33 Lecture - MGT101

Important Mcqs

1. **What is the purpose of the income statement in a manufacturing concern?**
   a. To show the financial position of the business
   b. To measure the liquidity of the business
   c. To monitor the profitability of the business
   d. To report the cost of goods manufactured and sold

Answer: c. To monitor the profitability of the business

2. **Which of the following is not an asset of a manufacturing concern?**
   a. Raw materials
   b. Work-in-progress
   c. Finished goods
   d. Accounts payable

Answer: d. Accounts payable

3. **What is the purpose of the balance sheet in a manufacturing concern?**
   a. To show the financial position of the business
   b. To measure the liquidity of the business
   c. To monitor the profitability of the business
   d. To report the cost of goods manufactured and sold

Answer: a. To show the financial position of the business

4. **Which financial statement shows the cost of goods manufactured and sold?**
   a. Income statement
   b. Balance sheet
   c. Statement of cash flows
   d. Statement of cost of goods manufactured and sold

Answer: d. Statement of cost of goods manufactured and sold

5. **What is the purpose of the statement of cash flows in a manufacturing concern?**
   a. To show the financial position of the business
   b. To measure the liquidity of the business
   c. To monitor the profitability of the business
   d. To monitor the cash flow of the business

Answer: d. To monitor the cash flow of the business

6. **Which of the following is not a liability of a manufacturing concern?**
   a. Accounts payable
   b. Loans payable

c. Work-in-progress
d. Accrued expenses

Answer: c. Work-in-progress

7. **What is the purpose of the statement of cost of goods manufactured and sold?**
   a. To show the financial position of the business
   b. To measure the liquidity of the business
   c. To monitor the profitability of the business
   d. To report the cost of goods sold during the period

Answer: d. To report the cost of goods sold during the period

8. **Which financial statement shows the cash inflows and outflows of a manufacturing concern?**
   a. Income statement
   b. Balance sheet
   c. Statement of cash flows
   d. Statement of cost of goods manufactured and sold

Answer: c. Statement of cash flows

9. **Which of the following is an example of a manufacturing concern asset?**
   a. Accounts receivable
   b. Inventory of finished goods
   c. Prepaid expenses
   d. Common stock

Answer: b. Inventory of finished goods

10. **What is the purpose of financial statements in a manufacturing concern?**
    a. To satisfy the reporting requirements of external stakeholders
    b. To monitor the profitability, financial position, and cash flow of the business
    c. To make informed business decisions
    d. All of the above

Answer: d. All of the above