**Finance & Accounting**

**Answer the following:**

1. What three accounting statements help the manager monitor a firm’s performance? What can the balance sheet tell the firm about its assets and financial structure?
2. What are three types of business organizations? Explain briefly.
3. Calculate the annual depreciation charges, assuming no salvage value and depreciation life of years, for an asset bought for $200,000 using the following two method:
a. Straight-line method b. Double-declining
4. Is a dollar today worth more than a dollar next year if the annual rate of inflation is zero? Explain briefly.
5. If the dispersion of the returns of project A is large and that for project B is narrow, which is the riskier project and why?
6. For each of the following identify the type of account as:
7. Asset, liability, equity, revenue, or expense
8. Debit or credit

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| **Items** | **Type of account** | **Debit(Dr.) or Credit(Cr.)** |
| Unearned Revenue |  |  |
| Accounts Payable |  |  |
| Postage Expense |  |  |
| Prepaid Insurance |  |  |
| Land |  |  |
| Common Stock |  |  |
| Accounts Receivable |  |  |
| Retained Earnings |  |  |
| Cash |  |  |
| Equipment |  |  |
| Fees Earned |  |  |
| Wages Expense |  |  |