14 Lecture - MGT101

Important Mcqs

- 1. Which of the following is NOT a part of the process of posting to ledgers?
 - a) Transferring transactional data from journal to ledger
 - b) Determining the account to be debited or credited
 - c) Preparing a balance sheet
 - d) Calculating the total of each ledger account

Answer: c) Preparing a balance sheet

- 2. Which of the following is a ledger account that records a business's sales transactions?
 - a) Accounts payable
 - b) Accounts receivable
 - c) Cash
 - d) Sales revenue

Answer: d) Sales revenue

- 3. What is the purpose of recording stock in a business?
 - a) To keep track of inventory levels
 - b) To determine the cost of goods sold
 - c) To calculate profits
 - d) All of the above

Answer: d) All of the above

- 4. Which of the following is a type of inventory system that records inventory movements in real-time?
 - a) Perpetual inventory system
 - b) Periodic inventory system
 - c) Just-in-time inventory system
 - d) Economic order quantity system

Answer: a) Perpetual inventory system

- 5. Which of the following is a common method of recording stock?
 - a) FIFO (First-In, First-Out)
 - b) LIFO (Last-In, First-Out)
 - c) Weighted average cost
 - d) All of the above

Answer: d) All of the above

6. Which of the following accounts is debited when a business purchases inventory on credit?

- a) Accounts payable
- b) Accounts receivable
- c) Cost of goods sold
- d) Sales revenue

Answer: a) Accounts payable

- 7. Which of the following accounts is credited when a business sells inventory for cash?
 - a) Accounts payable
 - b) Accounts receivable
 - c) Cost of goods sold
 - d) Sales revenue

Answer: d) Sales revenue

- 8. Which of the following is a reason why businesses need to accurately record their stock levels?
 - a) To prevent theft
 - b) To avoid stockouts
 - c) To determine the value of the business
 - d) All of the above

Answer: b) To avoid stockouts

- 9. Which of the following inventory systems involves physically counting inventory at the end of a specific period?
 - a) Perpetual inventory system
 - b) Periodic inventory system
 - c) Just-in-time inventory system
 - d) Economic order quantity system

Answer: b) Periodic inventory system

- 10. Which of the following is a method of valuing inventory that assumes the most recent inventory purchases are the first to be sold?
 - a) FIFO (First-In, First-Out)
 - b) LIFO (Last-In, First-Out)
 - c) Weighted average cost
 - d) Specific identification

Answer: b) LIFO (Last-In, First-Out)