a Flexible Loan, which is actually a *rescheduled* loan, and a borrower can negotiate the repayment plan according to her capacity to pay.
answer: (c) rescheduled

A6 By *seasonality*, we mean cyclical fluctuations: for example, retail sales tend to peak for Christmas and then decline after the holidays, so time series of retail sales will typically show increasing sales from September through December and declining sales in January and February.
answer: (d) seasonality

A7 *Collateralized* Bond Obligations (CBOs) are investment-grade bonds backed by a collection of junk bonds with different levels of risk, called tiers, that are determined by the quality of junk bond involved; CBOs backed by highly risky junk bonds receive higher interest rates than other CBOs.
answer: (a) Collateralized

A8 Procter & Gamble Co. said it will buy the Gillette Co. in a stock *swap* worth $57 billion, creating the world's largest consumer products company with 21 brands with $1 billion to $5 billion each in annual sales; P&G will pay 0.975 P&G shares for each share of Gillette, valuing the stock at a premium of 18 percent.
answer: (c) swap

A9 It's the end of the financial year, so you'll need to start getting your receipts and bank statements in order in preparation for filing your tax *return.*
answer: (d) return

A10 Financial Analysis is the examination of a company's financial statements: internal *trend* analysis is performed to identify how the company's performance has changed over a period of time, and external comparative analysis is conducted to measure the company's performance relative to its competitors.
answer: (d) trend

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Erosion and Decay

A1 A strategy that might reduce the impact of time erosion is the *vertical* spread: the combined position of one long option and one short option is less susceptible to the effects of time decay.
answer: (d) vertical

A2 Apex is *a collaterized* loan obligation — a derivative security whose underlying instrument is a commercial loan — that LJM2 has with First Union, which since has been acquired by Wachovia Bank.
answer: (a) a collaterized

A3 Should the FRB help bail out billionaire hedge fund managers and millionaire traders — the very people who bought the risky mortgages that led to the current market panic? — that, in essence, is the question swirling around Ben S. Bernanke as he confronts the first crisis of his 18 months as *Fed* chairman.
answer: (b) Fed

A4 There are many different ways to own gold, but one of the most popular gold bullion coins is South Africa's *Krugerrand*; introduced in 1970, it was the world's first gold bullion coin, and is denominated in ounces of pure gold rather than having a face value.
answer: (c) Krugerrand

A5 The maximum loss from a market peak to a market nadir, commonly called the maximum *drawdown*, measures how sustained one's losses can be.
answer: (a) drawdown

A6 *A Sponsored* ADR is a depositary receipt program established at the discretion of the issuer, which selects the depositary; the depositary's role is formalized in accordance with a Deposit Agreement between the depositary bank and an issuer.
answer: (c) A Sponsored

A7 This daily updated chart is your resource for tracking the *accumulation* unit values of the Investment Division of the New York Life Variable Annuity; for more complete performance including average annual total return, please click on the New York Life Variable Annuity Performance Summary.
answer: (a) accumulation

A8 NASHVILLE — The state's strong financial situation had Gov. Phil Bredesen looking forward to his annual meetings with New York bond *rating* agencies on Wednesday; Bredesen said he hopes the agencies will continue to assign Tennessee a positive outlook.
answer: (c) rating

A9 HR carbon and HSLA plate imports totalled 530,789 tonnes valued at $457.4 million; *annualizing* YTD import volumes would result in an estimated 579,000 tonnes of imports for all of 2004, which would represent an increase of 64 percent over 2003.
answer: (a) annualizing

A10 The Securities and Exchange Commission (SEC) has approved the Philippine Stock Exchange Inc.'s (PSE) *backdoor* listing rules for companies acquiring the listing status of a listed company; the new rules will provide the necessary guidelines for compliance and will take effect on September 28, 2006.
answer: (a) backdoor

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Bonds

A1 Bondholders have a legal priority to the RTA's local tax revenues, above and beyond any commitment the RTA may wish to make with its subareas that no subarea will pay another subareas' debt; if Sound Transit's bond *ratio* is prudent, that would present only a modest risk to the subareas not benefited by the bonds.
answer: (b) ratio

A2 A simple *moving* average is formed by computing the average (mean) price of a security over a specified number of periods; for example, a 5-day average is calculated by adding the closing prices for the last 5 days and dividing the total by 5.
answer: (b) moving

A3 *Comprehensive* coverage covers damage to your car if it is stolen, or damaged by flood, fire, or animals; it pays to fix your vehicle less the deductible you choose, and to keep your premiums low, select as high a deductible as you feel comfortable paying out of pocket.
answer: (a) Comprehensive

A4 Warning signs of a weakening trend that coincide with a weakening of fundamentals supports the perception that a price trend *reversal* may occur.
answer: (d) reversal

A5 ODOT uses a fuel *deescalation* clause on projects where fuel usage is in excess of 25,100 gallons, establishing a base fuel price and a monthly fuel price: if the monthly fuel price drops to more than 25 % of the base price, the clause creates a downward adjustment of the fuel pay item.
answer: (d) deescalation

A6 The Divisions of Corporation Finance and Investment Management of the SEC provide filers with opinions on filings where they believe the filing could be improved or enhanced; these *comment* letters set forth staff positions on a particular filing only and do not constitute an official expression of the Commission's views.
answer: (c) comment

A7 A *drawee* bank has no recourse if it pays a counterfeit check; it may never send the item back to the bank of first deposit after the 24-hour deadline.
answer: (a) drawee

A8 Bonds are '*escrowed* to maturity' when the proceeds of the refunding issue are deposited in an account for investment in an amount sufficient to pay the principal of and interest on the issue being refunded on the original interest payment and maturity dates.
answer: (a) escrowed

A9 Many bonds permit the borrower to pay off the bond before its stated maturity date; this *called* bond is generally bad for the bondholder, because the likely reason for the payoff is that interest rates have declined, so the bondholder will not be able to reinvest the proceeds at the same rate as the original bond.
answer: (a) called

A10 A financial *adviser* is a professional who helps clients maximize their net worth by proper asset allocation, using stocks, bonds, mutual funds and insurance products to meet their needs; many receive a commission, although fee-based planning is becoming increasingly popular in the industry.
answer: (a) adviser

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Trading Authorization

A1 *Full* trading authorization gives a designated person the power to place orders in an account, request disbursements, and/or to make inquiries concerning the account, such as obtaining account balances.
answer: (a) Full

A2 A high *flyer* is high-priced and highly speculative stock that moves up sharply over a short period; a possible example is the stock of unproven high-technology companies.
answer: (b) flyer

A3 Issuance of the securities is usually approved in the authorizing resolution, and sale is usually authorized in a separate document, the 'sale' or 'award' resolution; all such resolutions, read together, constitute the *bond* resolution, which describes the nature of the obligation, the issuer's duties and the issuer's rights.
answer: (a) bond

A4 Managed option *income* mutual funds buy stocks and sell or 'write' options on them, pocketing the payments, or 'premium'; some funds are already yielding 9%-11%, which is awfully attractive in today's low-yield market.
answer: (b) income

A5 Economists have for some time recognized that investment expenditures can result in increases in income much larger than the original investment expenditure: this effect has been named the investment *multiplier.*
answer: (c) multiplier

A6 The nature of that rally is going to be extremely important, because if it's just a dead cat *bounce*, then I would say we were in for real trouble.
answer: (a) bounce

A7 The borrower — the person concerned for taking the real estate by paying a part of the total money on a contract basis — is often called the *mortgager*; s/he then pledges real property to the lender, which is usually put forward in the shape of a security against the debt for the rest of the value of the property.
answer: (d) mortgager

A8 Our *full-service* brokerage services are geared toward the long-term investor: whether it's for retirement, college planning, building wealth, preserving capital or a combination of requirements, we'll help you with a complete wealth management package, including trading, hedging, private equity, research ideas, and restricted stock.
answer: (c) full-service

A9 Many investors react to bad news and sell their TSP stock funds after reading a headline or noticing a big drop in the prices of their TSP funds for the previous day, but *chasing* the market will often result in lowering your overall return as you sell your stock funds at lower prices based on an immediate emotional reaction.
answer: (a) chasing

A10 The *price* to earnings ratio (P/E) is the most widely quoted number when investors attempt to put a value on a share; you will often see something like "Dodgy.com trades at a forward P/E of 10, making it look fully valued," or "Epic! has a trailing P/E of 30, which makes it look cheap in comparison with other companies in the sector."
answer: (c) price

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Current Assets

A1 A final liquidity ratio, the defensive interval, determines how long a company would be able draw on *quick* assets to meet its day to day expenses; this can be especially useful when evaluating small technology companies or biotechnology companies that may have strong patents but no significant revenue as yet.
answer: (a) quick

A2 A contract cannot be *rescinded* by one party unless both parties can be placed in the same situation and can stand upon the same terms as existed when the contract was made; the most obvious instance of this rule is where one party (by taking possession, etc) has received a benefit from the contract.
answer: (b) rescinded

A3 A property can have multiple loans or liens against it; the loan which is registered with county or city registry first is called the first position trust deed, and the lien registered second is called the second *mortgage.*
answer: (b) mortgage

A4 *Chartists* evolve rules that depend on technical market indicators only; in contrast, fundamentalists evolve rules that only take fundamental indicators into account.
answer: (a) Chartists

A5 A Section *408(k)* Plan, available only to companies with 25 or fewer employees, permits a maximum contribution of the lesser of 15% of compensation or $30,000, and employees have the option of taking the employer contribution in cash, but must then pay income tax on it.
answer: (d) 408(k)

A6 *A digested* security is one held by an investor who is likely to hang onto it for a long time.
answer: (c) A digested

A7 With the sale of Chrysler complete, DaimlerChrysler will change its stock *symbol* on Frankfurt and New York exchanges this week; starting Thursday, the automaker's stock ticker will be changed from DCX to DAI on the DAX-30 index of companies in Frankfurt and on the New York Stock Exchange.
answer: (d) symbol

A8 The first tax *roll* prepared for the territory bears the date of October 6, 1800, and the names of only twelve taxable dwellers within the Holland Purchase appear on it; the hamlet cannot have been of much consequence to the collector of taxes, for the total amount he could collect there under that assessment was $4.55.
answer: (d) roll

A9 The cost of equity *capital* decreases because of globalization for two important reasons: first, the expected return that investors require to invest in equity to compensate them for the risk they bear generally falls, and second, the agency costs that make it harder and more expensive for firms to raise funds become less important.
answer: (a) capital

A10 Option grants usually have *vesting* periods; companies usually set a three to five year period, which means that a grant of 3,000 options with a three year period will give you the right to purchase a thousand shares of the company's stock over each of the next three consecutive years.
answer: (d) vesting

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The FRB

A1 The consensus view at the start of the quarter was that the U.S. economy would slow and the FRB would ease interest rates, but this view shifted gradually toward a neutral Fed *bias*, and in fact the FRB made no move to increase or decrease rates in the period.
answer: (a) bias

A2 "It would be good to have a steady stream of income of three quarters of what I made when I was working," says William Gentry, associate professor of economics at Williams College, "but *annuitizing* is not the only way to have a financially secure retirement without a company pension or some other type of defined-benefit plan."
answer: (a) annuitizing

A3 The development and introduction of Long-term Equity *Anticipation* Securities by CBOE in 1990 added a whole new range of options possibilities, many suited for conservative stock investors; Index LEAPS let you trade, hedge or invest in the 'entire' stock market or select industry sectors for a time that can be measured in years.
answer: (c) Anticipation

A4 Note, however, that the *Positive* Volume Index is not a contrarian indicator: even though the PVI is supposed to show what the not-so-smart-money is doing, it still trends in the same direction as prices.
answer: (a) Positive

A5 Federal *Stafford* loans, first disbursed July 1, 2006, are fixed-rate, low interest loans available to undergraduate students attending accredited schools at least half time; they are the most common source of college loan funds.
answer: (d) Stafford

A6 The *Acid*-test ratio measures the ability of a company to use its near cash to immediately extinguish its current liabilities; this ratio indicates a firm's capacity to maintain operations as usual with current cash or near cash reserves in bad periods.
answer: (a) Acid

A7 Under the *backup* withholding rules, the business or bank must withhold on a payment if you have given the payer an incorrect or no taxpayer ID number, or if the IRS has notified the payer to start withholding on interest and dividends because you had not reported all of your interest or dividend income in prior years.
answer: (b) backup

A8 ABX Air, Inc. acknowledged the receipt of an unsolicited *indication* of interest from ASTAR Air Cargo Holdings, LLC to acquire all of the outstanding shares of ABX Air for $7.75 per share in cash; no formal offer has yet been made.
answer: (c) indication

A9 During this time, Mizuho Sec. placed a *cancel* order for the sell order, but because a system irregularity existed that became apparent during such extraordinary circumstances, the order was not processed, and executions continued to be sequentially completed without interruption.
answer: (a) cancel

A10 A payment-*in*-kind security is a bond which pays interest in the form of additional bonds, or preferred stock which pays dividends in the form of additional preferred stock.
answer: (b) in

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Vehicle Coverage

A1 *Comprehensive* insurance covers vehicle damage or loss from fire, theft (except by an employee or member of your household), vandalism, falling or flying objects, malicious mischief, lightning, windstorm, earthquake, hail, impact with animals or missiles, riot, civil commotion, and rising water.
answer: (b) Comprehensive

A2 *Financial* capital is things that have value but do not do anything by themselves; they are used to pay for things because there is always more of it and people always want it.
answer: (b) Financial

A3 Back in 1993, the lumber market found itself trading limit *up* for several days; traders that were short lumber futures at that time were unable to buy back their contracts in order to exit the market.
answer: (c) up

A4 In the universe of cyberspace the demand for efficient consumer transactions has lead to the establishment of *digital* money, an electronic replacement for cash; it has been defined as a series of numbers that have an intrinsic value in some form of currency.
answer: (a) digital

A5 The bill of exchange is a written order by the *drawer* to pay money to the payee; bills of exchange are used primarily in international trade, and are written orders by one person to his bank to pay a specific sum on a specific date sometime in the future.
answer: (d) drawer

A6 Your average cost of *funds* is not an absolute indicator of your bank's profitability, but you can use it to spot unhealthy trends, and if you are able to lower costs compared to prime, you may have an advantage that you can exploit by offering loan prices lower than your competition.
answer: (a) funds

A7 *Estate* planning is the process by which an individual or family arranges the transfer of assets in anticipation of death; it aims to preserve the maximum amount of wealth possible for the intended beneficiaries and flexibility for the individual prior to death.
answer: (a) Estate

A8 With a non-*revolving* credit card, you can make charges just as you would any other credit card, but you have to pay your balance in full every month; the most popular such card is American Express.
answer: (d) revolving

A9 The capital markets have recognized the tangible benefits to the State's economy of meeting the infrastructure and educational goals of the program and the University's success in implementing them; a milestone occurred in 2002 with the achievement of the high-*grade* 'double A' credit-rating category from Moody's for its bonds.
answer: (a) grade

A10 An individual *policy* pension trust is a type of allocated pension plan funding arrangement under which plan trustees purchase individual level premium annuity contracts for each member of the plan.
answer: (d) policy

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The Growth of Business in Asia

A1 The rapid growth in manufacturing and trade in Asia has lead to the rise of domestic companies with *sizeable* Asia Pacific operations in addition to sales in Europe and the US.

answer: (d) sizeable

A2 Many larger Asian companies, namely Chinese, Indian, Japanese, Korean and Taiwanese conglomerates, have become global *household* names.

answer: (c) household

A3 On the other hand, there has also been a surge in foreign direct investment in Asia from European and US multinational companies, as they *partner* in joint-venture arrangements with Asian firms to access local markets.

answer: (c) partner

A4 India's R&D industry continues to expand *exponentially*, confirming India's dominance in the software, technology and business process outsourcing (BPO) arena and expects to control 51% of the global outsourcing market for software and back-office services by 2008.

answer: (c) exponentially

A5 Meanwhile, China *pales* in comparison with only 4.9% of the outsourcing market.

answer: (c) pales

A6 The *intricacies* of China's regulations drive many foreign businesses to base their regional treasuries in Singapore or Hong Kong, while Malaysia and China are looking to attract companies to set up onshore SSCs.

answer: (b) intricacies

A7 Interaction with local banks in Asia is unavoidable, but some local banks are not able to send Swift messages such as the MT940 or the MT942 and this can make it difficult to obtain good *visibility* of cash flows and account balances.

answer: (d) visibility

A8 However, this is becoming increasingly rare as local Asian banks are rapidly adopting foreign bank standards; especially, with foreign banks buying into local banks, the transfer of technology is *homogenizing* standards, albeit within each country.

answer: (b) homogenizing

A9 Meanwhile, global banks are aggressively *staking* their claim in the Asian financial markets; they are lobbying for central banks to introduce standardised regulations.

answer: (c) staking

A10 According to Clinton Lee, regional advisor and director at ABN AMRO's Transaction Banking, a common *denominator* among most Asian countries is their absorption rate of newer technologies to accelerate the pace of organisational change.

answer: (a) denominator

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Communications Problems in Disasters

A1 One of the most consistent observations about disasters is that communication is inadequate; an in-depth 1986 study suggests that this is a *continuing* problem.

answer: (c) continuing

A2 One crucial type of information that needs to be shared is that related to a determination of the priority of needed disaster countermeasures and, therefore, resource *allocation.*

answer: (b) allocation

A3 Research on disasters suggests that many communications problems are 'people' problems, rather than equipment problems; communication equipment may be in short *supply*, but more often than not a physical means of communication is available.

answer: (d) supply

A4 Examples of 'people' problems in communication include the '*Robinson Crusoe* syndrome', or 'we're the only ones on this island'.

answer: (d) Robinson Crusoe

A5 Organizations are accustomed to operating *autonomously* and fail to change this approach in disasters where multiple organizations are involved and are dependent on one another; each person gives priority to the information needs of his own organization rather than that of the overall response effort.

answer: (d) autonomously

A6 Terminology and procedures used to exchange information vary among different organizations; there is a hesitancy to depend on other organizations, often due to lack of trust or familiarity, or due to political, jurisdictional, and personal *disputes.*

answer: (a) disputes

A7 The importance of pre-disaster contact helps to explain a seemingly *paradoxical* observation made in a number of disasters, that smaller communities with fewer resources tended to coordinate their disaster responses better than larger, more urban areas.

answer: (a) paradoxical

A8 Unfortunately, the urgency of the disaster situation often *precludes* the time necessary to exchange preliminary information on-the-spot.

answer: (b) precludes

A9 The result is that, unless preliminary contact has been addressed before the disaster, there is a *reluctance* to depend on the activities of other organizations and a failure to coordinate and communicate with them.

answer: (b) reluctance

A10 When one is dependent on other team members, particularly in life-*threatening* situations, he needs to feel confident in their competence and reliability, and developing this level of trust often requires pre-incident contact over a period of time.

answer: (d) threatening

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Electronic Commerce (2)

A1 Electronic commerce is an emerging model of new selling and merchandising tools in which buyers are able to participate in all phases of a purchase decision, while *stepping* through those processes electronically rather than in a physical store or by phone (with a physical catalog).

answer: (a) stepping

A2 Electronic commerce is coming *of age*: electronic sales in a recent quarter are double those of the entire previous year.

answer: (a) of age

A3 In some instances, companies create electronic-commerce capabilities out of a fear of falling behind competitors or as a result of the general *momentum* to expand the use of an existing Internet presence.

answer: (a) momentum

A4 But the primary value proposition is the *prospect* of increased revenue from new markets and creation of new, lower-cost, electronic-distribution channels.

answer: (d) prospect

A5 From a customer's perspective, the purpose of an electronic-commerce system is to enable that customer to locate and purchase a desired good or service over the Internet when the customer is interested in making the purchase; its function is no more or less than providing a *virtual* store.

answer: (d) virtual

A6 From a merchant's perspective, the key function of an electronic-commerce system is to generate higher revenues than the merchant would achieve *without* the system.

answer: (d) without

A7 The benefits to the service provider of hosting electronic-commerce services include *enablement* revenue for helping clients develop electronic-commerce offerings (Web sites, catalogs, storefronts) for the customer's hosted offering.

answer: (a) enablement

A8 In this scenario, the home shopper still needs Internet access and an access *device*, but the service provider could provide any or all of the remaining components on behalf of the merchant.

answer: (b) device

A9 The electronic-commerce platform chosen by the service provider must support a variety of tasks: the creation of a standard environment for storefronts and advertising sites, the provision of a secure transaction environment, the authorization of credit and *clear* payments, and the provision of billing systems.

answer: (b) clear

A10 Many small- and medium-sized businesses are struggling with the high cost of *entry* to electronic commerce: creating a complete on-line selling environment can require considerable time, money, and technical expertise.

answer: (d) entry

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IT Project Failures

A1 According to M Bronte-Stewart, IT projects have a bad reputation for going over budget and schedule, not *realising* expectations and for providing poor return on investment (Clegg et al, 1997; Keil et al, 1998; Fielding, 2002; The Register, 2002; Jaques, 2004).
answer: (d) realising

A2 Planning and organising projects, selecting suitable software and hardware, and designing effective websites are important business decisions, yet firms often do not take adequate precautions or advice before making *leaps* of faith, spending large sums of money on inappropriate, unwanted or badly implemented IT systems.
answer: (c) leaps

A3 Many large IT systems contracts are in dispute or have been suspended: a project to replace the British Army, Navy and Air Force inventory systems with a single system was *brought* to a halt after 130m had been spent.
answer: (a) brought

A4 The more IT projects are seen to go wrong, the more the public learns to expect problems and delays, the more developers may think that much of their work is likely to be a waste of effort, and the more those holding the *purse* strings may view any IT project as a worry and probably a poor return on investment.
answer: (c) purse

A5 IT staff can become *cynical*, lose goodwill and fail to accept or follow the advice of managers: for all these reasons we should be looking for ways to reduce the incidence and effects of failure.
answer: (a) cynical

A6 The OASIG (1996), a DTI-supported special interest group concerned with the organisational aspects of IT, interviewed a group of leading researchers and consultants who between them had over 900 years of professional work in the field, and were *drawing* on the experiences of over 14,000 organisations.
answer: (c) drawing

A7 The report to the UK's Economic and Social Research Council published the following *disturbing* findings on the eventual outcomes of IT projects: 80% to 90% do not meet their goals, 80% are delivered late and over budget, and 40% fail or are abandoned.
answer: (d) disturbing

A8 The report went on to suggest some of the main reasons why IT projects seem to fail; one is that the Management agenda is too limited in that most IT investments are technology *led* and the main investment motive is only to cut costs.
answer: (d) led

A9 It is alarming that significant numbers of IT projects still fail to deliver benefits on time, within budget and *to* expectations; a great deal of the 24 billion or so being spent on IT each year in the UK (BCS 2004) is being wasted.
answer: (c) to

A10 One way to improve this situation is to carry out a risk estimation exercise that gives a standardised *template*, so that the process can be discussed and focussed on important characteristics; results can be compared and users can build up an expertise of experience in evaluating projects' potential for success.
answer: (d) template

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Enterprise Resource Planning

A1 David Caruso, director of enterprise applications research for AMR Research Inc, explains that although pundits, vendors, and buyers alike frequently *invoke* the concept, ERP backbone is likely one of the most misunderstood terms in the software industry.

answer: (d) invoke

A2 In general, people view ERP backbone in one of two ways: in terms of the applications included in the suite, or as the system's underlying architecture or *plumbing*; both views have merit, but current development activity indicates a trend toward the latter model as the dominant theme over the long term.

answer: (c) plumbing

A3 During the past several years, many buyers have made system selections to reduce overall systems ownership costs: they standardize on a single technical platform to ease the maintenance *burden* and reduce required modifications.

answer: (a) burden

A4 Typically, these systems will form a shared services model that a corporation will deploy consistently across the organization, but beyond the shared services, many site-specific requirements become evident as CIOs analyze the unique requirements of manufacturing plants and the *disparity* of their information system needs.

answer: (b) disparity

A5 Most organizations would prefer to purchase all business applications from a single provider, but the *fact* of the matter is that many of them must look beyond the offerings of ERP vendors.

answer: (b) fact

A6 Frequently, global organizations must integrate successful plant-level ERP systems, localized applications such as payroll systems *tailored* to a country's specific legal requirements, and complex problem-solving systems such as advanced planning systems.

answer: (c) tailored

A7 Also, additional third-party applications for specialized needs such as transportation, distribution, and scheduling are common; integrating applications in this way, of course, is called building a 'best-of-*breed*' solution.

answer: (c) breed

A8 As an alternative to the single vendor, some companies will consider their business application requirements on a *piece-by-piece* basis.

answer: (c) piece-by-piece

A9 In any case, the *overarching* theme is to select the strongest application or best functional fit for how a business manager might want to run a given business function or process.

answer: (a) overarching

A10 For IT managers, the quest for the best solution is analogous to a search for the Holy *Sepulchre.*

answer: (d) Sepulchre

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No Free Lunch

A1 The most important principle upon which to premise an investment *philosophy* is to recognize that there is no free lunch — all investing involves trade-offs; for every perceived reward, there is some associated risk, whether perceived or not.
answer: (d) philosophy

A2 The Dow Jones Industrial Average is a price-*weighted* index of 30 blue chip stocks.
answer: (d) weighted

A3 A limit-*on*-close order is a type of limit order to buy or sell shares near the market close only if the closing price is trading better than the limit price.
answer: (c) on

A4 If you have defaulted on a debt in the past and you have either reached a compromise with a creditor to settle your debt, or the creditor has deemed the debt to be non-collectable and has stopped attempts to recover, you may receive *a Cancellation* of Debt (1099-C) form from the IRS.
answer: (a) a Cancellation

A5 *Rescission* is an equitable remedy that wipes out the existing contract and restores the parties to their prior situation; it can occur as a result of innocent or fraudulent representation, mutual mistake, lack of legal capacity, an impossibility to perform a contract not contemplated by the parties, or duress and undue influence.
answer: (c) Rescission

A6 Starting from the spot month to the most *distant* month option series of the same underlying strike price and call/put type, if the fixing price is smaller than or equal to the fixing price of the preceding option series, it will be adjusted to a value not lower than the fixing price of that series.
answer: (a) distant

A7 This Plan provides for the issuance of non-*statutory* stock options which are not intended to qualify as 'incentive stock options' within the meaning of Section 422 of the Internal Revenue Code of 1986; it is an employment incentive for persons of experience and ability and whose services are considered valuable.
answer: (c) statutory

A8 April 1996 amendments to Regulation T of the Board of Governors of the Federal Reserve System delegated authority to option exchanges to set option *margin* requirements in their rules, provided such rules are approved by the Securities and Exchange Commission.
answer: (d) margin

A9 The *market* portfolio concept is important in a variety of financial theories, including Modern Portfolio Theory (MPT); according to the MPT, investors should concentrate on choosing portfolios based on overall risk-reward concepts, rather than focusing on the attractiveness of individual securities.
answer: (c) market

A10 To calculate the *quick* ratio, take the current assets and subtract the inventory; what you are left with are the items that can be converted into cash immediately; then, divide the result by the current liabilities.
answer: (c) quick

Stock Priority

A1 *Second*-preferred stock is a preferred stock issue that has less priority in claiming dividends and assets in liquidation than another issue of preferred stock.

answer: (a) Second

A2 *Diluted* earnings per share were calculated according to IAS 33.24 by dividing net income by the average number of shares outstanding, less treasury stock and include the effect of outstanding options, taking into account the share price at the balance sheet date.

answer: (c) Diluted

A3 In order to become a *stockbroker*, a person must pass the General Securities Representative Exam (also known as the 'series 7 exam').

answer: (d) stockbroker

A4 The standard U.S. *individual* tax return is Form 1040, and U.S. citizens and residents who realize gross income in excess of a specified amount (adjusted annually for inflation) are required by law to file Federal income tax returns (and pay remaining income taxes if applicable).

answer: (c) individual

A5 The net book value of an asset will never fall below the salvage value (the estimated value of the asset at the end of its useful life), meaning that once an asset is fully *depreciated*, no further expenses will be taken during its life.

answer: (b) depreciated

A6 A *trend line* is a straight line that connects two prominent peaks or troughs in the price action of an underlying tradable; no other price action must penetrate the line between the two start points, and in this way it marks a support or resistance area where price has turned and has not been violated.

answer: (d) trend line

A7 So-called *vetoing* stock is between voting and nonvoting stock; its holders may vote only on specific questions or on some corporate matters, but not on the election of the board of directors.

answer: (c) vetoing

A8 *A Bear* CD pays the holder a fraction of any fall in a given market index.

answer: (a) A Bear

A9 *A CUSIP* number, whose system is owned by the American Bankers Association and operated by Standard & Poor's, consists of nine characters and identifies most securities, including stocks of all registered U.S. and Canadian companies, as well as U.S. government and municipal bonds.

answer: (a) A CUSIP

A10 MON SEP 10, 2007: The Fed may not touch the fed *funds* rate out of concern that a cut could feed inflationary pressures and weaken the dollar; instead, Fed policy-makers might offer up more of the same medicine they did on August 17, when they surprised markets by cutting the less-used discount rate.

answer: (a) funds

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LIFFE

A1 The London *International* Financial Futures and Options Exchange (LIFFE, pronounced 'life' as in 'human life', and never 'liff-eee') was the name of a futures exchange based in London, prior to its takeover by Euronext in January 2002; Euronext subsequently merged with the NYSE in April 2007.
answer: (c) International

A2 *A power* of attorney is your legal permission for another adult to act on your behalf; the permission can be granted for a specific, limited purpose and period of time or for much broader purposes (such as handling all of your financial affairs) and an unquantified period of time (such as until your death).
answer: (c) A power

A3 From the day the *S&P 100* index options started trading on the Chicago Board Options Exchange on March 11, 1983, the new market, now known in the trade by its ticker symbol OEX, became a phenomenon for several reasons: for one, no other options or futures have become so popular in so brief a time.
answer: (a) S&P 100

A4 *Acquisition* cost is the total cost of obtaining a property, equipment or client; when used in reference to a property or equipment it includes incentives, discounts, and closing costs but excludes sales tax, and in terms of obtaining a new client it refers to promotion costs such as list rental fees and direct-mailing.
answer: (a) Acquisition

A5 Through backward *integration*, Midas Touch ensures that customers get their value for money; this practice has been introduced to exercise control over fabric procurement and manufacturing activities, and it also ensures that all Midas Touch products gain a consistent quality and are not delayed in delivery.
answer: (b) integration

A6 With aid flowing in from the West, Ukraine is in a position to pay *market* rates for the Russian natural gas it consumes, President Vladimir Putin said; the politically-driven decision is also good economics, with Ukraine competing with other export routes and consumers for the best deal rather than by courting favors from Moscow.
answer: (b) market

A7 The process for a bond *swap* is as follows: DOA prepares the new replacement bond/note for an amount that equals the current outstanding amount of the EIF loan; several minor changes are made in the original bond/note language to reflect the final loan amount and the replacement of the original bond/note.
answer: (d) swap

A8 The Profit & Loss from a long or short option position held to expiration is a function of underlier value at expiration; it can be depicted with a graph, which is called a *payoff* diagram.
answer: (a) payoff

A9 Although most firms have only one type of common stock, in some instances a multiple capital *structure* is used to meet the special needs of the company; small, new companies seeking funds from outside sources frequently use different types of common stock.
answer: (d) structure

A10 David M. Walker, *Comptroller* General of the United States, is the nation's chief accountability officer and head of the U.S. Government Accountability Office (GAO), whose mission is to help improve the performance and assure the accountability of the federal government for the benefit of the American people.
answer: (c) Comptroller

Producing the Goods

A1 The Cost of *Sales* includes costs that can be attributed to producing the goods or providing the services of the entity; these costs may be fixed or variable costs, and disclosure of information about them in conjunction with revenue from the sale of goods provides information about the entity's gross margin.
answer: (d) Sales

A2 Our quality and diverse *deal* flow comes from our community of members — venture capitalists, sponsors, incubators and universities, who invest in investment opportunities that focus on any segment with high growth opportunity; at our meetings, the presenting entrepreneurs have exposure to 100 potential investors.
answer: (b) deal

A3 The search for government revenue in fiscally tight times tempts legislators to raise revenue by imposing unusually high excise taxes on cigarettes, liquor, gambling, etc; this type of charge, often called a *sin* tax, appeals to voters who view it as a way of discouraging consumption of certain objectionable products.
answer: (c) sin

A4 The owner's *drawing* account is considered as more like an expense account, since when you take money out, you charge that account; it is a contra account, working against your owner's equity account — you charge it when you take equity out of your business.
answer: (b) drawing

A5 The *Estate* Tax is a tax on your right to transfer property at your death; it consists of an accounting of everything you own or have certain interests in at the date of death — the fair market value of these items is used, not necessarily what you paid for them or what their values were when you acquired them.
answer: (d) Estate

