

11 Lecture - MGT101

Important Mcqs

1. Which of the following is not a type of adjusting entry?

- a) Accruals
- b) Prepayments
- c) Depreciation
- d) Closing entries

Answer: d) Closing entries

2. Which journal is used to record credit sales?

- a) General journal
- b) Sales journal
- c) Cash receipts journal
- d) Purchases journal

Answer: b) Sales journal

3. Which of the following accounts would be debited in an adjusting entry for depreciation?

- a) Accumulated depreciation
- b) Depreciation expense
- c) Equipment
- d) Retained earnings

Answer: b) Depreciation expense

4. Which financial statement shows a company's financial position at a specific point in time?

- a) Income statement
- b) Statement of cash flows
- c) Balance sheet
- d) None of the above

Answer: c) Balance sheet

5. What type of entry is made at the end of an accounting period to update account balances?

- a) Adjusting entry
- b) Closing entry
- c) Reversing entry
- d) General entry

Answer: a) Adjusting entry

6. Which of the following is not a specialized journal?

- a) Sales journal
- b) Purchases journal
- c) General journal
- d) Cash receipts journal

Answer: c) General journal

7. **Which account is credited in an adjusting entry for accrued expenses?**

- a) Accrued expenses payable
- b) Expenses
- c) Prepaid expenses
- d) None of the above

Answer: b) Expenses

8. **Which of the following statements is true about the trial balance?**

- a) It shows a company's revenues and expenses.
- b) It shows a company's financial position at a specific point in time.
- c) It ensures that the accounting system remains in balance.
- d) It is used to make adjusting entries.

Answer: c) It ensures that the accounting system remains in balance.

9. **What is the purpose of closing entries?**

- a) To update account balances
- b) To ensure that the accounting system remains in balance
- c) To transfer net income or loss to the retained earnings account
- d) To reverse adjusting entries

Answer: c) To transfer net income or loss to the retained earnings account

10. **Which financial statement shows a company's revenues and expenses over a specific period of time?**

- a) Income statement
- b) Balance sheet
- c) Statement of cash flows
- d) None of the above

Answer: a) Income statement