

THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. What are the three main financial needs of a business?

 2. Identify the four characteristics of effective business financial goals.

 3. Which of the following is one of the main financial needs of a business?
 - a. A business must provide low prices for competitors to remain competitive.
 - b. A business must meet its financial obligations and pay its debts.
 - c. A business must avoid growing to a large size in order to maintain effectiveness and efficiency.
 - d. All are correct.

 4. Effective business financial goals must have each of the following elements except
 - a. They must be specific.
 - b. They must be realistic.
 - c. They must be open-ended.
 - d. They must be established for an identified period of time.

 5. Which of the following is NOT one of the main financial needs of a business?
 - a. A business must provide a competitive rate of return for its investors.
 - b. A business must meet its financial obligations and pay its debts.
 - c. A business must finance future growth and improvement to remain competitive.
 - d. A business must make a profit on all of its activities.

 6. A ____ financial goal is directed at a particular business action.
 - a. measurable
 - b. specific
 - c. realistic
 - d. clear

 7. True or False? ____ A business that wants to finance growth needs to be financially healthy.

 8. A _____ is an individual or an organization that provides funds to a business with a repayment of the funds and agreed-upon interest due at a future date.

 9. True or False? ____ A company should address all three of the main financial goals at the same time rather than selecting one as a priority.
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TEAMWORK

Discuss in pairs or small groups and then write your conclusions below.

10. "A business needs to grow and improve in order to be successful." Do you agree or disagree with that statement? Discuss it with your teammates and provide reasons to support each of the positions.