# 45 Lecture - MGT101

# **Important Mcqs**

# 1. What is the purpose of financial ratios?

- A. To evaluate the company's financial performance
- B. To determine the regulatory requirements
- C. To assess the company's management practices
- D. To determine the market value of the company

### Answer: A

# 2. What is the debt-to-equity ratio?

- A. A measure of a company's profitability
- B. A measure of a company's liquidity
- C. A measure of a company's financial leverage
- D. A measure of a company's growth prospects

### **Answer: C**

# 3. What is the return on equity ratio?

- A. A measure of a company's profitability
- B. A measure of a company's liquidity
- C. A measure of a company's financial leverage
- D. A measure of a company's growth prospects

#### Answer: A

### 4. What is the current ratio?

- A. A measure of a company's profitability
- B. A measure of a company's liquidity
- C. A measure of a company's financial leverage
- D. A measure of a company's growth prospects

#### Answer: B

# 5. What is the earnings per share ratio?

- A. A measure of a company's profitability
- B. A measure of a company's liquidity
- C. A measure of a company's financial leverage
- D. A measure of a company's growth prospects

#### Answer: A

# 6. What is the price-to-earnings ratio?

- A. A measure of a company's profitability
- B. A measure of a company's liquidity

- C. A measure of a company's financial leverage
- D. A measure of a company's valuation

#### Answer: D

# 7. Which financial statement provides information on a company's cash inflows and outflows?

- A. Income statement
- B. Balance sheet
- C. Statement of changes in equity
- D. Cash flow statement

#### Answer: D

# 8. What is segment reporting?

- A. Reporting of financial performance by business segment
- B. Reporting of financial performance by region
- C. Reporting of financial performance by product line
- D. Reporting of financial performance by customer

#### Answer: A

# 9. What is the purpose of the management's discussion and analysis section in the annual report?

- A. To provide investors with management's perspective on the company's financial performance and prospects
- B. To provide information on the company's board of directors
- C. To provide information on the company's related party transactions
- D. To provide information on the company's liquidity position

#### Answer: A

# 10. What is the purpose of corporate governance disclosures in the financial statements of listed companies?

- A. To provide information on the company's policies and practices relating to risk management and internal control
- B. To provide information on the company's profitability
- C. To provide information on the company's liquidity position
- D. To provide information on the company's market value

### **Answer: A**