

35 Lecture - MGT101

Important Mcqs

1. **What is mark up on capital in a partnership?**

- A) Interest charged on the partnership's capital investments
- B) Interest charged on a partner's capital contribution
- C) A fee charged for managing the partnership's capital
- D) A fee charged for withdrawing capital from the partnership

Answer: B) Interest charged on a partner's capital contribution

2. **What is mark up on drawings in a partnership?**

- A) Interest charged on a partner's capital contribution
- B) A fee charged for managing the partnership's capital
- C) A fee charged for withdrawing capital from the partnership
- D) Interest charged on a partner's personal drawings

Answer: D) Interest charged on a partner's personal drawings

3. **How is mark up on capital calculated in a partnership?**

- A) A fixed percentage of the partnership's total assets
- B) A percentage of the partner's capital contribution
- C) A percentage of the partner's personal drawings
- D) A fixed percentage of the partnership's net income

Answer: B) A percentage of the partner's capital contribution

4. **How is mark up on drawings calculated in a partnership?**

- A) A fixed percentage of the partnership's total assets
- B) A percentage of the partner's capital contribution
- C) A percentage of the partner's personal drawings
- D) A fixed percentage of the partnership's net income

Answer: C) A percentage of the partner's personal drawings

5. **Who is responsible for setting the mark up on capital and drawings in a partnership?**

- A) The partnership's accountant
- B) The partnership agreement
- C) The government regulatory agency
- D) The partnership's investors

Answer: B) The partnership agreement

6. **What is the purpose of mark up on capital and drawings in a partnership?**

- A) To generate additional revenue for the partnership
- B) To ensure partners are compensated for their investment and personal use of partnership

funds

- C) To discourage partners from withdrawing funds from the partnership
- D) To reduce the amount of taxable income for the partnership

Answer: B) To ensure partners are compensated for their investment and personal use of partnership funds

7. **What impact does mark up on capital and drawings have on a partner's share of profits or losses?**
- A) It increases a partner's share of profits and decreases their share of losses
 - B) It decreases a partner's share of profits and increases their share of losses
 - C) It has no impact on a partner's share of profits or losses
 - D) It depends on the specific terms of the partnership agreement

Answer: B) It decreases a partner's share of profits and increases their share of losses

8. **What financial statement would mark up on capital and drawings be included in?**
- A) Balance sheet
 - B) Income statement
 - C) Statement of changes in equity
 - D) Cash flow statement

Answer: B) Income statement

9. **How often is mark up on capital and drawings typically calculated and charged?**
- A) Monthly
 - B) Quarterly
 - C) Annually
 - D) As needed

Answer: C) Annually

10. **Can mark up on capital and drawings be waived or modified in a partnership agreement?**
- A) No, it is a mandatory requirement for all partnerships
 - B) Yes, but only with the approval of all partners
 - C) Yes, with the approval of a majority of partners
 - D) Yes, with the approval of a designated partner or committee

Answer: D) Yes, with the approval of a designated partner or committee