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