

1 Lecture - MGT101

Important Mcqs

1. **Which of the following is the fundamental equation of accounting?** a) Assets = Liabilities b) Assets = Liabilities + Equity c) Revenue = Expenses d) None of the above

Answer: b) Assets = Liabilities + Equity

2. **Which accounting concept requires that expenses be recognized when incurred, regardless of when payment is made?** a) Going concern concept b) Matching concept c) Accrual concept d) None of the above

Answer: c) Accrual concept

3. **Which type of accounting records the flow of money in and out of a business?** a) Financial accounting b) Management accounting c) Cost accounting d) None of the above

Answer: a) Financial accounting

4. **What is the purpose of double-entry accounting?** a) To record every transaction twice b) To prevent errors and ensure accuracy c) To calculate net income d) None of the above

Answer: b) To prevent errors and ensure accuracy

5. **Which financial statement shows a company's revenues and expenses over a period of time?** a) Balance sheet b) Income statement c) Statement of cash flows d) None of the above

Answer: b) Income statement

6. **Which accounting concept assumes that a business will continue to operate into the foreseeable future?** a) Going concern concept b) Matching concept c) Accrual concept d) None of the above

Answer: a) Going concern concept

7. **Which account represents a company's obligations to pay for goods or services received?** a) Accounts receivable b) Accounts payable c) Inventory d) None of the above

Answer: b) Accounts payable

8. **Which of the following is a current asset?** a) Property, plant, and equipment b) Accounts receivable c) Patents d) None of the above

Answer: b) Accounts receivable

9. **Which financial statement shows a company's assets, liabilities, and equity at a specific point in time?** a) Balance sheet b) Income statement c) Statement of cash flows d) None of the above

Answer: a) Balance sheet

10. **Which account represents a company's ownership interest in its assets?** a) Liabilities b) Equity c) Revenue d) None of the above

Answer: b) Equity