**BUS 324 S22**

**Quiz 4 Optional**

**as of 5/15/22**

**Study Guide**

1. Which of the following statement(s) is/are true with regards to the concept of Risk? It is:

2. Which of the following statement(s) is/are true with regards to the concept of being Risk Averse? It is:

3. Which of the following statement(s) is/are true with regards to the concept of a Political Risk. It is:

4. Total Risk is the difference between a non-diversifiable risk and diversifiable risk:

5. Which of the following statement(s) is/are true with regards to the concept of the Focus on Values?

6. Risk/return investment analysis is undertaken to ensure that only these actions that earn returns (%) that are lower than the firm's cost of capital.

7. Which of the following statement(s) is/are true with regards to the concept of Business Risk? it is:

8. Which of the following statement(s) is/are true with regards to the concept of a Financial Risk? It is:

9. Which of the following statement(s) is/are true with regards to the concept of Liquidity Risk. It is:

10. Which of the following statement(s) is/are true with regards to the concept of Utility. It is:

11. Which of the following statement(s) is/are true with regards to the concept of a Risk Avoider. It is:

12. Which of the following statement(s) is/are true with regards to the concept of a Risk Taker. It is:

13. A Risk Neutral decision maker is a person for whom the EMV aligns with his/her personal utility

14. Which of the following statement(s) is/are true with regards to the concept of a Utility Curve. It is:

15. Utility Function of Money states that utility considerations are always more important than the EMV considerations:

16. Which of the following statement(s) is/are true with regards to the concept of Decision-making with Certainty? It:

17. Decision strategy, is a strategy based on a sequence of decisions and chance outcomes, designed to provide the optimal solution to a problem at hand.

18. Which of the following statement(s) is/are true with regards to the concept of Expected Value?

19. Which of the following statement(s) is/are true with regards to the concept of Maximin? It is:

20. Maximax is a minimization approach that leads to choosing the decision alternative that maximizes the minimum payoff.

21. Perfect information is zero efficient T/F.

22. All important decision should wait until perfect information is available. T/F

23. The Hurwicz Criterion is based on the subjective Coefficient of Pessimism. T/F

24. Which of the following statement(s) is/are true with regards to the concept of LaPlace? It is:

25. Which of the following statement(s) is true with regards to the concept of Game Theory? It is:

26. A lottery is a hypothetical investment alternative with a probability of "p" of obtaining the worst payoff and a probability of "1-p" of obtaining the best payoff.

27. Which of the following statement(s) is/are true with regards to the concept of the Pure Strategy? it is:

28. Which of the following statement(s) is/are true with regards to the concept of a Zero-sum game? It is:

29. Which of the following statement(s) is/are true with regards to the concept of a Decision-making with Uncertainty?

30. Which of the following statement(s) is/are true with regards to the concept of a Decision-making with Risk? It assumes that: