

# 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**