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