100 FINANCE ANSWERS

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ACCOUNTING

#	Question	Answer
1	How is the accrual principle applied?	Records revenues & expenses when earned/incurred
2	How does the consistency principle work?	Use same methods every accounting period
3	How is the matching principle used?	Match expenses with revenues of same period
4	How does the cost principle function?	Record assets at cost paid, not current value
5	How is the monetary unit assumption applied?	Record only quantifiable transactions
6	How does the time period assumption work?	Reports are for specific, consistent periods
7	How is the full disclosure principle used?	All info affecting decisions is disclosed
8	How does the going concern principle work?	Assumes business will operate indefinitely
9	How is the materiality principle applied?	Ignores trivial matters, focus on significant
10	How does the economic entity assumption work?	Business transactions separate from personal
11	How is the reliability principle used?	Users trust info's veracity & dependability
12	How does the revenue recognition principle work?	Revenue is recognized when earned
13	How is the conservatism principle applied?	Report least favorable figures when uncertain
14	How to apply the duality principle?	Every transaction affects two accounts
15	How to interpret the prudence principle?	Do not overstate income or understate expenses
16	How does the comparability principle function?	Consistency allows for comparisons over time
17	How to apply the relevance principle?	Financial info should be relevant to users
18	How is the feedback value principle used?	Info should improve decision-making quality
19	How does the timeliness principle function?	Info should be available before losing relevance
20	How is the substance over form principle used?	Transactions reflect economic substance
21	How to account for prepaid expenses?	Record as current asset, adjust over usage
22	How to account for goodwill?	Record excess of purchase price over fair market value
23	How to treat depreciation in accounting?	Allocate asset's cost over its useful life
24	How to recognize revenue under accrual accounting?	When earned, not necessarily when received
25	How to treat deferred tax liabilities?	Recognize for future tax due to timing differences

EXCEL

#	Question	Answer
26	How to calculate NPV in Excel?	Use =NPV(rate, value1, [value2], ...)
27	How to compute IRR in Excel?	Use =IRR(values, [guess])
28	How to find present value in Excel?	Use =PV(rate, nper, pmt, [fv], [type])
29	How to calculate a bond's yield in Excel?	Use =YIELD(settlement, maturity, rate, pr, redemption, frequency)
30	How to use PMT function in Excel?	Use =PMT(rate, nper, pv, [fv], [type]) for loan payments
31	How to calculate depreciation using SL?	Use =SLN(cost, salvage, life) for straight-line
32	How to forecast values using Excel?	Use the Forecast function: =FORECAST(x, known_y's, known_x's)
33	How to create a financial dashboard?	Use PivotTables, charts, slicers, and data validation
34	How to compute standard deviation in Excel?	Use =STDEV.P(range) for a population
35	How to find correlation between two stocks?	Use =CORREL(array1, array2)
36	How to calculate CAGR in Excel?	Use =((End Value/Start Value)^(1/Periods))-1'
37	How to use Goal Seek for break-even?	Tools > Goal Seek, set cell, to value, by changing cell
38	How to calculate moving average in Excel?	Use =AVERAGE(range) for selected range
39	How to compute bond price in Excel?	Use =PRICE(settlement, maturity, rate, yield, redemption, frequency)
40	How to apply conditional formatting for ratios?	Home > Conditional Formatting > New Rule
41	How to find internal rate of return for a range?	Use =XIRR(values, dates, [guess])
42	How to use Solver for optimization in Excel?	Data tab > Solver, set objective & constraints
43	How to create a Gantt chart in Excel?	Use stacked bar charts and adjust series overlap
44	How to apply conditional formatting based on formula?	Conditional Formatting > New Rule > Use a formula
45	How to build a waterfall chart in Excel?	Insert tab > Charts > Waterfall or Stock Chart
46	How to calculate weighted average in Excel?	Use =SUMPRODUCT(range1, range2)/SUM(range2)
47	How to use DATE function in Excel?	Use =DATE(year, month, day) to create a date
48	How to extract month from a date in Excel?	Use =MONTH(cell)
49	How to create drop-down lists in Excel?	Data tab > Data Validation > List
50	How to split data into multiple columns?	Data tab > Text to Columns

