

# AFP Practice Test Questions and Answers

## 1. What does AFP stand for in treasury and finance?

- A) Association for Financial Professionals
- B) Advanced Financial Planning
- C) American Finance Program
- D) Authorized Financial Practitioner

## 2. Which financial ratio measures a company's ability to pay short-term obligations?

- A) Debt-to-equity ratio
- B) Current ratio
- C) Return on equity
- D) Price-to-earnings ratio

## 3. What is the primary purpose of cash flow forecasting?

- A) To calculate tax obligations
- B) To predict future cash receipts and payments
- C) To determine employee salaries
- D) To set product prices

## 4. Which treasury function involves optimizing the use of available funds?

- A) Risk management
- B) Cash management
- C) Financial reporting
- D) Compliance monitoring

Answers: 1-A 2-B 3-B 4-B

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