**QUESTIONS FOR ORAL EXAM**

**1. TRADE**

* number types of retail outlets and describe it shortly
* explain the text „Storm clouds over the mall“
  + crises, pessimism, predictions, the impact of the Internet
* describe the text „While stocks last“

**2. INTERNATIONAL TRADE**

* Protectionism and free trade
  + explain the comparative cost principle
  + explain what economists do in free trade
  + explain the difference between tariffs and quotas
  + explain what GATT do
* The banana wars
  + describe the text shortly
* Oh, sweet reason
  + explain the text shortly

**3. MARKET STRUCTURE AND COMPETITION**

* explain the difference between market leaders, market challengers and market followers
* explain the establishing a niche

**4. BANKING AND TAXATION**

* Banking
  + number types of bank and describe it
  + what is „Eurocurrency“?
* Taxation
  + the primary function
  + indirect excise duties
  + income taxes
  + explain tax rates
  + explain legal ways of avoiding tax
* Exchange rates
  + gold convertibility
  + explain fixed exchange rates
  + explain floating exchange rates

**5. INSURANCE**

* A risk shared is a risk halved
  + explain what is proposal
  + explain what is premium
  + explain what is policy
  + explain what is claim

**6. ACCOUNTING AND FINANCIAL STATEMENTS**

* number the types of accounting and describe it
* what means that business is a going concern?
* explain historical cost accounting
* explain current cost
* what the profit and loss account shows?
* what the balance sheet shows?
* explain intangible assets
* explain the difference between long-term liabilities and short-term liabilities
* what is share premium
* what the funds flow statement, source and application of funds statement shows?
* number sources of funds and applications of funds

**7. THE BUSINESS CYCLE & GRAPH DESCRIPTION**

* what is the business cycle
* what happens during a boom and during a recession
* name the highest and the lowest points

**8. STOCKS AND SHARES**

* Companies
  + what is limited company and describe it
  + explain private limited companies
  + what the founders have to write
  + explain public limited company
  + what is the act of issuing shares

**9. BONDS**

* how can companies sell or borrow shares
* explain investment grade
* the advantage of debt financing over equity financing
* explain tax shield
* what is financial risk with increasing debt
* explain the difference between long-term and short-term bonds

**10. TAKEOVERS, MERGERS AND BUYOUTS**

* Leveraged buyouts
  + what are conglomerates
  + explain the conventional financial theory
  + what means asset-stripping
  + what means leveraged buyouts