

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)