

18 Lecture - MGT101

Important Mcqs

- 1. Which method of depreciation allocates a higher rate of depreciation in the earlier years of an asset's life?**
 - a) Straight-line method
 - b) Declining balance method
 - c) Units of production method**Answer: b**
- 2. Which method of depreciation bases depreciation on the amount of output produced by the asset?**
 - a) Straight-line method
 - b) Declining balance method
 - c) Units of production method**Answer: c**
- 3. Which method of depreciation is the simplest and involves dividing the cost of the asset by its useful life?**
 - a) Straight-line method
 - b) Declining balance method
 - c) Units of production method**Answer: a**
- 4. Which method of depreciation may be more appropriate for assets that produce output that varies from year to year?**
 - a) Straight-line method
 - b) Declining balance method
 - c) Units of production method**Answer: c**
- 5. Which method of depreciation may result in a higher total amount of depreciation expense over the asset's useful life?**
 - a) Straight-line method
 - b) Declining balance method
 - c) Units of production method**Answer: b**
- 6. Which method of depreciation results in a constant amount of depreciation expense each year?**
 - a) Straight-line method
 - b) Declining balance method
 - c) Units of production method**Answer: a**
- 7. Which method of depreciation is based on the assumption that an asset's usefulness declines at a constant rate each year?**

- a) Straight-line method
- b) Declining balance method
- c) Units of production method

Answer: b

8. **Which method of depreciation may result in higher depreciation expense in years when the asset is heavily used?**

- a) Straight-line method
- b) Declining balance method
- c) Units of production method

Answer: c

9. **Which method of depreciation may be more appropriate for assets that are used more heavily in their early years?**

- a) Straight-line method
- b) Declining balance method
- c) Units of production method

Answer: b

10. **Which method of depreciation is more commonly used for assets with shorter useful lives?**

- a) Straight-line method
- b) Declining balance method
- c) Units of production method

Answer: b