A6 When coupled with a stock's current price, a readily available piece of information, the *52-week* high, explains a large portion of the profits from momentum investing; nearness to this figure dominates and improves upon the forecasting power of past returns (both individual and industry returns) for future returns.
answer: (d) 52-week

A7 This statement of financial *condition* was prepared in accordance with accounting principles generally accepted in the US, which require management to make estimates and assumptions that affect the amounts reported in the statement for the period presented; actual results could differ from management's estimates.
answer: (b) condition

A8 To compensate for lost income from delinquent taxpayers, county governments offer tax *sales* at public auctions.
answer: (d) sales

A9 The high-low *index* is calculated by dividing the weekly number of stock highs and lows by the number of total issues traded; a 10-week moving average is applied to smooth out the swings.
answer: (a) index

A10 Whether you're searching for buy-to-let or an auctioned repossession, you could find your *investment* property here; we list houses, flats and apartments all over the UK that can offer potential from full redevelopment through to buy-to-let.
answer: (b) investment

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Shareholder Liability

A1 As a shareholder in a *limited* company, if it were to become insolvent (equivalent to bankruptcy in the US) you would only be liable to contribute the amount remaining unpaid on the shares (usually zero, as most shares are issued fully paid).
answer: (a) limited

A2 The idea of the price-earnings *ratio* is that it tells you how many years you would have to wait to get your money back on your investment; if, for example: Goodco's current share price is 1.08 and the EPS is 6p, its P/E is 18 — this means that if you buy a share, and its EPS stays at 6p, you will 'get your money back' over 18 years.
answer: (d) ratio

A3 The amount of the penalty-free withdrawals that you can take from your IRA varies considerably, depending on which of the three IRS-approved methods you use to calculate the withdrawals; these three methods are 1) the life expectancy method, 2) the amortization method, and 3) the *annuity* factor method.
answer: (a) annuity

A4 *A chattel* mortgage is a security over movable articles of property held by the lender giving the lender recourse against the property in the event of default by the borrower.
answer: (b) A chattel

A5 *A nonaccredited* investor is a wealthy, sophisticated investor who does not meet SEC net worth requirements but requires less protection because of large financial resources; only 35 such investors can be included per investment.
answer: (b) A nonaccredited

A6 The company will want to make sure it has sufficiently reserved shares of equity to compensate and motivate its workforce, but while a large option *pool* will make it less likely that it runs out of available options, size is taken into account, and can effectively lower the true pre-money valuation.
answer: (b) pool

A7 When you're searching for stocks with high dividend yields, one quick check you should always make is to look at the company's *payout* ratio, which tells you what percentage of earnings management is doling out to shareholders in the form of dividends: if the number is above 75%, consider it a red flag.
answer: (a) payout

A8 In Nomura's Equity *Research* Department, some 60 analysts in Japan follow listed companies, analyzing their corporate value and making judgments regarding their current and future value as investments; other activities include meetings to provide timely information to domestic and foreign institutional investors.
answer: (b) Research

A9 We have had a fair number of couples requesting *second*-to-die insurance to make sure funds are available for a child with special needs for their care and financial security after the death of both parents.
answer: (c) second

A10 A quick *turn* is the purchase and sale of an investment held for only a very brief period of time, such as in day trading, fix-and-flips, contract assigning, and contract flipping.
answer: (d) turn

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Data Mining

A1 Data mining, the extraction of hidden *predictive* information from large databases, is a powerful new technology with great potential to help companies focus on the most important information in their data warehouses.

answer: (a) predictive

A2 Data mining tools estimate future trends and behaviors, allowing businesses to make knowledge-*driven* decisions.

answer: (a) driven

A3 The automated, prospective analyses offered by data mining move beyond the analyses of past events provided by *retrospective* tools typical of decision support systems.

answer: (d) retrospective

A4 Data mining tools can answer business questions that traditionally were too time-consuming to resolve; they *scour* databases for hidden patterns, finding information that experts may miss because it lies outside their expectations.

answer: (d) scour

A5 Data mining derives its name from the similarities between searching for valuable business information in a large database — for example, finding linked products in gigabytes of store scanner data — and mining a mountain for a *vein* of valuable ore.

answer: (d) vein

A6 Both processes require either *sifting* through an immense amount of material, or intelligently probing it to find exactly where the value resides.

answer: (b) sifting

A7 Data mining tools sweep through databases and identify previously hidden patterns like *anomalous* data that could represent data entry keying errors.

answer: (c) anomalous

A8 The technique that is used to perform these feats in data mining is called modeling, and this act of model building is something that people have been doing for a long time, certainly before the *advent* of computers or data mining technology.

answer: (b) advent

A9 If someone told you that he had a good model to predict customer usage, the first thing you might try would be to ask him to apply his model to your customer *base*, where you already knew the answer.

answer: (a) base

A10 With data mining, the best way to accomplish this is by setting aside some of your data in a *vault* to isolate it from the mining process; once the mining is complete, the results can be tested against the isolated data to confirm the model's validity.

answer: (d) vault

Ukraine Banks

A1 Dmitry Shishkin of Standard Bank is positive that there will be a resolution to the political *stalemate* in Ukraine: the two opposing sides, the President and the Parliament, are looking to reach a compromise.
answer: (c) stalemate

A2 They are being pushed in that direction not only by the weariness of the people on the streets, but also by businesses that back the respective sides and which are growing increasingly impatient about the possible negative impact on the Ukrainian economy arising from political uncertainty.
answer: (d) (none)

A3 A walk to Independence Square in Kiev revealed that sporadic groups of young people on the square (very remotely resembling anything politically motivated) are greatly outnumbered by *bustling* crowds in the huge modern shopping centre occupying two floors underneath the square.
answer: (d) bustling

A4 Not surprisingly, international markets have so far showed remarkable *resilience* in the face of the political developments in Ukraine, very much to the irritation of many local players who were hoping to make a quick profit on an expected drop in asset prices.
answer: (b) resilience

A5 The most likely resolution of the political standoff would be a behind-the-*scenes* agreement between the President and the ruling coalition, leading to an election approved by the Constitutional Court.
answer: (c) scenes

A6 Given the tightness of the *sovereign* credit (the spread gap between 10-year Ukrainian and Russian CDS is just 5 bps wider than it was prior to the President's decree), there is little attraction in directional trades.
answer: (d) sovereign

A7 Ukraine has relatively few Eurobonds, and the *bulk* of them are issued by banks.
answer: (a) bulk

A8 Alfa Bank (Ukraine) is part of the Russian financial and industrial *concern* Alfa-Group; this Ukrainian bank cannot only rely on the support of its parent company in Russia, but is a rapidly growing and profitable entity in its own right.
answer: (c) concern

A9 UkrSibBank is the third-largest bank in Ukraine, with a controlling 51% stake held by BNP Paribas; the remaining 49% belongs to two Ukrainian businessmen, who also hold substantial stakes in the country's metallurgical and chemical industries, the *backbone* of Ukrainian export.
answer: (a) backbone

A10 According to its financial plans for 2007, Ukraine will borrow about US$1.2bn externally; this has not been done so far as the political *turbulence* has put these plans on hold.
answer: (d) turbulence

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A Brief History of DSS

A1 Information Systems researchers and technologists have built and investigated Decision Support Systems (DSS) for approximately 40 years; D.J. Power's paper *chronicles* and explores the developments in DSS from the model-driven DSS in the late 1960s to the implementation of Web-based DSS in the mid-1990s.
answer: (b) chronicles

A2 Different people perceive the field of Decision Support Systems from various *vantage* points and report different accounts of what happened and what was important (cf., Arnott & Pervan, 2005; Eom & Lee, 1990b; McCosh & Correa-Perez, 2006; Power, 2003; Power, 2004a; Silver, 1991).
answer: (d) vantage

A3 In *retrospect*, a major historical turning point was Michael S. Scott Morton's (1967) dissertation field research at Harvard University; Morton's study involved building, implementing and then testing an interactive, model-driven management decision system.
answer: (d) retrospect

A4 Fellow Harvard Ph.D. student Andrew McCosh asserts that the concept of decision support systems was first *articulated* by Scott Morton in February 1964 in a basement office in Sherman Hall, Harvard Business School in a discussion they had about Morton's dissertation.
answer: (c) articulated

A5 The pioneering work of Dantzig, Engelbart and Forrester influenced the feasibility of building computerized decision support systems; in the 1960s, they developed the first hypermedia-groupware system called NLS, which provided for on-screen video teleconferencing and was a *forerunner* to group decision support systems.
answer: (d) forerunner

A6 In 1960, J.C.R. Licklider published his ideas about the future role of multiaccess interactive computing in a paper titled 'Man-Computer *Symbiosis*'; he saw close man-computer interaction as enhancing both the quality and efficiency of human problem-solving, and his paper provided a guide for computer research to follow.
answer: (a) Symbiosis

A7 In 1974, Gordon Davis published his *influential* text on Management Information Systems; he defined a Management Information System as 'an integrated, man/machine system for providing information to support the operations, management, and decision-making functions in an organization'.
answer: (c) influential

A8 In 1979, John Rockart of the Harvard Business School published a ground-*breaking* article that led to the development of executive information systems (EISs) or executive support systems (ESS); Rockart developed the concept of using information systems to display critical success metrics for managers.
answer: (a) breaking

A9 Donovan and Madnick (1977) classified DSS as either institutional or *ad hoc*: the former supports decisions that are recurring, while the latter supports querying data for one time requests.
answer: (a) ad hoc

A10 Finally, Sprague and Carlson's (1982) book 'Building Effective Decision Support Systems' was an important *milestone*: it further explained the DSS framework of data base, model base and dialog generation and management software, and provided a practical overview of how organizations should build DSS.
answer: (d) milestone

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Prepaid Cards

A1 James Le Brocq of Alliance & Leicester Commercial Bank says that prepaid cards (or *stored*-value cards) have been in existence for some years, with the US leading the way in finding applications in both the private and public sectors.

answer: (d) stored

A2 The European prepaid market is currently only in its *infancy*, but this is set to change with the number of cards in circulation estimated to grow at over 110% a year for the next four years.

answer: (c) infancy

A3 It is predicted that by the end of 2010 the use of prepaid cards across the eurozone will *generate* 2.3 billion transactions with a 75bn turnover.

answer: (c) generate

A4 Prepaid cards represent money on deposit and function in much the same way as conventional debit cards; however, the key difference is that funds are not stored in an account that is directly linked to the card holder, but are *loaded* onto the card and held at a remote database with a financial services provider.

answer: (c) loaded

A5 In this *respect* there is no actual value stored on the card itself; they do not act as a substitute for cash, so lost or stolen cards can be easily stopped and replaced.

answer: (c) respect

A6 Clearly such revolutionary payments technology will have a significant impact on UK corporates, with uses falling into several categories, including expenses, payroll and ad-hoc remittances, as well as customer-based payments such as gifts, refunds and *incentives.*

answer: (c) incentives

A7 In all cases significant benefits *accrue.*

answer: (a) accrue

A8 The advantages of using prepaid cards for employee expense accounts are significant: as well as the general cost savings that are realised in all cases when switching from paper-based payments, employers using prepaid cards can *exert* significantly more control over expenses.

answer: (c) exert

A9 Payments can be *ring-fenced* by corporate providers, allowing them to limit the scope of where goods and services can be purchased, while a record of all transactions is automatically generated and stored.

answer: (d) ring-fenced

A10 Also, employee travel abroad can be easily facilitated as the cards can be loaded with a currency of *choice* — thus eliminating costs associated with using a debit or credit card outside of its issuing domicile.

answer: (a) choice

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Object-Oriented Programming Languages

A1 Many modern programming languages depend largely or exclusively on the concept of objects: a close *syntactic* binding of data to the operations that can be performed upon that data.

answer: (d) syntactic

A2 In these Object-Oriented languages — C, C#, Java, Eiffel, Smalltalk, Visual Basic.NET, Perl, and many others programmers create classes, each of which defines the behavior and structure of a number of similar objects; then they write code that creates and *manipulates* objects that are instances of those classes.

answer: (d) manipulates

A3 One reason why objects are a powerful programming technique — the reason most often *touted* in the early literature on Object-Oriented Programming — is that programmatic objects map naturally to real world objects.

answer: (d) touted

A4 This mapping between objects in the real world and more *abstract* code objects encourages programmers to think in the problem domain, rather than in computer science terms.

answer: (a) abstract

A5 This benefit has perhaps been overstated, however; unless you're building a simulator of a real-world process, such *surrogate* 'real-world' objects form just the surface of your system.

answer: (c) surrogate

A6 The complexity of your design lies underneath that surface, in code that reflects business rules, resource allocation, algorithms, and other computer science concerns; if you only use objects to reflect the real world, you *leave* yourself with a lot of work.

answer: (c) leave

A7 Coupling refers to the ways in which and degrees to which one part of the system relies on the details of another part: the tighter the coupling, the more changes in one part of the system will *ripple* throughout the system, while with loose coupling, the interfaces between subsystems are well defined and restricted.

answer: (b) ripple

A8 *Cohesion* refers to the degree in which elements within a subsystem form a single, unified concept, with no excess elements: where it is strong, there is easier comprehension and thus more reliable code.

answer: (d) Cohesion

A9 Some Object-Oriented languages are less rigid than others in how much they require you to design around objects, but OO languages certainly support these quality *attributes* if you take the time to pursue them.

answer: (a) attributes

A10 It seems that every new OO language author *feels* the need to distinguish their language by coming up with new terminology.

answer: (a) feels

Optimal Hedging

A1 The optimal hedge consists of a position in a single *option* whose strike price is independent of the level of expense the institution is willing to incur for its hedging program.

answer: (c) option

A2 If the journal entries are error-free and were posted properly to the general ledger, the total debit balances should equal the total credit balances, and if they don't, then an error has occurred somewhere in the process; the total of the accounts on the debit and credit side is referred to as the *trial* balance.

answer: (d) trial

A3 A *viatical* settlement allows you to invest in another person's life insurance policy: you purchase the policy (or part of it) at a price that is less than the death benefit of the policy, and when the seller dies, you collect the death benefit.

answer: (d) viatical

A4 Shares of The McClatchy Co. dropped 3.2 percent in trading Monday, falling to a 52-week *low*; the stock fell 66 cents to $20.21 in lighter-than-average trading volume, and then it dipped another 6 cents in after-hours trading.

answer: (c) low

A5 A Fed *pass* is a Federal Reserve Board action designed to make more credit available by adding reserves to the banking system.

answer: (d) pass

A6 *Long* market value is the aggregate worth, in dollars, of a group of securities held in a cash or margin brokerage account, calculated using the prior trading day's closing prices of each security in the account; the figure includes most common investment vehicles, but excludes commercial paper, options, annuities and precious metals.

answer: (c) Long

A7 Preferred *Provider* Organization (PPO) plans are the number one choice for millions of Americans: there is freedom of choice among in-network providers, lower out-of-pocket costs (copay only for most in-network office visits) and a strong emphasis on preventive health.

answer: (d) Provider

A8 Commodities prices rose across the *board* in the week that the US Federal Reserve cut interest rates to prop up the domestic economy: crude oil surged to an all-time high and gold hit its highest level in 28 years, while strong demand from China and other developing countries helped boost all commodities.

answer: (b) board

A9 *Single*-stock futures are a way to reap the benefits of a stock's performance without actually owning the stock; one of the advantages they enjoy is that they are cheaper to trade and easier to use for hedging strategies than options.

answer: (c) Single

A10 Agilent lived up to the high billing most industry watchers expected in its initial public offering: shares climbed as high as about 50 in morning trading, and yesterday the company raised the price range of the shares coming to the market to $26 to $28 per share; the stock priced *out* at $30 last night, Merrill Lynch said today.

answer: (b) out

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Oil Curves

A1 "Modest demand growth combined with no significant supply increases has caused oil inventories to decline sharply, creating *backwardation* in the oil forward curve," said Jeffrey Currie of Goldman Sachs; in such a market, oil for delivery in the near term is more expensive than for later shipment.
answer: (a) backwardation

A2 Should securities held in a collective deposit be repaid on the basis of a lottery, the bank shall distribute the *drawn* securities pro-rata amongst the holders of the securities, whereby it shall ensure that all depositors enjoy an equal treatment.
answer: (d) drawn

A3 The Trust provides investors with the opportunity to purchase a security representing a proportionate undivided interest in a portfolio of securities consisting of substantially all of the common stocks, in substantially the same weighting, of the S&P 500 Index, each unit of which is referred to as a Standard & Poor's *Depositary* Receipt.
answer: (a) Depositary

A4 Many consumers are unaware of the importance of retaining *cancelled* bank checks, through which account holders have a record of who actually signed the back of the check to redeem its face value; this signature is universally required for resolving countless business transaction disputes.
answer: (a) cancelled

A5 When a claimant delays in filing an application for benefits, the *antedate* provisions may allow the late application to be recognized as having been made earlier than it actually was; the purpose is to allow a claimant to be put in the position he or she would have been in had the delay in filing their claim for benefits not occurred.
answer: (a) antedate

A6 The Peer to Patent project allows people to alert the US Patent Office when material is found proving an invention is not new — this pioneering project aimed at improving the quality of patents must be made *compulsory* if it is to work, according to the project's manager; currently the project is only voluntary.
answer: (d) compulsory

A7 The higher the loan amount, the bigger the thud if your loan goes belly up, and reducing the *loan-to-value* ratio is one way lenders cut their risk; to that end, they generally insist on more than the usual 20 percent down on jumbo loans over $500,000, requiring you to make at least a 25-percent cash down payment.
answer: (c) loan-to-value

A8 If quick growth is necessary, raising money through the sale of stock may provide the best opportunity for fast action; however, wider equity participation implies *a dilution* of ownership, which may not be acceptable to some business owners.
answer: (a) a dilution

A9 The Roanoke Valley ranks consistently lower than the national average, according to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living *Index*, which compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.
answer: (a) Index

A10 The US federal income tax system is a 'pay as you go' system: you're required to pay tax over the course of the year rather than waiting until April 15, and the general rule is that you have to pay *estimated* tax if your withholding doesn't cover 90% of your tax liability.
answer: (b) estimated

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Futures Contracts

A1 CME created the world's first *financial* futures contracts by introducing futures on seven foreign currencies in May 1972; the original currency contracts included CME British pounds, CME Canadian dollars, CME Deutsche marks, CME French francs, CME Japanese yen, CME Mexican pesos and CME Swiss francs.
answer: (c) financial

A2 Capital Cost Allowance may be deducted annually in Canada, which is in no way reflective of the expected useful life of the asset, but is an arbitrary determined amount specified in the Income Tax Act; because it is a deduction from income for tax purposes, CCA acts as a tax *shield* in the year in which it is claimed.
answer: (d) shield

A3 Any purchase where the down payment is less than 20% is considered a high-*ratio* mortgage, and the mortgage must be insured by the Canada Mortgage and Housing Corporation (CMHC) or Genworth Financial Canada (Genworth).
answer: (b) ratio

A4 To vote as a stockholder *of* record, please click on the vote link above; registered stockholders typically have their shares held in stock certificate form or in book-entry form by IBM's transfer agent, EquiServe Trust Company, N.A.
answer: (c) of

A5 A *noncompetitive* bid is, for a single-price auction, a bid to purchase a stated par amount of securities at the highest yield or discount rate awarded to competitive bidders; for a multiple-price auction, it is a bid to purchase securities at the weighted average yield or discount rate of awards to competitive bidders.
answer: (b) noncompetitive

A6 As to Type III securities which are currently defined as securities that "a bank may purchase and sell for its own account subject to a 10 percent limitation, but may neither deal in nor underwrite", the proposal merely redefines it as *an investment* security that does not qualify as a Type I, II, IV or V security.
answer: (c) an investment

A7 A limited *discretionary* account is an arrangement in which a client has given his/her broker the ability to make certain types of trades without prior consent; such an arrangement is only recommended if the investor has a high degree of trust in the broker's honesty and professional ability.
answer: (b) discretionary

A8 In managing a large portfolio with options on different underlying contracts, the *volatility* risk is of great importance; one tool is a Value at Risk framework to measure and manage that risk, i.e. to estimate a measure in money with a given degree of confidence of how much one can lose from one's portfolio over a given time horizon.
answer: (d) volatility

A9 If enough banks and investors become sufficiently reluctant to lend, the '*multiplier* effect' will go into reverse: total credit will contract, so bank deposits will contract, so the supply of money will contract, all with the same degree of leverage with which they were intially expanded.
answer: (d) multiplier

A10 Option *premiums* are determined by open outcry in the trading pits of commodity exchanges such as the Chicago Board of Trade, New York Cotton Exchange, Chicago Mercantile Exchange, and the Kansas City Board of Trade.
answer: (c) premiums

Financial Records

A1 *Payroll* clerks screen timecards, compute pay by subtracting allotments from gross earnings, close out files when workers retire, resign, or transfer; and advise employees on income tax withholding and other mandatory deductions; finally, they prepare and mail earnings and tax-withholding statements for employees' use in preparing income tax returns.

answer: (d) Payroll

A2 The Index of *Industrial* Production is a fixed-weight measure of the physical output of the nation's factories, mines, and utilities; one of the bigger wildcards in this report is utilities, which can be quite volatile due to swings in the weather.

answer: (b) Industrial

A3 Annuity *units* are the shares you own in variable annuity subaccounts during the period you're receiving income from the annuity; the number is fixed at the time that you buy the income annuity contract, or when you annuitize your deferred variable annuity.

answer: (d) units

A4 A tax *schedule* is a 'statement of supplementary details'; more specifically, it is a form on which you provide information and complete calculations, so that you can transcribe the results onto another form.

answer: (c) schedule

A5 The SEC scrapped the so-called *quiet* period rule, allowing companies poised to sell stock or bonds to promote the securities to investors; the Depression-era rule almost derailed Google Inc.'s $3.47 billion initial public offering in August after Playboy published an interview with the company's founders.

answer: (c) quiet

A6 The NYSE set about clarifying the procedure by which members may acquire securities and pay their employees a commission for reselling them; last week an Exchange committee made ready to listen to the case of any member desiring to engage in the practice politely but correctly called '*secondary* distribution'.

answer: (a) secondary

A7 The rule is 'one-way': that is, fully *diluted* earnings per share should exclude those securities whose conversion, exercise, or other contingent issuance would have the effect of increasing the earnings per share amount.

answer: (a) diluted

A8 China's central bank Sunday raised the amount banks must set aside in reserves, reducing the money available for lending, in the latest move to rein in the investment boom; the deposit reserve *ratio* will be raised by 0.5 percentage point to 11 percent starting on May 15, the People's Bank of China said.

answer: (d) ratio

A9 The *triangle* pattern, also called the 'coil', appears in three varieties, ascending, descending, and symmetrical; converging trendlines of support and resistance give all three patterns their distinctive shape, and this occurs, Kahn explains, because "the trading action gets tighter and tighter until the market breaks out with great force."

answer: (b) triangle

A10 The CFTC's market *surveillance* program is intended to preserve the economic functions of futures and option markets by identifying situations that could pose a threat of manipulation and initiating preventive actions.

answer: (d) surveillance

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Market History

A1 On Monday of last week, the Dow Jones Industrial Average hit a record high while declining stocks overwhelmed advancing stocks by a two to one margin; that ominous divergence has never occurred in the past 75 years of market history and as a consequence, we are moving to a full *bear* market defensive mode.

answer: (a) bear

A2 To ensure that seats on the NYSE are used properly, the preparation and approval of *an ABC* agreement between the brokerage firm that provides the financing for the seat and the employee of the company who purchases the right to use the seat is vital, and it must be meet the qualifications established by the NYSE.

answer: (b) an ABC

A3 Trading was halted for more than three hours yesterday at five New York futures and options exchanges because of an electrical short in some damaged cables; to combat the problem, officials at the *Commodities* Exchange Center improvised a temporary solution, and all five exchanges are expected to open as usual on Monday.

answer: (b) Commodities

A4 When a Federal *Call* occurs traders have a number of days to bring the account balance or margin back to a less leveraged position, or the brokerage will be forced to liquidate positions to an acceptable level.

answer: (a) Call

A5 In the next few days, if these news reports have any credibility, I would think that a counter bid would be coming through, but I do not think the Tatas should be in a hurry to raise their offer until we see any real competition — at current valuations, it is fair because without the *deal* stock, it is worth much less.

answer: (a) deal

A6 Price *Value* of a Basis Point refers to the change in the price of a bond if the yield changes by 1 basis point (0.01%).

answer: (d) Value

A7 From time to time a small business, especially one performing contracting services, will be asked to *bond* his work in advance; simply put, this is a third party obligation promising to pay if a vendor does not fulfill its valid obligations under a contract, a financial guarantee that he will honor the business contract.

answer: (a) bond

A8 A judgment in an action to *quiet* title is binding and conclusive on all persons known or unknown who were parties to the litigation and who have a claim to the property.

answer: (c) quiet

A9 At expiry of the contract, the sellers of the future can deliver any bond with this residual maturity at a predetermined price, so only one of the bonds contained in the basket, the *cheapest*-to-deliver, tends to be chosen.

answer: (b) cheapest

A10 Nonbusiness *bad debts* must be totally worthless to be deductible, becoming worthless when the surrounding facts and circumstances indicate there is no longer any chance the amount owed will be paid.

answer: (b) bad debts

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The UAE

A1 The UAE has gained much media *attention* lately as a leading marketing and trans-shipment hub for multinational companies serving the Middle East and North Africa.

answer: (a) attention

A2 Overall, nearly US$72.3bn in goods were imported in 2006, most *flowing* from India, followed by China and Japan.

answer: (b) flowing

A3 By year's end, the US expects to *claim* nearly a 20% share of the UAE's import market.

answer: (b) claim

A4 The UAE is a Federal Sovereign State, formed in 1971, consisting of seven *emirates* — Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Fujairah and Ras Al Khaimah — and governed by the Supreme Council of the Federation, which is made up of their seven rulers.

answer: (b) emirates

A5 A contracting *party* to GATT since 1964, the UAE joined the World Trade Organization (WTO) in 1996.

answer: (c) party

A6 The main federal legal instruments on investment in the UAE are the Commercial Companies Law and the Trade Agencies Law and these laws contain *provisions* limiting and regulating the participation of foreign investors in the UAE domestic economy.

answer: (b) provisions

A7 Specifically, the Trade Agencies Law designates that importing and distribution activities are reserved for *exclusive* UAE 'agents'.

answer: (a) exclusive

A8 However, a significant portion of trade moves through the UAE's free zones (22 in late 2005) where foreign investors can *enjoy* 100% ownership, operate in a tax-free environment and be exempt from the licensing, agency, and national majority-ownership obligations that apply in the domestic economy.

answer: (d) enjoy

A9 Recently, changes have been made to the *scope* of the Trade Agency Law and reforms are being actively discussed such as adoption of competition legislation, structural reforms, and further liberalization of the services sector.

answer: (c) scope

A10 The financial sector is developing rapidly, in part through the creation of financial free zones such as the Dubai International Financial Center, a financial free zone regulated by Dubai and *home* now to more than 100 financial services and associated companies.

answer: (c) home

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Supply Chain Reengineering

A1 A supply chain can be defined as a network of autonomous or semiautonomous business entities *collectively* responsible for procurement, manufacturing and distribution activities associated with one or more families of related products.

answer: (a) collectively

A2 Different entities in a supply chain operate subject *to* different sets of constraints and objectives.

answer: (c) to

A3 However, these entities are highly interdependent when it comes to improving performance of the supply chain in terms of objectives such as on-time delivery, quality *assurance*, and cost minimization.

answer: (a) assurance

A4 As a result, performance of any entity in a supply chain depends on the performance of others, and their *willingness* and ability to coordinate activities within the supply chain.

answer: (c) willingness

A5 A global economy and increase in customer expectations regarding cost and service have influenced manufacturers to *strive* to improve processes within their supply chains, often referred to as supply chain reengineering (Swaminathan, 1996).

answer: (d) strive

A6 Supply chain reengineering efforts have the potential to impact performance in a big *way.*

answer: (d) way

A7 Often they are undertaken with only a *probabilistic* view of the future, and it is essential to perform a detailed risk analysis before adopting a new process.

answer: (d) probabilistic

A8 In addition, many times these reengineering efforts are made under politically and emotionally *charged* circumstances.

answer: (a) charged

A9 As a result, decision support tools that can analyze various alternatives can be very useful in *impartially* quantifying gains and helping the organization make the right decision (Feigin, An, Connors, & Crawford, 1996).

answer: (a) impartially

A10 Benchmarking solutions provide insights into current trends but are not prescriptive; this leaves simulation as the only *viable* platform for detailed analysis for alternative solutions.

answer: (d) viable

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Global Information Systems

A1 An information system can be defined as a set of interrelated components working together to collect, store, *retrieve*, process, and disseminate information for the purpose of facilitating planning, control, coordination, and decision making in businesses and other organisations (Laudon & Laudon, 1993).
answer: (d) retrieve

A2 Therefore, a global information system is an expansion of an information system that operates across geographical and time *boundaries.*
answer: (b) boundaries

A3 In addition, Palvia et al. have also defined the global information system as "a computerised system which *supports* the business strategy of a multinational organisation and deals with components of the international market as a single market and not as individual markets" (Palvia et al., 1992).
answer: (c) supports

A4 In a traditional business information system, the set of interrelated components are usually referred to as hardware, software, data, processes, and people (Shelly, 2001); however, it is necessary to consider a few additional components that are significant to information systems in the global *context.*
answer: (a) context

A5 Functional architecture *specifies* all business functions covered in a global information system and defines important concepts and relationships among the components (Treese & Stewart, 1998); it is needed to allow flexibility for the development of the system in the future.
answer: (d) specifies

A6 In a global environment, computer systems no longer consist of a single large computer servicing an organisation's needs; instead, multiple computers are used to manage and process information, and ideally, the various computers should function and be managed as a single system with the processing distributed *across* the computers.
answer: (a) across

A7 The essential components of network architecture are compatible hardware and software; by *analogy* with the telephone system — for two households to communicate, they must use telephones that operate on the same electrical principles, with the same cabling system (hardware), and speaking the same language (software).
answer: (b) analogy

A8 The design of any network architecture is often based upon the OSI (Open Systems Interconnect) seven-layer network model (Day and Zimmermann, 1983) that was *codified* by the International Standards Organisation.
answer: (b) codified

A9 Groupware technology is technology designed to *facilitate* the work of groups; this technology can be applied to communicate, cooperate, coordinate, solve problems,compete, or negotiate.
answer: (d) facilitate

A10 Although management seems to be a political perspective, the organisation could be in trouble if there is no proper management scheme that oversees the operation of the GIS; global information system management can be seen as the *bridge* for closing the gaps between the global information system and the global business strategy.
answer: (a) bridge

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Information Security

A1 The US Nuclear Regulatory Commission must protect classified and sensitive unclassified non-safeguards information (SUNSI) related to U.S. government programs for the physical protection and safeguarding of nuclear materials or facilities to ensure that such information is protected against unauthorized *disclosure.*

answer: (b) disclosure

A2 The lowest level of classified information is Confidential; the *next* higher is Secret, and the highest is Top Secret. Confidential and Secret information will also be either NSI or RD and may be marked C-NSI or S-RD, for example.

answer: (b) next

A3 Classified information at the NRC is of two types: National Security Information classified by an Executive Order, whose compromise would cause some degree of *damage* to national security; and Restricted Data classified by the Atomic Energy Act, whose compromise would assist in the design, manufacture or utilization of nuclear weapons.

answer: (c) damage

A4 Some classified material at NRC and at the facilities it regulates is classified by other government agencies, and the NRC is not *empowered* to declassify such information without the permission of the originating agency.

answer: (b) empowered

A5 Access to classified information requires a personnel security clearance (NRC 'Q' or 'L') equal to or higher than the level of information and a *need*-to-know.

answer: (b) need

A6 Procedures for obtaining an NRC facility security clearance for *entities* regulated by the Commission are contained in 10 CFR Part 95; procedures in 10 CFR Part 25 apply to persons who may require access to classified information related to a license or to a certificate, or to an applicant for a license or certificate.

answer: (d) entities

A7 NRC contractors who require access to classified information are subject to security terms and conditions as specified in *contractual* commitments.

answer: (b) contractual

A8 Safeguards Information is a special category of sensitive unclassified information authorized by Section 147 of the Atomic Energy Act to be protected; while SGI is considered to be sensitive unclassified information, its handling and protection more closely *resemble* the handling of classified Confidential information.

answer: (d) resemble

A9 Sensitive unclassified non-safeguards information (SUNSI) is information that is generally not publicly available and *encompasses* a wide variety of categories (e.g., personnel privacy, attorney-client privilege, confidential source, etc.)

