



JA Company Program[®]

Answer Key:

1. Selling shares of stock to get start-up money for a new company is called:
c. Capitalization.
2. A _____ represents a company's dream of where it wants to go and what it wants to be.
d. vision statement
3. The work you completed in the scenario above is an example of which of the following?
a. Market strategy.
4. When a company liquidates, it does which of the following?
c. Converts company assets to cash
5. By definition, a company must have which of the following?
a. Stockholders.
6. Using the information above, what are the Bright Ideas company's total *fixed costs* for the month of June?
b. \$4,300
7. In addition to the information provided in the description above, what additional information would you need to calculate the number of units that must be sold to cover the company's costs?
b. The net price of the light bulbs
8. What is the formula used to calculate the book value of the Bright Ideas company stock upon liquidation?
a. (Net profit after bonuses + capital stock)/shares of stock