

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