answer: (b) encompasses

A10 Information about a licensee's physical protection or material control and accounting program for special nuclear material not otherwise *designated* as Safeguards Information or classified as National Security Information or Restricted Data is required by 10 CFR 2.390 to be protected in the same manner as commercial or financial information.

answer: (a) designated

Turkish Banking

A1 Last year was a good year for the Turkish economy, which has proven to be resilient against monetary readjustments that in the past would have caused problems; the present government, tied up with the upcoming elections and the EU *accession* talks, still manages to master inflation rates and maintain economic growth objectives.

answer: (b) accession

A2 Due to ongoing legislative and budgetary efforts, a *reassuring* International Monetary Fund (IMF) report and a cautious but positive Organization for Economic Co-operation and Development (OECD) report on corporate governance were obtained, according to Paul Wouters of Bener Law Office.

answer: (a) reassuring

A3 Foreign direct investment is improving and on the local financial markets, several new international *players* have established themselves (amongst others, Fortis and Dexia); these firms import the required energy, knowledge and expertise, new types of financial instruments and will enhance competition and innovation.

answer: (d) players

A4 Such *incentives* are much needed by the comparatively inexperienced local financial markets (both conventional and Islamic) that — sometimes also hindered by reluctant regulatory bodies — struggle to innovate.

answer: (a) incentives

A5 Dubai Islamic Bank encountered a *setback* in trying to acquire MNG Bank (transaction value estimated at US$160m), but Kuwait-based The International Investor (TII) succeeded in taking over Adabank (formerly owned by the UZAN group) for a total of TL45.1m (US$32m).

answer: (d) setback

A6 Adabank had been seized by the Banking Supervision and Regulation Agency (BDDK) in July 2003 as part of the Imar Bank investigations and was put up for public *tender* by the Saving and Deposits Insurance Fund (TMSF).

answer: (d) tender

A7 Kuveyt Turk was in the newspapers several times last year with important Murabahah financings; it is rumoured that it will *redress* its balance sheet and — depending on market conditions — could be a candidate for an IPO in 2008-2009.

answer: (c) redress

A8 In May 2006 Bank Asya conducted probably the most successful IPO in Turkish history: US$150m raised for 20% of the shares, valuing the bank at US$800m, with US$7.5bn offers, making it 50 times *oversubscribed.*

answer: (d) oversubscribed

A9 Aside from these Participation Banks, a growing number of Islamic finance houses now have a *presence* in Turkey; institutions such as Amlak Finance, Dubai Bank and the National Bank of Kuwait have established representative offices or formed partnerships in order to take an active role in the development of the sector in Turkey.

answer: (c) presence

A10 In December 2006, the Qatar-based Doha Bank joined the league by officially opening an office in Istanbul; this followed the strategic alliance between Dubai Bank and Turkey's Daruma Corporate Finance to co-operate in structuring, executing and distributing *Shariah* compliant corporate finance and merchant banking services.

answer: (d) Shariah

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Hedge Fund Operational Risk

A1 As of 2006, assets under management of the hedge fund industry totaled US$1.2 trillion; with this rapid growth in the number and diversity of hedge fund managers, investors must understand the importance of conducting a thorough *due* diligence assessing the overall merits of a particular manager.

answer: (b) due

A2 Mike Rasmussen of Capricorn explains that previously the major focus has been on only understanding the investment strategy; however, increasing inflows of institutional capital and the growing numbers of well-publicised fraud cases has led to sophisticated investors *addressing* the operational risk behind their investment.

answer: (a) addressing

A3 Regulators and investors alike are paying more attention to hedge funds, as this relatively new asset class is growing at a tremendous pace with *keen* interest from the retail investor to public pension plans.

answer: (c) keen

A4 Therefore it is equally important to understand the investment strategy that seeks risk-adjusted returns, as it is to identify the operational risk that negatively *exposes* your investment.

answer: (c) exposes

A5 With the tremendous scope of differing strategies that are currently available, investors need to understand where possible weaknesses such as weak controls, poor providers and lacking internal information may lie: each one of these factors if they are not monitored or resolved can result in a *drag* on performance.

answer: (a) drag

A6 When making an investment decision, you should be well informed on the quality of the hedge fund manager and take *comfort* that sufficient attention has been given to operational as well as investment issues.

answer: (a) comfort

A7 It is important that a hedge fund has a chief operations officer whose dedicated function is to address all operational issues of the hedge fund. the primary reason for this is that the trading manager should be responsible for producing *alpha*, not the day-to-day running of the business.

answer: (a) alpha

A8 It is essential to understand how a hedge fund has established the internal controls that regulate trading; hedge funds with prime brokers, for example, understand the efficiency of 'best *execution*' practice with straight through processing capabilities to limit manual interaction.

answer: (c) execution

A9 Additionally, there needs to be a clear *segregation* between those responsible for trading and trade reporting, to limit the possibility of trade discrepancies.

answer: (d) segregation

A10 With the expanding number of hedge funds and financial opportunities available to investors, understanding the operational risk of any investment must be examined; however, *bear* in mind that from a universe of 9,000 hedge funds, the top 100 account for nearly two thirds of the entire industry's US$1.2 trillion in assets.

answer: (a) bear

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Traffic Estimation and Prediction Systems

A1 Intelligent transportation could be seen as a high-tech search for the road less *traveled.*

answer: (c) traveled

A2 It *strives* for improved traffic flow to ensure safer, quicker, less expensive, and more energy-efficient travel.

answer: (d) strives

A3 Many intelligent transportation systems (ITS) are being designed to better manage traffic on frequently used roads to reduce *congestion* and achieve these goals.

answer: (a) congestion

A4 Inside cars, navigational systems with display panels are intended to guide drivers around *heavy* traffic and help them avoid accidents.

answer: (b) heavy

A5 Traffic management technologies are designed to communicate with drivers on busy interstate highways through navigational systems and *variable* message signs.

answer: (a) variable

A6 The Federal Highway Administration (FHWA) *initiated* a Dynamic Traffic Assignment (DTA) research project to develop advanced software tools that will be used to address complex traffic control and management issues in the information-based, dynamic ITS environment.

answer: (a) initiated

A7 Under the DTA project, ORNL's Energy Division, along with researchers at both the University of Texas at Austin and MIT, are developing real-time Traffic Estimation and Prediction System (TrEPS) software tools; the goal is to help traffic management centers (TMCs) anticipate and *avert* traffic problems.

answer: (a) avert

A8 TrEPS uses traffic surveillance data in *conjunction* with advanced traffic models to estimate and predict traffic network conditions and to generate guidance for travelers.

answer: (b) conjunction

A9 "The typical operations of traffic management centers tend to be relatively reactive in *nature*," says Bill Kn, ORNL program manager for intelligent transportation systems at the National Transportation Research Center (NTRC).

answer: (c) nature

A10 "Using real-time traffic data from road sensors monitoring the number of cars and their speed, TrEPS predicts traffic conditions in the near future; thus, it could help TMCs become more proactive by alerting them to control measures that *lead* to poor traffic flow."

answer: (c) lead

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The Risks of Technology

A1 Technology has given us constant, real-time access to vast amounts of data; it has *powered* the capital markets to extraordinary heights (and depths) and made ordinary products, such as phones, cameras, televisions and computers, do extraordinary things.

answer: (a) powered

A2 Yet, warns Bruce Lynn of The Financial Executives Consulting Group, there is a darker, riskier side to technology: did it contribute to the dotcom *debacle?*

answer: (a) debacle

A3 And what about its role in the ongoing *meltdown* of the mortgage-backed securities markets now (2007) affecting the US, Germany and France?

answer: (c) meltdown

A4 Treasury professionals spend many hours making cash, debt or investing decisions by setting various control limits and using the latest *tenets* of portfolio management.

answer: (d) tenets

A5 It is possible that treasury's ability to perform these tasks in the future is being *jeopardised* by the very tool being used to reach those decisions, namely technology.

answer: (b) jeopardised

A6 Does the use of more technology '*black* boxes' simply shift risk from one area (market or credit risk) to another (operations) because some systems do not play well with others or because IT resources to fix these issues become available only after a problem is discovered?

answer: (a) black

A7 Are the tools we use (i.e. technology) really to blame or does the fault lie with the tool's operator because what is being produced does not address the issue *at* hand?

answer: (a) at

A8 The various systems vendors would have you believe that more technology is better; every treasurer is promised that s/he will be able to call up large amounts of data from the company's servers or data warehouses, analyse it, and then distribute reports via email around the world before anyone's *coffee* becomes cold.

answer: (b) coffee

A9 What appears to be forgotten in the pursuit of technology is the issue of the '*weakest* link': not all systems will be up to date all of the time, they speak different 'languages', and they may be missing data and/or contain errors.

answer: (d) weakest

A10 In this age of web-based, real-time information, the combination of new systems with old can create unacceptable levels of operating risk, especially for senior managers responsible for certifying that their company has well-established financial controls, that they have examined them and that they *work.*

answer: (d) work

Risk in the FX Market

A1 The average volume in FX markets is around US$2 trillion, which poses *a formidible* challenge to developing and maintaining robust cross border currency settlement process; a robust cross-currency settlement process is therefore a need of the day.

answer: (b) a formidible

A2 The Group of 10 (G-10) have identified issues in the riskless settlement of cross-border and multi-currency FX transactions, and thanks to their efforts, efficient settlement systems have since evolved that today try to address specific FX risks by incorporating risk *mitigation* processes.

answer: (d) mitigation

A3 These provide a *comfort* level to the participants in global FX markets, according to K. Shivram and G. Ramaswamy of Cognizant Technology Solutions.

answer: (b) comfort

A4 FX trading and settlement poses many forms of risk, but it is the settlement risk that most needs to be addressed: the dollars involved in settlement risk are huge, a large bank having almost three times the *exposure* to settlement risk that it has to credit risk.

answer: (d) exposure

A5 FX settlement risk clearly has a credit risk *dimension*: whenever a party cannot make its payment of the currency it sold conditional upon its final receipt of the currency it bought, it faces the possibility of losing the full principal value involved in the transaction.

answer: (a) dimension

A6 FX settlement risk also includes a liquidity risk: if a party does not receive the currency it purchased when it is due, it would need to cover and finance this shortfall until its counterparty *honored* its obligation.

answer: (b) honored

A7 The FX market is also unique in comparison to other financial markets in *that* it is a 24-hour market.

answer: (d) that

A8 The final settlement of a currency is *effected* in the financial centre of that currency's home country; for instance the final settlement of the US dollars happens in New York as the final settlement of pounds sterling happens in London.

answer: (c) effected

A9 Differing time zones, market open and close timings, and settlement deadlines in various geographies *emanate* another risk called the Herstatt risk.

answer: (b) emanate

A10 Due to time zone differences, several hours can *elapse* between a payment being made in one currency and the offsetting payment being made in another currency, and between these times, a counterparty may have paid in funds, before it receives funds the counterparty defaults.

answer: (a) elapse

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IFRS Adoption

A1 According to Richard Keys of PwC, the second wave of International Financial Reporting Standards (IFRS) has two *facets.*

answer: (b) facets

A2 The first is the new troop of countries that are adopting these international accounting standards, following in the *footsteps* of Europe and Australia in 2005.

answer: (c) footsteps

A3 The second is the new and revised collection of standards that will be *implemented* in 2009.

answer: (b) implemented

A4 IFRS has already become the *de facto* international language of accounting.

answer: (a) de facto

A5 International Financial Reporting Standards are already the basis for accounting in over 100 countries worldwide and the International Accounting Standards Board (IASB) *anticipates* this total will increase to 150 by 2011.

answer: (a) anticipates

A6 Relatively recently, we have heard announcements that countries such as Canada, Korea, Japan and India will adopt full IFRS by 2011; China too is *riding* the IFRS wave and is committed to convergence with IFRS.

answer: (c) riding

A7 The Ministry of Finance has undertaken an extensive project along this road, *culminating* in the adoption of new Chinese accounting standards that bring about substantial convergence with IFRS, and further work on full convergence continues.

answer: (d) culminating

A8 These moves have *exerted* significant pressure for change on the US market.

answer: (b) exerted

A9 Within the last few months, the SEC has been consulting about removing the requirement for foreign entities listed in the US to *reconcile* their IFRS accounts to US GAAP; by 2009 and possibly earlier, most expect full IFRS to be acceptable in the US without the need for this costly process.

answer: (d) reconcile

A10 The SEC has also sought views on whether to give US companies the option of using IFRS instead of US GAAP, and it is probably only a *matter* of time until this idea becomes a reality.

answer: (c) matter

Converting Free Reserves

A1 *Bonus* shares are issued to the existing shareholders by converting free reserves or share premium account to equity capital without taking any consideration from investors; as a result, liquidity in the stock increases, and Effective Earnings per share, Book Value and other per share values stand reduced.

answer: (b) Bonus

A2 The Times has learnt that NTL, the US-listed $5.64 billion cable operator, has held talks with City financiers; it has been persuaded by UK bankers of the benefits of a *secondary* listing on the London exchange after its expected merger with Telewest.

answer: (a) secondary

A3 First take the ending balance on your bank statement, then enter all of your outstanding checks and deposits; if your register matches the calculated amount, your *checkbook* is balanced.

answer: (b) checkbook

A4 In any period, cash used in financing activities related to common stock repurchased may differ from the comparable change in stockholders' *equity*, reflecting timing differences between the recognition of share repurchase transactions and their settlement for cash.

answer: (b) equity

A5 We will automatically increase the face amount of insurance under this policy from time to time to reflect increases in the Consumer Price Index (CPI); we will not require evidence of the insured person's insurability for these increases, but the increases will be subject to the terms of this cost-of-living *rider.*

answer: (c) rider

A6 Supposedly, top-bracket tax breaks will result in more jobs being created, higher wages for the average worker, and an overall upturn in our economy — this is at the heart of the infamous *trickle*-down theory.

answer: (d) trickle

A7 When *a dealer* bank purchases Treasury securities in a quarterly Treasury bond auction, it acts as underwriter and distributor; the securities are held in the bank's trading account assets portfolio, and often resold to other banks, and to private investors.

answer: (b) a dealer

A8 On the surface, *ethical* investing seems a no-brainer for anyone with a modicum of social conscience: "We won't invest in companies that sell tobacco products, or firms that use nuclear power," explains David Shuttleworth, vice president of marketing and sales for Canada's largest family of 'green' mutual funds.

answer: (b) ethical

A9 A business can realize a financial *leverage* gain by making more EBIT (earnings before interest and income tax) on the amount borrowed than the interest on the debt.

answer: (c) leverage

A10 Some managers of big portfolios, having sold their losers and taken profits in a few winners, are busy rotating into sectors that they think will star next year — but are any of these stocks attractive to individual investors who care only about profits and not dressing *up* a portfolio to impress a client?

answer: (c) up

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Orderly Market Development

A1 There can be no assurance as to the prices at which our common stock will trade, if any trading market develops at all; until an orderly market develops in our stock, the price at which such trades may fluctuate significantly and may be lower or higher than the price that would be expected for a fully *distributed* issue.
answer: (b) distributed

A2 Most states and many local governments offer industrial *revenue* bonds as a way to encourage relocations and expansions of companies that provide good jobs and expand economic opportunities for residents and the community; an IRB is a loan to a company to build or buy a facility or buy land and/or equipment.
answer: (d) revenue

A3 When a local or state government has a need for financial support between today and the issuing of a long term bond, the *anticipation* note helps to fill in the gap; essentially, it is a short term bond that is designed to provide recognition of some sort of debt obligation currently coming due.
answer: (a) anticipation

A4 The incremental performance gains now achieved by regularly doubling the number of transistors on a chip, such as a desktop microprocessor, aren't as significant as they used to be: this is the law of *diminishing* marginal returns, an economic law that states the marginal return on a unit of input decreases as more inputs are added.
answer: (c) diminishing

A5 Using market data from 1934 to 1972 and analyzing returns at various levels of predictive ability, results show that to perform better than simply remaining fully invested in stocks, one must be able to predict the market with at least 83% accuracy, an ability extremely difficult for even the best market *timer* to sustain.
answer: (c) timer

A6 The LSE launched techMARK, an attempt to lure *high-tech* startups to list their shares in the UK rather in the US's Nasdaq or Germany's Neuer Markt; participants aren't limited to online companies, but originate from such sectors as biotechnology and semiconductors as well as software, Internet and fibre-optics.
answer: (a) high-tech

A7 The loan should be reclassified from an account receivable to a note receivable in PGE's books, and if payment of the loan does not appear probable within a year, the loan should be reclassified as *a noncurrent* asset in FERC Account 123, Investment in associated companies.
answer: (d) a noncurrent

A8 *Book* inventory is shown on the financial records and is computed from the initial inventory plus purchases less requisitions or withdrawals; it typically differs from the physical inventory on hand due to shrinkage (loss caused by such factors as evaporation and thefts).
answer: (b) Book

A9 The Accelerated Cost *Recovery* System as a method of asset depreciation was unique in three ways: property class lives were established, calculations were based on an estimated salvage value of zero, and shorter recovery periods were used, resulting in an accelerated write off of capital costs.
answer: (b) Recovery

A10 Do you balance your checkbook each month? — banks CAN make mistakes, but even more likely is that you'll make a math error in your checkbook *register.*
answer: (b) register

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IPOs

A1 Initial public offerings (IPOs) are primary *distributions* by companies that were not publicly traded prior to the offering.

answer: (d) distributions

A2 The dollar amount of a depository institution's reserve *requirement* is determined by applying the reserve ratios specified in the Federal Reserve Board's Regulation D to an institution's reservable liabilities.

answer: (d) requirement

A3 In order to create a *candlestick* chart, you must have a data set that contains open, high, low and close values for each time period you want to display; the hollow or filled portion is called the 'body', while the long thin lines above and below the body represent the high/low range and are called 'shadows' (or 'wicks' and 'tails').

answer: (a) candlestick

A4 Workers in *single*-employer plans who switch employers end up with smaller retirement checks because their pension from the first employer is frozen and they must start over earning retirement benefits.

answer: (c) single

A5 *Condemnation* is the process of taking private property for public use through the power of eminent domain; when private property is taken by the government, the owner is entitled to receive just compensation.

answer: (b) Condemnation

A6 A tax *swap* is an investment strategy designed to allow you to take a tax loss in your portfolio while at the same time adjusting factors such as credit quality, maturity, etc. to better meet your current needs and the outlook of the market.

answer: (c) swap

A7 A transaction is *dilutive* if it increases the number of shares outstanding for a corporation, and for this reason, a transaction is also said to be so if it reduces earnings per share, since the denominator of this ratio is the number of shares outstanding.

answer: (a) dilutive

A8 Even though the mutual fund investor is not legally bound, *a voluntary* accumulation plan may have some requirements, such as a minimum number of purchases per year or a minimum annual investment amount; the investor should be aware of this, and decide whether an open account might be more suitable.

answer: (d) a voluntary

A9 Investors must ask, "What am I paying for and what should I expect in return as a Genentech shareholder?"; I believe that most prudent long-term investors will conclude that they're paying for a great company, but one that's so *fully* valued it won't deliver the kind of returns that will make its considerable risks worthwhile.

answer: (b) fully

A10 MidAmerica *Commodity* Exchange, founded in 1868, is the fourth-largest in the US, providing futures contracts, mostly in agricultural products such as pigs, oats and soya beans, and also in precious metals and some financial products.

answer: (a) Commodity

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Printing Money

A1 Most of the federal *debt* is owed to Americans, and virtually all of it is in dollars, which means that it can be paid off or bought back by the simple device of printing money or, in more sophisticated fashion, open-market operations of the Federal Reserve.
answer: (b) debt

A2 While discussing President Ford's WIN (Whip Inflation Now) proposal for tax increases, I supposedly grabbed my napkin and a pen and sketched a curve on the napkin illustrating the trade-off between tax rates and tax revenues, so Jude Wanniski named the trade-off 'The *Laffer* Curve'.
answer: (c) Laffer

A3 CSC, Inc is the 23rd company currently authorized to act as a counterparty to the FRBNY in its open market operations; "Becoming *a primary* dealer for the Federal Reserve is a complementary extension of Countrywide's emergence as a provider of diverse financial services," said Ron Kripalani, President.
answer: (c) a primary

A4 The *Standard* Industrial Classification has been replaced by the new NAICS, but several data sets are still available with SIC-based data; both SIC and NAICS classify establishments by their primary type of activity.
answer: (b) Standard

A5 In securities markets, *an active* account with a broker shows frequent purchases and sales; such accounts generate commissions (which are charged on purchases as well as sales), and thus they are usually given preferential treatment in differentials on rate of interest charged, for example, on debit balances.
answer: (a) an active

A6 Since the *investment* value of a convertible bond (the value of the bond without the conversion feature) is embedded and is a component of the total market value of the convertible, changes in fixed income determinants may not directly affect its market price.
answer: (b) investment

A7 If a business determines that, on the average, 3% of its accounts receivable becomes worthless during the taxable year, the business may deduct 3% and add this amount to its bad debt *reserve*; however, the Tax Reform Act of 1986 repealed this method for all businesses except certain financial and thrift institutions.
answer: (d) reserve

A8 If you're in today's 28% or 31% tax brackets, a *muni* fund will let you keep more income than a comparable taxable investment, and if you live in a high-tax locale like California, a single-state fund that holds only bonds issued in your state may be an even better choice, provided you understand the risks.
answer: (d) muni

A9 The *capacity* utilization rate represents the percentage of the economy's total plant and equipment that is currently in production; usually, a decrease in this percentage signals an economic slowdown, while an increase signals economic expansion.
answer: (a) capacity

A10 The *peace* dividend is a political slogan popularized by George H.W. Bush and Margaret Thatcher in the early 1990s, purporting to describe the economic benefit of a decrease in defense spending; the term was frequently used at the end of the Cold War, when many Western nations significantly cut military spending.
answer: (d) peace

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Interest in Common

A1 A *condominium* is an estate in real property consisting of an undivided interest in common in portions of a parcel of real property together with a separate interest in space in a residential, industrial or commercial building or industrial and commercial building on such real property, such as, but not restricted to, an apartment, office or store.
answer: (a) condominium

A2 The AEA is an international professional association of *estimators* devoted to assessing the strengths and weaknesses of programs, policies, personnel, products, and organizations to improve their effectiveness; it has approximately 5000 members representing all 50 states in the US as well as over 60 foreign countries.
answer: (b) estimators

A3 Nasdaq is a competing *dealer* market, different from an auction market in that many market makers use their own capital, research, retail, and/or systems resources to represent a stock and compete with each other to buy and sell that stock; auction markets have only one person, a specialist, in a centralized 'floor'.
answer: (a) dealer

A4 The NSW Partnership Act makes provision for *limited* partnership structures whereby the liability of a partner contributing capital can be restricted to the amount of financial contribution, provided that the person doesn't take part in the management of the business.
answer: (d) limited

A5 *A droplock* security is a floating rate note or bond that becomes a fixed income investment when the rate to which it is pegged drops to a specified level; the adjustments to the interest rate are usually made every six months and are tied to a certain money-market index.
answer: (a) A droplock

A6 In addition to protecting debts, insurance is now purchased to provide some income for the surviving family; while this financial *needs* approach often provides a short-term solution to losing a breadwinner, it seldom replaces all the contributions a breadwinner makes to his or her household.
answer: (b) needs

A7 Instead of inputting a volatility parameter into an option model (e.g. Black-Scholes) to determine an option's fair value, the calculation can be turned round, where the actual current option *price* is input and the volatility is output.
answer: (a) price

A8 Inflation can result from a decrease in aggregate supply, whose two main sources are an increase in wage rates and an increase in the prices of raw materials; these sources operate by increasing costs, and the resulting inflation is called cost-*push* inflation.
answer: (d) push

A9 Only if all possible claims are fairly priced will their nature have no impact on firm value; if you know that your stock is being priced at half its fair value by an *inefficient* market, issuing more of it to new stockholders will not be in the interests of your existing stockholders.
answer: (d) inefficient

A10 The average contributions of highly *compensated* employees cannot exceed the average contributions of other employees by more than about 2 percent; if the HCEs exceed this threshold, the 401k plan could lose its tax-qualified status and all contributions and earnings would have to be distributed to all plan participants.
answer: (b) compensated

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Credit Risk

A1 The credit crisis of 2007 has market participants worldwide paying more attention than ever to the *astute* management of their risk exposures.

answer: (b) astute

A2 No investment, trading counterparty or client is completely *pristine* and free of risk, says Frank Reiss of Euroclear.

answer: (b) pristine

A3 This sentiment has *permeated* to the short-term cash markets as well, with treasury desks acutely aware that the reluctance of certain banks to lend freely in the inter-bank market is creating caution and apprehension among the most seasoned professionals.

answer: (b) permeated

A4 Risk-taking brings profit, but good risk management allow firms to keep it; for example, the growing over-the-counter (OTC) derivatives market involves lots of risk and provides *handsome* rewards for those that navigate well.

answer: (c) handsome

A5 The three foremost derivatives classes — interest rate swaps, equity and credit derivatives — have soared to 327 trillion outstanding according to International Swaps and Derivatives Association figures; however, this *meteoric* growth has not been matched by adequate attention to operational risks.

answer: (b) meteoric

A6 In fact, the rise in OTC derivatives trading and the lack of post-trade standardisation and automation is a cause for serious concern; today, firms *grapple* with piles of unprocessed transactions, leading to severe breaks in reconciliation, and problems with collateral and exposure management further downstream.

answer: (c) grapple

A7 Adding to this operational conundrum is the November 2007 Basel II deadline — guidelines that set out to *segregate* operational risk from credit risk.

answer: (d) segregate

A8 As from 1 November, firms will be required by law to have rigorous risk and capital management measures in place, designed to ensure that banks hold capital reserves *commensurate* to the risk exposures arising from their lending and investment practices.

answer: (a) commensurate

A9 Today's changing market dynamics and the vast sums at *stake* have rocked the market into greater risk awareness.

answer: (d) stake

A10 And as the market knows only too well, dynamics that are not managed can *entail* untold financial risks.

answer: (d) entail

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Threat Assessment for Information Assurance

A1 The Information Assurance Advisory Council (IAAC) project team was assigned to enable the research to benefit from consultations with IAAC members and to use IAAC as a *dissemination* channel for the research results.

answer: (b) dissemination

A2 Amongst both governments and businesses, there is increasing concern that information security *breaches* and cybercrime will undermine trust in the new economy and threaten the development of the Information Society.

answer: (b) breaches

A3 However, the current information systems security *paradigm* is a reactive model that involves detection of, and reaction, to attacks once they are underway.

answer: (a) paradigm

A4 There is a *pressing* end-user need to increase warning time so that organisations can take preventive steps to minimise their losses from cyber-attacks.

answer: (b) pressing

A5 Due to the need to limit the project to observable open source indicators, the project focused upon one portion of the threat spectrum, namely crackers and *hacktivists.*

answer: (a) hacktivists

A6 The project involved the establishment of a comprehensive *regime* for monitoring numerous sources of communications about and between threat actors.

answer: (d) regime

A7 By fusing technical indicators with a range of indicators based on attacker motives and intentions, the project was able to categorise threat entities, *engage* in trend analysis and provide some threat course of action prediction.

answer: (a) engage

A8 Substantive, positive discoveries were made about the viability of employing early warning methodologies against sub-state cyber-threats but the programme did not attempt to actually predict an *imminent* attack.

answer: (a) imminent

A9 Threat profiling, taking into account motives, intentions, capabilities and behavioural patterns, emerged as one of the most profitable *roads* in building predictive indicators of sub-state cyber threats.

answer: (d) roads

A10 The project proved the concept of building a systematic, repeatable and quality-assured Intelligence Process to collect, *collate* and analyse open source communications concerning sub-state threat actors.

answer: (b) collate

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The Role of China in Asia

A1 Over the past two decades, China has embarked on a process of development that has taken it at *breathtaking* speed from a poor, largely rural economy to a global economic force.

answer: (d) breathtaking

A2 The sheer size of its workforce and the speed of its transformation have posed enormous challenges for many countries around the world, but nowhere more than in its own *backyard.*

answer: (a) backyard

A3 The challenge is particularly important in Asia because from the point of view of smaller and in some cases more-developed Asian economies, it would be hard not to see China's low-cost labor force and enormous scope for *economies* of scale as a fearsome competitive threat.

answer: (a) economies

A4 At the same time, China offers enormous opportunities as both a partner in production and a huge potential market of more than a billion consumers; other Asian economies may try to seek out markets in China, perhaps in *upscale* consumer goods likely to be of interest to the burgeoning middle class.

answer: (b) upscale

A5 Or other Asian countries may try to '*piggy*-back' on China's extraordinary success as a low-cost exporter by integrating production processes through trade fragmentation.

answer: (b) piggy

A6 They will certainly try to avoid direct competition with China, and this could involve looking for *niches* where China is less active and shifting export-oriented industries in those directions.

answer: (b) niches

A7 It is also *noteworthy* that the increased reliance on domestic demand in the less-developed countries does not appear to have been reflected in lower rates of GDP growth in these countries.

answer: (b) noteworthy

A8 To the extent that countries are able to use China as a market, China may be becoming an independent *engine* of growth for the region.

answer: (a) engine

A9 To the extent that China is taking market share from other countries, it is also acting somewhat like a *steamroller*, forcing countries out of some areas of production; however, in the long run the principle of comparative advantage should dominate, and all countries should benefit.

answer: (d) steamroller

A10 We examined both macroeconomic and microeconomic data to *shed* some light on this issue.

answer: (c) shed

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Latin America's Lack of Competitiveness

A1 After 59 months of uninterrupted expansion, investors in Latin America keep *pinching* themselves and wondering out loud, "When will it end?"

answer: (b) pinching

A2 The recent financial market correction felt around the world on the heels of the US sub-prime mortgage crisis brought many a dooms-dayer to the *fore* with predictions of currency slippage and spiking interest rates, says John Price of InfoAmericas.

answer: (a) fore

A3 But Latin America is far less *vulnerable* than it used to be to contagion, politically-inspired capital flight, or drastic currency corrections; the region will not fall from one fatal blow, but it does risk death by a thousand cuts if it fails to reform itself into a more competitive economy.

answer: (d) vulnerable

A4 The reforms of the 1990s have proven their worth in this time of plenty: by shrinking government, professionalizing monetary policy, floating currencies and freeing capital markets, the money entering the region is staying *put.*

answer: (c) put

A5 Even in today's populist social environment, political leaders have made fiscal discipline and conservative monetary policy *hallmarks* of their economic strategies.

answer: (a) hallmarks

A6 Bolivia's president, Evo Morales, hardly a *captain* of commerce, remarked soon after taking office that "inflation and corruption hurt the poor the most".

answer: (a) captain

A7 If Latin America is doing so well, why can't it compete? — even the region's economic darling, Chile, is dropping like a *stone* in global competitiveness rankings.

answer: (d) stone

A8 Return on investment in a country is driven by productivity, and in Latin America, productivity performance is the *pits*: from 2003 to 2005, Latin American economies, when measured in dollars, expanded by an astonishing 53% but their productivity over the same three years grew by less than 4%.

answer: (d) pits

A9 Today's winning industries in Latin America, such as mining (which attracted an impressive 23% of global exploration investment in 2006), metals, energy and agrifood, together provide little *impetus* to government to keep trade open.

answer: (a) impetus

A10 The nail in the *coffin* for free trade thinking in Latin America could come from a rejection by Washington politicians of proposed trade agreements with Peru, Colombia and Panama.

answer: (b) coffin

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Herrings

A1 In the 1950s and 1960s, Norwegian spring-spawning herring (Clupea harengus) was a major commercial species, *harvested* by vessels from Norway, Iceland, Faroe Islands, the former Soviet Union and several European nations.

answer: (c) harvested

A2 However, during this period the stock was subjected to *heavy* exploitation by several European nations, especially Norway, Iceland and the former Soviet Union, employing new and substantially more effective fishing technology.

answer: (a) heavy

A3 The annual catch peaked at 2 million MT in 1966; by this time, however, the stock was in serious *decline* and a complete stock collapse occurred by the end of the decade.

answer: (a) decline

A4 Because of the overfishing and poor recruitment, the spawning biomass of the two major herring stocks fell *precipitiously* in 1968 and 1969.

answer: (b) precipitiously

A5 Finally, with catch levels falling to practically nothing in 1970, a fishing *moratorium* was declared.

answer: (c) moratorium

A6 In its *depleted* state, the adult population ceased migration and both adults and juveniles remained in Norwegian waters year round; recruitment remained weak throughout the 1970's and it was not until the strong year class of 1983 joined the adult population in 1986 that the stock began to recover.

answer: (a) depleted

A7 Until recently the situation was quite *chaotic*: there was no comprehensive regional agreement about the utilisation of the stock, so Norway, Russia, Iceland and Faroe Islands were able to fish at will within their own jurisdictions, and in international waters the stock could be caught legally by any interested fishing nation.

