1. (1.0 point) The ___ function calculates the future value of an investment or loan.
   a. RATE  
   b. PV  
   c. NPER  
   d. FV

2. (1.0 point) The ___ function calculates the number of payment periods in an investment or loan.
   a. RATE  
   b. PV  
   c. NPER  
   d. FV

3. (1.0 point) To calculate the number of quarterly payments required to pay off a loan, use the ___ function.
   a. PMT  
   b. PV  
   c. FV  
   d. NPER

4. (1.0 point) The PMT value is also known as the ___ payment.
   a. periodic  
   b. placement  
   c. inflow  
   d. indexed

5. (1.0 point) In the function =CUMIPMT(rate, nper, pv, start, end, type), it is ___ that defines whether the payments are made at the beginning or end of each period.
   a. rate  
   b. nper  
   c. end  
   d. type

6. (1.0 point) When using the PMT function to calculate monthly loan payments, the interest rate and the number of payments should be based on the interest rate per month and the total ___ to pay off the loan.
   a. weeks  
   b. months  
   c. years  
   d. any of the above

7. (1.0 point) Income statements are often created ___.
   a. monthly  
   b. semiannually  
   c. annually  
   d. any of the above
8. (1.0 point)
In a(n) ____ trend, the values change by a constant amount.
   a. linear
   b. growth
   c. periodic
   d. orthogonal

9. (1.0 point)
The difference between a company’s sales revenue and the cost of goods sold is the company’s ____.
   a. cost of operation
   b. gross profit
   c. growth trend
   d. total revenue

10. (1.0 point)
When you extrapolate a series, the ____ value represents the amount that each value is increased or multiplied as the series is extended.
    a. Increase
    b. Step
    c. Extension
    d. Advance

11. (1.0 point)
With ____ depreciation, the asset depreciates by equal amounts each year of its lifetime until it reaches the salvage value.
    a. straight-line
    b. double-declining
    c. declining
    d. sum of years’ digit

12. (1.0 point)
To calculate the internal rate of return, use the ____ function with the cost of the initial investment as the first cash flow value in a series.
    a. IRR
    b. XNPV
    c. NPV
    d. XIRR

13. (1.0 point)
At rates beyond the internal rate of return, the net present value is ____ , meaning that the expansion is no longer a good investment compared with the desired rate of return.
    a. positive
    b. integrated
    c. negative
    d. exponential
14. (1.0 point) In comparing two investments, a commonly used guideline is to accept the investment with the ____.
   a. higher NPV
   b. higher IRR
   c. lower NPV
   d. either a. or b.

15. (1.0 point) Use the XNPV and XIRR functions for cash flows that appear ____.
   a. with a regular pattern
   b. at unevenly spaced intervals
   c. at evenly spaced intervals
   d. none of the above

16. (1.0 point) A(n) ____ worksheet projects the company’s expected assets, liabilities, and equity.
   a. Asset Report
   b. Income Statement
   c. Balance Sheet
   d. Transactions

17. (1.0 point) A(n) ____ arrow provides a visual clue to the relationship between two cells by pointing from the precedent cell to the dependent cell.
   a. tracer
   b. outline
   c. index
   d. key

18. (1.0 point) The \textit{fv} argument is required in the \textit{PMT} function.
   a. True
   b. False

19. (1.0 point) Cash flow has nothing to do with who owns the money.
   a. True
   b. False

20. (1.0 point) You should reference worksheet cells in which the values are entered so the values are easily visible.
   a. True
   b. False

21. (1.0 point) If the NPER function returns \#NUM!, the loan cannot be repaid in any length of time.
   a. True
   b. False
22. (1.0 point)
If you are making periodic monthly payments, and the interest is compounded monthly, then the number of periods is in years.
   a. True
   b. False

23. (1.0 point)
The functions used to work with loans are the same ones you used to work with investments; the only difference is the direction of the cash flow.
   a. True
   b. False

24. (1.0 point)
You can calculate cumulative payments on interest and principal using the CUMIPMT and CUMPRINC functions.
   a. True
   b. False

25. (1.0 point)
To properly use financial functions, always place argument values directly into a financial formula.
   a. True
   b. False

26. (1.0 point)
Assets such as raw materials a company uses to manufacture cars are considered tangible assets.
   a. True
   b. False

27. (1.0 point)
The list of values in the IRR function must include at least one positive cash flow and one negative cash flow.
   a. True
   b. False

28. (1.0 point)
An error indicator (a red triangle in the upper-left corner of a cell) flags cells with an error or a potential error.
   a. True
   b. False

29. (1.0 point)
The FV function calculates the full value of an investment or loan.
   a. True
   b. False

30. (1.0 point)
If you don’t include an fv value, Excel assumes a future value of 1.
   a. True
   b. False
31. (1.0 point)
A regular cash flow occurs when cash is going away from the investor.
   a. True
   b. False

32. (1.0 point)
If the NPER function returns the error value #REF a loan cannot be paid back in any length of time.
   a. True
   b. False

33. (1.0 point)
To calculate an annual rate, multiply the value returned by the RATE function by the number of payments per year.
   a. True
   b. False

34. (1.0 point)
As you repay a loan, each payment represents a positive cash flow as you are sending money to the lending institution.
   a. True
   b. False

35. (1.0 point)
When using the PMT function to calculate monthly loan payments, the interest rate and the number of payments should be based on the interest rate per year and the total months to pay off the loan.
   a. True
   b. False

36. (1.0 point)
The function DDB is used to calculate a declining balance depreciation.
   a. True
   b. False

37. (1.0 point)
The possibility that the entire transaction will fail, resulting in a loss of the initial investment is called the chance.
   a. True
   b. False