

EXAM SUMMARY

GLOBAL BUSINESS ADMINISTRATION

Undergraduate Academic Degree Level



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Written & Delivered by

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Subjects and Example Questions

The following pages include the specific subjects included with the topics along with example questions for the topic. These specific questions have been inactivated within the test bank and are shown in this document only to illustrate the types of questions that are presented to learners.

Test bank questions are written and proofed by terminally degreed, subject matter experts from accredited institutions who have teaching experience with the specific discipline. The criteria for a test bank question include:

- Test questions may be questions or (incomplete) statements.
- All multiple-choice format with 4 possible responses and only one correct response.
- All responses must be plausible and not misleading.
- “All of the Above” (or similar) or “None of the Above” or “A & C” responses are not used.
- All incorrect responses are assigned Response Distractors:

<u>Response Distractor</u>	<u>Student's response indicated by...</u>
<i>Fact-based error</i>	...do not know the fact(s).
<i>Concept-based error</i>	...misunderstood the concept.
<i>Conclusion-based error</i>	...reached an incorrect conclusion.
<i>Interpretation-based error</i>	...incorrectly interpreted the question.
<i>Calculation-based error</i>	...made an error with a math-related calculation.

Accounting

Subjects

- **Accounting Management** (Questions related to accrual accounting, revenues and expenses, the balance sheet, and inventory accounts)
- **Assets and Liabilities** (Questions related to accounts receivable, write-offs, collectable accounts, and buyer's records)
- **Balance Sheet** (Questions related to time frames associated with balance sheets, the statement of financial position, accounts receivable, and valuation of inventories)
- **Business Organization Types** (Questions related to forms of business organizations)
- **Capital** (Questions related to paid-in-capital, value of stock, distributions of earnings, and par value)
- **Debit and Credit Entries** (Questions related to accounts receivable, transactions, last in first out, first in first out, and notes receivable)
- **Fiscal Year** (Questions related to the firm's operating cycle, equity balance sheet, assets, owner's equity, and liabilities)
- **Income and Costs** (Questions related to inventory cost flow assumption, balance sheet inventories, cash balances, and general ledger accounts)
- **Income Statement** (Questions related to revenues, gains, expenses, and losses)
- **Revenues and Expenses** (Questions related to operating activities, net assets, cash disbursements, and common stock)
- **Transaction Analysis** (Questions related to matching revenue and expenses, notes payable, reconciliation, and adjustments)

Example Questions

The beginning inventory of the current year is overstated by €5,000 and closing inventory is overstated by €12,000. These errors will cause the net income for the current year to be .

- A. overstated by €17,000
- B. understated by €12,000
- C. overstated by €7,000
- D. understated by €7,000

Correct Response: C

There are five main types of current assets. Which one of the following is not a current asset?

- A. Cash and equivalents
- B. Accounts receivable
- C. Deferred income
- D. Prepaid expenses

Correct Response: C

another without significantly affecting the total score that an individual would receive on the exam. This is determined using Cohen's Effect Size d calculated based on a two-tailed t -test comparing the total score for all students who had that question in their exam versus the total score of the students who did not have that question in their exam. The scale is 0 - 1.0, and a score of < 0.20 is considered acceptable.

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