answer: (a) chaotic

A8 In 1995, the Advisory Committee on Fishery Management recommended a total allowable catch (TAC) for the Norwegian spring spawning herring of 513,000 MT, but Norway announced an individual TAC of 650,000 MT; then Iceland and Faroe Islands followed *suit* and announced their own combined TAC of 250,000 MT.

answer: (b) suit

A9 The European Union did not take part in a TAC commitment and continued fishing at near capacity, but in 1997, the EU became a *signatory* to an agreement limiting the maximum total catch to 1,498,000 MT.

answer: (c) signatory

A10 The stock of spring-spawning herring showed great *robustness* and continued to increase.

answer: (d) robustness

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Intuitive Bookkeeping

A1 *Single Entry* bookkeeping can be used to account for cash and bank based systems and has the advantage of being simple and intuitive to use, but it will not account for non-cash or non-bank transactions, which have a significant effect on accounts but do not immediately cause a change in the cash or bank accounts.
answer: (d) Single Entry

A2 The U.S. Virgin Islands has received its second *investment* grade bond rating from Standard & Poor's; the announcement by one of the world's leading rating agencies granting its BBB- rating follows the recent announcement by Moody's to grant the territory its BAA3 rating.
answer: (b) investment

A3 A market *timing* strategy increases your potential tax liabilities: if you sell your stocks after two good years in the market, based upon the empirical findings that a bad year is more likely to follow, then you'll have to pay capital gains taxes when you sell your stocks, and over your lifetime as an investor you will pay more in taxes.
answer: (b) timing

A4 The first few personnel added to a project will add a lot to productivity, after which the there is a diminishing *return* to a point where this is actually negative and growingly negative for each added person due to the communication and coordination overhead.
answer: (d) return

A5 An option pricing *curve* is a graphical representation of the estimated theoretical value of an option at one point in time, at various prices of the underlying stock.
answer: (a) curve

A6 American Funds is a *family* of 30 mutual funds and the American Funds Target Date Retirement Series with a wide range of investment objectives and a unique approach to investment management.
answer: (a) family

A7 The triple *bottom* pattern is composed of three sharp lows, all at about the same price level: prices fall to a support level, rise, fall to that support level again, rise, and finally fall, returning to the support level for a third time before beginning an upward climb.
answer: (b) bottom

A8 *A quitclaim* deed is a legal document that helps to transfer your share of interest in the property (house, land, mobile home, etc) to another person; while the interest is transferred, no warranty is made that the grantor actually has ownership rights on the property or that the property is free of debt.
answer: (d) A quitclaim

A9 The major benefit of having *limited* risk is that it gives you the ability to stick with an option trade no matter how far the market goes against you, or how volatile the market becomes; there is no margin to pay like in futures and you cannot be stopped out of your position on a minor correction.
answer: (b) limited

A10 WebSideStory Investor *Relations*: Our goal is to present existing and potential investors with an accurate portrayal of the company's performance and prospects; come here to find the latest financial news and information about us, including earnings announcements, webcasts and more.
answer: (d) Relations

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The National Debt

A1 The national debt can be thought of as the accumulated debt the government owes from all those years of borrowing money to pay off the annual federal *deficits.*

answer: (b) deficits

A2 *Secondary* market refers to the purchase or sale of securities between the time of their initial issuance and before they mature; many money market instruments are sold and bought several times by different investors before they mature.

answer: (c) Secondary

A3 There are roughly six main categories of *noncurrent* liabilities: Long-Term Debt, also known as Funded Debt, Bonds Payable, Obligations Under Capital Lease, Deferred Tax Liability, Pension Liability, and Mortgages Payable.

answer: (b) noncurrent

A4 For tax years 2004 and earlier, use the tax *tables* if your taxable income is less than $100,000; if $100,000 or more, use the tax rate schedules.

answer: (d) tables

A5 The literature focuses on Chinese and Japanese exchange rate strategies as the origin of the Asian crisis; McKinnon and Schnabl argue that, from 1995 to 1998, the depreciation of the Japanese yen eroded the international competitiveness of its smaller neighbouring countries, which kept *pegging* to the dollar.

answer: (c) pegging

A6 A *voluntary* contribution is an extra contribution paid in addition to the mandatory contribution a member can pay to the pension fund in order to increase the future pension benefits.

answer: (d) voluntary

A7 The *AMEX* started as an alternative to the NYSE; it originated when brokers began meeting on the curb outside the NYSE in order to trade stocks that failed to meet the Big Board's stringent listing requirements.

answer: (a) AMEX

A8 Congress created the Commodity Futures Trading *Commission* (CFTC) in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States; the agency's mandate has been renewed and expanded several times since then, most recently by the Commodity Futures Modernization Act of 2000.

answer: (b) Commission

A9 Stop-and-*reverse* should be used sparingly, when conditions require it; if your stop loss gets hit, it usually means that the market will go against you for some time before moving back in your direction, so your outlook should be to reinstate your original trade in the original direction, not trade in the opposite direction.

answer: (c) reverse

A10 *LIFO* assumes that an entity sells, uses or disposes of its newest inventory first; using this method to evaluate and manage inventory can be tax advantageous, but it may also increase tax liability.

answer: (b) LIFO

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Investment in Plant, Property and Equipment

A1 *Capex* is commonly found on the Cash Flow Statement as 'Investment in Plant, Property and Equipment' or something similar in the Investing subsection.
answer: (a) Capex

A2 While a Private Investment in Public *Equity* transaction is marketed to a limited number of investors over a short period of time, a traditional public transaction may require a broader marketing process and, in the case of an add-on offering, the filing of a registration statement with the SEC prior to pricing.
answer: (d) Equity

A3 There are two major types of limitations on debt: the first has to do with how long debt problems can show up on your credit reports, and the second is the *statute* of limitations, which gives creditors a certain time period — in most states, three to six years — in which to sue you over a debt.
answer: (c) statute

A4 A CGT asset is *an active* asset at a time if, at that time: (a) you own the asset and (i) you use it, or hold it ready for use, in the course of carrying on a business; or (ii) it is used, or held ready for use, in the course of carrying on a business by your affiliate, or by another entity that is connected with you.
answer: (a) an active

A5 Interest dividends paid by a *municipal* bond fund may be taxable under the federal alternative tax (AMT) system if the bonds held by the fund are issued to cover the costs associated with certain private activity projects, such as housing projects, hospitals, airport expansion projects, or industrial parks.
answer: (b) municipal

A6 The distinction taken in courts of equity is between a title which the court considers to be so clear that it will enforce its acceptance by a purchaser, and one which the court will not go so far as to declare a *bad* title, but only that it is subject to so much doubt that a purchaser ought not to be compelled to accept it.
answer: (a) bad

A7 If you don't specify an exchange code after entering a stock or index symbol, our database will match the symbol with its *primary* exchange — usually the TSE in Canada or the NYSE or Nasdaq in the United States.
answer: (c) primary

A8 The *condor* takes the body of the butterfly — two options at the middle strike — and splits it between two middle strikes rather than just one; in this sense, it is basically a butterfly stretched over four strike prices instead of three.
answer: (b) condor

A9 The insurer of a *single* life annuity calculates its obligation only until the last regular payment preceding the annuitant's death; because the payments expire when you do, selecting this form of annuity is, in a sense, a bet that you expect to live longer than the average person.
answer: (b) single

A10 The husband of televangelist Juanita Bynum denies treating her cruelly and says they have not been continuously separated since June, as her divorce petition alleges; in his *counterclaim*, Bishop Thomas Weeks also asks for a divorce, but says he and Bynum spent one night together in August that boosted his hopes for reconciliation.
answer: (a) counterclaim

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Canada Pension Plan

A1 The Canada Pension Plan *death* benefit is a one-time, lump-sum payment made to the contributor's estate; if there is no estate, the person responsible for the funeral expenses, the surviving spouse or common-law partner or the next of kin may be eligible, in that order.
answer: (a) death

A2 *Municipal* bonds are debt securities that states, cities, counties and other governmental entities issue to raise money for such as building schools, highways, hospitals, sewer systems, and other special projects; a primary feature is that the interest is generally exempt from federal income tax.
answer: (b) Municipal

A3 A *line* of credit is an arrangement you can make with your financial institution that allows you to borrow money up to a pre-determined limit; as you pay it down, you can draw on it again, back up to the limit you are allowed.
answer: (d) line

A4 Each warrant is exercisable for 1/2 share of common stock at $0.15 per warrant share, they are only exercisable in *even* lots (i.e. 2 warrants exercisable at $0.30 for 1 share of common stock), and are exercisable for a period of three years and expire October 10, 2005.
answer: (b) even

A5 This paper examines the empirical relationship between technology and financial *structure*: it tests whether real flexibility increases debt capacity by lowering default risk or decreases debt capacity by enabling shareholders to risk-shift through risky production strategies or asset substitution.
answer: (d) structure

A6 *Primary* earnings per share (also called fully diluted EPS) takes into account all shares currently outstanding, plus the number of shares that would be outstanding if all convertible bonds and convertible preferred stock (preference shares) were exchanged for common stock (ordinary shares).
answer: (c) Primary

A7 In today's Kinder Morgan deal, Goldman has signed something else, something called a 'highly *confident* letter', which means that Goldman thinks it can most probably find lenders and sell bonds, and will try really hard, but if this proves too difficult, Goldman isn't on the line for the money.
answer: (b) confident

A8 Included in foreign denominated debt is a *dual* currency bond issued in yen, totalling 18,635 million yen (1998: 18,635 million yen), and repayable in US dollars totalling $150 million US (1998: $150 million US); the bond has been hedged to $200 million (1998: $200 million),and matures on February 29,2000.
answer: (b) dual

A9 Notice what happens by adding a little bit of asset B to the portfolio that consists entirely of A: moving up and to the left on the curve, the return increases and the risk decreases; in modern portfolio theory parlance, asset A must be an *inefficient* portfolio.
answer: (d) inefficient

A10 The important variables on an adjustable rate mortgage are the *reset* frequency (one year is the most common), the base index (typically Treasury yield that matches the ARM frequency) and spread (typically 250-300 bps) used to calculate the new interest rate, the caps, and the teaser rate (a below-market initial rate).
answer: (c) reset

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Constituent Companies

A1 *A market* share weighted index is a stock index in which stocks affect the index in proportion to the number of shares outstanding of the constituent companies (i.e. the number of stocks listed) and thus the company with more shares outstanding influences the index more greatly.

answer: (b) A market

A2 '*Residential* mortgage' means an obligation to pay a sum of money evidenced by a note and secured by a lien upon real property containing two or fewer residential units or on which two or fewer residential units are to be constructed and includes such an obligation on a condominium or cooperative unit.

answer: (d) Residential

A3 Any agreement that tends to insure an investor his relative price advantage or percentage ownership is *an antidilution* provision.

answer: (b) an antidilution

A4 In the late 70s, Wall Street came up with a scheme by which lenders could make one package of many mortgages and sell these packages to investors, who then traded the securities among themselves: thus was born a bubbling *secondary* mortgage market.

answer: (c) secondary

A5 A company may not have taxable income, but may show *book* profit either by adopting the straight-line depreciation method or by not debiting capital expenditure on scientific research and development to its profit and loss (P&L) account.

answer: (b) book

A6 A nondeductible *contribution* to a traditional individual retirement account (IRA) typically occurs because an individual participates in an employer retirement plan and has modified adjusted gross income above certain levels.

answer: (b) contribution

A7 Flag and *Pennant*: these two short-term chart patterns are continuation patterns formed when there is a sharp price movement followed by a generally sideways price movement; the pattern is then completed upon another sharp price movement in the same direction as the move that started the trend.

answer: (c) Pennant

A8 Owners of a *checking* account are ultimately responsible for keeping track of their available funds, even though the bank will routinely issue its own accounting statements; some banks will protect account holders by making the proper payments and notifying the owner that an overdraft has taken place.

answer: (b) checking

A9 Nasdaq said today that it had scaled back its proposal to reduce the minimum number of shares that can be traded under the commission's new order-handling rules; its original proposal would have reduced the minimum *quote* size from 1,000 shares to 100 for all 5,540 stocks to be covered by the new rules.

answer: (d) quote

A10 Options contracts are sold in lots of 1,000 shares and each contract has a specific strike price; BHP has an option *series* that expires every month whereas a stock such as Rinker Limited (RIN) may only have options every 3 months.

answer: (b) series

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IKEA

A1 The Sweden-based Inter IKEA Systems BV (IKEA) is the world's largest furniture retailer that specializes in *stylish* but inexpensive Scandinavian designed furniture.

answer: (d) stylish

A2 In addition to furniture, IKEA also sells *utility* items such as utensils, hooks, clips, stands, etc.

answer: (d) utility

A3 IKEA's founder, Ingvar Kamprad, has built an international furniture chain of 226 stores in Europe, Africa, Asia and the US; it has been successful in almost all countries, because of public *awareness* of the IKEA brand.

answer: (d) awareness

A4 IKEA is far more than a furniture merchant; it sells a lifestyle that customers around the world embrace as a signal that they've *arrived*, that they have good taste and recognize value.

answer: (b) arrived

A5 The British design magazine Icon said, "If it wasn't for IKEA, most people would have no access to *affordable* contemporary design."

answer: (a) affordable

A6 The magazine also voted Kamprad as the most influential *tastemaker* in the world.

answer: (d) tastemaker

A7 Kamprad established IKEA in 1943 at the age of seventeen; he came *up* with the name IKEA by combining the first letters of his name (Ingvar Kamprad), followed by the first letters of the farm and village he grew up in (Elmtaryd and Agunnaryd).

answer: (c) up

A8 Kamprad started his business by buying pens, Christmas cards, matches, cigarette lighters, nylon stockings and other items in *bulk*; he sold these items to the residents of Smaland at a reasonable price, but still made healthy profits.

answer: (a) bulk

A9 To save more money, Kamprad would *piggyback* his packages on the trucks that delivered milk.

answer: (b) piggyback

A10 IKEA soon started making money, and in 1945, Kamprad started promoting business through mail *order* catalogues, as conducting individual sales calls became impossible.

answer: (d) order

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Global Marketing Strategy Factors

A1 Going global has become the economic *aspiration* of many organizations, according to Jonathan Elimimian, Department of Business and Economics, Johnson C. Smith University.

answer: (a) aspiration

A2 It is important to be aware of the fact that the world is so technologically complex and fast changing that it is difficult to identify the current level of global marketing changes facing *transitional* economies.

answer: (d) transitional

A3 We already know that strategic alliances and *affinity* with different countries worldwide bring new capabilities, capacities, technologies and new strategic business ideas to these new markets.

answer: (a) affinity

A4 Economies that are *embracing* global societal strategies to enter the world market will need to recognize the importance of other countries' social and cultural complexities.

answer: (b) embracing

A5 The *intricacies* of globalization and constant competitive shifts have increased the volatility of corporate posture both in domestic and global markets.

answer: (d) intricacies

A6 For now, the playing *field* is not equal access to global market entry between industrialized nations and emerging economies of the world.

answer: (a) field

A7 Everything in the vast *arena* of globalization favors the industrialized nations, which are wealthy, technologically advanced, creative and determined to dominate the world market.

answer: (b) arena

A8 These advanced nations are fully aware of the extra economic and technological power they possess with technologies, information, capabilities, access and knowledge of what the world market is *about.*

answer: (a) about

A9 Global societal strategy will be *imperative* to all businesses worldwide as the world market is becoming closer due to advanced technological infrastructures.

answer: (a) imperative

A10 Most evolving economies will definitely find it difficult to *penetrate* a global market already dominated by the industrialized nations.

answer: (c) penetrate

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Cash as a Strategic Asset

A1 According to Thomas Schickler of JPMorgan Chase Treasury Services, cash, having reached unprecedented levels on the balance sheets of companies around the world and still growing, has been cast in a new *light.*

answer: (b) light

A2 Once considered simply a consequence of business activities, cash has evolved into a strategic asset, valued as a hedge against market volatility and amassed to stay *nimble* in a world of business opportunities.

answer: (c) nimble

A3 This *sea* change in how cash assets are viewed and treated has implications for corporate treasurers, who are looking to minimise risks, optimise returns, get the most from their cash portfolios and make the most of their own valuable time.

answer: (c) sea

A4 The historical market perception was that holding cash would *erode* shareholder value and, therefore, cash should be quickly deployed, but that's not necessarily the case, especially not today.

answer: (d) erode

A5 Today, companies are holding more cash than ever before, and this build-up of cash levels can be attributed to a number of factors, ranging from increased sensitivity to overcapacity following the *implosion* of the 'Internet bubble' to geopolitical instability.

answer: (a) implosion

A6 Throughout the recent cycles in monetary policy and capital market conditions, companies have consistently expanded their cash holdings, but economic cycles alone do not explain the continuing cash build-up, which suggests a fundamental shift in how companies view cash: as an asset class in its own *right.*

answer: (c) right

A7 Recent events in the global capital markets have led to a *wholesale* reassessment of risk, and emphasised the importance of synchronising the credit and liquidity components embedded in investment alternatives with the needs and risk tolerance of the corporation.

answer: (c) wholesale

A8 Corporate treasurers are increasingly considering the trade-off between resources *expended* and basis points gained, incorporating the cost of execution to determine total economic return.

answer: (b) expended

A9 To enhance the return on the overall cash portfolio, corporate treasurers see a greater need to break down the portfolio into different types of cash: *frictional* cash, the least predictable, to meet daily needs; reserve cash, providing a liquidity cushion; and strategic cash, the most predictable, for discretionary use.

answer: (d) frictional

A10 Greater insight into the cash components provides true pricing power, while failure to create sufficient delineation among the components can significantly *deteriorate* total returns.

answer: (c) deteriorate

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The Secondary Debt Market

A1 "With the credit *crunch* likely to grow worse before it gets better, what are commercial banks doing in the face of this problem?" asks Kingsley Greenland of DebtX.

answer: (b) crunch

A2 Increasingly, the answer is to sell loans in the debt market; powered by electronic trading, the global secondary market is now sufficiently liquid on a day-to-day basis to efficiently dispose of non- or poorly-*performing* debt, as well as high-quality loans, as part of normal portfolio rebalancings.

answer: (b) performing

A3 Loan sales have become a *potent* weapon because electronic due diligence, trading and closing allow competitive bidding of everything from multi-billion credits to loans or pools of loans as small as US$1million.

answer: (d) potent

A4 As a result, loan sales are now more attractive than the traditional solution of *protracted* loan workouts; rather than incur the expense and management distraction of sticking with problem assets, it now makes more sense to sell and put the problems behind.

answer: (d) protracted

A5 The market's liquidity has translated into strong price execution, which makes a loan sale strategy all the more *compelling.*

answer: (b) compelling

A6 Today, debt can be traded at a fraction of the cost and time compared to the traditional, offline environment because electronic trading has eliminated much of the *friction* in the process.

answer: (a) friction

A7 The high fixed transaction costs that previously *suppressed* liquidity have largely gone away.

answer: (d) suppressed

A8 In previous years, *due* diligence required investors to make onsite visits to search boxes of loan documents, collateral information, appraisals, operating statements, court proceedings or other underwriting documents.

answer: (c) due

A9 If investors decided against making an offer, or another bid was accepted, travel expenses and management time went *unrewarded.*

answer: (d) unrewarded

A10 At electronic trading platforms, investors can now view hundreds or even thousands of pages of loan documents online; *reams* of documents can be easily searched, and sophisticated financial modeling is built right into the platform.

answer: (a) reams

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Inventory Management

A1 The modern era of inventory management began in 1913 with the publication of a paper by a Westinghouse engineer, Ford W. Harris, on inventory optimization; over the succeeding decades, dozens of new and more *elaborate* inventory optimization techniques were invented.

answer: (a) elaborate

A2 "But suddenly the music stopped," exclaims George Brown of Ewe Lamb Technologies: in the early 1980s, Japanese corporations began *hollowing* out industry after industry in the United States and Europe.

answer: (b) hollowing

A3 From analyses of their successes, one factor was obvious — Japan *employed* far less inventory in proportion to sales than was considered 'optimal' — and minimization subsequently superseded optimization as the guiding philosophy of inventory management.

answer: (a) employed

A4 Minimization dogma says that inventory is the corporate equivalent of 'fat' and should therefore be eliminated; treasury, for its part, was more than happy to endorse this fashionably *anorexic* philosophy.

answer: (b) anorexic

A5 After all, through the magic of the liquid asset cycle, reductions in inventory wonderfully reappear as cash in treasury's *coffer.*

answer: (a) coffer

A6 Minimization's *siren* song was that 'a corporation can never be too rich or too lean'.

answer: (b) siren

A7 A second explanation for the minority's inventory-contentment is almost certainly the misuse of 'nave' ratios (a ratio is said to be nave when it is completely *divorced* from true corporate objectives and performance).

answer: (d) divorced

A8 Most common naive ratios are 'inventory-to-sales' and its reciprocal, 'turns', which can provide a comforting but false sense of accomplishment as their numbers 'improve'; the inherent *canard* of both is the assumption that less inventory is always better than more.

answer: (a) canard

A9 This simply is not true: anyone who experienced the barren shelves of Moscow's Soviet-era department stores, or is told by a *barista* that there are no more coffee-lids, will attest to the obvious fact that inventory shortages are a major source of customer dissatisfaction, lost sales, and lost profit.

answer: (a) barista

A10 The two major failed philosophical opposites, minimization and optimization, happen to nail down the extreme ends of a broad 'feasibility range' for inventory, and by slicing the middle *ground* into a series of progressive investment options, we can calculate the expected returns, maturities, and risks for each increment.

answer: (d) ground

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Tax Planning

A1 Whether planning for retirement, making an effort to reduce income taxes or maximizing current income, there are many excellent tax-deferred or tax-deductible investment options to consider; in fact, there are many tax-*advantaged* accounts from which your investment representative can choose, based on your goals.

answer: (a) advantaged

A2 Making a payment with a check and then changing your mind can be an expensive proposition: putting a stop-payment *order* on that check will cost anywhere from $18 to $32 at the 10 largest banks surveyed by Bankrate.com.

answer: (c) order

A3 In the case of *a voluntary* liquidation by companies themselves, the companies are solvent and are terminated (and consequently liquidated prior to their dissolution) due to the companies wanting to discontinue operations, for whatever reason.

answer: (d) a voluntary

A4 Issues involving salvage value and useful life continued to arise, so Congress enacted IRC 168 in 1981; the *Accelerated* Cost Recovery System was intended to provide a less complicated method for computing depreciation by eliminating salvage value and specifying recovery periods for various asset classes.

answer: (b) Accelerated

A5 For sophisticated investors, our firm, also registered as a *Commodity* Trading Advisor (CTA), offers a wide variety of investment and trading solutions to suit various portfolios and investment strategies in asset management using commodities, futures and options.

answer: (c) Commodity

A6 NetBank, the online bank with $2.5 billion in assets, has been shut down after investments in risky mortgages defaulted at an alarming rate; customers with $100,000 or less with the bank will be made whole by *FDIC* insurance, and those with more will become creditors in the bank's receivership.

answer: (a) FDIC

A7 The Power Authority has begun marketing its tax-free bonds for a $7 billion takeover of LILCO; the investors who stand to gain the most are New York and Puerto Rico residents, for whom the bonds are exempt from local, state and Federal income taxes — *a triple* exemption for New York City residents.

answer: (d) a triple

A8 Most investors are familiar with *Level* I quotes; these quotes are the ones we're all comfortable with — Bid, Ask, Last trade, Volume, and so on.

answer: (c) Level

A9 *A Stochastic* Oscillator is a momentum indicator developed by George Lane that measures the price of a security relative to the high/low range over a set period of time; the indicator oscillates between 0 and 100, with readings below 20 considered oversold and readings above 80 considered overbought.

answer: (d) A Stochastic

A10 After 36 years in the investing business, Roger King has settled on several ways to root out stock bargains, but his favorite among them is to find stocks selling for less than what a buyer of the whole company might pay, the so-called *private* market value approach.

answer: (b) private

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Unsecured Debt

A1 A *debenture* is a long-term debt instrument used by governments and large companies and is usually unsecured, in that there are no liens or pledges on specific assets; the advantage to the issuer is that they leave specific assets burden free, and thereby leave them open for subsequent financing.

answer: (c) debenture

A2 June 14 Regular Sale: We had a real big run of cows on an *active* market: overall, the market was steady but uneven on feeding cows; bulls were steady to higher; and heiferettes were strong to higher.

answer: (a) active

A3 In Latin America, fiscal policy has not played a relevant *countercyclical* role: in recession, fiscal policy is typically oriented towards keeping financial solvency under control, while during booms, expenditure tends to expand with the phase.

answer: (b) countercyclical

A4 *A primary* instrument is an instrument whose value is determined directly by markets: stocks, commodities, currencies and bonds.

answer: (d) A primary

A5 Financial commentators are beginning to see the Fed's emergency rate cut as 'Bernanke's first big mistake' — instead of holding the line against inflation, the Fed is now *bailing* out Wall Street; cutting rates suddenly, the Fed has come to the aid of speculators and the financial industry.

answer: (b) bailing

A6 A *single* payment loan involves two transactions: the first occurs when a bank makes a loan and the second when the loan is repaid; these loans are often used to meet seasonal financing needs, as when a toy wholesaler who needs to buy inventory will obtain a loan and repay it after the Christmas season.

answer: (d) single

A7 Interest shall accrue at the rate of nine (9) percent per annum on the paid-in *capital* account of each Partner, as determined from time to time, and such interest shall be paid by the Partnership semi-annually.

answer: (a) capital

A8 A triple *net* lease is an agreement that lets the tenant shoulder all the costs that are related to paying real estate taxes, maintenance, building insurance, and other kinds of fees such as rent; the tenant is also responsible for shouldering expenses for any repairs that need to done to the property.

answer: (b) net

A9 As its name suggests, *a conduit* IRA is essentially a medium through which a transfer may be made from one qualified plan to another, and if properly structured, money is rolled over tax-free between plans with a temporary layover here.

answer: (a) a conduit

A10 When your employer sends your pay to your checking or savings account rather than issuing you a paper check, you're participating in *direct deposit*; these arrive and are made available to you more quickly than paper checks, and can be automatically divided among different accounts based on your direction.

answer: (b) direct deposit

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Life Insurance

A1 After his wife was killed in a traffic accident, David was left to bring up their two-year-old daughter alone; the grieving electrician knew he could never replace 29-year-old Sarah, but he hoped that claiming on their *dual* life insurance policy would help meet the costs of suddenly becoming a lone parent.
answer: (b) dual

A2 In 1920, the NYSE established the Stock *Clearing* Corporation to provide a centralized system to enable the verification of information between brokers in a securities transaction and the subsequent settlement (delivery of certificates in exchange for payment) among members, banks and companies.
answer: (a) Clearing

A3 The marketing people claim a range of advantages for *funds* of funds: less risk than investing in just one or two funds, a diversified portfolio both geographically and among different asset classes without having to buy dozens of funds, and avoiding the headache of constantly monitoring a portfolio.
answer: (b) funds

A4 The big advantage of *historical* cost accounting is that it leads to absolute certainty and it fits in perfectly with the cash flow statement and so there is no doubt about balance sheet amounts; whereas the alternatives, where accountants attempt to take inflation into account, can lead to many problems.
answer: (b) historical

A5 An even *spread* is a position for which the long position and short position have equal premiums, and therefore the investor neither pays nor receives a premium.
answer: (b) spread

A6 The fundamentals support $100 oil because society is happily filling their gas tanks at that price, and the issue isn't geopolitics or speculation, it's pure *inelasticity* of demand; we have calcified our demand for oil through our massive, and largely not unloadable (due to refinanced mortgages) commitment to suburbia.
answer: (a) inelasticity

A7 In order to maintain the status quo, it is necessary to keep tight control on the amount of currency that is made available to the general public; increasing the amount of *active* money involves the addition of new cash to the economy, not replacing instruments that have been worn down by time and distribution.
answer: (a) active

A8 The Nikkei 300 is a *market* value-weighted index of the 300 major issues selected to represent listed stocks on the first section of the Tokyo Stock Exchange; it uses a weighted average based on capitalizations of component firms that contrasts with the widely followed Nikkei Stock Average, which is an average price.
answer: (b) market

A9 The vertical axis of the *linear* chart shows an equal distance along the axis for each absolute change in price; a stock that moves from $20 to $30 shows the same absolute change as an increase in price from $50 to $60, even though the move from $20 to $30 represents a 50% advance while the move from $50 to $60 represents only a 20% advance.
answer: (c) linear

A10 The *compound* annual growth rate of an investment is computed by the formula: (Pv / P0) (1/n)-1, where Pv = Present value, P0 = Beginning value and n = Number of periods; the result is multiplied by 100 to obtain a percentage.
answer: (b) compound

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A1 MagicTicker is a stock *quote* ticker that looks much like the tickers you see on CNBC; it is fully configurable so you can watch just the stocks you want, and you can also input the number of shares you own for all your stocks and watch your portfolio move in real time.

answer: (b) quote

A2 For instance, say that, as the trading day opens, this Internet stock is at $400: As long as the lowest price does not fall $2.00 from its highest price, your order remains active, and if GOOG is able to reach $404 without falling $2.00, the new *stop* price automatically advances to $402 ($404 — $2.00).

answer: (d) stop

A3 Clearly, the terms of the trust made King Jr.'s interest contingent upon whether the trustee chose to make payments to him from the trust income; in other words, unlike *a nondiscretionary* trust, on the terms of the trust alone, King Jr. had no entitlement to any property of the trust.

answer: (c) a nondiscretionary

A4 It is not so long ago that companies would put their *pension* funds in government bonds or life insurance company annuities; as inflation rose in the 1960s and 1970s, companies found that rising salaries and low fixed-income returns made their retirement plans very expensive.

answer: (d) pension

A5 If the exercise price of a warrant or option is higher than the average price of the common shares during the accounting period, the exercise of the warrant or option will be *antidilutive.*

answer: (b) antidilutive

A6 CKD Galbraith is one of the leading estate agencies in Scotland specialising in top quality Scottish *residential* property from castles to cottages and sporting estates to farm land.

answer: (c) residential

A7 Burger King Announces *Secondary* Offering: Burger King Holdings Inc. announced today that the private equity funds controlled by TPG Capital, Bain Capital Partners and the Goldman Sachs Funds intend to initially offer 23 million shares of Burger King common stock in an underwritten offering.

answer: (a) Secondary

A8 The *book* shares are recorded in the records that are maintained by the agent, so that there is always a permanent record of the value of the shares, and who holds the rights to the shares; however, the actual stock certificates are never printed or forwarded to the investor.

answer: (b) book

A9 The BU Foundation is a federally-recognized 501(c)(3) non-profit organization, so gifts to the Foundation are therefore tax *deductible* to the fullest extent of the law.

answer: (a) deductible

A10 You cannot use 1040EZ if you claim the child and dependent care *credit*; it is a percentage, based on your adjusted gross income, of the amount of work-related child and dependent care expenses you paid to a care provider.

answer: (b) credit

Suffrage

A1 *Voting* stock is stock that allows for the right of suffrage with respect to the firm's affairs.

answer: (d) Voting

A2 One approach to accounting for depreciation is to use one of the *accelerated* methods (including the Sum of the Year's Digits and the Declining Balance), which are more conservative and, in most cases, accurate, assuming as they do that an asset loses a majority of its value in the first several years of use.

answer: (a) accelerated

A3 Municipal bond *insurance* protects investors in two ways: occasionally, cities or states that issue debt securities get into financial difficulty and may not be able to pay interest and principal on their debt as scheduled, or rating agencies may lower the ratings on an issuer's securities, causing the market value of its securities to decline.

answer: (c) insurance

A4 Washington, D.C., Sept. 27, 2007 — The Securities and Exchange Commission today charged the Federal Home Loan *Mortgage* Corporation (Freddie Mac) with securities fraud in connection with improper earnings management beginning as early as 1998 and lasting into 2002.

answer: (d) Mortgage

A5 Using *Level* II quotes, an average investor can make a very informed decision as to whether to buy or sell based on this sometimes extensive information about who is willing to purchase or unload a particular stock and for how much.

answer: (a) Level

A6 *Private* Mortgage Insurance (PMI) is extra insurance that lenders require from most home buyers who obtain loans of more than 80% of their new home's value; it protects a lender against loss if a borrower defaults and enables borrowers with less cash to have greater access to home ownership.

answer: (b) Private

A7 *Financier* is a term for a person who handles large sums of money, usually involving money lending, financing projects, large-scale investing, or large-scale money management; the term has upscale and haughty connotations, and the stereotype portrayed by the term is typically of a wealthy and powerful person.

answer: (b) Financier

A8 The margin maintenance rules require that the investor's *equity* (the current value of his stock less the value of the margin loan) stay at a certain level; if the maintenance rules require that it remain at 50 percent, and then the stock value falls below 50 percent, the investor would receive a 'margin call' from the brokerage firm.

