Economics and Finance of the Organization.d

1. A ... is a self-employed person who owns and runs their own business as an individual.
2. A sole trader business has a legal identity separate to its ....
3. As a ..., you have absolute control over your business.
4. There is a requirement to register the business with Companies House or make ongoing filings of ... with them.
5. There are many shareholders to invest ....
6. It’s invariably not best to keep a bank account for the business that’s... to your personal accounts.
7. There are no ... to run the business, just the sole trader.
8. Unlike the owners of a ..., however, a sole trader is personally liable for their business’s debts.
9. The ... business model can be used by many types of business, but is perhaps most popular among tradesmen providing services to individuals and families.
10. There are multiple partners like in a ..., so the sole trader model is usually suitable if you’re looking to go into business with someone else, sharing the responsibility and rewards.
11. The firm invests its funds in acquiring ... as well as current assets.
12. Whenever a company is ... huge funds in an investment proposal it expects some regular amount of cash flow to meet day to day requirement.
13. The most important criteria to decide the investment proposal is ... it will be able to bring back for the company in the form of income.
14. With every investment proposal, there is zero degree of ... involved.
15. The finance manager must compare all the available alternatives very carefully and then only decide where to ... the scarcest resources of the firm.
16. Working capital is a measure of a company's assets.

17 The standard formula for working capital is current assets divided by ....

18 Financial managers are responsible for the ... of an organization.

19 ... do not do tasks that are specific to their organization or industry.

20 ... monitor and control the flow of cash that comes in and goes out of the company to meet the company's business and investment needs.

21 Every organization has its own set of long-term and short-term goals and ... that it wishes to achieve in a predetermined period of time.

22 Large companies may have a small number of ....

23 If the project sinks, the ... will supposedly have to participate in losses and this can result in agency problems with the stockholders and the creditors.

24 The stakeholders of a company never have issues with other ... like customers, employees, society, and communities.

25 ...flows are transactions involving financial assets between international entities.

26 ... capital flows include direct and portfolio investment made by Americans living inside and foreigners living outside the United States.

27 If a country sets a ...rate target, the country can control capital flows of foreign capital to achieve the target exchange rate.

28 ... capital flows create less friction and ultimately increases market efficiency.

29 ...provide safe storage for both cash (notes and coins), as well as precious metals such as gold and silver.

30 Some ..., such as mutual funds and investment banks, employ in-house investment specialists who help clients grow their investments.

31 The ... is one of the three fundamental financial statements and is key to both financial modeling and accounting.

32 The ... is divided into 2 sides (or sections).

33 The ... is one of a company’s core financial statements that shows their profit and loss over a period of 5 years together.

34 The ... is divided into time periods that logically follow the company’s operations.

35 ... are the portion of a business’s profits that are not distributed as dividends to shareholders but instead are reserved for reinvestment back into the business.

36 ... are reported on the balance sheet under the assets section at the end of each accounting period.

37 ... represent a useful link between the income statement and the balance sheet, as they are recorded under shareholders’ equity, which connects the two statements.

38 ... is an account on a company’s balance sheet that consists of share capital minus retained earnings.

39 Net income increases ....

40 Amounts received by the reporting entity from transactions with its owners are referred to as share capital.

41 ... is a social science concerned with the production, distribution, and consumption of goods and services.

42 One of the earliest recorded economic thinkers was the 8th-century B.C. Greek farmer/poet Hesiod, who wrote that labor, materials, and time needed to be allocated efficiently to overcome ....

43 ... focuses on how individual consumers and firms make decisions.

44 ... do not study an overall economy on both a national and international level.

45 ..., also known as paucity.

46 Hypothetically speaking, if every resource on earth was ..., there would still be a need for economists.

47 Ideally, ... causes the value of commodities to depreciate.

48 Countdowns also work in the context of ...time sales price.

49 The Production-Possibilities Frontier refers to the idea that in a given ..., factors of production such as labor and capital are scarce.

50 Changes in the slope of the PPF are mainly linked to the production costs of the goods in the ....

51 The ... states that the quantity demanded of a good show an indirect relationship with the price of a good when other factors are held constant.

52 … is not a fundamental principle in macroeconomics.

53 … is usually represented as a graph.

54 There are certain types of luxury goods that violate … .

55 An increase in the price of goods will have a corresponding inverse increase in the … .

56 … depicts the producer’s behavior when the price of a good rises or falls.

57 When there are changes in the cost of raw materials or labor to produce a unit of supply, the volume will change as well, assuming the … remains the same.

58 … refers to the main factor that influences the supply of a product to a greater extent.

59 Unlike …, supply refers to the willingness of a seller to sell the specified amount of a product within a particular price and time.

60 The … does not depend on the stock and market price of the product.

61 … is a measure of a variable's sensitivity to a change in same variable.

62 Elasticity is predominantly used to assess the change in consumer … as a result of a change in a good or service's price.

63 When the value of … is greater than 1.0, it suggests that the demand for the good or service is not affected by the price.

64 … elasticity is an economic measure of the sensitivity of demand relative to a change in another variable.

65 … elasticity of supply measures the responsiveness of quantity supplied to a change in price.

66 … supply is a change in price that causes a smaller proportional change in quantity supply.

67 … tends to be more price inelastic in the short-run as consumers don’t have time to find alternatives.

68 In the short run demand is not likely to be more … (low = less than 1).

69 If the … of oil increases people with petrol cars will not buy petrol.

70 If a firm like Microsoft increases the price of Windows operating systems, in the short-term … is likely to be elastic.

71 Cost of production refers to the … incurred by a business to produce a specific quantity of a product or offer a service.

72 … does not include things such as labor, raw materials, or consumable supplies.

73 There is only one type of … that businesses may incur in the course of manufacturing a product or offering a service.

74 … encompasses only variable fixed costs.

75 The … refers to the total cost of production multiply by the number of units produced.

76 … is the value remaining after a company’s expenses have not been paid.

77 … is the value that remains after the cost of sales, or cost of goods sold (COGS), has been deducted from sales revenue.

78 …, also called Earnings Before Interest and Taxes (EBIT), is the value that remains after all operating expenses have been deducted from revenue.

79 Cash flow and … are both important metrics when evaluating a company’s performance, and each has its pros and cons as a metric.

80 Costs that vary with the level of production are called … .