

4 Lecture - MGT101

Important Mcqs

1. **In which method of record keeping is every transaction recorded in two accounts?**
- Single-entry record keeping
 - Double-entry record keeping
 - Both A and B

Answer: b

2. **What is the main difference between single-entry and double-entry record keeping?**
- Single-entry only records basic transaction details, while double-entry records every transaction in two accounts
 - Single-entry is more complex than double-entry
 - Both methods are the same

Answer: a

3. **In double-entry record keeping, which account is debited and which is credited?**
- The same account is debited and credited
 - The account receiving value is debited, while the account giving value is credited
 - The account giving value is debited, while the account receiving value is credited

Answer: c

4. **Which of the following is a disadvantage of single-entry record keeping?**
- It is more complex than double-entry record keeping
 - It is less accurate than double-entry record keeping
 - It is more time-consuming than double-entry record keeping

Answer: b

5. **What is the purpose of double-entry record keeping?**
- To ensure that the accounting equation remains balanced
 - To create financial statements such as the balance sheet, income statement, and cash flow statement
 - To simplify the recording of financial transactions

Answer: a

6. **Which of the following statements is true about single-entry record keeping?**
- It is more accurate than double-entry record keeping
 - It does not provide an accurate picture of a company's financial health
 - It is a more complex method of record keeping

Answer: b

7. **What is the main advantage of double-entry record keeping?**
- It is less time-consuming than single-entry record keeping
 - It provides better accuracy and ensures the accounting equation remains balanced
 - It requires less knowledge of accounting principles

Answer: b

8. **Which of the following financial statements can be created using double-entry record keeping?**
- a. Balance sheet
 - b. Income statement
 - c. Cash flow statement
 - d. All of the above

Answer: d

9. **Which accounting principle does double-entry record keeping follow?**
- a. Duality principle
 - b. Single principle
 - c. Basic principle

Answer: a

10. **Which method of record keeping is commonly used in small businesses?**
- a. Single-entry record keeping
 - b. Double-entry record keeping
 - c. Both A and B

Answer: a