

39 Lecture - MGT101

Important Mcqs

- 1. Which of the following financial statements 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
- 2. Which financial statement reports the assets, liabilities, and equity of a company at a specific point in time?**

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

Answer: a) Balance sheet
- 3. Which financial statement reports the 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
- 4. What are the key components of financial statements for a limited company?**

 - a) Balance sheet, income statement, and statement of cash flows
 - b) Balance sheet, income statement, statement of cash flows, and notes to the financial statements
 - c) Income statement and statement of cash flows
 - d) Balance sheet only

Answer: b) Balance sheet, income statement, statement of cash flows, and notes to the financial statements
- 5. What is the purpose of the statement of cash flows?**

 - a) To report a company's revenues and expenses for a specific period
 - b) To report a company's assets, liabilities, and equity at a specific point in time
 - 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: c) To report a company's cash inflows and outflows during a specific period
- 6. Which financial statement provides additional details and explanations about the company's financial statements?**

 - a) Balance sheet
 - b) Income statement

- c) Statement of cash flows
- d) Notes to the financial statements

Answer: d) Notes to the financial statements

7. **Financial ratios can be used to analyze a company's financial performance. Which of the following is not a commonly used financial ratio?**

- a) Current ratio
- b) Quick ratio
- c) Debt-to-equity ratio
- d) Customer satisfaction ratio

Answer: d) Customer satisfaction ratio

8. **Which financial ratio evaluates a company's ability to meet its short-term obligations?**

- a) Current ratio
- b) Quick ratio
- c) Debt-to-equity ratio
- d) Return on equity

Answer: a) Current ratio

9. **Which financial ratio evaluates a company's liquidity, excluding inventory?**

- a) Current ratio
- b) Quick ratio
- c) Debt-to-equity ratio
- d) Return on equity

Answer: b) Quick ratio

10. **Which financial ratio evaluates a company's profitability relative to its shareholders' equity?**

- a) Current ratio
- b) Quick ratio
- c) Debt-to-equity ratio
- d) Return on equity

Answer: d) Return on equity