## 26 Lecture - MGT101

### **Important Mcqs**

- 1. Which of the following is a benefit of using control accounts in accounting?
  - a. They provide detailed information about individual transactions.
  - b. They help businesses to manage their cash flow more effectively.
  - c. They reduce the risk of bad debts.
  - d. They provide a summary of all outstanding balances.

### Answer: d. They provide a summary of all outstanding balances.

- 2. Which of the following is an example of a control account?
  - a. Accounts payable ledger
  - b. Sales journal
  - c. Cash receipts journal
  - d. General ledger

### Answer: a. Accounts payable ledger

- 3. Which of the following is a disadvantage of using control accounts in accounting?
  - a. They are time-consuming to maintain.
  - b. They are prone to errors and discrepancies.
  - c. They provide limited information about individual transactions.
  - d. They do not provide a summary of outstanding balances.

### Answer: c. They provide limited information about individual transactions.

- 4. How do control accounts help businesses to manage their accounts receivable?
  - a. By recording all transactions related to accounts payable in the control account.
  - b. By providing a summary of all outstanding balances.
  - c. By identifying overdue payments and monitoring the creditworthiness of customers.
  - d. By reducing the risk of bad debts.

# Answer: c. By identifying overdue payments and monitoring the creditworthiness of customers.

- 5. Which of the following is a disadvantage of using control accounts for managing accounts payable?
  - a. They do not provide a summary of outstanding balances.
  - b. They are time-consuming to maintain.
  - c. They provide limited information about individual transactions.
  - d. They are prone to errors and discrepancies.

#### Answer: b. They are time-consuming to maintain.

# 6. What is the purpose of recording transactions related to accounts receivable in the control account?

- a. To provide a summary of all outstanding balances.
- b. To identify overdue payments and monitor the creditworthiness of customers.
- c. To reduce the risk of bad debts.
- d. To provide detailed information about individual transactions.

### Answer: a. To provide a summary of all outstanding balances.

## 7. Which of the following is an example of a control account for managing accounts receivable?

- a. Accounts payable ledger
- b. Cash receipts journal
- c. Sales journal
- d. Accounts receivable ledger

### Answer: d. Accounts receivable ledger

### 8. How do control accounts help businesses to manage their cash flow more effectively?

- a. By reducing the risk of bad debts.
- b. By providing a summary of all outstanding balances.
- c. By identifying overdue payments and monitoring the creditworthiness of customers.
- d. By recording all transactions related to accounts payable in the control account.

### Answer: b. By providing a summary of all outstanding balances.

# 9. Which of the following is a disadvantage of using control accounts for managing accounts receivable?

- a. They provide limited information about individual transactions.
- b. They do not provide a summary of outstanding balances.
- c. They are prone to errors and discrepancies.
- d. They are time-consuming to maintain.

### Answer: a. They provide limited information about individual transactions.

# 10. What is the purpose of recording transactions related to accounts payable in the control account?

- a. To provide a summary of all outstanding balances.
- b. To identify overdue payments and monitor the creditworthiness of suppliers.
- c. To reduce the risk of bad debts.
- d. To provide detailed information about individual transactions.

### Answer: b. To identify overdue payments and monitor the creditworthiness of suppliers.