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