# 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