40 Lecture - MGT101

Important Mcqs

- 1. Which financial statement reflects a company's cash inflows and outflows?
 - a) Income Statement
 - b) Balance Sheet
 - c) Cash Flow Statement
 - d) Statement of Changes in Equity

Solution: c) Cash Flow Statement

- 2. What does the Income Statement reflect?
 - a) A company's assets, liabilities, and equity
 - b) A company's revenue, expenses, and profit or loss
 - c) A company's cash inflows and outflows
 - d) A company's changes in equity

Solution: b) A company's revenue, expenses, and profit or loss

- 3. Which financial statement outlines the company's assets, liabilities, and equity?
 - a) Income Statement
 - b) Balance Sheet
 - c) Cash Flow Statement
 - d) Statement of Changes in Equity

Solution: b) Balance Sheet

- 4. Who uses financial statements to make informed decisions about a company?
 - a) Government Agencies
 - b) Employees
 - c) Investors
 - d) All of the Above

Solution: c) Investors

- 5. What is the role of auditors in verifying the accuracy of financial statements?
 - a) Enhancing investor confidence
 - b) Maintaining transparency and credibility
 - c) Ensuring compliance with accounting standards and regulations
 - d) All of the Above

Solution: d) All of the Above

- 6. What is the formula for calculating a company's profit?
 - a) Revenue Assets
 - b) Assets Liabilities
 - c) Revenue Expenses
 - d) Expenses Liabilities

Solution: c) Revenue - Expenses

- 7. What does the Statement of Changes in Equity reflect?
 - a) A company's assets, liabilities, and equity

- b) A company's revenue, expenses, and profit or loss
- c) A company's cash inflows and outflows
- d) A company's changes in equity

Solution: d) A company's changes in equity

- 8. What is the main purpose of financial statements?
 - a) To provide information about a company's financial health, performance, and position
 - b) To minimize taxes paid by the company
 - c) To enhance employee satisfaction
 - d) To increase government revenue

Solution: a) To provide information about a company's financial health, performance, and position

- 9. Which financial statement provides a snapshot of a company's financial position at a specific point in time?
 - a) Income Statement
 - b) Balance Sheet
 - c) Cash Flow Statement
 - d) Statement of Changes in Equity

Solution: b) Balance Sheet

- 10. What is the difference between assets and liabilities in a company's balance sheet?
 - a) Assets represent the company's obligations, while liabilities represent what the company owns
 - b) Assets represent what the company owns, while liabilities represent the company's obligations
 - c) Assets and liabilities are interchangeable terms in accounting
 - d) There is no difference between assets and liabilities in a company's balance sheet

Solution: b) Assets represent what the company owns, while liabilities represent the company's obligations