

## ENSC201 Introductory Quiz

[Exit this survey >>](#)**1. Default Section****\* 1. What is your Name and Student ID?****\* 2. What are your Career (Profession) & Salary objectives?**upon graduation? 10 years after graduation? 25 years after graduation? If I had all the money I wanted, I'd be doing: **\* 3. What is:**Canada's GDP (in Billion CDN\$)? Check CIA World Factbook at [www.cia.gov](http://www.cia.gov)  
Also see <http://www.fin.gc.ca/FISCMON/2007-01e.html>Canada's Annual Deficit (in Billion CDN\$)?  there is a surplus!Canada's Debt (in Billion CDN\$)?  this is the accumulated annual deficit. Although we now run a surplus, look at what piled up in the past. Figure out the annual interest on this debt burden - that could go to healthcare, education, etcCanadian Bank Prime Rate (in %)  This is the best interest rate that commercial banks give to their best customers. It is the standard "benchmark" rate.**\* 4. What is Canada's main export item? To which country?**Export Item? 

NOT Lumber!!

To Country? **\* 5. Can a profitable, growing company be insolvent? Explain****\* 6. What do you think the average profitability rate is for Canadian companies (as a percentage of sales)?**0%-5%  
☐10-15%  
☐15-20%  
☐>20%  
☐**\* 7. What do the following Financial Acronyms mean?**

EBITDA	Earnings Before Interest, Depreciation, Amortization
EPS	Earnings Per Share
P/E	Price/Earnings
GM	Gross Margin
NP	Net Profit

\* 8. Name the wealthiest person in:

Canada:	David Thomson
USA:	Bill Gates
The World:	Carlos Slim Helu

Check [www.forbes.com](http://www.forbes.com)

\* 9. What's best from an economical (not financial) perspective?

To receive \$1000 today

\$120 in interest is 12%. Nothing comes close to that that is guaranteed so \$1120 a year from now is the

To receive \$1120 one year from today (guaranteed)

\* 10. You have the cash to buy a new car (a nice fancy BMW), but you are offered the choice of leasing the same car at a 9% lease rate. What would you choose and WHY? What if the lease rate is 1.9%?

9%: maybe buy (depending on ROI options)  
1.9%: definitely lease.

If you can get capital at 1.9% and invest it at 4%, it makes no sense to tie up your capital by buying a car. Most of the flash cars owned by "rich" people are leased. That's why they are rich.

Done >>