answer: (a) equity

A9 The balance of *payments* is an accounting of a country's international transactions over a certain time period; it shows the sum of the transactions (purely financial ones, as well as those involving goods or services) between individuals, businesses, and government agencies in that country and those in the rest of the world.

answer: (c) payments

A10 If you are receiving or making payments for a loan or installment sale, but little or no interest is stated on the contract, the Internal Revenue Service assumes a rate of interest based on the published *applicable* federal rate.

answer: (b) applicable

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The Markets in Financial Instruments Directive

A1 According to Sanjima DeZoysa, Banking & Technology Editor for gtnews, the financial services industry currently faces an *unprecedented* amount of regulation that have two distinct objectives.

answer: (b) unprecedented

A2 The first is the increasingly *stringent* compliance environment in which firms must prove they have effective controls and processes in place to ensure accountability and an effective corporate governance model.

answer: (d) stringent

A3 The second objective is the *overarching* goal of the regulators, particularly in Europe, to encourage greater harmonisation, competition and customer protection within all financial markets.

answer: (a) overarching

A4 This commentary considers some of the most significant regulations affecting the industry and how organisations are currently *coping* with this.

answer: (b) coping

A5 Most EU regulatory work is based on the Financial Services Action Plan; the Markets in Financial Instruments Directive (MiFID) is a fundamental *pillar* of the FSAP and aims at increasing the range of investment activities that can be passported by firms, making it easier to conduct cross-border business.

answer: (b) pillar

A6 One of the main objectives of MiFID is to ensure that all clients have the necessary knowledge and experience to understand the risks involved in a product before investing in it: banks are *obliged* to ensure that retail clients are informed of potential risks connected with trading financial instruments.

answer: (c) obliged

A7 While the *aspirations* behind MiFID are justified, there has been criticism about the regulators' expectations of the implementation process.

answer: (b) aspirations

A8 "More *account* should be taken of the project management disciplines that are needed if legislation is to be implemented properly without giving rise to undue risks that occur if consequential changes are rushed," insists Paul Richards at the International Capital Markets Association.

answer: (a) account

A9 "While MiFID has now come into force, there is still more work to be done in terms of whether firms have dotted the i's and *crossed* the t's on issues such as documenting procedures and finalising client agreements and consents," says Bernadine Reese, director, financial services group at Protiviti.

answer: (a) crossed

A10 In the UK, further policy documents are expected in 2008 from the country's regulatory body, the Financial Services Authority (FSA), and a key issue *going* forward will be the position of collective investment scheme (CIS) operators in the post-MiFID world.

answer: (b) going

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Outsourcing in the Banking Sector

A1 Santosh Patnaik of the United Bank of India reminds us that the idea of outsourcing has its roots in the 'competitive advantage theory' *propagated* by Adam Smith in his book 'The Wealth of Nations', published in 1776.
answer: (c) propagated

A2 A hundred years ago, the automotive industry was so vertically integrated that the largest car companies owned vast *tracts* of fields on which they grazed their own sheep to produce wool for use in car seats!
answer: (d) tracts

A3 In the 1970s, the industry realised that it simply couldn't be good at everything; it then began to consolidate, converge and sell off those parts of the business that could be better sourced externally, especially where external suppliers could *generate* greater economies of scale by supplying multiple manufactures.
answer: (d) generate

A4 Business process outsourcing involves a third party managing the entire business process, such as accounting, financing, customer support and human resources; BPO is a strategy offering a *compelling* business value proposition for companies to gain operational efficiency, focus on core expertise, save time and reduce costs.
answer: (b) compelling

A5 If one doesn't have the time, money or skill to do the job internally, or if there is a function that is a burden or is *detrimentally* affecting other parts of the business, outsourcing is worth considering.
answer: (b) detrimentally

A6 When companies first started thinking about outsourcing non-strategic functions, such as payroll, facilities management and logistics, their goal was to reduce costs; today, however, there is a far wider range of reasons why these organisations regularly *contemplate* outsourcing core operations to third-party specialists.
answer: (c) contemplate

A7 Since the 1990s, banks have been improving their efficiency ratios by acquiring or upgrading technology, cost cutting and consolidation; but now that further improvements are proving *elusive*, costs have been trimmed to the minimum and consolidation gains have waned, banks are under pressure to improve earnings.
answer: (c) elusive

A8 Outsourcing has thus becomes a way of moving banks' *scarce* resources away from trivial operations to value-added services, such as business strategy and execution, new opportunity identification and pricing, business results and interpretation, and M&A planning.
answer: (d) scarce

A9 With investor expectations growing day by day, banks are forced to re-examine their core functions; in effect, the distinction between core and non-core is *slowly* but surely diminishing, thereby increasing the number of functions that could be outsourced.
answer: (c) slowly

A10 Outsourcing can be a huge success story but there are challenges; poorly-planned deals have *grave* shortcomings — companies overestimate the economic benefits, fail to establish the right baseline for price negotiations and performance tracking, or are not prepared to manage the transition and post-deal situation.
answer: (c) grave

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Risks in the Baltic States

A1 The Baltic states have enjoyed years of strong and sustained growth that has raised per capita income, hastening *convergence* with average EU levels; they have been among the four fastest-growing EU countries since 2001, remarks Edward Parker of Fitch Ratings.

answer: (c) convergence

A2 However, Estonia, Latvia and Lithuania are, to varying degrees, facing rising inflation, tightening labour markets, rapid credit growth and substantial current account deficits, indicating that their economies are *overheating.*

answer: (b) overheating

A3 The *deterioration* in price stability has pushed back the euro adoption timetables for all three countries and Fitch expects inflationary pressures, particularly the requirement to adopt EU excise duties and raise administrative prices, and higher gas import prices, to be sustained in the medium term.

answer: (c) deterioration

A4 Furthermore, the Baltic countries' currency pegs and the inflation differential with the rest of the EU contribute to 'perverse' pro-cyclical low real interest rates (as nominal interest rate par has largely been attained), *spurring* the economic and asset price boom in these countries.

answer: (d) spurring

A5 Fast-*paced* growth and labour emigration have driven unemployment rates to multi-year lows, adding to wage pressures: Estonia, Latvia and Lithuania had unemployment rates of 5.6%, 6.9% and 5.9% respectively at end-2006, all below the EU average of 7.9%.

answer: (c) paced

A6 Growth levels far above the EU average have been financed for the *most* part through the rapid rise of external liabilities, which has fuelled the increase in external imbalances.

answer: (d) most

A7 All three countries' gross external debt levels were above the A-range median in both 2005 and 2006; Latvia's gross external debt *burden* rose to over 100% in 2006, and the proportion of short-term external liabilities is also considerable, raising near-term financing risks.

answer: (b) burden

A8 Nevertheless, Fitch believes there are important factors that *mitigate* the negative pressure that growing external imbalances place on the ratings.

answer: (d) mitigate

A9 Crucially, all three Baltic countries have had public external debt levels below 20% of GDP since at least 1993 and all are net public external creditors; low public debt levels, as well as small budget deficits (or a budget surplus in Estonia's case) also allow the Baltic countries scope to *cushion* any cyclical downturn.

answer: (d) cushion

A10 Comparing the Baltic countries' macroeconomic indicators with those of pre-crisis Asia leads to the consideration of whether they are vulnerable to the type of financial market *contagion* that contributed to the spread of the crisis in Asia.

answer: (a) contagion

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The Ukraine

A1 With a booming economy and financial reformation underway, Ukraine is an increasingly attractive *proposition* for foreign investors.

answer: (d) proposition

A2 After parliamentary elections, Yulia Tymoshenko and Yushchenko's political groups are expected to form a coalition in the next government; even after this outcome, it seems likely there will be regular *bouts* of political uncertainty, but Ukraine is still booming economically, with GDP rising year-on-year by 7.7%.

answer: (b) bouts

A3 Although Ukraine is not a European Union (EU) *candidate* country, under the leadership of Yushchenko it is looking more towards the EU rather than Russia for its political and macroeconomic model.

answer: (a) candidate

A4 The Orange Revolution at the end of 2004 came *about* as Yanukovych's victory in the presidential election sparked mass protests, resulting in the election re-run that was won by Yushchenko.

answer: (a) about

A5 This event *elevated* Ukraine's global profile and is also seen as the starting point of the real interest shown by foreign investors in the country's financial services sector.

answer: (a) elevated

A6 The Ukrainian hryvnia is not yet fully *convertible*, but is expected to be completely deregulated by the end of 2008.

answer: (c) convertible

A7 Domestic and inter-bank payments in Ukraine are made through the real-time settlement system, called the System of Electronic Payments (SEP), which has been in *place* since the mid 1990s and is owned and operated by Ukraine's central bank, the National Bank of Ukraine.

answer: (b) place

A8 Liquidity management remains a great challenge for banks and corporates in Ukraine: cash concentration structures are not regulated by Ukrainian laws and can be treated as inter-company lending, which is the sole *prerogative* of financial institutions.

answer: (a) prerogative

A9 Presently, foreign banks may operate only representative offices or Ukrainian subsidiaries; this will open up more possibilities for the Ukrainian banks to develop new services and products, and to introduce a new advanced format of payments and cash management systems which are *in* particularly high demand from multinational clients.

answer: (b) in

A10 Ukraine is currently in the process of *acceding* to the World Trade Organisation (WTO) and this will also mean increasing standardisation of the financial environment and will result in a more attractive environment for foreign investors.

answer: (a) acceding

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The Act of State Doctrine

A1 The Act of State Doctrine, a *rule* of law so old its roots may be traced back to the 17th Century, entered into American jurisprudence in the classic case Underhill v. Hernandez.

answer: (c) rule

A2 In an 1892 revolution, General Hernandez *expelled* the existing Venezuelan government and took control of Ciudad Bolivar, where plaintiff Underhill lived and ran a waterworks system for the city.

answer: (a) expelled

A3 Underhill, an American citizen, repeatedly *applied* to Hernandez for an exit passport, but his requests were refused, and Underhill was forced to stay in Bolivar and run the waterworks.

answer: (a) applied

A4 Hernandez finally *relented* and allowed Underhill to return to the United States where he instituted an action to recover for his detention in Venezuela.

answer: (b) relented

A5 In finding for the defendant, a New York Court determined that Hernandez had acted as a military commander, and through this position he had *imputed* governmental authority.

answer: (d) imputed

A6 The Court reasoned that every sovereign state is bound to respect the independence of every other sovereign state, and the courts of one country will not *sit* in judgment on the acts of the government of another, done within its own territory.

answer: (c) sit

A7 In later decisions, the courts *expounded* on the principals and policies underlying the Act of State Doctrine.

answer: (c) expounded

A8 Banco Nacional de Cuba v. Sabbatino stated that although the Doctrine is not implicit in the Constitution, it does have constitutional *underpinnings.*

answer: (d) underpinnings

A9 The court acknowledged an implied separation of powers in Act of State questions, reasoning that sensitive areas of foreign policy were better *left* to the executive branch.

answer: (b) left

A10 After Sabbatino, Congress moved swiftly to *curtail* the act of state doctrine, but the judiciary has undermined the effort by narrowly interpreting the amendment and continuing to apply the doctrine wherever it does not conflict with a constrained reading of the Hickenlooper Amendment.

answer: (d) curtail

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Gain in Market Price

A1 A gain (or loss) in the market price of an investment is called capital *appreciation* and is one way for investors to profit from an investment in company; the other is through dividend income.

answer: (d) appreciation

A2 *Single* premium life insurance can also benefit the insured or the purchaser during his or her lifetime: the purchaser can surrender the policy for its cash value at any time, and a few policies guarantee the cash value to be no less than the one-time deposit.

answer: (b) Single

A3 Shares were higher in afternoon trade, led by Siemens and BMW, helped by a higher opening to trade across the Atlantic and by investors altering and building their positions on *triple* witching day — the day on which options, index options and future contracts all simultaneously expire.

answer: (c) triple

A4 Section 1.150-1(b) defines the term '*conduit* borrower' as the obligor on a purpose investment: for example, if an issuer invests proceeds in a purpose investment in the form of a loan, lease, or similar obligation to another entity and the obligor uses the proceeds to carry out the governmental purpose of the issue.

answer: (c) conduit

A5 There are a number of ways or platforms (referred to as 'levels') that Nasdaq uses to provide share price quotes to the public; the main difference between these levels is the extent of information and access provided to the investing, and only NASD member firms which are market makers have the ability to utilize *Level III* quotes.

answer: (c) Level III

A6 The Student Loan *Marketing* Association is a publicly traded company that is the largest provider of educational loans in the U.S.; it was originally formed in 1972 as a government enterprise but as of 2004 is a completely independent publicly traded company.

answer: (c) Marketing

A7 *Debenture* stock is a stock issued under an agreement that provides for fixed payments at scheduled intervals; in the case of a company's liquidation, it is treated as an equity; investors will not receive payment until all debt is paid.

answer: (a) Debenture

A8 From 1997 to 2004, the Program in *Applied* Economics aimed to promote research addressing salient real-world economic and social issues.

answer: (b) Applied

A9 To even *up* is to close out, liquidate, or cover an open position; it is the elimination or reduction of a current long or short position by making an opposite transaction of the same security.

answer: (c) up

A10 If the property is a space rental mobile home park, *residential* rental property includes the space that is rented by the owner of that space but does not include the mobile home that serves as the actual dwelling if the dwelling is owned and occupied by the tenant and not by the owner of the rental space.

answer: (d) residential

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Loyalty Discount

A1 Hargreaves Lansdown says that thanks to its commission rebating service, you can buy into the 711 most popular funds for nothing and a further 276 with costs of 0.25% or less; it also offers a loyalty discount on the annual management fee, which is available if you invest through its fund *supermarket.*

answer: (d) supermarket

A2 In an asset-based loan, the lender advances funds based on a percentage of the accounts receivable and inventory; *ineligible* accounts receivables (past due receivables, inter-company receivables, and other lower quality receivables) are not included in the borrowing base.

answer: (a) ineligible

A3 *A liquid* market is an efficient market, because the large number of buyers and sellers ensure prices are set at market levels; investors know they are paying or receiving a fair price when they buy or sell shares or any other investments, as prices aren't distorted by a lack of supply or demand.

answer: (a) A liquid

A4 Global Financial data now offers daily close data for US stocks — open a member account today to receive your free daily close data back to 2000, and access *historical* data back to inception for an additional fee.

answer: (b) historical

A5 The *counterparty* risks from securities trading are either simple credit risks (where the risk is of non-payment) or a combination of credit risk with the risk of a position in a derivative (where the risk is of non-delivery).

answer: (d) counterparty

A6 Municipal investment *trusts* are entities that hold a stake in numerous municipal bonds and then sell shares to the public that represent an interest in those bonds; when the municipal bonds then pay off interest or mature, they pass the income on to their shareholders.

answer: (d) trusts

A7 A number of corporations offer commercial paper directly to investors through the Bloomberg Direct *Issuer* Commercial Paper Auto-Ex offering system; participating corporations allow both dealers and institutional investors to electronically purchase commercial paper with a variety of terms on a fully executable basis.

answer: (c) Issuer

A8 Although option *writers* are frequently referred to as sellers, because they initially sell the option that they create, thus taking a long position in the option, they are not the only sellers.

answer: (d) writers

A9 Warren Buffett filters the universe in which he manages capital down to the important and knowable; it is on the basis of the enlightenment which his circle of *competence* conveys upon his cognition that he seeks to make all of his capital management decisions.

answer: (c) competence

A10 Every individual necessarily labours to render the annual revenue of the society as great as he can; he intends only his own security and directs his industry in such a manner as its produce may be of the greatest value, but he is led by an invisible *hand* to promote an end which was no part of his intention.

answer: (a) hand

Invesco

A1 The Anglo-American fund management company Invesco has proposed moving its *primary* listing from London to New York following the recent loss of its foreign private issuer status in the United States.

answer: (c) primary

A2 Stocks are tax *efficient* when you consider that the taxes do not have to be paid until they are sold and you take profits; then you pay short-term capital gains tax if you've held the stock less than a year or long-term capital gains tax if you've held the stock longer, and the difference in these taxes is significant.

answer: (a) efficient

A3 Generally speaking, the *R*-Squared of a manager versus a benchmark is a measure of how closely related the variance of the manager returns and the variance of the benchmark returns are.

answer: (c) R

A4 The capital markets continued to be volatile during the quarter, as concerns about sub-prime mortgages, the economy and terrorism ebbed and flowed; by quarter end, bond yields had increased modestly in what can be described as a *Bear Steepener* (e.g. long rates increased more than shorter rates).

answer: (b) Bear Steepener

A5 Genelabs Technologies Inc said it would raise about $23.7 million in *direct* financing; the biopharmaceutical company said several institutional investors agreed to purchase about 12.9 million common shares and warrants to purchase about 2.6 million common shares, for $1.84 a unit.

answer: (b) direct

A6 *Secondary* stock is a stock of a company which is inferior to a blue chip in some way, such as by being lower quality, being higher risk or having smaller market capitalization.

answer: (d) Secondary

A7 Instead of a bid and ask price where there is a definable spread, a *choice* market is one where all trades, whether buys or sells, go through at the same price.

answer: (a) choice

A8 To calculate *book value* per common share: (share capital of common stock contributed surplus retained earnings) / number of common shares outstanding.

answer: (b) book value

A9 The controlling shareholder of the company that owns the Chicago Sun-Times offered to give up his control: Conrad Black said he would consider putting into *a voting* trust his shares of Hollinger Inc, which would put Hollinger in the hands of people independent of Black and not involved in the current litigation against him.

answer: (d) a voting

A10 The benefit of a *stop*-limit order is that the investor can control the price at which the trade will get executed, but the order may never get filled if the stock's price never reaches the specified limit price; this may happen especially in fast-moving markets where prices fluctuate wildly.

answer: (d) stop

Convertible Mortgages

A1 A borrower is usually required to pay fees to change from a convertible *ARM* mortgage to a fixed-rate loan, and the conversion can only happen during a specific period of time; it is common to find that this fixed rate is slightly higher than standard fixed rates.
answer: (a) ARM

A2 A book-*entry* security is one that is not available to purchasers in physical form; such a security may be held either as a computer listing on the records of a central holder (as is the case with certain U.S. Government securities) or in the form of a single, global certificate.
answer: (a) entry

A3 The *Federal Housing Administration* has helped millions of Americans secure their dream of homeownership since 1934; it provides mortgage insurance on loans made by approved lenders throughout the United States and its territories and is the largest government-backed mortgage insurer.
answer: (c) Federal Housing Administration

A4 Subject to subsection (2), the duty and authority of the drawee institution to pay a cheque are terminated by (a) *countermand* of payment, (b) notice of the drawer's mental incapacity to incur liability on a cheque, or (c) notice of the drawer's death.
answer: (b) countermand

A5 According to ERISA, regulatory and case law requires that retirement plan sponsors and their advisors act for the exclusive benefit of participants and with the skill, care and diligence of a prudent *expert.*
answer: (b) expert

A6 Latin American markets financing on international capital markets boomed in the first quarter of 2000, despite increasing volatility in industrial financial markets; net financing *flows* picked up in the first quarter of 2000, boosted by improved credit quality, a record of new debt issuance and low amortization payments due.
answer: (a) flows

A7 If you are considered to be *an active* participant in a company plan, and your income is above certain limits, then you cannot take a tax deduction for your traditional IRA contribution.
answer: (b) an active

A8 Your company's stock can list on The NASDAQ Stock Market in addition to being traded on your current exchange; NASDAQ launched the highly successful *dual* listing program in 2004 to offer companies an opportunity to experience its superior market performance firsthand without disruption.
answer: (b) dual

A9 In his May 2006 speech, David Walton of the Monetary Policy Committee of the Bank of England commented that "the *balance* of risks has shifted a little too much to the upside on inflation for comfort, and that, I believe, justifies a small tightening in monetary policy".
answer: (a) balance

A10 *Accredited* Personal Financial Planning Specialists are provided credentials through the Certified Financial Planner Board of Standards; after the examination, the CPA may offer services in personal financial planning, assessing the financial condition of clients and making sure they are utilizing available resources to the best advantage.
answer: (a) Accredited

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Financial Data

A1 *A fundamentalist* thinks that a corporation's security prices are determined by its future earnings and dividend abilities; besides studying a corporation's financial data, s/he will also examine its industry and how the economy will affect the company's core business.

answer: (b) A fundamentalist

A2 If you're looking for adventure in the stock market world, a capital *appreciation* fund may be just the thing for you; these are high-risk and, you hope, high-payoff funds invested in companies that show high growth potential.

answer: (d) appreciation

A3 Employees are usually not pleased when their company carries out a pension *reversion* plan: by replacing the pension plan backed by the company with a fixed annuity backed by an insurance company, pensioners are no longer covered by the guarantee of the Pension Benefit Guaranty Corporation.

answer: (c) reversion

A4 As to their potential *marketability*, these two species of clams are perceived as being too different from clams currently available on the market; the low response rates and shellfish dealers' unwillingness to evaluate free samples lead us to conclude that it is unlikely that there will be a widespread, mainstream demand for them.

answer: (c) marketability

A5 *Event* risk defies forecasting, though some ambitious minds never stop trying; recall how stunned everyone in the markets was by its ultimate manifestation in modern memory, the terrorist attacks of Sept. 11, 2001, on New York and Washington.

answer: (c) Event

A6 In margin trading, brokerage firms loan capital to traders so they may purchase more than they would otherwise be able to; but should the market turn against the trader, and they find themselves unable to liquidate their position, the trader can be left with a *debit* balance.

answer: (c) debit

A7 Contributions to a simple IRA are made up of salary reduction contributions and employer contributions; you, as the employer, must make either matching contributions or *nonelective* contributions, and may choose either method of making employer contributions on a yearly basis.

answer: (d) nonelective

A8 *Dual* trading is said to occur when an entity sometimes trades as a broker for customers, and at other times trades for its own account; it is quite pervasive throughout the United States securities and futures markets as well as in financial and commodity markets throughout the world.

answer: (b) Dual

A9 Securities which are nearly risk-free are sometimes referred to as '*fine* paper'.

answer: (b) fine

A10 Some businesses avoid double taxation by qualifying for the *conduit* theory — the incomes from mutual funds, REITs, and limited partnerships are only taxed once because interest, dividends, capital gains, etc are passed through to you; you pay tax on the income, but the business does not.

answer: (b) conduit

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International Claims

A1 There seems to be a *mystique* that surrounds international accounts, says David Greenberg, Divisional Vice President International Operations Collection Services, ABC-Amega Inc: they're perceived as being difficult to collect and more complicated to handle than domestic claims.

answer: (d) mystique

A2 The fact is that while laws may differ somewhat among countries, for the most part they are similar enough to allow for effective *disposition*, if you know how to proceed.

answer: (c) disposition

A3 Since most companies do not have the resources in-house to pursue collection of past due claims outside of their home country, most international claims are *placed* with commercial collections firms for handling.

answer: (c) placed

A4 Because of the *unscrupulous* collection tactics used in many countries, collection agents are viewed as thugs or gangsters in some areas of the world; as a result, overseas debtors tend to be more wary of 'collectors' and feel obliged to protect themselves from international fraud.

answer: (c) unscrupulous

A5 They require documentation that will assure them that the person attempting to collect the claim actually represents the creditor, so sending a copy of the placement form to the debtor can literally open *doors.*

answer: (a) doors

A6 Submit the complete contract to the collection agency together with the terms and conditions; this outlines the legal basis for pursuing the claim and defines the precise entity that contracted *with* you for the sale; it will also provide valuable information as to the choice of law, forum, or venue for resolving disputes.

answer: (c) with

A7 A copy of the purchase *order* provides valuable, specific details of the sale.

answer: (c) order

A8 A clear statement of account, *broken* into principle and interest, will allow the collection agency to define precisely how you arrived at the figure you've placed for collection.

answer: (a) broken

A9 Invoice copies are a *wealth* of specific information concerning the sale, containing terms of the sale, to whom the goods were shipped, who was billed for the goods, a description of the goods sold, and the method of transport used.

answer: (d) wealth

A10 A well-*crafted* credit application will provide valuable information that can assist the collection agency in pursuing payment; in addition to important banking and reference information, it contains terms, conditions, and on occasion, a signed personal guarantee.

answer: (a) crafted

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Anti-Fraud Regulations

A1 Treasury departments and banks are facing increasing regulatory requirements to minimise financial crime, but how can they balance compliance with the needs of the business and what tools are *at* their disposal?

answer: (a) at

A2 Methods of payment and banking are becoming more *sophisticated*, as seen in the latest automation, electronic peer-to-peer payment networks and methods of identity authentification, among others.

answer: (b) sophisticated

A3 This is a world that is trying to combine the speed of product delivery with security enhancements, so when the regulator imposes tougher standards in the area of financial crime, it is no wonder that some corporates and banks can feel somewhat *overwhelmed.*

answer: (d) overwhelmed

A4 One of the most basic *preventative* measures for all organisations is to acknowledge the fact that they are at risk from financial crime — that applies as much to a small local company as it does for a multi-billion dollar multinational, says Ben Poole of gtnews.

answer: (c) preventative

A5 The risk can sometimes be greater for small and medium enterprises, as they are more likely to operate on very tight margins and will not have a reserve of funds to *fall* back on if they are affected by fraud.

answer: (a) fall

A6 Smaller companies don't often have a qualified IT administrator, which can leave their network open to attack from *malevolent* outside influences.

answer: (d) malevolent

A7 As Barry Schofield notes: "Companies produce newsletters, policy-meeting minutes and so on, filled with project data, details about people, company status updates and other information; although information on a computer can be extremely important, the same piece of information written on a *napkin* is just as valuable."

answer: (b) napkin

A8 As well as taking control of financial crime issues, companies also face a whole *slew* of government compliance issues and regulations.

answer: (a) slew

A9 As new and revised regulations are implemented, it is important that organisations of all sizes keep up to date with what is required of them; if they do not, they can expect to be penalised by the regulator, as well as possibly *leave* themselves open to fraud.

answer: (b) leave

A10 *Stung* into action by global events such as 9/11, Enron, the dot-com crash and even the current credit crunch, regulators around the world have created a vast amount of legislation that banks and corporates must abide by or face the consequences.

answer: (c) Stung

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Corporate Espionage

A1 Whether it comes from an internal or external source, corporate espionage can hit all corporates hard, especially SMEs where margins are *tightest.*

answer: (d) tightest

A2 Since the primary motivation behind cyber crime switched from *mayhem* to money, the corporate security stakes have never been higher.

answer: (c) mayhem

A3 The protection of data should never be underestimated, as a recent event involving Her Majesty's Revenue and Customs in the UK highlights, where a CD containing confidential details of millions of people *went* missing.

answer: (c) went

A4 Most small and medium enterprises don't believe their company will be targeted; if a company is not in the defence industry or the company is relatively small, the thinking is, they aren't at risk, but this *all too* common attitude can be any small business' weakness.

answer: (a) all too

A5 The nature of a targeted attack means that it is probably going to be aimed at your weakest spot: for example, a laptop or a worker that secretly uses *peer-to-peer* file sharing programs to download videos.

answer: (d) peer-to-peer

A6 It's a struggle to keep track of the status of each computer, and many smaller companies are trying to use complicated and hugely technical enterprise security products that simply weren't designed with them in mind; consequently, corporate espionage is likely to give them even more of a *headache* going forward.

answer: (a) headache

A7 While the 'bad guys' might be getting more sophisticated in their attacks, small businesses have typically failed to keep *pace* with their defences.

answer: (b) pace

A8 But not all espionage is hi-tech *wizardry* and gadgetry.

answer: (d) wizardry

A9 Small businesses urgently need to look at ways of closing up potential *holes* in their network, such as tools that give them the ability to successfully implement safe computing policies, software rollouts and updates, while offering the necessary ease of use and management.

answer: (b) holes

A10 Corporate spies are perfectly happy to get information from the easiest, most overlooked sources, and more often than not, the offender is a *disgruntled* employee or someone at director level trying to set up as a competitior or give a company's intellectual rights away to a competitor for reward or revenge.

answer: (c) disgruntled

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Foreign Corrupt Practices Act

A1 As a result of SEC investigations in the mid-1970's, over 400 U.S. companies admitted making *questionable* or illegal payments in excess of $300 million to foreign government officials, politicians, and political parties.

answer: (a) questionable

A2 The abuses ran the *gamut* from bribery of high foreign officials to secure some type of favorable action by a foreign government to so-called facilitating payments that allegedly were made to ensure that government functionaries discharged certain ministerial or clerical duties.

answer: (d) gamut

A3 Congress enacted the FCPA to *bring* a halt to the bribery of foreign officials and to restore public confidence in the integrity of the American business systemm, and it was intended to have and has had an enormous impact on the way American firms do business.

answer: (a) bring

A4 Several firms that paid bribes to foreign officials have been the subject of criminal and civil enforcement actions, resulting in large fines and suspension and *debarment* from federal procurement contracting, and their employees and officers have gone to jail.

answer: (b) debarment

A5 Following the passage of the FCPA, the Congress became concerned that American companies were operating at a disadvantage compared to foreign companies who *routinely* paid bribes and, in some countries, were permitted to deduct the cost of such bribes as business expenses on their taxes.

answer: (b) routinely

A6 Accordingly, in 1997, the United States and thirty-three other countries signed the OECD Convention on *Combating* Bribery of Foreign Public Officials in International Business Transactions.

answer: (a) Combating

A7 The antibribery provisions of the FCPA make it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to a foreign official for the purpose of obtaining or retaining business *for or with*, or directing business to, any person.

answer: (c) for or with

A8 Since 1998, they also apply to foreign firms and persons who take any act in *furtherance* of such a corrupt payment while in the United States.

answer: (c) furtherance

A9 The FCPA also requires companies whose securities are listed in the United States to *meet* its accounting provisions.

answer: (b) meet

A10 These provisions, designed to operate in *tandem* with the antibribery provisions of the FCPA, require corporations to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls.

answer: (d) tandem

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Security Offers

A1 Securities are issued in the *primary* market by one of the following methods: an offer to the public by an issuer through a prospectus; an offer to specific known persons selected by the sponsors; or an offer in which existing shareholders are offered new securities.

answer: (c) primary

A2 On the other hand, hostile takeovers often result in the management being fired anyway, so the effectiveness of a *people* pill defense really depends on the situation.

answer: (b) people

A3 At any given time, a minimum of four different expiration months are available for every *optionable* stock.

answer: (c) optionable

A4 *Nonforfeitable* benefits cannot be lost by a participant even if the participant terminates service with the employer before qualifying for full retirement benefits; these benefits are determined by applying the years of credited service to the vesting schedule used by the retirement plan.

answer: (b) Nonforfeitable

A5 A municipal *note* is a short-term debt instrument, generally with a maturity of less than one year, issued by state or local government, and repayable from the general fund of the issuer or a defined revenue source.

answer: (d) note

A6 A *marketable* security is a readily tradable equity or debt security with quoted prices, including commercial paper and treasury bills; it is a 'close to cash' asset which is classified as a current asset.

answer: (b) marketable

A7 To be accurate, the term *liquidation* preference should only pertain to money returned to a particular series of the company's stock ahead of other series of stock.

answer: (d) liquidation

A8 Most SME businesses looking for venture money aren't going to find big firms interested in what they're doing, and that's where the *invisible* venture capital market becomes critical; this highly elusive source of financing is very unstructured and largely informal, comprising a diverse set of high net worth individuals.

answer: (d) invisible

A9 One objective of *inflation* accounting is to eliminate the 'money illusion' by reducing the accounts to 'real terms'; the purchasing power or constant dollar method does not meet this general objective.

answer: (c) inflation

A10 It is deemed as significant if a security breaks above the resistance level or below the support level: analysts usually interpret this to mean that the security will reach new highs or lows and thus, its *historical* trading range expands.

answer: (a) historical

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Eurobonds

A1 Paula Perttunen had also talked to her boss about the merits of doing *a convertible* Eurobond issue, which could cost 34 percent below a straight issue; the problem was that Finnish laws limited the amount of a local firm's equity that could be held by foreigners to 20 percent, and Nokia was already approaching that limit.

answer: (b) a convertible

A2 All *adjustable*-rate mortgage programs come with a pre-set margin, and are tied to a major mortgage index such as the Libor, COFI, or MTA; some banks and lenders will allow you to choose an index, while many rely on just one of the major indices for the majority of their products.

answer: (a) adjustable

A3 The debt to the sum of USD 15,000 was caused by the debtor's failure to fulfil the obligations under the independent-work contract dated November, 15, 2005 and the *vouchers* dated October 21, October 23, November, 11 and November 26, 2005.

answer: (d) vouchers

A4 "Beware of Triple *Witching* Hour": what sounds like a line from a cheap horror movie is actually a warning you are likely to hear four times a year when three speculative derivatives all expire on the same Friday.