KPIs

#	Question	Answer
51	How to measure profitability?	Use net profit margin: Net Profit / Revenue
52	How to gauge liquidity?	Calculate current ratio: Current Assets / Current Liabilities
53	How to assess debt burden?	Compute debt-to-equity ratio: Total Debt / Total Equity
54	How to track asset efficiency?	Calculate asset turnover: Sales / Total Assets
55	How to evaluate investment returns?	Use return on investment (ROI)
56	How to measure cost control?	Observe operating expense ratio (OER)
57	How to track cash flow health?	Use free cash flow (FCF) metrics
58	How to measure shareholder value?	Calculate earnings per share (EPS)
59	How to measure asset effectiveness?	Use return on assets (ROA)
60	How to track long-term solvency?	Observe the quick ratio or acid-test
61	How to evaluate market value?	Calculate price-to-earnings ratio (P/E)
62	How to measure credit risk?	Use the accounts receivable turnover ratio
63	How to gauge operational efficiency?	Evaluate the inventory turnover ratio
64	How to track sales performance?	Use the gross profit margin
65	How to measure equity efficiency?	Calculate return on equity (ROE)
66	How to assess company growth?	Use year-over-year revenue growth percentage
67	How to measure value creation?	Calculate economic value added (EVA)
68	How to evaluate cash management?	Observe the cash conversion cycle
69	How to track financing cost?	Use the interest coverage ratio
70	How to gauge customer profitability?	Calculate customer lifetime value (CLV)
71	How to gauge customer retention?	Calculate customer retention rate
72	How to determine efficiency of capital use?	Calculate return on invested capital (ROIC)
73	How to measure cost containment?	Monitor cost variance as % of revenue
74	How to measure sustainability in finance?	Evaluate sustainable finance ratio or ESG metrics
75	How to gauge financial process efficiency?	Measure days to close monthly/annual books

CASH

#	Question	Answer
76	How to forecast cash flow?	Use historical data and project future receipts/payments
77	How to improve cash position?	Speed up receivables, slow down payables
78	How to calculate cash conversion cycle?	DSO + DIO - DPO
79	How to manage short-term cash surplus?	Invest in short-term liquid securities
80	How to measure liquidity?	Use quick ratio: Liquid Assets / Assets
81	How to optimize cash reserves?	Maintain balance between opportunity and emergency funds
82	How to handle cash deficits?	Secure short-term loans or use lines of credit
83	How to maximize cash flow?	Increase sales, reduce costs, or optimize assets
84	How to protect cash reserves?	Diversify investments, maintain insurance
85	How to control cash disbursements?	Use centralized payment system, audit regularly
86	How to accelerate cash receipts?	Offer discounts for early payments
87	How to manage international cash?	Consider forex risks, use multicurrency accounts
88	How to ensure cash safety?	Use reputable banks, limit cash on hand
89	How to measure cash flow efficiency?	Use cash flow to sales ratio
90	How to manage seasonal cash fluctuations?	Build reserves during peak, use during off-peak
91	How to reduce cash handling costs?	Automate processes, utilize digital payments
92	How to hedge against cash flow volatility?	Use financial instruments, diversify revenue streams
93	How to monitor cash position?	Regularly review cash flow statements
94	How to assess cash return on investments?	Calculate cash return on assets (CROA)
95	How to evaluate cash burn?	Compute net cash used in a given period
96	How to evaluate cash flow volatility?	Calculate standard deviation of monthly cash flows
97	How to measure efficiency of collection teams?	Track days sales outstanding (DSO) improvements
98	How to optimize cash flow from operations?	Improve working capital and inventory turnover
99	How to optimize cash distribution across units?	Implement centralized cash management (pooling)
100	How to determine cash buffer days?	Divide cash reserves ratio by average daily expenses

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