44 Lecture - MGT101

Important Subjective

1. What is the purpose of the Securities and Exchange Commission (SEC) in relation to listed companies?

Answer: The SEC enforces reporting requirements for listed companies and ensures compliance with securities laws.

- What are some common examples of non-GAAP financial measures that listed companies may report? Answer: Examples include EBITDA, adjusted net income, and non-GAAP EPS.
- What is the purpose of a proxy statement for a listed company? Answer: The proxy statement provides information on matters to be voted on by shareholders at the company's annual meeting.
- 4. How can a listed company disclose information about significant events or changes affecting the company?

Answer: The company can include a management's discussion and analysis section in its annual or interim reports.

- 5. What is the purpose of segment reporting for listed companies? Answer: Segment reporting provides information on a company's operating segments and helps investors understand the company's performance by business segment.
- 6. **How can investors evaluate a listed company's liquidity using its financial statements?** Answer: Investors can analyze the company's cash flow statement and calculate liquidity ratios, such as the current ratio and quick ratio.
- 7. How can a listed company improve its financial reporting transparency? Answer: The company can provide more detailed disclosures in its financial statements and make its financial data more accessible to investors.
- 8. What is the role of auditors in ensuring compliance with reporting requirements for listed companies?

Answer: Auditors conduct an independent review of the company's financial statements to ensure they are free from material misstatement and comply with reporting requirements.

- How can a listed company's stock price be affected by its financial statements? Answer: If the financial statements show strong performance and positive growth prospects, the stock price may increase. Conversely, weak financial statements may lead to a decrease in stock price.
- 10. What is the importance of timely and accurate financial reporting for listed companies? Answer: Timely and accurate financial reporting is important for maintaining investor confidence and complying with regulatory requirements. It also helps investors make informed decisions about buying or selling the company's stock.