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
- 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