answer: (c) Witching

A5 For investors looking to minimize their tax bite, there are tax-*free* bond funds, which invest in municipal bonds (debt offerings from state and local municipalities) whose distributions aren't subject to federal taxes nor taxes in the states and localities that issue the bonds.

answer: (c) free

A6 A stop *loss* is an order to buy (or sell) a security once the price of the security climbed above (or dropped below) a specified stop price; when the specified stop price is reached, the stop order is entered as a market order (no limit) or a limit order (fixed or pre-determined price).

answer: (c) loss

A7 Chances are a super *sinker* bond will be redeemed in its entirety well before the stated maturity date; for instance, if municipal waste comes in slowly — 150,000 tons per year — the counties will have 30 years to pay off the bonds.

answer: (c) sinker

A8 *Sector* funds permit investors to concentrate on a specific investment segment and yet diversify their investments among various issuers; they entail more risk but offer greater potential returns than funds that diversify their portfolios.

answer: (c) Sector

A9 A convertible bond is a *residual* security because conversion of the bond by an investor will result in more shares of common stock outstanding and a reduction in earnings per share.

answer: (c) residual

A10 The central idea of the random *walk* theory is that the market, an aggregate of financial actions by many with their several different purposes and intents, is not inherently knowable; to outperform the market assumes that you understand the market, when actually you are making assumptions.

answer: (d) walk

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Personal Possessions

A1 Almost everything you own and use for personal or investment purposes is a *capital* asset; examples are your home, household furnishings, and stocks or bonds held in your personal account.
answer: (a) capital

A2 The subprime *meltdown* has been in full swing ever since February 7th 2007, when HSBC (HBC) raised subprime loan loss reserves by 20% and New Century (NEW) announced a net loss for 4Q06 and an accounting probe to determine how big that loss was.
answer: (c) meltdown

A3 Like many small business owners, you may find that it's too expensive to pay an accountant to do routine *bookkeeping* chores; someone in your organization must take on the responsibility of keeping an accurate set of financial records.
answer: (c) bookkeeping

A4 These are all cases of the movement of goods irrespective of international sales and purchases, though the movements themselves appear in the international records of imports and exports, and therefore it seems to be assumed, though without any warrant, in the international records of the *balance* of trade.
answer: (b) balance

A5 The value of landscape trees, used for many architectural, engineering, climatic and aesthetic purposes, is normally greater than the dollar value of the marketable wood they contain, and a realistic *appraisal* of landscape trees is often required to settle legal disputes, damage claims or casualty loss.
answer: (a) appraisal

A6 While there are a number of markets that are used for trading stocks, the *actual* market is concerned with buying and selling tangible goods, and may involve such diverse types of products as crude oil and related products, computer supplies such as memory chips, or basic foods such as grains, sugars, or produce.
answer: (a) actual

A7 *Subchapter* M is that portion of the IRS regulations dealing with the conduit theory, in which investment companies and real estate investment trusts avoid double taxation by passing interest and dividend income and capital gains directly through, without taxation, to shareholders, who are taxed as individuals.
answer: (c) Subchapter

A8 The *Public* Securities Association was the trade association for primary dealers in US government securities, including MBSs; in 1997, they became known as the Bond Market Association.
answer: (c) Public

A9 Until *Limited* Liability Companies came on the scene, businesspersons (other than sole proprietors) had a choice of business entity generally only of corporations or partnerships, involving a tradeoff between limitations on the liability of the owners for debts of the business and tax savings through a single tax on income.
answer: (b) Limited

A10 Normally, applying for and receiving a Federal *ID* Number through the mail takes six to eight weeks, but with online application, your information is e-filed instantly with IRS when you complete the online application form; they will save this information and immediately assign the number to your business.
answer: (a) ID

Money Market Performance

A1 Money market performance is an annualized historical *yield* based on the seven-day period ended on said date, annualized in the case of its effective form by compounding the seven-day return, and does not represent actual one-year return.

answer: (d) yield

A2 *Funded* debt is all outstanding bonds, debentures, notes and similar debt instruments of a company payable after one year.

answer: (d) Funded

A3 The Glass-Steagall Act created *a firewall* between commercial banking and investment banking until it was eliminated by the Financial Services Modernization Act of 1999.

answer: (a) a firewall

A4 The Nebraska Microenterprise Partnership Fund makes interest-only (or *evergreen*) loans for lending capital for microlending by micro programs and small community revolving funds; this capital is then loaned to micro businesses.

answer: (b) evergreen

A5 Dual-*purpose* funds have a set expiration date, at which time all preferred shares in the fund are redeemed, giving the common shareholders sole ownership of the fund; the latter then decide whether to liquidate the fund and divide up the proceeds or to convert it to an open-end mutual fund.

answer: (d) purpose

A6 With *a direct* lease, you identify the asset (and negotiate the price) and arrange for the leasing company to buy it from the manufacturer (if new) or the previous owner (if used) to rent it to you.

answer: (a) a direct

A7 Asked why she doesn't just pay with cash, Yukako says that she prefers the convenience of *a debit* card: "It's safer than carrying cash, and you don't have a huge bill to pay at the end of the month."

answer: (b) a debit

A8 *Country* risk will be measured by an index of severity consisting of nine composite indicators, armed conflict, governance and political stability, militarization, population heterogeneity, demographic stress, economic performance, human development, environmental stress and international linkages.

answer: (a) Country

A9 The information contained in recorded broadcast of Adobe Systems Incorporated's conference *call* held on December 14, 2006 at 2 p.m. Pacific Time speaks as of that date; investors should not assume that these comments remain operative at a later time.

answer: (a) call

A10 The securities and futures markets have *circuit* breakers that provide for brief, coordinated, cross-market trading halts during a severe market decline as measured by a single day decrease in the Dow Jones Industrial Average (DJIA).

answer: (a) circuit

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Natural Resources

A1 Commodities like gold, natural gas and similar natural resources are one traditional *inflation* hedge: demand typically rises for such commodities, raising their prices to the advantage of their investors.

answer: (c) inflation

A2 If timberland is destroyed or purloined, or if trees are condemned for public use, the property owner might be entitled to a deduction from his income tax; this kind of loss is termed involuntary *conversion.*

answer: (d) conversion

A3 The *liquidation* value of a business is equal to the value of its individual assets, assessed as if the entity would cease carrying on business; there are in fact two types, dependent on the time available for the process.

answer: (c) liquidation

A4 NASD Rule 2220 states that members must charge their customers fair prices and commissions, while InterpretiveGuideline 1220 provides a guide to what constitutes a reasonable *mark-up* in light of this rule.

answer: (b) mark-up

A5 The key difference between municipal *revenue* bonds and general obligation bonds is that the latter are covered by the full faith and credit and taxing ability of the issuer, while the former are repaid from the income of the project they finance, such as a housing project or a hospital.

answer: (d) revenue

A6 Several states have enacted regulations covering power of sale foreclosure in the last few years; however, almost thirty states still have no practical method of *nonjudicial* foreclosure.

answer: (b) nonjudicial

A7 Paying *an optional* dividend can solve this problem: by offering a stock dividend at a slight discount, investors can perhaps be persuaded to opt for payment in new shares, so that cash can then remain with the company.

answer: (c) an optional

A8 If Charles's will indicates that his heirs are to receive their inheritance "*per stirpes*", his daughter Anne will get half the property and his deceased son Albert's two children will share the other half in equal portions through Albert by right of representation.

answer: (d) per stirpes

A9 Alibris, the complete metrology solution provider and The Netherlands' Entrepreneur of the Year in 2007, announced its IPO on Eurolist by Euronext Amsterdam; 55 million euros of newly issued shares will be in the *primary* offering.

answer: (d) primary

A10 Because of the narrow coverage margins of the City's waterworks revenue bonds, any fluctuations in revenue due to inclement weather, etc, may affect the financial performance of the system and cause a reduction in coverage below the rate *covenant.*

answer: (d) covenant

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Useful Life

A1 The *residual* value is the sum for which the lessee can purchase the vehicle at the end of its lease term, if s/he decides s/he would like to buy it.

answer: (c) residual

A2 After deciding what percent of the portfolio to devote to a sector *rotation* strategy, the investor then identifies the business cycle to target, and once this is accomplished, he determines which companies will benefit from it.

answer: (c) rotation

A3 A bond agreement may also include a *sinking* fund provision requiring a company to repay a specific number of bonds in specific years or to retire a portion of a bond issue each year until it has been fully repaid.

answer: (d) sinking

A4 Stock traders will frequently choose the simple buy-low-and-sell-high, range-limited approach, but as we attempt to choose the next major bottom or top, we may experience the frustration of our trade being stopped *out*, while the market continues to slightly new lows or highs.

answer: (c) out

A5 The manager of *a tax-managed* fund may intentionally sell some stocks for losses specifically so that these losses can offset future gains or actively sell shares with the highest cost to create as slight a gain as possible — or even a loss.

answer: (d) a tax-managed

A6 In the administration of estates for private individuals, the *trust* company has mostly replaced personal attorneys, because it has the advantage of corporate responsibility and continuous life, proper offices, burglar-proof safes, and specialized employees in each department.

answer: (d) trust

A7 A wage *assignment* permits your creditor to require that your employer deduct funds from your pay check in order to pay your debt, and because it is a voluntary deduction to which you must agree, it can be enforced without a court ruling.

answer: (a) assignment

A8 *Adjusted* Gross Income equals income from taxable sources less allowable adjustments; it is utilized to determine taxable income by deducting personal exemptions plus either itemized or a standard deduction.

answer: (a) Adjusted

A9 Its Corporate *Financing* Committee has reviewed all criteria for qualified independent underwriters and recommended certain amendments to the Board of Governors of the NASD, which has approved them.

answer: (c) Financing

A10 Payroll taxes are garnished under the authority of the Federal *Insurance* Contributions Act; in the first 1935 legislation, the benefit provisions were listed in Title 2 of this law, and that is why Social Security is sometimes called 'the Title 2 program'.

answer: (a) Insurance

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Personal Guarantees

A1 In a limited *liability* partnership, several individuals or companies share the costs and profits of the business, but their responsibility is restricted to the sum of money they have invested and to any personal guarantees given.

answer: (c) liability

A2 The *QQQ*, also called the 'Cubes', is an exchange-traded fund; it tracks the NASDAQ 100 index, containing the key stocks of the NASDAQ Composite Index quoted each night on the TV news.

answer: (c) QQQ

A3 In a *Subchapter* S corporation, the net profit or loss is deemed distributed to its shareholders, who must include it in their individual tax returns irrespective of whether they actually receive the cash.

answer: (c) Subchapter

A4 *Actuals* form a part of trading in the market: such a commodity is traded for either cash or some other commodity, and this transaction includes an exchange between two or more parties as well as delivery of the goods transacted.

answer: (a) Actuals

A5 The firm thinks that the end of the recession is too distant to warrant buying cyclical stocks, so it is buying the *secular* stocks that are attempting to reduce expenses and manage their way toward recovery.

answer: (b) secular

A6 *A balanced* budget is reached when the government can equate revenues with expenditure over the business cycle; this makes allowance for a deficit during periods of low economic activity, which must nevertheless be matched by a surplus during periods of high activity.

answer: (a) A balanced

A7 Under the FRB's Regulation T, a *restricted* account is not permitted to initiate a debit balance for any reason; buy orders are only accepted if cleared funds are in the account, and this condition holds until 90 days from the date of the transaction.

answer: (d) restricted

A8 The committee scrutinizes the state's *capital* budget, which allocates money for construction and repair of public structures and other long-term investments like land acquisition and transfer, and also includes funds given or loaned to local governments and non-profit organizations.

answer: (a) capital

A9 The U.S. Department of Labor statistics that will be published tomorrow by The Springfield Gazette present the *civilian* unemployment rate as the best measure of the national labor market rather than the overall rate, whose base includes US-based military personnel.

answer: (a) civilian

A10 The European Leasing Barometer measures the expectations of leasing professionals in the next six months in consideration of the state of the general economy, the leasing sector and their own businesses, and as such functions as a good *confidence* indicator.

answer: (a) confidence

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Fixed-income Investments

A1 Investors would not buy bonds if the only incentive were getting their money back after a certain period of time; the income for fixed-income investments is the interest received at a fixed rate, called the '*coupon*'.

answer: (a) coupon

A2 *Slander* is difficult to prove, since unlike something in a newspaper or magazine, you cannot brandish a past utterance before a judge; also, settlements are usually smaller, because the spoken word is generally considered less potent than a broadcast or printed word.

answer: (d) Slander

A3 Injecting funds into one's account does not automatically settle any invoice or *debit* note pending against it; the account holder must pay for it manually.

answer: (d) debit

A4 *An eviction* is a legal procedure that a landlord utilizes to remove a tenant from an apartment or other accommodation after he serves the tenant with a Notice to Quit; this latter is normally a single sheet of paper, signed by the landlord or his lawyer, and delivered by a legal officer.

answer: (b) An eviction

A5 One of the changes to income tax legislation was the reduction of the marriage *penalty* on couples who file joint tax returns, by equalizing the deduction for couples and singles, and raising the endpoint of the 15-percent bracket for married couples filing joint returns.

answer: (d) penalty

A6 Firm *commitment* lending is a creditor's formal offer laying out all the terms under which he will lend money to a borrower over a stated time period.

answer: (b) commitment

A7 *A due bill* is an obligation that results when an asset such as a security is sold by a brokerage or bank and payment is received, but the security or other asset has not yet been delivered.

answer: (b) A due bill

A8 The trade volume slowed during the decline in prices, indicating sellers were less aggressive; the market reached a position in which traders were unwilling to sell at a lower price while buyers began to lift offers — no dealers were willing to *hit* the bid.

answer: (c) hit

A9 As utilized in this contract, the phrase '*prime* account' means an account that is acceptable to you, that has been validly assigned to you, that is less than ninety days overdue, and that complies with our representations and warranties to you.

answer: (a) prime

A10 The US Treasury first issued inflation *indexed* securities in 1996; these instruments protect the holder against inflation and deflation by altering the principal periodically to follow changes in the Consumer Price Index.

answer: (c) indexed

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A1 In a recent press release, the bank said regarding the requirement for maintaining a statutory *liquidity* ratio (SLR) of Rs 120 crore, it currently holds approved securities to a total of Rs 210 crore.

answer: (d) liquidity

A2 *Appraisers* and assessors of real estate estimate the value of property for a variety of purposes, such as to assess property tax, to confirm adequate collateral for mortgages, to confirm or help set a good sales price, to settle an estate, or to aid in a divorce settlement.

answer: (c) Appraisers

A3 '*Furthest* month' is used in the context of commodities or options trading to refer to the month that is away from the contract's date of settlement.

answer: (b) Furthest

A4 A *mutual* association is a kind of savings association designed so that its board of directors is elected by its members, both its depositors and sometimes its borrowers; it does not issue capital stock, so its members do not share in its profits.

answer: (d) mutual

A5 Midway Airlines may be forced into *involuntary* liquidation because of its lack of financial information filed with the bankruptcy court; the administrator has filed a motion seeking court approval to convert the airline's bankruptcy from Chapter 11 to Chapter 7.

answer: (b) involuntary

A6 You should consider a *rate lock* as insurance that you will receive the loan at the agreed-upon interest rate even if general rates rise; it also shields the lender, since you promise to borrow at the indicated rate even if general interest rates drop.

answer: (b) rate lock

A7 A corporation must keep its general ledger or other books of *final* entry, in electronic or paper form, containing summaries of its year-to-year transactions, along with any special agreements, contracts, etc, that might be needed to understand the entries.

answer: (a) final

A8 *Direct* paper is a cost-effective way for cash-strapped companies to borrow money, because they avoid the fees imposed by brokerage firms; issuing straight to the public is more cost effective, but brokers still dominate the distribution market.

answer: (c) Direct

A9 Electron is *a story* stock in almost every sense — in the six years it was carried from venture capital to the public market, it never made money, but its hydrogen creation system and energy storage developments perch the company atop hydrogen fuel cell technology, the cutting edge of energy management.

answer: (d) a story

A10 Bear *spreads* are useful when a moderate decline in underlying stock or indices is anticipated; when a sharp fall is expected, aggressive strategies like writing calls or buying puts can be utlized to take advantage.

answer: (c) spreads

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Gray Market Goods

A1 The problem of grey market goods has been *plaguing* the judicial system for many years, with judges trying to define trademark and copyright holders' rights.

answer: (c) plaguing

A2 In the case of trademarks, the courts have *coalesced* around the guideline that goods intended for outside the United States with the US trademark holder's approval, when imported, will be an infringement only if such 'foreign' products differ significantly from the ones sold in the US.

answer: (a) coalesced

A3 What *constitutes* a'significant' difference, needless to say, varies among products.

answer: (c) constitutes

A4 For instance, Coke bottles sold in Panama were found significantly different: the Spanish labels did not list the contents, while the packaging and shipping caused the Panamanian bottles to be *susceptible* to product spoilage and leaking.

answer: (c) susceptible

A5 The Federal Court of Appeals has added a *caveat* to this guideline, considering that goods don't substantially vary if the trademark holder has allowed foreign-directed goods into the US in a way that all or materially all of the United States sales are not the American version of the product.

answer: (a) caveat

A6 In another case, Elk Corporation brought their case under 21 USC 1209 *before* the United States International Trade Commission.

answer: (a) before

A7 The Administrative Law Judge of the USITC *held* in favour of Elk, stating that numerous substantial differences clearly existed between the cultivators sold by Elk in the US and their European models, and included differences in the services offered along with the cultivators.

answer: (b) held

A8 While the respondents gave evidence showing that Elk had authorized sales of these machines in the United States, the judge placed the *burden* of proof upon them to establish that Elk had approved those sales and that the quantity of sales was material.

answer: (a) burden

A9 In spite of the fact that the respondents had raised the point as a defense, the judge stated that Elk was required to establish a prima *facie* case that materially all of its US sales conformed to the American version of the cultivator.

answer: (b) facie

A10 That is to say, first Elk needed to establish a United States standard against which the *alleged* substantial variations of the European model were to be mensurated.

answer: (a) alleged

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The GATT System

A1 Our world emerged from the *ravages* of World War II in 1945.

answer: (c) ravages

A2 The challenge then was to reconstruct economic stability in the face of *pervasive* disorder and enormous dislocation, to regain a feeling of global community and establish a base for future prosperousness and growth.

answer: (d) pervasive

A3 The engineers of a new system had to construct from the ground *up*, and they demonstrated vision and far-sightedness; after fifty years of progress raised on the foundations that they laid then, we now often take for granted that which was new and imaginative at at that time.

answer: (c) up

A4 The late 1940s was not only about the finish of the most devastating war ever *waged*; it was also concerned with the control of dangerous economic nationalism and the quest for a new world order.

answer: (c) waged

A5 Defending a rules-based system on a daily basis has been greatly assisted by the fact that the system gave *primacy* to the markets rather than the governments in deciding economic outcomes.

answer: (b) primacy

A6 The governments *abrogated* their responsibility, but concentrated on creating basic conditions for prosperity and promoting liberalization; they considered direct intervention only under circumstances where markets were thought wanting.

answer: (b) abrogated

A7 The key idea of the rules-based system is non-discrimination, and this emerged from the *conviction* that exclusive dealings and in-groups helped stoke those rivalries and conflicts that drove the community of nations into the Second World War.

answer: (d) conviction

A8 The patchwork *quilt* of agreements that had undermined the unity and continuity of interwar economic relations was replaced with unified rules.

answer: (d) quilt

A9 And more basically, the non-discrimination principle *enshrined* universality as a central goal of the trade system, guaranteeing that the GATT system would eventually become a force majeure in the integration of the world's economies.

answer: (a) enshrined

A10 Answers for the challenges that goverments face today and tomorrow will continue to call for *concerted* action on a range of fronts.

answer: (d) concerted

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University Public Relations

A1 In the near future, the University of Alaska's Communications Office will play an increasingly *pivotal* role in the University's success.

answer: (c) pivotal

A2 Colleges and universities are currently in competition for students, funds and status with greater *ferocity* than in the past.

answer: (b) ferocity

A3 At the U of A, the Communications Office supplies a wide *array* of services to the campus.

answer: (b) array

A4 Although the U of A's central marketing team is small in comparison to *peer* universities in the West, these efforts are being realized by a productive, engaged staff.

answer: (d) peer

A5 The amalgamation of *divergent* views, approaches and attitudes into a single comprehensive campus-wide image and message is of the essence.

answer: (c) divergent

A6 Significant amounts of time and resources will be necessary to see that these images and messages to the institution's *myriad* audiences are appropriate, effective and complementary.

answer: (b) myriad

A7 Support for these efforts is multi-*faceted* and need to be appropriately coordinated, and the University of Alaska's comprehensive mission and goals must be kept always in perspective.

answer: (b) faceted

A8 The University's first mandate is to give its students *an exemplary* education.

answer: (a) an exemplary

A9 The University also significantly enhances life in the state of Alaska, since it is a major employer, contributes *inestimably* to its cultural life, and provides stability and economic potential.

answer: (a) inestimably

A10 University administrators around the nation are being drawn more and more into public discussion of campus issues; energetic news media, politically-active students and politicized issues can create a public relations *debacle* for institutions.

answer: (a) debacle

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Services Marketing

A1 Services are primarily intangible and tend to be an experience which is consumed at the point of purchase; they cannot be owned since they quickly *perish*, and once they have occurred they cannot be repeated in exactly the same way.

answer: (b) perish

A2 Marketing personnel often speak of the nature of a service as *inseparable* from the point of consumption and from the service provider.

answer: (a) inseparable

A3 The right of *ownership* is not extended to services, since we merely experience them; we cannot sell them once they have been consumed.

answer: (a) ownership

A4 The Western economies have seen *deterioration* of the traditional manufacturing sectors and growth of the service economies.

answer: (c) deterioration

A5 People are the key *element* in any service: services are usually produced and consumed simultaneously, and aspects of the customer experience are adjusted to serve the needs of the individual consuming them.

answer: (c) element

A6 Many of us can recall a situation in which the personal service offered has enhanced or *tainted* a vacation, an overnight stay or a restaurant meal.

answer: (a) tainted

A7 Every customer *facing* staff member needs training and development in order to maintain high quality personal service.

answer: (a) facing

A8 This training ought to start during *induction* into the company, which will involve the new staff in the organization's culture for the first time and brief them on operating policies and procedures.

answer: (c) induction

A9 The organization must also pay attention to Continuing Professional Development, in which every staff member sees his or her professional career as *a lifelong* process of training and growth.

answer: (a) a lifelong

A10 The *disposition* and attitude of these service personnel is critically important: the way that complaints are dealt with can mean the difference between keeping and losing customers or between making and destroying the company's reputation.

answer: (a) disposition

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Marketing Strategy

A1 The development of its marketing strategy is critical for a business, because without one, its efforts to draw customers are going to be *haphazard* and ineffectual.

answer: (b) haphazard

A2 The focus of its strategy needs to be on ensuring that its products or services *meet* customer needs better than do its competitors', as well as on the development of long-term, profitable customer associations.

answer: (c) meet

A3 The business should identify whole new markets to target: *central* to a successful marketing strategy is understanding one's customers and their needs.

answer: (b) central

A4 One key to successful marketing is the undertanding that both existing and potential customers will *fall* into specific segments or groups identified by their needs.

answer: (b) fall

A5 The focus of a company's strategy ought to be to identify such groups with their needs and then *address* them more successfully than its competition.

answer: (a) address

A6 In this way, the business is able to create a marketing strategy which *makes* the most of its strengths and then matches them with the needs of the customers it plans to target.

answer: (c) makes

A7 If, for instance, a specific customer segment wants quality first and *foremost*, then marketing efforts aimed at them needs to direct their attention to the business's high quality service.

answer: (b) foremost

A8 For maximum efficiency, the business should limit its activities to the methods that it thinks will work best, and thus avoid *spreading* its marketing budget too thinly.

answer: (d) spreading

A9 Often forgotten is the necessity to monitor and evaluate the effectiveness of the marketing strategy; this control helps the company check how it is performing in practice and also helps to *inform* its future strategy.

answer: (a) inform

A10 One simple *device* is to inquire of each new customer as to how they found out about the company.

answer: (b) device

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Virtual Economy

A1 According to current US tax law, if an individual acquires USD income from a transaction in a virtual economy, a problem may arise as to whether tax is owing on this real-world income; however, if the transaction occurs wholly within the virtual economy, there is no taxable *event.*

answer: (c) event

A2 A best effort offering would probably fail if negative valuation information appeared between filing and offering, because its filing-date price would be too high; on the other hand, a *firm* commitment offering might be successful if the issuer is willing to lower the price.

answer: (b) firm

A3 It is sometimes difficult to distinguish cost-push and demand-pull inflation, which is made worse by the fact that they can interact to cause a wage-price *spiral*: employees want compensation for higher prices, because they do not want their purchasing power to drop.

answer: (b) spiral

A4 When we were young and poor, nothing made us angrier than the rich people who paid no income taxes; we were not alone, and that frustration led to the inception of the *alternative* minimum tax, designed to keep the wealthy from living tax-free.

answer: (b) alternative

A5 Some businesses make goods, others provide a service, and still others distribute goods; the second line of a Profit and Loss Statement is called *Cost of Goods Sold*, which tells us how much money was spent doing whatever it is that the company does.

answer: (b) Cost of Goods Sold

A6 The *Federal* National Mortgage Association was created under Franklin D. Roosevelt in 1938, when millions of American families were unable to become homeowners or risked losing their houses through the lack of a consistent source of mortgage funds.

answer: (b) Federal

A7 A strategic *inflection* point is a critical juncture in the development of a business, when something fundamental is on the verge of change; this could mean the opportunity of climbing to new heights, or it could indicate the beginning of the end.

answer: (b) inflection

A8 *REMICs* appeal to a wider investor base than traditional mortgage-backed securities because of their flexibility in presenting investment opportunities with different risk vs reward levels and different maturity horizons to investors.

answer: (d) REMICs

A9 The NASD *suitability* rule states that when a financial representative recommends the purchase, sale or exchange of a security, s/he shall have reasonable grounds for believing that it is appropriate for the investor's needs, based on facts disclosed by the latter in respect to his or her other holdings and financial situation.

answer: (d) suitability

A10 *Actuarial* assumptions examine hiring age in order to extrapolate the number of years of service that the employee will likely work, but the City's formula ensures that late hires will not be able to draw a full benefit from the contributions that they have paid into their pension plan.

answer: (a) Actuarial

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The Best of Both Worlds

A1 Through investment in both fixed-return investments and shares, *a balanced* fund seeks to get the best of both worlds; it is the best bet for investors who wish to profit from the stock market but lack the stomach for volatility.

answer: (a) a balanced

A2 An important prerequisite of the perfect *hedge* is that the portfolio movements are precisely correlated with the movements of the index that underlies it.

answer: (b) hedge

A3 CB&Q Railway Corporation announced a new $3.1 billion capital *commitment* program; it anticipates investing some $500 million in facilities and track to expand capacity for customers in agricultural products and coal.

answer: (a) commitment

A4 This chart displays the cross rates of ten major world currencies; scan down or across it to find the rate of *exchange* between any two of these currencies.

answer: (b) exchange

A5 We must note that the state owns stock in 52 corporations with a market value of $150 million which are not on the *approved* list; these securities were added to its portfolio through spin-offs or mergers of previously owned corporations on the list.

answer: (d) approved

A6 A *coupon* bond pays its holder a specified amount at specified dates until maturity; then its face value is paid at the maturity date.

answer: (a) coupon

A7 In the case of a *sleeper* stock that has an unsuspected earnings potential and a low P/E multiple, its price will probably rise much faster than its profits when investors discover its new horizons, and their purchases will force up the P/E.

answer: (c) sleeper

A8 A debit *spread* is created when the options investor buys a put or call and at the same time sells a further out-of-the-money put or call; this limits the dollar risk and the reward relative to the traditional option purchase.

answer: (b) spread

A9 The trust's activities are confined to issuance of the trust *preferred* securities to investors and to retain the debentures which are purchased from the holding company.

answer: (d) preferred

A10 Your Keogh plan must be opened by 1 February 2009 to make a contribution for 2008, and contributions must be submitted by 1 March 2009; however, you can extend the *due* date to 1 June 2009 if you file for an extension.

answer: (b) due

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Pending Benefits

A1 *An ex-all* security sale is a case in which the seller reserves to himself the rights to all of its pending benefits.

answer: (b) An ex-all

A2 In a *mutual* insurance company, policyholders who buy a 'participating' product, e.g. whole life insurance, gain entitlement to vote for the board of directors as well as share in declared annual dividends.

answer: (b) mutual

A3 The fundamental concept of a *trust fund* sets a separate legal entity to control financial assets for the benefit of the beneficiary; the individual establishing it is called the grantor.

answer: (d) trust fund

A4 Across the street from the NYSE is the Consolidated Stock and Petroleum Exchange of New York, fondly known as the "*little* board", but disrespectfully referred to by residents as the "morgue".

answer: (a) little

A5 *Arbitrage* houses scout out inefficiencies in the market and mis-priced securities, and then they make trades which produce risk-free profits.

answer: (c) Arbitrage

A6 A contract *holdback* is a provision found in most common law contracts requiring the person hiring the general contractor to retain a certain percent of the payment for a specified period in order to ensure that the subcontractors are paid.

answer: (a) holdback

A7 After the preliminary prospectus is filed with the SEC, the company may begin to sell the securities, but during the *waiting* period, they may make offers only (a) with a summary prospectus adhering to the disclosure requirements, (b) orally, or (c) using a tombstone advertisement.

answer: (d) waiting

A8 A *listed* option is a standardized option contract with terms determined by an exchange and having its trade cleared through a clearing house.

answer: (b) listed

A9 A married couple can submit their income tax returns in only 2 ways: (1) as married filing *jointly*, in which case all their income and deductions are lumped, or (2) as married filing separately, in which case they each account for these items individually.

answer: (b) jointly

A10 Fiduciaries may retain without liability for loss any investments authorized when received or made, even though they no longer qualify as such, if they exercise due care in the retention or disposition of these *nonlegal* investments.

answer: (c) nonlegal

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Routing Orders

A1 To attract brokers' orders, some exchanges pay a broker for routing orders through them; this is called 'payment for order *flow*', and is one of the ways in which a broker can make money from executing a trade.

answer: (b) flow

A2 At the end of March, before Tanaka Inc closes its books, all transactions recorded in the Books of *Original* Entry (that is, the Sales Day book and the Cash book) are added up and then posted to the General Ledger via journal entries in the General Journals.

answer: (c) Original

A3 Hedge funds generally use *prime* brokers for borrowing money, executing trades and other services, while larger funds use multiple brokers.

answer: (c) prime

A4 Arizona resident Bernard Jones filed a *class*-action lawsuit against Apple, alleging that the iPhone maker violated Arizona's antitrust laws; the suit was filed by Shyster C. Deadlock, the lawyer who has been seeking plaintiffs for this case, on behalf of Jones.

answer: (a) class

A5 When *restricted* securities are acquired, the holder must find an exemption from the Securities and Exchange Commission's registration requirements in order to sell them in the marketplace; Rule 144 permits public resale only if certain conditions are met.

answer: (b) restricted

A6 An important part of *a confidentiality* agreement is the description of the information; the disclosing party is often reluctant to describe this in detail in the contract, fearing that some may be revealed in the contract itself.

answer: (b) a confidentiality

A7 The size of the savings deposit required for a *secured* credit card can vary from a few hundred dollars to several thousand; the line of credit is a percentage of the deposit, and application and processing fees may also have to be paid.

answer: (c) secured

A8 Purchasing an index *straddle* combines the benefits of an index put and an index call purchase, and leveraged potential profits can be considerable if there is a big up or down movement of the underlying index.

answer: (b) straddle

A9 The *taxable* wage base is the total for which the company must pay taxes on behalf of every employee; excess wages are also reported, but they are subtracted from the employee's total wages.

answer: (d) taxable

A10 A *Direct* Participation Program is an investment venture which is designed to pass income and tax losses of the underlying investments through to investors; however, its use as a tax shelter has been egregiously lessened by tax legislation.

answer: (b) Direct

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Foreign Shares

A1 *American* Depositary Receipts were first issued in 1928 to assist investors in the US who wanted to purchase shares in foreign corporations; they are negotiable certificates which evidence share ownership in non-US corporations.

answer: (a) American

A2 An activity-based *costing* system is a model which identifies activity centers in a company and then assigns costs to cost drivers based on the numbers of transactions in the process of providing each product or service.

answer: (b) costing

A3 The Federal *Open Market* Committee is the monetary policy-making body of the FRS: it formulates policy to promote full employment, stable prices, economic growth and a sustainable international payments and trade.

