1. Business valuation is also known as _______.
   a. business sales history
   b. business appraisal
   c. comparative value
   d. all of the above

2. Although it is not necessary for a business opportunity broker to be a business appraiser, it is a good idea for business brokers to be aware of the ____________ of business valuation.
   a. fundamental concepts
   b. importance
   c. pitfalls
   d. daily variances

3. There are three fundamental business valuation approaches, one of which is ____________.
   a. fair value
   b. investment
   c. income approach
   d. liquidation approach

4. Value as a going concern and value in liquidation are two basic _____ of business value.
   a. premises
   b. thought processes
   c. concerns
   d. none of the above

5. Under the Asset Approach, the ________ is a “hybrid” method that is something of a blended asset and income approach but is generally categorized an Asset Approach methodology.
   a. excess earnings method
   b. discretionary earnings method
   c. both A and B
   d. neither A nor B

6. Every business appraisal must include a statement indicating the “standard of value” and the “__________”.
   a. real world value
   b. fair market value
   c. premise of value
   d. none of the above
7. Published small business transaction data indicates that approximately _____ of all small businesses that are sold are partially financed with seller carry-back notes.
   a. 30%
   b. 45%
   c. 70%
   d. 73%

8. A common reason why a business may have __________ to a specific buyer over the hypothetical "typical buyer" or "average buyer" is because that buyer is already engaged in the same or a similar business.
   a. lesser value
   b. greater value
   c. no value
   d. several offers

9. The term __________ is the value of the business's good name and reputation and demonstrated ability to consistently turn a profit.
   a. namesake
   b. goodwill
   c. consumer worthy
   d. none of the above

10. Buying a franchised business requires additional considerations one need not be concerned about when considering buying a non-franchised small business.
    a. true
    b. false
Business Valuation
Practice Exam
Answers

1. B
2. A
3. C
4. A
5. A
6. C
7. C
8. B
9. B
10. A