

32 Lecture - MGT101

Important Mcqs

1. **Which financial statement shows a company's revenues and expenses over a period?**

- a) Income statement
- b) Balance sheet
- c) Statement of cash flows
- d) Statement of changes in equity

Answer: a) Income statement

2. **What is the purpose of an income statement?**

- a) To show the financial position of a company
- b) To show the cash inflows and outflows of a company
- c) To show the revenues and expenses of a company
- d) To show the changes in equity of a company

Answer: c) To show the revenues and expenses of a company

3. **Which financial statement shows a company's assets, liabilities, and equity at a specific point in time?**

- a) Income statement
- b) Balance sheet
- c) Statement of cash flows
- d) Statement of changes in equity

Answer: b) Balance sheet

4. **What is the purpose of a balance sheet?**

- a) To show the financial position of a company
- b) To show the cash inflows and outflows of a company
- c) To show the revenues and expenses of a company
- d) To show the changes in equity of a company

Answer: a) To show the financial position of a company

5. **Which financial statement shows the cash inflows and outflows of a company?**

- a) Income statement
- b) Balance sheet
- c) Statement of cash flows
- d) Statement of changes in equity

Answer: c) Statement of cash flows

6. **What is the purpose of a statement of cash flows?**

- a) To show the financial position of a company
- b) To show the cash inflows and outflows of a company
- c) To show the revenues and expenses of a company
- d) To show the changes in equity of a company

Answer: b) To show the cash inflows and outflows of a company

7. **Which financial statement shows the changes in equity of a company over a period?**
- a) Income statement
 - b) Balance sheet
 - c) Statement of cash flows
 - d) Statement of changes in equity

Answer: d) Statement of changes in equity

8. **What is the purpose of a statement of changes in equity?**
- a) To show the financial position of a company
 - b) To show the cash inflows and outflows of a company
 - c) To show the revenues and expenses of a company
 - d) To show the changes in equity of a company

Answer: d) To show the changes in equity of a company

9. **Which financial statement is most useful for analyzing a company's cash flow?**
- a) Income statement
 - b) Balance sheet
 - c) Statement of cash flows
 - d) Statement of changes in equity

Answer: c) Statement of cash flows

10. **Which financial statement is most useful for analyzing a company's profitability?**
- a) Income statement
 - b) Balance sheet
 - c) Statement of cash flows
 - d) Statement of changes in equity

Answer: a) Income statement