answer: (d) Open Market

A4 The State Bank of India will raise a one-year $90 million foreign currency loan on February 2, 2008; the loan has been fixed at the rate of 27.5 basis points above LIBOR (*London* inter-bank offer rate) and will be used to finance exports and repay old loans.

answer: (c) London

A5 In general, we are required to take a Required Minimum *Distribution* each year from a Traditional IRA after we reach age 70; it is calculated by dividing the December 31st fair market value of our IRA by a life expectancy factor determined with IRS tables.

answer: (a) Distribution

A6 Securities, cash and similar investments may be placed and maintained with a futures commission *merchant* by a fund in any amounts required to effect the fund's transactions in exchange-traded commodity options and futures contracts.

answer: (c) merchant

A7 The sum of the years' *digits* is a method of accelerated asset depreciation that deducts for greater depreciation in the earlier part of an asset's useful life and less nearer the end of it.

answer: (a) digits

A8 The cash income now is the *actuarial* equivalent of a later and larger cash income that would result from the saving of the present cash.

answer: (a) actuarial

A9 The $175,000 *irredeemable* bond issued by the commissioners of the sinking fund dated August 1, 1907, bearing interest at six percent payable semiannually, remains in force, constituting a perpetual obligation of the State and the interest thereon a perpetual charge upon its Treasury.

answer: (a) irredeemable

A10 Investment performance is of primary importance, but *a balanced* investment strategy provides a safety net; if my portfolio includes investments in many sectors — real estate, gold, treasury bonds and forex markets — I can weather storms in specific sectors.

answer: (a) a balanced

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Islamic Financial Staff

A1 As the global increase in popularity of Islamic finance continues, this sector faces new challenges, and critical among these is that of hiring and retaining expertise from a finite talent *pool.*

answer: (c) pool

A2 The Islamic finance market worldwide at the end of 2007, measured by Shari'a *compliant* assets, has been estimated at US$550 billion.

answer: (c) compliant

A3 In the face of this continuing growth, conventional Western financial institutions and governments no longer see Islamic finance and insurance as a *novelty* but as a valid alternative model for capital growth.

answer: (c) novelty

A4 An immediate consequence of this expansion is the *paramount* need for Islamic financial organizations to strengthen their human capital by attracting skilled staff to help these businesses take advantage of new business opportunities.

answer: (b) paramount

A5 The United Kingdom is an excellent example of the *exponential* expansion of Islamic finance and its constituent parts.

answer: (b) exponential

A6 Nevertheless, the US, the UK, and the EU are considered immature markets; not only are they just developing Islamic financial offerings, but they must also sell these products in a market which is still *finding* its feet.

answer: (b) finding

A7 From the recruitment viewpoint, the shifting of experienced workers from one country to another is very similar to the migration of birds to *balmier* climes during the winter.

answer: (a) balmier

A8 Islamic finance is experiencing a *bottleneck* in which more companies are newly founded and more projects are undertaken than can be adequately staffed with experienced and knowledgeable individuals.

answer: (a) bottleneck

A9 All around the world, headhunting is going on in order to attract these coveted workers with salary and benefit *gazumping* becoming the norm.

answer: (a) gazumping

A10 Dutch auctions have often been employed in recruiting specialists, but this problem is becoming serious, with the demand for qualified, experienced candidates consistently *outstripping* supply.

answer: (d) outstripping

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Rogue Traders

A1 In *light* of the colossal loss at Society General caused by a rogue trader, banks are examining their control systems in an effort to prevent similar future disasters.

answer: (a) light

A2 Banks will certainly start reviewing their internal controls to determine what they have set up to *catch* events like the SocGen loss.

answer: (a) catch

A3 Society General tells us that it has already put in place further controls in order to prevent a recurrence of this particular type of *breach.*

answer: (a) breach

A4 Banking institutions will likely be *layering* on more bandages and plasters in order to keep their processes functioning.

answer: (b) layering

A5 Such efforts will probably prevent a precise *replica* of the Society General disaster, but it will not likely hinder a similar activity from being executed in a different way.

answer: (c) replica

A6 The Francona loss was also the result of an over-*zealous* trader's effort at cleverness.

answer: (d) zealous

A7 The solution put forward to prevent such a recurrence was separation of duties to prevent both back and front office controls from *manipulation* by the same individual.

answer: (d) manipulation

A8 Changes in approach and across cultures is required by financial institution control management; visibility across *disparate* information technology systems and across myriads of geographically diffuse employee activities is needed.

answer: (b) disparate

A9 Possibly, the staff were attempting to manage their assignents beyond their capacity, like a freighter loaded so heavily that it sinks below its *Plimsoll* line.

answer: (d) Plimsoll

A10 Increased understanding by everyone who is involved of *end-to-end* operational processes is most important.

answer: (b) end-to-end

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Data Thievery

A1 Mistakes can have a huge impact on individuals and businesses, and in a world where data is exchanged, *bartered* and even stolen at a shocking rate, personal information security has become a top item of public concern.

answer: (a) bartered

A2 The Data Protection Act applies to a wide area from security to data processing; it's *far-reaching*, and it's applied and interpreted in various ways by European Union nations.

answer: (c) far-reaching

A3 Because of its broad scope and varied application, regulatory bodies face a difficult task in tracking how businesses handle data; to rectify this, a greater *onus* must be placed on these organizations to monitor and assess data management and data security.

answer: (d) onus

A4 Most companies try to ensure compliance with regulations for safely handling sensitive information, but many don't consider the threat from their own employee practices, whether it is just human error or *malicious.*

answer: (c) malicious

A5 Organizations should at least utilize basic risk management and policies and techniques to protect data from external threat, but the *harsh* reality is that data can easily get into the wrong hands through employee intent or error.

answer: (d) harsh

A6 The effect of the loss of data through the errors of employees is obvious throughout the EU; it has caused loud public *outcry* and has serious implications of a social and political nature.

answer: (c) outcry

A7 The F1 industry was taken *aback* when the WMSC fined Mercedes $100 million for using information from Ferrari to construct its own cars; Mercedes's head designer had received data about Ferrari's cars from a Ferrari team member.

answer: (a) aback

A8 In Belgium in 2007, a Foreign Ministry official lost a USB *stick* with the code to the entrance of a Belgian diplomat's house and the names of the guards accompanying the King on his Czech trip.

answer: (d) stick

A9 In December 2006, Norton began research into EC business security and discovered that investment in corporate data protection from external hacking is often undermined by *lax* employee behavior and company failure to adequately communicate its security policy.

answer: (a) lax

A10 The complexity of the data protection laws and the paucity of resources dedicated to the government monitoring of compliance have created a *quagmire* of processes and software, few of which are regulated or checked.

answer: (b) quagmire

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Cash Flow

A1 History is *littered* with assertions that 'this time the situation is different'.

answer: (b) littered

A2 If the dot com revolution severed the relationship of earnings and price, then the take off in credit derivatives created a world in which risk was distributed so thinly that no one would be caught *out* if the cycle turned.

answer: (b) out

A3 Global Public Policy Committee communications leave us in no doubt that the *ramifications* from the recent market turmoil will be with us for a long time to come, if the billions in losses by some of the leading global financial institutions have not already done so.

answer: (a) ramifications

A4 Knowing that the implementation of Basel II (used by banks to align their capital base with economic risk) has consumed hundreds of millions of dollars, it is ironic that even well-capitalized institutions have struggled with a problem as fundamental as *liquidity.*

answer: (a) liquidity

A5 If a company needs profitability, retained as capital to offset any future losses, in order to maintain a viable business, then it also needs cash flow to ride the peaks and *troughs* of the business cycle.

answer: (d) troughs

A6 The reason that some of the most sophisticated financial institutions have been caught unprepared by something as basic to business management as cash lies in several dynamics that have been in *play* over several years.

answer: (b) play

A7 They took several years to materialize, but these dynamics *precipitated* a series of nearly unprecedented shocks during the early fall two years ago.

answer: (c) precipitated

A8 Cash used to fund increased assets and retire obligations as they *fall* due is at the forefront of this egregious disruption of the market.

answer: (a) fall

A9 As cash *hoarding* begins to prevail, the levels of market cash flow tighten and exacerbate the drop in value of financial instruments; this is a dual hit which only concerted central bank intervention can mitigate.

answer: (b) hoarding

A10 The financial models used have been criticized as ignoring the *siren* voices that predicted a turning of the credit cycle as long ago as May of 2007, so that the stress testing parameters were much too narrow.

answer: (a) siren

The Cayman Islands

A1 The Cayman Islands are often presented in an unwarranted negative light, but we would like to *dispel* this image by highlighting the nation's participation in the war against the financing of terrorism and money laundering.

answer: (a) dispel

A2 Although they are sometimes still called "the islands that time forgot", the Caymans have advanced considerably from the use of smudges to *ward* off the mosquitos.

answer: (c) ward

A3 Less than twenty years after the opening of the country's first bank, the Misuse of Drugs Law was passed, and incorporated within it is the power to seize and *confiscate* laundered assets and money from drug trafficking.

answer: (a) confiscate

A4 As early as 1989, the Cayman Islands Bankers Association promulgated a Code of Practice, and its member banks were required to abide *by* it.

answer: (a) by

A5 In 2001, in spite of the fact that this Code of Practice and *robust* due diligence requirements were in place, the Cayman Islands was placed in its first list of Non-Cooperative Countries & Territories by the Financial Action Task Force.

answer: (c) robust

A6 A main reason for Cayman's inclusion on this list was the lack of legislative *teeth* in covering the practices of the industry and the consequent paucity of prosecutions.

answer: (d) teeth

A7 The International Monetary Fund in 2006 released its evaluation of the Cayman Island's regulation and monitoring of its financial sector, a report which was based on information *gleaned* from the IMF's 2005 visit.

answer: (a) gleaned

A8 This assessment indicates that, although there is room for improvement, the Caymans appear to be holding their *own* in the war against illegal money, especially considering the relative newness of their financial institutions.

answer: (c) own

A9 It is less easy to purchase *an annuity* or real estate, establish a company or a trust, or open a bank account in the Cayman Islands than it is in many other jurisdictions.

answer: (c) an annuity

A10 The Cayman Islands are extremely pleasant to visit, but we welcome only those who intend to bring and operate legitimate businesses to and within its *shores.*

answer: (c) shores

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Wall Street Plunge

A1 Some Wall Street people have noticed a drop in non-*borrowed* reserves in the banking system and wondered if it's a sign of an unusually stringent monetary policy; however, the plunge is just a function of the Fed's money classification in its new term auction facility.

answer: (b) borrowed

A2 One time that a company might issue *restricted* stock instead of options is very early on for top executives or very early hires.

answer: (d) restricted

A3 *Classified* loans are loans that were issued according to the bank's terms but later became questionable in the eyes of the bank's examiners, which sometimes happens when new information is revealed or there is a change in the borrower's circumstances.

answer: (a) Classified

A4 The staff of the Tennessee Capital Access Forum assisted Greyhound Movers and Acme in financing their growing businesses with Small Corporate *Offering* Registrations; Tennessee has taken the $1 million dollar cap off the SCOR and there is no limit.

answer: (b) Offering

A5 The 2009 bonds will be issued in the weekly rate mode, bearing interest at the weekly rate payable on January 1st and July 1st; bondholders can rightfully tender their bonds on any business day with a minimum seven-day notice to the *trustee.*

answer: (d) trustee

A6 The market is expecting a coupon *pass* by the Federal Reserve Bank, and although this is probably no sign of change in monetary policy, it does present dealers with the opportunity to sell Treasury securities to a ready buyer.

answer: (a) pass

A7 Raising debt *capital* does not involve selling your equity, but rather works by borrowing against it; it is only available to businesses who have something with value which the lender could instantly liquidate.

answer: (a) capital

A8 Traders in level 2 generally use an order type called an 'intent', a strong indication of interest, and these are not advertised, but if they find a match they become a *firm* order: if two intents naturally match, then a trade happens.

answer: (b) firm

A9 The law recognizes the efforts of businesses to comply with its demands, but a company must demonstrate that it exercised all due *diligence* and took all reasonable steps to avoid committing the offense; if it can do so it is entitled to an acquittal.

answer: (b) diligence

A10 In order to create a level playing field for share trading on the stock exchange, *an ex*-date is set: if shares are traded before this date, the selling party must pass on any benefit or dividend to the buying party.

answer: (b) an ex

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The Uniform Commercial Code

A1 As per the Uniform Commercial Code, a person who holds a check endorsed by another is the presumed legal owner; a person who accepts a 3rd party check is a holder *in* due course and holds the legal title to this instrument irrespective of any prior claim.

answer: (c) in

A2 We focus on a previously unexplored but intuitive measure of trading activity: the aggregate daily order *imbalance* on the New York Stock Exchange; this in either direction, either excess buy or sell orders, reduces liquidity.

answer: (d) imbalance

A3 The *information* ratio is the ratio of the alpha component (that attributable to the manager's luck or skill) of the total investment returns to the standard deviation of these alpha returns.

answer: (b) information

A4 A *balloon* loan is one where the borrower plans to pay off his mortgage or automobile loan in a big chunk at the end after a set number of small regular interim payments.

answer: (b) balloon

A5 The initial *listing* requirements are that a company must exhibit specified minimum thresholds for shareholder and publicly-traded share numbers, stock price, and total market value, and after it begins trading, the company must continue to meet other standards required by the exchanges.

answer: (c) listing

A6 At any specific time, there are simultaneous trades in many different calls and puts-- different in strike price and delivery month; *option* delivery months are typically identical to those of the underlying futures contract.

answer: (d) option

A7 If you are married but want to ensure that you are responsible for paying only your own tax, this does not mean that you can go back to using the 'single' rates which were applicable before you got married; instead, each spouse must use the '*married*, filing separately' rates.

answer: (c) married

A8 Investors must use their intelligence in formulating their financial policies and also in any associated details, including choosing a reputable broker to execute their orders: deal only with the NYSE unless you have compelling reasons to use *a nonmember* firm.

answer: (c) a nonmember

A9 An *actuary* analyzes the financial consequences of risk, using financial theory, statistics and mathematics to consider possible future events, especially those of interest for pension and insurance programs.

answer: (a) actuary

A10 A Tax Deed is normally a *perfect* title, extinguishing all other encumbrances on the title, such as leases, utility bills, mechanics' liens, and so forth.

answer: (b) perfect

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Bear Stearns

A1 Bear Stearns is the second-largest US *prime* brokerage firm, and as a part of its business, hedge funds could use their stock holdings to borrow money from BS and then redeploy it in the market.

answer: (c) prime

A2 The Capital *Consumption* Allowance in the Economic Analysis Bureau's National Income and Product Accounts measures the capital depreciation in the economy in the course of a stated period, normally one year.

answer: (b) Consumption

A3 A cheap *secured* loan is basically a personal loan that runs at a lower rate of repayment; part of the borrower's assets are taken as collateral in order to ensure that s/he pays back the loaned sum, especially if s/he has a questionable credit history.

answer: (d) secured

A4 The investor called her broker and asked whether he had any negative information about Zenaida; after a few minutes' delay and a glance at Standard & Poor's *tear* sheet on Zenaida, her broker told her there was none, so she ordered 100 shares of Zenaida stock.

answer: (c) tear

A5 Today, Peak Properties Inc announced that it has agreed to *direct* placement of 2.1 million shares of its common stock with certain advisory clients of American Products, LLC, a Delaware limited liability company, at $24.63 a share.

answer: (a) direct

A6 A rate-*improvement* loan is a fixed-rate mortgage with a provision which permits the borrower to lower the interest rate if there is a decline in market rates; however, this provision can be invoked only once during the life of the mortgage.

answer: (c) improvement

A7 The purpose of an informed consent or *waiver* form is to advise participants of the foreseen or unforeseen risks of the activity and to ensure that the s/he understands these risks and agrees to assume responsibility for them.

answer: (d) waiver

A8 Exchange rate fluctuations affect the USD equivalent of the pound sterling price of British Telecommunications ordinary shares on the London Stock Exchange and are therefore likely to affect the market price of its American *Depositary* Shares on the New York Stock Exchange.

answer: (a) Depositary

A9 The value of a convertible bond results from three components: the value of a *straight* bond with the same principal and interest, the conversion value of a convertible bond, and time value.

answer: (d) straight

A10 A *conforming* mortgage is a mortgage loan packaged for resale to Freddie Mac or Fannie Mae on the secondary market; not only do such loans have very competitive interest rates, they also have very stringent qualifying criteria.

answer: (a) conforming

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The Employment Act of 1946

A1 Established by the Employment Act of 1946, the *Council* of Economic Advisers provides the President of the United States with objective economic analysis and with advice on the development and implementation of national and international economic policy.

answer: (c) Council

A2 After four years in custody, Mr Patronia was convicted on three terrorism-related counts, the jury delivering its verdict in under 48 hours; what was unusual and blameworthy was the length of time he had to wait for the due *process* which most Americans take for granted.

answer: (d) process

A3 The *London* International Financial Futures & Options Exchange lost its single biggest source of income — trading in the German Government Bund — in the late 1990s, but by 2001 it had reinvented itself as an electronic exchange, and at the end of 2001, it was acquired by Euronext NV.

answer: (c) London

A4 A *congestion* area is a price level where neither the bears nor the bulls are in total control; the market cannot decide which way it wants to go, so traders often step aside to see what is going to happen next.

answer: (b) congestion

A5 Elevated readings in the *TED* spread indicate increased risk avoidance in the market — investors flock to relatively risk-free short-term T-bills — while Eurodollar futures are more representative of the credit quality of corporate borrowers.

answer: (b) TED

A6 The grantor must permanently give up all control and ownership of any property transferred to an *irrevocable* trust, so this device has small appeal for most taxpayers.

answer: (b) irrevocable

A7 *Arbitration* is an out-of-court dispute resolution process where the disputing parties each present their case to a third party intermediary that examines the evidence and makes a (usually) binding decision for the disputants.

answer: (b) Arbitration

A8 The mutual *exclusion* doctrine rules that interest on municipal bonds is free of federal tax, and in return for this, localities and states cannot tax the interest on federal government securities.

answer: (c) exclusion

A9 The ultimate measure of capital *efficiency* is the amount of returns to investors as a multiple of the capital invested, adjusted by the length of the investment.

answer: (b) efficiency

A10 Based on information from Data Diggers, a company which collects and collates stock lending data from custodians and institutions, it is obvious that a rapid build-up in *borrowed* stock positions is strongly correlated with short selling.

answer: (a) borrowed

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Retaining Minority Control

A1 The distinguishing features of *classified* stock normally confer an advantage on Class A shares regarding voting power, and it may also involve liquidation and dividend privileges; this system was used more in the 1920s, as a way of retaining minority control.

answer: (a) classified

A2 Total Assets less Non-interest-bearing Current Liabilities (NIBCLs) equals Invested Capital; *Return on* Invested Capital (ROIC) equals Earnings before Interest and Taxes (EBIT) divided by Invested Capital.

answer: (d) Return on

A3 The Recording Industry Association of Canada has announced that another 32 individuals have settled copyright *infringement* suits initiated by the music industry; each of them was charged with illegally downloading over one thousand songs through peer-to-peer networks.

answer: (d) infringement

A4 With a rise in prevailing interest rates, new bonds generally offer higher yields to keep pace, so pre-existing bonds with lower *coupon* rates are now less competitive; on the other hand, when interest rates drop, a pre-existing bond's rate becomes more appealing, driving the price higher.

answer: (b) coupon

A5 I regularly get hard-sell emails from debt *consolidation* organizations offering me low-interest balance-transfer deals for credit card debt or promising they'll give me lower interest rates, reduce my monthly payments — and all I need to do is make 'a single easy payment'.

answer: (b) consolidation

A6 The Federal *Reserve* Bank of New York is one of twelve regional banks; the 'Fed', as this system is often called, is an independent government entity created in 1913 by the US Congress for the purpose of serving as the central bank of the USA.

answer: (d) Reserve

A7 His aim is to become the most well-connected *gaijin* in Japan, an insider in a system in which insider status counts for everything, and Collinson, the CEO of Cripplecreek Holdings LLC, has gambled nearly US$3.0 billion of his investors' money that his constant networking will pay off.

answer: (b) gaijin

A8 After the company fixes the record date, the National Association of Securities Dealers or the stock exchanges set the *ex*-dividend date, which is normally 2 business days before the record date.

answer: (a) ex

A9 At the request of the applicant, a *firm* quotation may be provided in writing for a specific private works job and must be accepted in writing prior to the job commencement; quotations shall be valid for 60 days, after which time an updated quotation will be provided on request.

answer: (a) firm

A10 An investor can own shares of common stock either directly in her name, including shares acquired through demutualization, in which case she is the holder *of record*, or indirectly through a bank, broker or other nominee.

answer: (c) of record

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Emerging Markets

A1 September events increased uncertainty and investor risk *aversion* when there were serious concerns about emerging market basics, a global slowdown, and the potential for credit events in specific emerging markets.

answer: (a) aversion

A2 In the September 11 *aftermath*, the average country returns in debt markets rose in a general sell-off to levels last appearing during the Brazilian devaluation, but it has since decreased.

answer: (c) aftermath

A3 Against a *backdrop* of global slowdown, the quality of credit continued weakening, and the average credit quality in the emerging debt markets retreated to its post-Russian-crisis low.

answer: (a) backdrop

A4 Although we had spillovers from countries where credit concerns grew, this was contained within specific emerging markets, and generally financing *held* up reasonably well during this quarter.

answer: (c) held

A5 The measures of broad spillover or *contagion* across emerging markets during the turmoil in June kept considerably under the levels seen in other historical instances of stress.

answer: (d) contagion

A6 The near record *spike* in June bond issues helped raise the quarterly volume to its highest level since the boom after Y2K.

answer: (a) spike

A7 Increased expectation of a US economic slowdown, decreased potential for media and technology sectors, and deterioration of credit markets took their *toll* on emerging markets in the third quarter of the year.

answer: (b) toll

A8 In spite of the nearly total drying *up* of bond issuance, fund raising on international markets maintained itself rather well, aided by a strong loan market and a surge in placements from China.

answer: (c) up

A9 Shifting expectations of the relative probability of a 'hard' as against a 'soft' *landing* scenario for the US economy are liable to maintain volatile markets.

answer: (c) landing

A10 As the conditions in equity and bond markets are still choppy, those issuers will continue to exploit *windows* of opportunity, while the loan market is expected to remain supportive.

answer: (d) windows

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Public International Law

A1 Investment and trade that *transcend* national boundaries are frequently influenced by public international law issues dealing with the relations among independent states.

answer: (a) transcend

A2 When these issues involve conflict between a sovereign state and a private party, the latter could face substantial obstacles to *vindicating* its rights and defending its interests.

answer: (c) vindicating

A3 Since 1958, Sillitoe & Smith have been advisors to the Rule of Law Committee, a committee of legal representatives of American multinationals with an interest in monitoring, answering and *shaping* the important issues of public international law.

answer: (b) shaping

A4 Sillitoe has been working *strenuously* to cause national governments to be more responsive to the rule of law and to devise better legal protection for parties operating internationally.

answer: (c) strenuously

A5 A major concentration of Sillitoe's law practice and a central concern of the RLC has been international claims, specifically those that have arisen from the *expropriation* of private property by a sovereign state.

answer: (b) expropriation

A6 Sillitoe worked with the American State Department to ensure that claims arisen from the Gulf War were handled without *undue* procedural delay and that funds to pay these claims became available.

answer: (b) undue

A7 Such issues are some of the essential elements for maintaining the viability and *integrity* of the procedures for international claims.

answer: (b) integrity

A8 For cases in which a tribunal has been set up to *adjudicate* an international claim, Sillitoe & Smith have often represented claimants in the processes of preparation, filing, and litigation of their claims.

answer: (a) adjudicate

A9 Sillitoe has also filed *amicus* briefs before the United States Supreme Court and advocated and explained the limitations of international law upon the international assertion of American employment law.

answer: (a) amicus

A10 Sillitoe & Smith also have extensive institutional knowledge concerning and experience with the UN Convention on the Law of the Sea, which governs situations involving the sea floor and the *high* seas.

answer: (a) high

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Textualism

A1 It has *long* been stated by the US Supreme Court that treaties adopted under the Constitution's Article II are not acts of legislation but instead contracts between nations.

answer: (b) long

A2 This analogy with a contract was recently *invoked* by both dissent and the majority in National Airways v. Aladdin.

answer: (b) invoked

A3 However, more and more the treaty jurisprudence of the Supreme Court has *borne* the mark of 'new textualism'.

answer: (a) borne

A4 Justice Powell has strongly argued that rule of law and separation of powers make it necessary that the Supreme Court limit its inquiry in cases of treaty interpretation to the four *corners* of the agreement.

answer: (a) corners

A5 The Supreme Court as a group has not agreed with all aspects of Powell's argument — such as her *aversion* to using materials from ratification debates in the Senate — but textualism is becoming a big influence in the interpretation of treaties.

answer: (d) aversion

A6 A contract has validity only *insofar* as there has been mutual agreement by the contracting parties to a shared proposition.

answer: (c) insofar

A7 An interpreter in a contractual disagreement mostly concentrates on how the two parties understand the contract's terms, but the interpreter of statutes who uses a textualist methodology concentrates on the meanings that neutral third parties *ascribe* to the terms.

answer: (a) ascribe

A8 Between this pair of contending principles in the interpretation of treaties, the contract analogy is the one that should prevail .

answer: (d) (none)

A9 The greatest justifications for textualism in interpretation of statutes — more legislative accountability and *adherence* to Article II, Section 6 of the lawmaking process — cannot be extended to the context of treaties.

answer: (b) adherence

A10 Foreign affairs disputes are composing an increasing share of the Supreme Court's *docket* and US treaty commitments are proliferating, yet it is shocking how unstudied the field of treaty interpretation remains.

answer: (c) docket

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Technical Regulations and Standards

A1 Technical regulations and technical standards acting as non-tariff trade barriers are increasing dangers that developing countries must take seriously, because they can *impact* on economic efficiency and considerably restrain trade growth.

answer: (a) impact

A2 There is an increasing awareness of the potential *deterrence* to trade presented by differences in national technical regulations and standards, and a lack of awareness of the effect that choice of standards might have.

answer: (d) deterrence

A3 As to most of the regulations and standards which are not yet in accord internationally, the optimal choice for developing countries is to adopt those already used by their major trading partners instead of elaborating their own *indigenous* standards.

answer: (a) indigenous

A4 Developing countries should act more forcefully in this arena: a more active and *concerted* participation in the international standardizing bodies would ensure that new adoptions more closely reflect their needs.

answer: (c) concerted

A5 If private sector firms participated more actively in the standardization process in the case of voluntary or non-mandatory standards, it would probably ensure that this happens de *facto.*

answer: (a) facto

A6 Compliance with a requirement to create a national viewpoint would encourage officials of developing countries to put into *practice* a system of national standards information gathering which would benefit both local and foreign producers and exporters.

answer: (d) practice

A7 Collecting and systematizing this information would also *oblige* countries to become more aware of the choices regarding standards development which they make and impose on their private sector.

answer: (c) oblige

A8 In terms of trade facilitation and liberalization, developing countries should *push* actively for more liberalization in the two major regional integration initiatives, the FTAA and APEC.

answer: (b) push

A9 This is because two major experiments in regional integration, NAFTA and the EU, have shown results that go much further in requiring *convergence* or harmonization of national standards and technical regulations.

answer: (c) convergence

A10 In general, regional approaches to removing technical trade barriers have contributed to liberalization within the region and also *vis-a-vis* third countries.

answer: (d) vis-a-vis

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Financial Supply Chain Management

A1 Many CFOs are not yet convinced that the returns forecasted from Financial Supply Chain Management are *commensurate* with the investment needed in terms of both the senior management effort and the capital required.

answer: (b) commensurate

A2 The present *scepticism* is not so much about the absolute savings potential but about the time frames for payback and the need to depend on key stakeholders both inside and outside the organization.

answer: (c) scepticism

A3 Many multinational corporations respond that FSCM is certainly on their *radar*, but they just don't have any spare resources because of their other business priorities in 2008.

answer: (c) radar

A4 The timing is critical, especially for the procurement people, who want these schemes in place before the time comes to renegotiate contracts with their suppliers.

answer: (d) (none)

A5 And for financial institutions, it has been *an up-hill* battle to enlighten the stakeholders in the client company and convince them to commit money and manpower to its implementation.

answer: (d) an up-hill

A6 Nevertheless, financial institutions continue to work hard to get FSCM onto next year's *short* list of key initiatives for improving business performance.

answer: (d) short

A7 The important concern now is how to convince the information *silos* in procurement, IT, finance and operations to function more effectively together.

answer: (c) silos

A8 After this has been accomplished, the next *hurdle* is their supply-chain partners.

answer: (b) hurdle

A9 In times *gone by*, with relationships guided by letters of credit, a company's suppliers could rely on an established practice to help obtain additional bank funding.

answer: (b) gone by

A10 One modern approach is that the buyers work with their banking partners to decrease the cost of finance for their suppliers; they see these reductions as a *sweetener* to suppliers for extending the terms of payment.

answer: (d) sweetener

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Distribution Compliance Period

A1 A one-year distribution compliance period is imposed on Regulation S shares, restricting them from being traded with US citizens on US markets, following the *issue* date of the security.

answer: (c) issue

A2 In Germany, residents near nuclear installations have been given the right to *litigate* against them; this precedent requires courts to hear and rule on complaints about authorities not having carefully considered measures for protection.

answer: (c) litigate

A3 An investor who buys a put and an equivalent number of shares of the underlying stock at the same time is creating a '*married* put' position, which is a hedging strategy whose name derives from an old ruling by the Internal Revenue Service.

answer: (b) married

A4 To determine the arithmetic *mean*, the most common type of average, of a set of n numbers, add up all the numbers in the set and then divide their sum by n.

answer: (a) mean

A5 *A nonparticipating* life insurance policy is one that pays no dividends, so its policyholders don't share in the interest, dividends, or capital gains that are earned on premiums paid by the insurer.

answer: (b) A nonparticipating

A6 For tax purposes, capital gains income can be offset only with capital losses, while *ordinary* income can be offset only with standard tax deductions.

answer: (c) ordinary

A7 For consideration received, the Assignor herewith sells, assigns and transfers unto the Assignee the entire right, title and interest in, to and under each Letter Patent, and the Assignor agrees to execute all papers desired by the Assignee for *perfecting* title of the patents herewith assigned.

answer: (c) perfecting

A8 A *balloon* maturity is usually a later one within a serial issue of bonds and which contains a disproportionately greater percent of the original issue's principal amount.

answer: (b) balloon

A9 *Clear* title means that there is no artisan or tax lien, security agreement, unreleased chattel mortgage or other similar document on record against the aircraft; you may search the records yourself or have this done for you by a title search firm or lawyer.

answer: (b) Clear

A10 A sinking fund for the purpose of redeeming preferred shares should be created when they are issued; this should be done by transferring free surplus to a *restricted* surplus account, which shall be unavailable for dividends.

answer: (d) restricted

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A Mosaic of Information

A1 *Securities* analysts assemble a mosaic of information in order to come up with investment theses; they provide a valuable service in reaching material conclusions by sifting through information and extracting the bits that may be insignificant to ordinary investors.

answer: (a) Securities

A2 *Direct* purchase programs let investors buy shares without a broker intervening; companies have discovered that these investors are a stabler shareholder base, less likely to participate in day trading.

answer: (a) Direct

A3 *Straight-line* depreciation is just as it infers: the same amount is deducted each year, so if you are depreciating a $10,000 piece of equipment over 5 years, you would deduct $2000 a year.

answer: (d) Straight-line

A4 Unscrupulous mortgage lenders often lure home buyers with *teaser* rates without explaining their actual contract rate, which is buried in the paperwork, and the greater the spread between these rates, the bigger the chances of contract shock for unsuspecting homeowners.

answer: (a) teaser

A5 *First* board is the delivery dates on futures contracts established by the Chicago Board of Trade.

answer: (c) First

A6 *Waiver* of premium is a way of insuring the monthly premiums on your life insurance; if you become unable to work because of ill health, payments are made for you until you can return to work, up to a specified age or until the end of the term of your policy.

answer: (d) Waiver

A7 In 1971, the American Municipal Bond *Assurance* Corporation was created to insure against default the principal and interest of municipal bonds; the first issue it insured was a general obligation bond for construction of a medical facility in Alaska.

answer: (a) Assurance

A8 A *Coverdell* Education Savings Account is a custodial account or trust organized or created in the US for the sole purpose of paying qualified education expenses for its designated beneficiary; monies deposited in this account grow tax free until distributed, but contributions to it are not deductible.

answer: (b) Coverdell

A9 The Federal *Reserve* Board took action on the 17th of August to permit banks to line up at the Fed window and turn in sub-prime mortgages at full face value in return for 100% Fed cash, and several hundred billion dollars in dodgy assets were turned over.

