

# Pre-Test

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## Directions

This is just a pre-test to see where everyone is on math, accounting and finance topics. It does not count for a grade; I just need the information to guide a few lectures.

## Math

1. Add

$$\frac{2}{x+3} + \frac{5}{x+2}$$

2. Use the properties of exponents to simplify this expression:

$$\frac{14(x^2y^3)^2}{7x^3y^{10}}$$

3. Set up and solve a system of equations to answer this question. A theater sells adult tickets for \$8 and children's tickets for \$5. If a total of \$236 was taken in on sales of 34 total tickets, how many adult tickets and how many children's tickets were sold?

## Accounting Concepts

1. Which of the following is *not* an asset?
  - Employees
  - Land
  - Machinery
  - Cash
  - Owner Equity
  - Accounts Receivable
2. Which of the following is a liability?
  - Cash
  - Accounts Receivable
  - Owner Equity
  - Tax Owed
  - None of the above
3. Which of the following is an expense?
  - Owner Equity
  - A Loan
  - Taxes
  - None of the above

## Interest

1. Suppose you deposit \$100 into an account that earns 12% a year compounded *annually*. How much would be in the account after 10 years?
  
  
  
  
  
  
  
  
  
  
2. Suppose you deposit \$100 into an account that earns 12% a year compounded *monthly*. How much would be in the account after 10 years?

## Choice

Consider the following assets:

Year	A	B	C
0	0	0	0
1	10	0	0
2	0	10	20

Asset A gives \$10 in year 1. Asset B gives \$10 in year 2 and asset C gives \$20 in year 2.

1. Between A and B, which would you prefer and why?

2. Between B and C, which would you prefer and why?

3. Between A and C, which would you prefer and why?