

27 Lecture - MGT101

Important Mcqs

- 1. What is the purpose of control accounts?**
 - A) To monitor and manage balances of related accounts
 - B) To detect and prevent errors and fraud in accounting systems
 - C) To track expenses related to a particular project or department
 - D) All of the above**Answer: D**
- 2. Which type of control account is used to track all purchases made by the business?**
 - A) Sales ledger control account
 - B) Bank control account
 - C) Purchases ledger control account
 - D) None of the above**Answer: C**
- 3. What is the benefit of maintaining accurate and up-to-date control accounts?**
 - A) Provides a reliable snapshot of the business's financial position
 - B) Enables businesses to track their accounts and manage their cash flow
 - C) Helps businesses make informed decisions about their operations
 - D) All of the above**Answer: D**
- 4. How can control accounts be used to prevent errors and fraud in accounting systems?**
 - A) By regularly reconciling control accounts with subsidiary ledgers
 - B) By identifying discrepancies and investigating them
 - C) By ensuring the integrity of the financial reporting process
 - D) All of the above**Answer: D**
- 5. Which of the following is not a type of control account?**
 - A) Sales ledger control account
 - B) Purchases ledger control account
 - C) Bank control account
 - D) Payroll control account**Answer: D**
- 6. Why is regular reconciliation of control accounts with subsidiary ledgers important?**
 - A) To detect discrepancies and investigate them
 - B) To ensure the accuracy of financial records
 - C) To prevent incorrect entries or deliberate manipulation of accounts
 - D) All of the above**Answer: D**
- 7. What is the role of a bank control account?**
 - A) To reconcile the balances of the business's various bank accounts

- B) To track all sales transactions
- C) To monitor expenses related to a particular project or department
- D) None of the above

Answer: A

8. **How do control accounts provide a strong foundation for sound financial decision-making?**

- A) By ensuring that financial records are accurate and reliable
- B) By providing a clear picture of the business's financial position
- C) By helping businesses track their accounts and manage their cash flow
- D) All of the above

Answer: D

9. **What is the benefit of using control accounts to monitor the performance of a particular product line?**

- A) Helps businesses identify profitable products and focus on them
- B) Provides a clear picture of the business's overall financial performance
- C) Helps businesses identify areas for improvement
- D) All of the above

Answer: D

What is the primary purpose of control accounts?

10. d accounts

- B) To track expenses related to a particular project or department
- C) To detect and prevent errors and fraud in accounting systems
- D) To provide a clear picture of the business's overall financial performance

Answer: A