

36 Lecture - MGT101

Important Mcqs

1. **Which of the following legal structures is typically the simplest and easiest to set up?**
- a) Partnership
 - b) Corporation
 - c) Sole proprietorship
 - d) Limited liability company

Solution: c) Sole proprietorship

2. **Which of the following is NOT a characteristic of a corporation?**
- a) Limited liability
 - b) Perpetual existence
 - c) Ownership by shareholders
 - d) Partnership structure

Solution: d) Partnership structure

3. **Which of the following financing options involves selling ownership shares in a company to investors?**
- a) Debt financing
 - b) Equity financing
 - c) Crowdfunding
 - d) Venture capital

Solution: b) Equity financing

4. **Which of the following is NOT a key role in a corporation's governance structure?**
- a) CEO
 - b) Board of directors
 - c) Shareholders
 - d) Management team

Solution: d) Management team

5. **Which of the following is a benefit of incorporating a business?**
- a) Simple and low-cost set up
 - b) Unlimited liability
 - c) Perpetual existence
 - d) Personal tax liability for profits

Solution: c) Perpetual existence

6. **Which of the following is a responsibility of a company's board of directors?**
- a) Day-to-day management of the company

- b) Setting long-term strategy
- c) Conducting market research
- d) Sales and marketing

Solution: b) Setting long-term strategy

7. **Which of the following is NOT a factor in determining a company's competitive landscape?**
- a) Market demand
 - b) Consumer preferences
 - c) Government regulations
 - d) Employee salaries

Solution: d) Employee salaries

8. **Which of the following is a potential disadvantage of a sole proprietorship?**
- a) Unlimited liability
 - b) Difficulty raising capital
 - c) Complex legal structure
 - d) Limited control

Solution: a) Unlimited liability

9. **Which of the following is a responsibility of a company's CEO?**
- a) Setting long-term strategy
 - b) Approving day-to-day expenses
 - c) Hiring and firing employees
 - d) Conducting market research

Solution: a) Setting long-term strategy

10. **Which of the following is a type of social responsibility that companies may engage in?**
- a) Donating to political campaigns
 - b) Offering low wages to employees
 - c) Implementing environmentally sustainable practices
 - d) Avoiding taxes

Solution: c) Implementing environmentally sustainable practices