

# 24 Lecture - MGT101

## Important Mcqs

1. **What are debtors in accounting?**
  - a. Money owed to suppliers
  - b. Money owed by a business to its customers
  - c. Money owed by customers to a business**Answer: c. Money owed by customers to a business**
2. **What are creditors in accounting?**
  - a. Money owed by suppliers to a business
  - b. Money owed by a business to its customers
  - c. Money owed by customers to a business**Answer: a. Money owed by suppliers to a business**
3. **What is the purpose of an accrual?**
  - a. To record expenses that have been paid
  - b. To record expenses that have not yet been paid
  - c. To record revenue that has been earned**Answer: b. To record expenses that have not yet been paid**
4. **What is the provision for bad debts?**
  - a. A reserve set aside to cover potential losses from customers who may default on their payments
  - b. An expense incurred but not yet paid
  - c. Money owed by a business to its suppliers**Answer: a. A reserve set aside to cover potential losses from customers who may default on their payments**
5. **Which account represents money owed to a business by its customers?**
  - a. Debtors
  - b. Creditors
  - c. Accruals**Answer: a. Debtors**
6. **Which account represents money owed by a business to its suppliers?**
  - a. Debtors
  - b. Creditors
  - c. Accruals**Answer: b. Creditors**
7. **What is the journal entry to record an accrual?**
  - a. Debit expense, credit cash
  - b. Debit expense, credit accrual
  - c. Debit accrual, credit cash**Answer: b. Debit expense, credit accrual**

8. **What is the journal entry to record a provision for bad debts?**

- a. Debit bad debts, credit cash
- b. Debit bad debts, credit provision for bad debts
- c. Debit provision for bad debts, credit cash

**Answer: c. Debit provision for bad debts, credit cash**

9. **How does the provision for bad debts impact the balance sheet?**

- a. Increases assets and decreases liabilities
- b. Decreases assets and increases liabilities
- c. Increases assets and increases liabilities

**Answer: b. Decreases assets and increases liabilities**

10. **What is the purpose of managing debtors, creditors, accruals, and provision for bad debts?**

- a. To maintain a healthy cash flow
- b. To maximize profits
- c. To minimize expenses

**Answer: a. To maintain a healthy cash flow**