

# 37 Lecture - MGT101

## Important Mcqs

1. **Which of the following financial statements shows a company's financial position at a specific point in time?**
  - a) Income statement
  - b) Statement of cash flows
  - c) Balance sheet
  - d) Statement of changes in equity**Answer: c) Balance sheet**
  
2. **Which of the following is a component of the income statement?**
  - a) Cash flows from operating activities
  - b) Retained earnings
  - c) Gross profit
  - d) Beginning balance of cash**Answer: c) Gross profit**
  
3. **Which financial statement reports a company's cash inflows and outflows during a specific period?**
  - a) Balance sheet
  - b) Income statement
  - c) Statement of cash flows
  - d) Statement of changes in equity**Answer: c) Statement of cash flows**
  
4. **Which financial statement shows changes in a company's equity over a period of time?**
  - a) Balance sheet
  - b) Income statement
  - c) Statement of cash flows
  - d) Statement of changes in equity**Answer: d) Statement of changes in equity**
  
5. **What does the income statement report?**
  - a) The company's financial position at a specific point in time
  - b) The company's cash inflows and outflows during a specific period
  - c) The company's revenues, expenses, and net income or loss for a specific period
  - d) The changes in the company's equity over a period of time**Answer: c) The company's revenues, expenses, and net income or loss for a specific period**
  
6. **Which of the following is a current asset?**
  - a) Building
  - b) Inventory
  - c) Patent
  - d) Trademark**Answer: b) Inventory**

7. **Which of the following is a component of the statement of cash flows?**

- a) Net income
- b) Retained earnings
- c) Depreciation expense
- d) Beginning balance of accounts payable

**Answer: c) Depreciation expense**

8. **Which of the following is a long-term liability?**

- a) Accounts payable
- b) Notes payable due within one year
- c) Salaries payable
- d) Bonds payable

**Answer: d) Bonds payable**

9. **Which financial statement reports the changes in a company's cash balance during a specific period?**

- a) Balance sheet
- b) Income statement
- c) Statement of cash flows
- d) Statement of changes in equity

**Answer: c) Statement of cash flows**

10. **What is the formula for calculating net income?**

- a) Total assets minus total liabilities
- b) Total revenues minus total expenses
- c) Beginning balance plus ending balance divided by 2
- d) Total cash inflows minus total cash outflows

**Answer: b) Total revenues minus total expenses**