

27 Lecture - MGT111

Important Mcqs

1. **What is a budget?**

- A. A plan of expected income and expenses for a specific period
- B. The actual amount of money earned or spent
- C. A record of past income and expenses
- D. An estimate of future investment returns

Solution: A

2. **What is the purpose of creating a budget?**

- A. To keep track of income and expenses
- B. To increase debt
- C. To decrease savings
- D. To have no financial plan

Solution: A

3. **What is the first step in creating a budget?**

- A. Identifying sources of income
- B. Listing expenses
- C. Analyzing spending habits
- D. Setting financial goals

Solution: A

4. **What is the recommended percentage of income that should be allocated for housing expenses?**

- A. 10-15%
- B. 20-30%
- C. 40-50%
- D. 60-70%

Solution: B

5. **What is a fixed expense?**

- A. An expense that changes from month to month
- B. An expense that stays the same from month to month
- C. An expense that is not necessary
- D. An expense that is optional

Solution: B

6. **What is a variable expense?**

- A. An expense that changes from month to month
- B. An expense that stays the same from month to month
- C. An expense that is not necessary
- D. An expense that is optional

Solution: A

7. **What is an emergency fund?**

- A. A fund used to cover unexpected expenses
- B. A fund used for luxury purchases
- C. A fund used to pay off debt
- D. A fund used for long-term investments

Solution: A

8. **What is the purpose of a budget review?**

- A. To see if financial goals are being met
- B. To increase spending
- C. To decrease savings
- D. To ignore financial habits

Solution: A

9. **What is the recommended percentage of income that should be allocated for savings?**

- A. 5-10%
- B. 15-20%
- C. 25-30%
- D. 35-40%

Solution: B

10. **What is the recommended time period to review and adjust a budget?**

- A. Every month
- B. Every six months
- C. Every year
- D. Every five years

Solution: A