

# 33 Lecture - MGT101

## Important Mcqs

1. **What is the purpose of the income statement in a manufacturing concern?**
- To show the financial position of the business
  - To measure the liquidity of the business
  - To monitor the profitability of the business
  - 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?**
- Raw materials
  - Work-in-progress
  - Finished goods
  - Accounts payable

**Answer: d. Accounts payable**

3. **What is the purpose of the balance sheet in a manufacturing concern?**
- To show the financial position of the business
  - To measure the liquidity of the business
  - To monitor the profitability of the business
  - 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?**
- Income statement
  - Balance sheet
  - Statement of cash flows
  - 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?**
- To show the financial position of the business
  - To measure the liquidity of the business
  - To monitor the profitability of the business
  - 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?**
- Accounts payable
  - 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**