

38 Lecture - MGT101

Important Mcqs

1. **What is the primary financial statement that reports 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 financial statement reports a company's revenues, expenses, and net income or loss for a specific period?**
 - a) Balance sheet
 - b) Income statement
 - c) Statement of cash flows
 - d) Statement of changes in equity**Answer: b) Income statement**

3. **What is the purpose of the statement of cash flows?**
 - a) Report a company's financial position at a specific point in time
 - b) Report a company's revenues, expenses, and net income or loss for a specific period
 - c) Report a company's cash inflows and outflows during a specific period
 - d) Report the changes in a company's equity over a period of time**Answer: c) Report a company's cash inflows and outflows during a specific period**

4. **What is the primary financial statement that reports the changes in a company's equity over a period of time?**
 - a) Income statement
 - b) Statement of cash flows
 - c) Balance sheet
 - d) Statement of changes in equity**Answer: d) Statement of changes in equity**

5. **Which financial statement includes information about a company's current assets and liabilities?**
 - a) Income statement
 - b) Statement of cash flows
 - c) Balance sheet
 - d) Statement of changes in equity**Answer: c) Balance sheet**

6. **What is the primary financial statement used to evaluate a company's liquidity?**
 - a) Income statement
 - b) Statement of cash flows
 - c) Balance sheet
 - d) Statement of changes in equity

Answer: b) Statement of cash flows

7. **Which financial statement includes information about a company's revenues, cost of goods sold, and gross profit?**

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

Answer: a) Income statement

8. **Which financial statement includes information about a company's long-term assets and liabilities?**

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

Answer: c) Balance sheet

9. **What is the purpose of the notes to the financial statements?**

- a) To provide additional details about the company's financial statements
- b) To provide a summary of the company's financial performance
- c) To report a company's cash inflows and outflows during a specific period
- d) To report the changes in a company's equity over a period of time

Answer: a) To provide additional details about the company's financial statements

10. **Which financial statement includes information about a company's stock issuances, dividends, and net income?**

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

Answer: d) Statement of changes in equity