4 Lecture - MGT101

Important Mcqs

1. In which method of record keeping is every transaction recorded in two accounts?

- a. Single-entry record keeping
- b. Double-entry record keeping
- c. Both A and B

Answer: b

2. What is the main difference between single-entry and double-entry record keeping?

- a. Single-entry only records basic transaction details, while double-entry records every transaction in two accounts
- b. Single-entry is more complex than double-entry
- c. Both methods are the same

Answer: a

3. In double-entry record keeping, which account is debited and which is credited?

- a. The same account is debited and credited
- b. The account receiving value is debited, while the account giving value is credited
- c. 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?

- a. It is more complex than double-entry record keeping
- b. It is less accurate than double-entry record keeping
- c. It is more time-consuming than double-entry record keeping

Answer: b

5. What is the purpose of double-entry record keeping?

- a. To ensure that the accounting equation remains balanced
- b. To create financial statements such as the balance sheet, income statement, and cash flow statement
- c. To simplify the recording of financial transactions

Answer: a

6. Which of the following statements is true about single-entry record keeping?

- a. It is more accurate than double-entry record keeping
- b. It does not provide an accurate picture of a company's financial health
- c. It is a more complex method of record keeping

Answer: b

7. What is the main advantage of double-entry record keeping?

- a. It is less time-consuming than single-entry record keeping
- b. It provides better accuracy and ensures the accounting equation remains balanced
- c. 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