

1. 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

2. 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

3. 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

4. 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

5. 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



6. 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
7. 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
8. 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
9. 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
10. The annual growth rate of an investment is computed by the formula: $(P_v / P_0) (1/n) - 1$, where P_v = Present value, P_0 = 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



1. The one big fear of all world economies is that of

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

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

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

3. 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

4. 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

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

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



6. 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



7. 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

8. 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

9. 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

10. 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



11. 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

12. 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



13. on the stockmarket just before Christmas is usually very slow.

- (a) Working (b) Trading (c) Pricing (d) Adding

14. This sport centre has largely been by money that has come from the national lottery.

- (a) founded (b) found (c) fined (d) funded

15. 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

16. The in the market was seen as a positive sign that the recession was over.

- (a) upturn (b) upstart (c) uptake (d) upward



17. The books for manufacturers of small cars are now full following the rise in petrol.

- (a) exercise (b) order (c) place (d) trade

18. 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



19. After their house had been, they decided to sell it and buy a bigger one.

- (a) valued (b) priced (c) cost (d) prized

20. Fifty people were made when the company suffered a severe financial shock.

- (a) useless (b) unwanted (c) unneeded (d) redundant

21. 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



22. 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

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

- (a) shortdrop (b) shortfall (c) shutdown (d) shortslide

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

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



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

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



26. 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

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

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

28. 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

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

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

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

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





1. 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

2. 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

3. Auditors are not responsible for the of the financial statements of an company.
(a) evaluation (b) examination (c) position (d) preparation

4. 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

5. 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

6. 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





7. 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

8. One of the principal goals of the auditor is to add to this assertion.

- (a) credentials (b) credibility (c) creditworthiness (d) credulity

9. 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



10. 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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