

**1:** What are indirect costs of security?

Domain: Business Principles



**2:** What are the three contributors to cost of replacement?

Domain: Business Principles



**3:** What is the formula for lost income cost?

Domain: Business Principles



**4:** What is the cost of loss formula?

Domain: Business Principles



**5:** What should a full set of PPS procurement documents (contract documents) contain?

Domain: Business Principles



**6:** What are the three forms of security systems procurement?

Domain: Business Principles



**7:** What are the three standard financial reports?

Domain: Business Principles



**8:** What does an income statement show?

Domain: Business Principles



**2:** Purchase price or manufacturing cost, freight and shipping charges, make-ready or preparation cost to install it or make it functional

Physical Security 1.6 p 16

**1:** Harm to reputation, loss of goodwill, loss of employees, harm to employee morale

Physical Security 1.6 p 16

**4:**  $K = (C_p + C_t + C_r + C_i) - (I - a)$

K = criticality, total cost of loss  
C<sub>p</sub> = cost of permanent replacement  
C<sub>t</sub> = cost of temporary substitute  
C<sub>r</sub> = total related costs  
C<sub>i</sub> = lost income cost  
I = available insurance or indemnity  
a = allocable insurance premium amount

Security Management 1.6 p 18, GSRA Appendix II p 20  
Physical Security 10.4 p 294

**3:** Income earned = annual percent rate of return/365 x principal amount available for investment x time during which principal is available for investment

Physical Security 1.6 p 17

**6:** Sole source, RFP, Invitation for Bid

Physical Security 12.8 pp 347-349

**5:** Contractual details, construction specifications, construction drawings

Physical Security 12.6 pp 335-336

**8:** Revenue, expenses, and net income over a defined period

Security Management 2.2.1 p 15

**7:** Income statement, balance sheet, statement of cash flows

Security Management 2.2 p 15

**9:** What is the underlying equation of the balance sheet?

Domain: Business Principles



**10:** What does a balance sheet show?

Domain: Business Principles



**11:** What does a cash flow statement show?

Domain: Business Principles



**12:** What three elements are depicted in a cash flow statement?

Domain: Business Principles



**13:** Which two ratios show how an organization has done in making money during a reporting period?

Domain: Business Principles



**14:** What are the three ways to measure profit margins?

Domain: Business Principles



**15:** Which two ratios demonstrate how well a firm has done in making money for a reporting period?

Domain: Business Principles



**16:** What is the current ratio?

Domain: Business Principles



**10:** A summary of an organization's investing and financing

Security Management 2.2.2 p 17

**9:** Assets = liabilities + shareholder equity

Security Management 2.2.2 p 17

**12:** Net operating cash flow, net investing cash flow, financing cash flow

Security Management 2.2.3. p 20

**11:** How cash inflows and outflows affect an organization

Security Management 2.2.3 p 20

**14:** Gross profit margin =  $(\text{revenue} - \text{cost of goods sold} - \text{general and administrative costs}) / \text{revenue}$

Operating margin =  $\text{EBITA (earnings before interest, taxes, and amortization)} / \text{revenue}$

Net profit margin =  $\text{net income} / \text{revenue}$

Security management 2.3.1 p 22

**13:** Return on assets =  $\text{net income} / \text{total assets}$

Return on equity =  $\text{net income} / \text{shareholder equity}$

Security Management 4.1.3 p 69

**16:** A measure of a company's ability to cover short-term obligations

Current ratio =  $\text{current assets} / \text{current liabilities}$

Security Management 2.3.2 p 25

**15:** Return on assets =  $\text{net income} / \text{total assets}$

Return on equity =  $\text{net income} / \text{shareholder equity}$

Security Management 4.1.3 p 69

**17:** What is the quick ratio?

Domain: Business Principles



**18:** What is generally the most practical approach to budget development?

Domain: Business Principles



**19:** What is an effective way of setting the value of line items in a budget?

Domain: Business Principles



**20:** In a security services contract, what should the scope of work specify?

Domain: Business Principles



**21:** What is the first criterion in evaluating bids for security services?

Domain: Business Principles



Domain: Business Principles



Domain: Business Principles



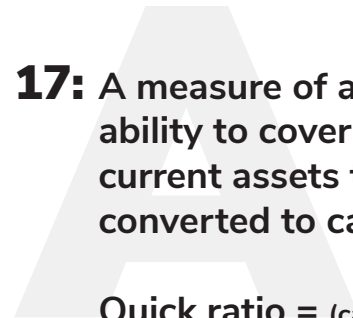
Domain: Business Principles





**18:** A combination of top-down and bottom-up processes


Security Management 2.5 p 27



**17:** A measure of an organization's ability to cover current liabilities with current assets that can be quickly converted to cash

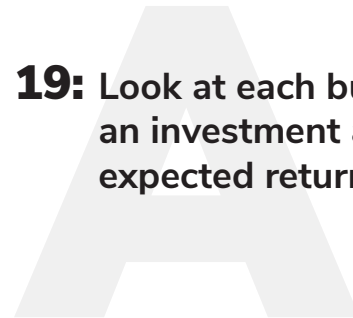
**Quick ratio** =  $(\text{cash} + \text{securities} + \text{accounts receivable}) / \text{current liabilities}$

Security Management 2.3.2 p 25



**20:** Security tasks, days and hours of performance, total number of hours to be worked

SOP 5.1.2 p 112



**19:** Look at each budget expense as an investment and calculate the expected return on that investment

Security Management 2.5 p 28



**21:** Complying with the submission deadline

SOP 5.3.1 p 116