

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