answer: (d) Reserve

A10 *Inheritance* Tax can be payable on an estate when a person dies or when assets are transferred to a company or into a discretionary trust, but for most estates no IHT will be payable because they are within the nil rate range.

answer: (b) Inheritance

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Canadian Retirement Planning

A1 One of the most common Canadian investment structures is *an RRSP*, which isn't a normal investment, but an account allowing an individual to save money for retirement while lowering the income tax.

answer: (d) an RRSP

A2 According to the Tax *Reform* Act of 1993, organization dues that are spent to lobby State and Federal governments are nondeductible for income tax purposes, and the portion so used must be disclosed to members on their dues invoice.

answer: (b) Reform

A3 The owner or individual shall pay an annual state ad *valorem* tax of twenty-nine and one-half cents ($0.295) for each one hundred dollars ($100) of value for all real property assessed for taxation.

answer: (d) valorem

A4 A bank acting as a mutual fund *custodian* is required by the Securities and Exchange Commission to keep mutual fund portfolio securities separate from its other bank assets.

answer: (d) custodian

A5 *Prime* paper, which has three Moody's Investor's Service ratings, P-1 through P-3, is the highest quality commercial paper.

answer: (c) Prime

A6 In 1909, the 16th amendment to the US Constitution was sent out to all the state legislatures after having been passed by the US Congress; it was necessary for three-quarters of them to approve it in order for it to be *ratified.*

answer: (c) ratified

A7 Bottom *fishers* Bill Dunmark and Jim Laxter, who invest in financially troubled companies through their $500 million Silver Fund, have been refinancing or closing deals to invest almost $300 million in various businesses wobbling under accumulated 1980s debt.

answer: (b) fishers

A8 Capital *Employed* comes from long term liabilities and ordinary shareholders; it is the effective amount of money actually being used for business, irrespective of whether it comes from the owners, creditors or banks.

answer: (b) Employed

A9 The most reliable source of economic analysis available is the Asian Image *consensus* forecast; this publication gives you the essence of research by leading economists from financial institutions such as J.P. Morgan, Goldman Sachs, Citigroup and Deutsche Bank.

answer: (d) consensus

A10 The coupon rate does not change over time, but the coupon *yield* changes and reflects the return the coupon represents based on current market prices for the bond.

answer: (d) yield

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Financing Your Business

A1 With equity financing, your investors may disagree with you on decisions, making it best to sell out and let them have the business; but if you believe in your business idea and don't want to sell out, you should look into *debt* financing and retain control over the direction of your venture.

answer: (b) debt

A2 *Performance* bonds are securities provided to developers by contractors; they consist of undertakings by insurance companies or banks to pay the employers if the contractors default under their contracts.

answer: (a) Performance

A3 Avoid becoming an investment sheep by tracking the movements of the *smart* money: it is the first to arrive at investment parties when the cover charge is low, and it always buys low and sells high mostly to the sheep, who trade on others' suggestions and on emotion.

answer: (c) smart

A4 As a bankrupt, all of one's liabilities and assets are placed in one's bankruptcy estate, which is managed by the trustee *in* bankruptcy, who organizes the selling of the assets and paying of the creditors.

answer: (b) in

A5 A restrictive *covenant* is a contractual clause that proscribes an ex-employee's competition with his ex-employer or prohibits the ex-employee from taking customers away with him by using information acquired during employment.

answer: (b) covenant

A6 To find out which stock and cash dividends you will get when you buy a stock, you should look at two important dates, the date of record and the *ex*-dividend date.

answer: (a) ex

A7 The farther in-the-money or out-of-the-money an option goes, the smaller *gamma* is.

answer: (b) gamma

A8 Big companies often gobble up other companies, intending to blend these acquisitions into their own operations, but *holding* companies keep the companies that they buy more separate.

answer: (a) holding

A9 Classifying forest industry companies as *smokestack* industry egregiously understates the technological advances in the industry; paper manufacturing is now incredibly high tech, with production guided from monitors located in comfortable control rooms.

answer: (c) smokestack

A10 *Itemized* deductions let you convert otherwise taxable income into non-taxable income (usually up to 2% of your adjusted gross income) if you spend some of your money on tax-privileged items such as local and state taxes, health care, charitable donations, and mortgage interest.

answer: (b) Itemized

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Unitholders

A1 In *master* limited partnerships, investors buy units instead of shares and are consequently referred to as unitholders; there are two classes of owners — limited partners and general partners.

answer: (c) master

A2 If they increase, bank *non-performing* assets can potentially trigger significant credit losses; they create a serious drag on margin and the bottom line, and they must be financed with equity, borrowings, or bank deposits.

answer: (a) non-performing

A3 Certain dispositions are not exchanges or sales, but the Internal Revenue Code includes provisions that deem them exchanges or sales so as to prevent the taxpayer from claiming an *ordinary* loss on a transaction that should more appropriately be considered a capital loss.

answer: (d) ordinary

A4 Mortgages have *due*-on-sale clauses because lenders need to know who they're lending money to and when the loan will be paid off; they don't want to lend one guy money for a house then find that another guy with lower income or equity or bad credit now has the house.

answer: (b) due

A5 The *prime* rate, which tracks rather closely with other short-term interest rates like the rate for overnight federal funds, is a base or reference rate which financial institutions utilize in setting interest rates for some consumer loans and most commercial loans.

answer: (c) prime

A6 Dogpatch emphasizes yield and lack of risk in its investment policy and allows short term investment only in high quality commercial paper bearing the highest rating by at least one nationally recognized rating *service.*

answer: (a) service

A7 In the first quarter of 2006, the US Treasury held its first auction since 2001 for its 30-year or '*long*' bond; this bond is favored by investors because they can lock in a safe, enduring interest rate for their portfolio.

answer: (a) long

A8 The Bank of Japan provides the markets with securities *lending* of Japanese government securities held by the Bank as a temporary and secondary source, because liquidity may decline when participants have difficulty obtaining specific issues or face uncertainty over availability.

answer: (c) lending

A9 The mutual fund *symbol*, seen on the internet at any broker's website or at Bigcharts.com, for the Rydex Family of funds is RYURX and for the DAL Family of funds is FUNDX.

answer: (d) symbol

A10 Annuitants or employees covered under the Group Life Insurance program are eligible for *living* benefits if they have been diagnosed as terminally ill with a life expectancy of less than 9 months and have not assigned their insurance.

answer: (b) living

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The Foreign Corrupt Practices Act

A1 During and after the Securities and Exchange Commission investigation in the1970s, more than 400 US companies admitted to illegal or *questionable* payments in excess of US$200 million to foreign political parties, politicians and officials.

answer: (d) questionable

A2 These payments ran the gamut from 'facilitating' payments to ensure government officials *discharged* certain duties to bribery to secure some favorable action by foreign governments.

answer: (b) discharged

A3 The US Congress enacted the Foreign Corrupt Practices Act in order to *bring* a halt to bribing foreign functionaries and restore public confidence in the honesty of the US system of business.

answer: (a) bring

A4 A number of companies that bribed foreign officials received large fines, along with suspension and *debarment* from US government procurement contracting, while some employees and executives went to prison.

answer: (a) debarment

A5 After passage of the Act, Congress was worried that US firms were now at a disadvantage to foreign firms, who *routinely* used bribery and were actually permitted in some countries to use the cost of such payments as business expense deductions on their tax returns.

answer: (c) routinely

A6 From 1999, the anti-bribery provisions of the Act have also applied to foreign individuals and companies who take any action in *furtherance* of such corrupt payments while in the USA.

answer: (b) furtherance

A7 The Act's accounting provisions, designed to operate in *tandem* with its anti-bribery provisions, require companies to keep records that accurately reflect their transactions and to maintain adequate internal controls.

answer: (c) tandem

A8 Regarding the basic prohibition against bribery, several elements must be met in order for the act to *constitute* a violation of the Foreign Corrupt Practices Act.

answer: (c) constitute

A9 Persons and corporations can also be penalized if they authorize, order or assist anyone else to violate the anti-bribery provisions of the FCPA or if they *conspire* to violate them.

answer: (c) conspire

A10 It is illegal to pay a third party while knowing that some or all of that payment will go directly or indirectly to a foreign official: the Act forbids corrupt payment through *intermediaries.*

answer: (d) intermediaries

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The ICCUCPDC

A1 The International Chamber of Commerce Uniform Customs and Practice for Documentary Credits *governs* all letters of credit for international transactions.

answer: (a) governs

A2 The general definitions and provisions of the ICCUCPDC are *binding* on all parties.

answer: (a) binding

A3 A commercial letter of credit is a contractual agreement between an issuing bank, on behalf of its customer, *authorizing* a confirming or advising bank to pay a beneficiary.

answer: (a) authorizing

A4 At the request of its customer, the issuing bank *opens* the letter of credit.

answer: (b) opens

A5 With this, the issuing bank is making a commitment to *honor* all drawings made under the letter.

answer: (c) honor

A6 In essence, the issuing bank is replacing its customer as the *payee.*

answer: (d) payee

A7 A letter of credit is a separate and *distinct* transaction from the contract that it is based on.

answer: (c) distinct

A8 All parties *deal* in documents and not in goods; the issuing bank is not liable for performance of the underlying contract between the customer and beneficiary.

answer: (a) deal

A9 The beneficiary, when requesting payment, *warrants* that it has complied with all conditions of the agreement.

answer: (d) warrants

A10 The bank must pay the seller if the latter *conforms* to the letter of credit.

answer: (d) conforms

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A Strategic Alliance

A1 Since the announcement of their strategic alliance, the two businesses are *articulating* plans to show how their partnership can create new ways for financial institutions to conduct business and engage their customers.

answer: (a) articulating

A2 Lenders and banks around the world are facing increasingly *penetrated* markets, so they are realizing that future gains may depend on their ability to expand the potential and value of their existing customer base.

answer: (d) penetrated

A3 "We can put financial institutions on the fast track to new levels of profitability and performance by *augmenting* our world-class business consultancy with our unique customer insight and predictive technologies," said their vice-president, Akio Shibata.

answer: (b) augmenting

A4 Their spokesman explained how this partnership can provide full *spectrum* partnering opportunities across many decision-making processes, from joint service offerings and integrated implementation to complete outsourcing.

answer: (d) spectrum

A5 He said, "This partnership is about NEC *embellishing* our solutions by spreading Yamashita decision technology to all facets of customer management, engagement and influence."

answer: (b) embellishing

A6 Financial institutions will be able to *leverage* Yamashita technology in new ways because of NEC's solid relationship with its customers' enterprises.

answer: (c) leverage

A7 As a result of this relationship, NEC customers will enjoy improvement in long running analytics performance via *grid* enablement of key applications.

answer: (b) grid

A8 "NEC can rapidly carry us into geographies that we have not traditionally served and demonstrate to those financial institutions the value that can be *realized* from Yamashita's having touched so many transactions in the markets."

answer: (c) realized

A9 "NEC offers the *caliber* of consulting that can help institutions take much greater advantage of Yamashita technology," Shibata said.

answer: (a) caliber

A10 Citing an example, Shibata said that the partners are currently working to *align* fraud detection systems with ATM networks.

answer: (a) align

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The Physical Supply Chain

A1 The reduction of uncertainty in the physical supply chain requires cooperation between trading partners; this uncertainty is reduced *incrementally* but requires adequate investment from both of the partners.

answer: (b) incrementally

A2 During the initial development of integrated supply chains, the more powerful of the partners *dictated* their requirements.

answer: (c) dictated

A3 With, for example, *a just-in-time* system, timely delivery of components lowered the working capital needed by a powerful customer, while the supplier had to investment heavily to adapt their system.

answer: (a) a just-in-time

A4 The system is uncertain for the supplier because the payment receipt date is unknown, yet powerful customers are *reluctant* to invest in providing a more certain system because it is the supplier that receives the benefit.

answer: (d) reluctant

A5 Instead of cooperating in the removal of costs from their supply chain, the customer's finance functions may take *an opportunistic* approach: payments may be delayed in order to match cash flows or operational processes.

answer: (b) an opportunistic

A6 A smaller supplier may also *incur* higher charges for foreign exchange transactions and cash management services.

answer: (d) incur

A7 With regard to the financial supply chain, it has been proving problematic to implement a sure system for invoice input and *generation* of payment orders.

answer: (c) generation

A8 However, in the long run, the process of *iterative* improvements in the supply chain demands close cooperation.

answer: (c) iterative

A9 Instead of apportioning savings to each partner for every investment, the focus is shifted to a more general form of *reciprocation.*

answer: (a) reciprocation

A10 The thrust of the trading relationship can then shift from competition between partners and focus instead upon cooperation within the supply chain and *adversarial* competition between chains.

answer: (d) adversarial

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Foreign Currency Risk Management

A1 With regard to volatility in foreign currencies, corporate finance people are faced today with having to manage risk on a constantly changing playing field which is *fraught* with challenges.

answer: (b) fraught

A2 Within a regulatory environment recently upset by a *spate* of financial scandals, the rules of the FX game are now staggeringly complicated, with an increased burden of compliance on financial accounting and reporting departments.

answer: (d) spate

A3 This has led to a host of issues regarding operations within most multinational companies, transforming FX risk from what was once considered a departmental concern into a *bona fide* risk to the whole enterprise.

answer: (a) bona fide

A4 This focus on reporting and compliance translates into a shift of resources away from treasury, the traditional *steward* for management of corporate risk, and into the controller's office.

answer: (d) steward

A5 Withdraw those resources and add in the demands on treasurers of a seemingly *insatiable* corporate appetite for growth through mergers and acquisitions, and we can see why employee turnover in treasury is reaching unprecedented rates.

answer: (a) insatiable

A6 *Taken* as a whole, the stress to which the staff, systems and processes that corporations rely on to protect corporate value from FX volatility are subjected amounts to a perfect storm.

answer: (d) Taken

A7 From one viewpoint, currency fluctuation risk is a relatively easy risk to handle: exchange-traded options and forward contracts can lock in exchange rates and protect cash flow and financial statements from the effects of currency *swings.*

answer: (d) swings

A8 There are fundamental problems with the underlying transaction data used by organizations to calculate and manage FX exposure, and one contributor to these data problems is manual accounting processes which lead to persistent, *systemic* errors.

answer: (d) systemic

A9 Frequently, such problems show up in regional offices, where a foreign currency transaction is converted on the *fly* and entered into the general ledger in the local currency instead of the transaction currency.

answer: (b) fly

A10 Solving the problem will require more rigorous training to ensure adherence to proper accounting procedures and a clear understanding of the impact of *flawed* practices.

answer: (b) flawed

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Banker's Acceptances

A1 Banker's acceptances, bills of exchange and unsecured notes are the major types of *straight* paper.

answer: (d) straight

A2 One key question when choosing and implementing any stock selection model is how long excess returns are produced; identifying a model's optimal *holding* period or longevity helps reduce portfolio turnover and maximize returns.

answer: (c) holding

A3 In order to take advantage of the pain being suffered on Wall Street, Castle Investments is adding 1.2 billion dollars to the *war chest* it has already amassed; the extra cash will be added to its 2.2 billion dollar 'credit opportunities' fund for investment in distressed assets.

answer: (d) war chest

A4 Just as with forecasting the weather, *technical* analysis doesn't produce absolute predictions of future trends in the market, but it can help investors in anticipating what is likely to happen to prices, especially over the short term.

answer: (d) technical

A5 The *American* option exhibits the same cash flow potential as its international counterparts with the same underlying strike price and date of expiry, but one advantage is that the investor can choose when to exercise his option if he suddenly needs to unload the security.

answer: (b) American

A6 *The Crash of 1987* stands out as one of the most remarkable 20th century financial events because of its suddenness, the unprecedented extent by which world markets fell — 23 percent — and its total lack of explanation.

answer: (c) The Crash of 1987

A7 The Federal Reserve *discount* rate is the interest rate received by commercial banks and other depository institutions on loans from the regional FRB's lending facility; the rates are the same across all Reserve Banks with the exception of days around a rate change.

answer: (b) discount

A8 Many couples now open a *joint* bank account while keeping their separate accounts: they each pay a specified amount into the former, using this to pay household expenses, while they retain their own financial independence and avoid the use of money as power in the relationship.

answer: (b) joint

A9 The firm invested funds in repurchase agreements (short-term obligations secured by government obligations) and *master* notes (unsecured obligations) issued by banks; both represent money on deposit or accounts receivable contracted in the course of business.

answer: (c) master

A10 *A real estate* investment trust specifically invests in properties producing income and then passes the profits on to its investors as dividends; indeed, it must distribute at least 90% of its profits in order to qualify for preferential tax treatment.

answer: (c) A real estate

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Non-monetary Services

A1 Venture capitalists are often willing to provide non-monetary '*add-on*' services to young businesses which they wish to grow, helping gather the management team and prepare the company for its initial public offering, for example.

answer: (b) add-on

A2 *Ratio* analysis is a useful tool for making comparisons between other businesses in your industry and your own; for instance, it can indicate whether your business is collecting receivables too slowly or holding too much inventory.

answer: (c) Ratio

A3 Reliable Resources announced that it has closed *a bought* deal financing of 3.9 million of its common shares at $11 per share; the underwriters have an option to buy up to 600,000 more shares at the same price to cover over-allotments and for market stabilization purposes.

answer: (a) a bought

A4 Capital stock consists of buildings, equipment and intermediate goods not directly consumed and, combined with labor, it produces a flow that yields all the goods and services produced in the economy; 'capital *formation*' is simply the enlargement of this capital stock.

answer: (c) formation

A5 *Snowballing* is the momentum which sometimes results from rapid business activity increases, and with securities, it is the process by which the exercise of stop orders in an advancing or declining market causes increased upward or downward pressure on prices.

answer: (c) Snowballing

A6 In finance, *covariance*, a statistical measure of the correlation in variations in two different quantities, is used to evaluate the annual return rates for different investments and measure the correlation of the changes in their performance from year to year.

answer: (a) covariance

A7 MacLennon Group Ltd accesses international debt markets via its USD 20 billion World Debt Program, a comprehensive borrowing program that involves issuing a variety of *instruments* in a range of markets.

answer: (b) instruments

A8 *A warranty* deed is a deed which promises the buyer that the seller holds clear, unencumbered title to the property.

answer: (d) A warranty

A9 Some dealers in US securities use made-up or dummy *CUSIP* numbers on the first trading day or until they can update their systems with the actual numbers, but this is a poor solution because many dealers cannot submit prices using them.

answer: (d) CUSIP

A10 This bond's issuer normally asks an independent attorney to give an opinion about the terms, call provisions, its taxing authority limitations, the propriety of the physical certificate, etc, but not all munis are issued with this opinion, and these are designated as *ex-legal.*

answer: (a) ex-legal

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Manipulative Practices

A1 *Gathering* in the stops is a manipulative practice in which a trader sells a large number of a stock in order to bring down its price to a level where stop orders exist; these are then activated, touching off other stop orders, and the process snowballs.

answer: (c) Gathering

A2 Legally, a settlor is one who settles property for the benefit of a beneficiary; in legal systems, a settlor can also be referred to as a grantor, a *trustor*, or a donor.

answer: (d) trustor

A3 With the issuance of capital stock, the Capital Stock account is credited with the issued shares' par value, while the excess (if any) of the market value received over par is credited to the Additional *Paid-in* Capital account.

answer: (d) Paid-in

A4 When a mutual fund sells any holdings, it is required by law to distribute to its shareholders essentially all the gains in capital gains *distributions*; these, which typically occur once or twice a year, are made primarily for tax purposes.

answer: (d) distributions

A5 The *annual* percentage rate does not affect monthly mortgage payments, which are a function of interest rate and loan term; its purpose is to indicate the true loan cost, preventing lenders from advertising low rates while hiding fees.

answer: (a) annual

A6 A *living* trust is created in order to hold ownership of a person's assets during the individual's lifetime and to distribute them after death; normally, the grantor may serve as a trustee and control those assets even though they are the property of the trust.

answer: (b) living

A7 On 5 August 1997, Bill Clinton signed into law the Taxpayer *Relief* Act of 1997 and the Balanced Budget Act of 1997; the tax law made over 800 changes to the US's massive tax code, affecting nearly every taxpayer.

answer: (a) Relief

A8 Real Estate Mortgage Investment *Conduits* (REMICs) are very complex, but the basic concept is that the cash flow from an underlying pool of whole loans are tranched or sliced up into separate securities with different time-to-maturity horizons and cash flow characteristics.

answer: (c) Conduits

A9 *Ordinary* interest is interest based not on a 365-day year but on a 360-day year, and this can result in a significant difference.

answer: (c) Ordinary

A10 Abandoning *performance*-based compensation is difficult, because some employees always want to contribute more and logically expect more in return, demanding differentiation in salaries.

answer: (c) performance

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Minimizing Volatility

A1 A good way to gain a lot of income with minimal volatility is with a *prime* rate fund invested in bank loans; banks make these loans to companies as part of leveraged buyout deals and then sell them to mutual funds and other institutional investors.

answer: (c) prime

A2 The internationally-accepted transfer pricing standard applied for tax purposes is the *arm's-length* price; this standard separates tax considerations from economic decisions and promotes international trade and investment growth.

answer: (a) arm's-length

A3 A *consensus* recommendation is a good way to gain a broad view, but it doesn't necessarily offer the best solution for the investor; the criteria used by each analyst may vary, so it should be considered only as an indicator.

answer: (c) consensus

A4 *Resyndication* limited partnerships are partnerships in which new limited partners buy the existing properties in order to receive tax advantages that the old partners can no longer claim.

answer: (d) Resyndication

A5 Typically, *securities* loans are collateralized, reducing the lender's credit exposure to the borrower; the collateral may be a letter of credit, cash, or other stocks, bonds or investments.

answer: (d) securities

A6 The direct *rollover* method of transfer from employer-sponsored plan to employee IRA allows the latter to avoid IRS withholding tax deducted with a distribution by the company plan to the employee, even if the employee intends to place it immediately into an IRA.

answer: (d) rollover

A7 The bond's *straight* value is its value disregarding its share conversion option and based solely on its future cash payments (its maturity value plus coupons).

answer: (d) straight

A8 You should invest in mutual funds with a low portfolio *turnover* ratio, which means that the fund manager does less buying-and-selling and more buying-and-holding, thus making the fund more tax-efficient and helping you in the long run.

answer: (d) turnover

A9 The foundation of *arbitrage* pricing theory is the concept that a security's price is driven by several factors, both company-specific factors and macro factors.

answer: (a) arbitrage

A10 Including such names as BMW and Bayer, the *DAX* 100 is the abbreviation for Deutscher Aktienindex 100, which is a price-weighted index for Germany's top one hundred stocks.

answer: (d) DAX

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Gold Collateral

A1 Congress has mandated that each Federal Reserve Bank must hold collateral, chiefly US securities and gold certificates, which is equal in value to the Federal Reserve *notes* which the Bank receives.

answer: (d) notes

A2 LEAPS (Long-term Equity *Anticipation* Securities) are options that expire up to three years in the future; calls provide investors a chance to participate in upward movements without outright stock purchases, while puts provide a hedge against a decline in their stocks.

answer: (c) Anticipation

A3 City governments issue tax-exempt *mutual* improvement certificates in order to finance specific public works projects; the cities then assess more taxes on the beneficiaries of these improvements.

answer: (b) mutual

A4 The *termination* statement documents the borrower's fulfillment of a collateralized loan repayment; after the borrower has paid off the loan, the lender no longer has rights of ownership to the assets used as collateral.

answer: (d) termination

A5 The minimum distributions from *an inherited* IRA are calculated on the beneficiary's expected longevity, not that of the original owner; standard single-life or life-expectancy tables are used in determining how much the beneficiary must receive each year.

answer: (c) an inherited

A6 *An arm's length* transaction is one made by parties freely and independently of one another, and without any special relationship, such as one party having complete control of the other, having another deal on the side or being a relative.

answer: (b) An arm's length

A7 Even if a prospective homebuyer can prove a steady income source and is not in arrears on any financial obligations, a sufficient level of bank *credit* to allow approval of a mortgage still depends on the overall financial health of the loan applicant.

answer: (d) credit

A8 If an account holder overdraws her account, then the bank has the choice of either paying the amount or not; if it returns the check without paying it, she'll be charged *a bounced*-check or non-sufficient funds fee, and if it pays, she'll be charged an overdraft fee.

answer: (b) a bounced

A9 If you have received *a nonperiodic* distribution from your qualified retirement plan before the annuity starting date, you can usually allocate only part of it to the cost of the contract; the remainder you must include in gross income.

answer: (d) a nonperiodic

A10 PayPal appears to have at last posted a realistic estimate of eCheque *clearance* time: eCheque emails always defaulted in the past to the US standard of 3 to 4 working days, but from today they have begun estimating a more realistic 7 to 9 working days.

answer: (a) clearance

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Cyber-criminals and Cyber-crime

A1 For the past several years we have seen a big change in cyber-crime; although the *sheer* number of crimes has risen considerably substantially, that is not the complete story.

answer: (b) sheer

A2 Just increasing the quantities of manpower and money that a company throws *at* this problem is no longer sufficient to keep pace with all the changes.

answer: (b) at

A3 Cyber-criminals, along with the cyber-crimes that they *perpetrate*, are constantly evolving, and our approaches and methods must also change in order to guard our company from this new wave.

answer: (c) perpetrate

A4 Only a few years ago, cyber-criminals were primarily young male nerds doing it as an experiment or just for fun; they were not *out to* profit from their efforts but just wanted to impress their girlfriends or peers.

answer: (b) out to

A5 They were not trying to cause major disruptions or steal money; changing the company website logo was acceptable, but crashing the entire system and then *extorting* money to restore it was unthinkable.

answer: (c) extorting

A6 In those days, hackers were just earning bragging rights and boosting their egos; the activity was only a *rung* or two up the intellectual ladder from train-spotting.

answer: (c) rung

A7 Nowadays, the hackers' primary targets are e-commerce websites and their customer databases, and their operations are so *slick* that stolen data is misused within seconds of its being entered by the unwitting victims.

answer: (b) slick

A8 Today, e-commerce's main growth area is in replacing traditional telephone-based or over-the-counter transactions with web-based applications, and of course hackers have *latched* onto this.

answer: (a) latched

A9 Now at the disposal of cyber-criminals are all the resources of organised crime, which knows that police forces globally are *woefully* under-resourced for attacking internet fraud.

answer: (c) woefully

A10 Efforts need to be focused on the building of secure applications that cannot be *compromised.*

answer: (c) compromised

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Pushing and Pulling

A1 Chesterfield suggests that the traditional hierarchical model of planning which places communications alongside the other marketing mix variables is due for a *rethink.*

answer: (c) rethink

A2 All marketing communication is not elevated to a strategic role, though; a distinction exists between tactical communications supporting individual marketing initiatives and strategic communications that inform all of a company's activities *emanating* from the highest levels.

answer: (b) emanating

A3 Communication is qualitatively different from the other ingredients of the marketing mix; increasingly, the traditional marketing functions of price, product and distribution are hygiene factors, while communications is becoming a higher *order* tool.

answer: (a) order

A4 This is especially true for companies with *pervasive* brand values, but it likely means a change in how every marketing department sees itself.

answer: (d) pervasive

A5 More and more, corporations need to pursue strategic vertical integration, speaking with a single voice from the shop shelf right up to the CEO's office, even though this realignment might *eclipse* the latter's former preeminent role.

answer: (a) eclipse

A6 Push' strategies give incentives to distributors and retailers to stock and push their products, but this metaphor *rankles* the received marketing wisdom of finding and satisfying a need, not imposing the product on the customer.

answer: (d) rankles

A7 On the other hand, pull' strategies utilize consumer-directed techniques like sales *promotions* and advertising to stimulate demand in an effort to pull the product or the service through the channel to the consumer.

answer: (d) promotions

A8 Pull and push strategies are not mutually exclusive; for example, an advertising campaign pointed directly at the consumer will be viewed by intermediaries, which will presumably *bolster* their confidence in stocking the product advertised.

answer: (a) bolster

A9 The likelihood is that a vertically-integrated approach to communications will incorporate a *blurring* of the demarcation lines between the intermediary and the marketer.

answer: (a) blurring

A10 However, the staff responsible for each kind of strategy are likely to work independently in most companies, and this situation is probably the main barrier to effective vertical integration of the sort *envisaged* by Chesterfield.

answer: (b) envisaged

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Leisure Services

A1 It becomes increasingly important for leisure service agencies to be able to respond to all *constituents* in their communities as their ethnicities become more diverse.

answer: (a) constituents

A2 In order to incorporate changes, the professional leisure service provider needs to re-conceive his idea of the individual and broaden his *notions* of service delivery.

answer: (d) notions

A3 Most observers are now familiar with the important changes in the ethnic *composition* of the United States.

answer: (a) composition

A4 According to 2000 *census* data, the increase in minority populations was at nearly twice the rate as appeared in the 1980s.

answer: (c) census

A5 A good deal of the increase was among people of Hispanic *ancestry* — a 60% increase from 1980, or 8 million people.

answer: (a) ancestry

A6 By 2100, people of *color* collectively will be the majority in California.

answer: (a) color

A7 *Irrespective* of anyone's reaction to this, such significant changes indicate that a new reality has emerged, with implications for all recreation, park, and leisure service providers.

answer: (c) Irrespective

A8 Traditionally, recreation service agencies have functioned from a reductionist viewpoint where individuals were considered to be made up of discrete and identifiable parts instead of *holistic* entities.

answer: (b) holistic

A9 Smithson et al (1992) offer an alternative viewpoint: they *argue* that the individual must be thought of as a total organism with more than only leisure needs.

answer: (a) argue

A10 In addition, after the individual has been re-conceived, the *repertoire* of roles that the professional can then utilize broadens to incorporate more than direct service.

answer: (d) repertoire

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Niche Marketing

A1 Some entrepreneurs think that selling to the widest market is the surest path to success; they are hesitant to go after a market niche because they're afraid that they will lose business by *turning* away customers.

answer: (d) turning

A2 But this 'take all *comers*' approach is not very effective.

answer: (b) comers

A3 It is difficult to *stand* out if you market your business lacking a set of distinctive prospects in mind.

answer: (a) stand

A4 Entering a niche means that you will not be competing with many similar companies on price alone, and if you are selling products or services customized to the needs or *predispositions* of a specific group of customers, you can frequently charge more.

answer: (d) predispositions

A5 The procedure begins with your market research: you should analyze your competitors, your best potential customers, and your ability to serve these customers so well that they will make you their vendor of *choice.*

answer: (a) choice

A6 Market research can be compared to sticking your *toe* into the swimming pool before you plunge in.

answer: (d) toe

A7 After you have learned which customers you want to reach and what their needs are, you can adapt your service or product to match their needs more nearly and *craft* a message that reflects your customer as well as your business.

answer: (b) craft

A8 To decide whether a particular niche is right for your business, ask yourself if you can *tailor* its identity, services and products to address that market's particular needs.

answer: (b) tailor

A9 You should also determine whether your target market is currently *underserved.*

answer: (a) underserved

A10 The more that your business specializes, the more its market will see the value of your products or services because you are *speaking* directly to their unique situation.

answer: (d) speaking

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Scandinavian Capital Market

A1 In many ways, wider Europe is *mirrored* in the Nordic region, which is characterized by similarities in language, law and history but has different cultures and currencies.

answer: (b) mirrored

A2 The Nordics wanted to create a single regional capital market, but some of its exchanges and post-trading infrastructure providers remained *fiercely* independent or joined forces with partners outside the region.

answer: (b) fiercely

A3 In today's globalized age, issuers and investors both want and need deep, liquid markets operating at the lowest possible cost in the most risk-*averse* and efficient fashion.

answer: (b) averse

A4 Sharing access, expertise, operability, and international mergers and alliances are all becoming realities, but in any kind of innovative cooperation, there are *bound* to be glitches in delivering tangible benefits.

answer: (b) bound

A5 For instance, in Sweden last year, there were *bruises* to the reputation of the Stockholm Exchange when it took a hammering for technical problems that closed it for most of the business day.

answer: (a) bruises

A6 However, such cases are really only minor *blips* in what is proving already to be a fruitful combination.

answer: (a) blips

A7 The decision to sell NCSD, which *comprises* the central security depositories for Sweden and Finland, is a fine opportunity for participants in these two markets to reach more foreign trading parties and lower international transaction expenses.

answer: (d) comprises

A8 Without such *harmonization* of market practices and consolidation of infrastructure, financial professionals can expect only greater complexities and costs in the future as globalization continues.

answer: (c) harmonization

A9 And during *turbulent* times, cost containment becomes ever more relevant, as we have all come to learn.

answer: (d) turbulent

A10 Euroclear has been contributing to process standardization in EU capital markets, and it is also working on *converging* the multiple-transaction processing platforms which it runs onto one single platform.

answer: (c) converging

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