

Quiz Grade: 75.0% (A)

Quiz Submission

Financial Planning for Small Businesses

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Total Questions: 10

Course Information

Course Title: Financial Planning for Small Businesses
Course Code: FPL 227
Credit Hours: 3

Quiz Questions, Student Answers, and Correct Answers

Question 1 of 10

Multiple Choice Question

Which of the following is NOT a common financial challenge faced by small businesses?

Available Options:

- (A) Lack of capital
- (B) High overhead costs
- (C) Difficulty obtaining loans

(D) Limited access to technology ← STUDENT SELECTED ← CORRECT ANSWER

Student's Answer: Option D: Limited access to technology

Correct Answer: Option D: Limited access to technology

Question 2 of 10

Text Answer Question

What is the main objective of financial planning for small businesses?

Student's Answer:

The main objective is to ensure the business has enough funds to operate efficiently and remain profitable and achieve its long-term and short-term goals. The planning also minimizes financial risks and prepares for uncertainties.

Correct Answer:

To ensure long-term financial stability and success for the business

Question 3 of 10

Multiple Choice Question

Which of the following is NOT a step in the financial planning process for small businesses?

Available Options:

- (A) Setting financial goals
- (B) Creating a budget
- (C) Hiring a financial advisor ← STUDENT SELECTED ← CORRECT ANSWER
- (D) Analyzing financial data

Student's Answer: Option C: Hiring a financial advisor

Correct Answer: Option C: Hiring a financial advisor

Question 4 of 10

Multiple Choice Question

In financial planning, what does the acronym SMART stand for?

Available Options:

- (A) Specific, Measurable, Achievable, Realistic, Timely ← STUDENT SELECTED ← CORRECT ANSWER
- (B) Strategic, Meaningful, Actionable, Relevant, Thoughtful
- (C) Sustainable, Manageable, Accessible, Resourceful, Trustworthy
- (D) Satisfactory, Meaningful, Attainable, Reasonable, Targeted

Student's Answer: Option A: Specific, Measurable, Achievable, Realistic, Timely

Correct Answer: Option A: Specific, Measurable, Achievable, Realistic, Timely

Question 5 of 10

Text Answer Question

What is the purpose of creating a cash flow projection for a small business?

Student's Answer:

The purpose is to estimate the money coming in and going out over a specific period, so the business can manage its finances effectively and not run out of cash. It also helps to plan for growth, investments or expansion. Basically, it ensures the business maintain financially stable.

Correct Answer:

To forecast the amount of cash that will be coming in and going out of the business over a specific period of time

Question 6 of 10

Multiple Choice Question

Which of the following is a common type of business structure for small businesses?

Available Options:

(A) Corporation ← STUDENT SELECTED ← CORRECT ANSWER

(B) Government agency

(C) Non-profit organization

(D) Educational institution

Student's Answer: Option A: Corporation

Correct Answer: Option A: Corporation

Question 7 of 10

Text Answer Question

What is the purpose of conducting a SWOT analysis for a small business?

Student's Answer:

The SWOT analysis is used to evaluate the internal and external environment, so that better strategic decisions can be made. Strengths analyze what the business does well for competitive advantages Weakness analyses areas for improvement, Opportunities looks at external chances for growth in the market and Threats analyses the external risks or challenges to be prepared for or reduce.

Correct Answer:

To assess the business's strengths, weaknesses, opportunities, and threats in the market

Question 8 of 10

Multiple Choice Question

Which of the following is NOT a common source of financing for small businesses?

Available Options:

(A) Personal savings

(B) Venture capital ← STUDENT SELECTED ← CORRECT ANSWER

(C) Bank loans

(D) Government grants

Student's Answer: Option B: Venture capital

Correct Answer: Option B: Venture capital

Question 9 of 10

Text Answer Question

What is the purpose of creating a financial statement for a small business?

Student's Answer:

The financial statement provides a clear picture of the business's financial performance and position. It tracks, expenses, income, assets, and liabilities and also determine whether the business is making a profit or loss. The financial statement helps the business to understand its financial situation to make informed decisions for growth and stability.

Correct Answer:

To provide an overview of the business's financial health, including income, expenses, assets, and liabilities

Question 10 of 10

Multiple Choice Question

Which of the following is an important consideration when choosing a location for a small business?

Available Options:

(A) Proximity to competitors

(B) Low cost of living

(C) High population density ← CORRECT ANSWER

(D) Limited access to transportation

Student's Answer: No answer provided

Correct Answer: Option C: High population density

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