

# 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**