

# 30 Lecture - MGT101

## Important Mcqs

1. **What is the purpose of presenting financial statements?**
  - A. To provide a summary of financial performance and position
  - B. To determine the value of the entity
  - C. To determine tax liabilities
  - D. To pay dividends**Answer: A**
  
2. **Which financial statement reports an entity's financial position as of a specific date?**
  - A. Income statement
  - B. Balance sheet
  - C. Statement of changes in equity
  - D. Cash flow statement**Answer: B**
  
3. **What is the purpose of the notes to the financial statements?**
  - A. To provide additional information and explanations about the financial statements
  - B. To report changes in equity accounts
  - C. To report changes in cash and cash equivalents
  - D. To analyze financial trends over a period**Answer: A**
  
4. **Which financial statement reports the changes in an entity's equity accounts during a period?**
  - A. Income statement
  - B. Balance sheet
  - C. Statement of changes in equity
  - D. Cash flow statement**Answer: C**
  
5. **What is the significance of adhering to GAAP or IFRS in financial reporting?**
  - A. Ensures financial statements are prepared in a consistent, transparent, and accurate manner
  - B. Determines the value of the entity
  - C. Provides guidelines for tax reporting
  - D. Determines dividend payouts**Answer: A**
  
6. **What is the purpose of vertical analysis?**
  - A. To analyze financial trends over a period
  - B. To evaluate an entity's financial performance and position
  - C. To report changes in equity accounts
  - D. To analyze relationships between items on a financial statement**Answer: D**

7. **Which financial statement reports an entity's revenues and expenses during a period?**
- A. Income statement
  - B. Balance sheet
  - C. Statement of changes in equity
  - D. Cash flow statement

**Answer: A**

8. **What is the purpose of ratio analysis?**
- A. To evaluate an entity's financial performance and position
  - B. To analyze financial trends over a period
  - C. To report changes in equity accounts
  - D. To analyze relationships between items on a financial statement

**Answer: A**

9. **Which financial statement reports the changes in an entity's cash and cash equivalents during a period?**
- A. Income statement
  - B. Balance sheet
  - C. Statement of changes in equity
  - D. Cash flow statement

**Answer: D**

10. **What is the purpose of horizontal analysis?**
- A. To analyze relationships between items on a financial statement
  - B. To evaluate an entity's financial performance and position
  - C. To report changes in equity accounts
  - D. To analyze financial trends over a period

**Answer: D**