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