# 2 Lecture - MGT201

# **Important Mcqs**

- 1. What are the primary objectives of financial management?
  - a. Maximizing market share and revenue
  - b. Maximizing shareholder wealth and long-term financial viability
  - c. Maximizing employee satisfaction and productivity
  - d. Minimizing production costs and maximizing profits

Answer: b

- 2. Which of the following is NOT an example of a financial asset?
  - a. Real estate
  - b. Stocks
  - c. Bonds
  - d. Inventory

Answer: d

- 3. Financial markets are platforms where buyers and sellers trade which of the following?
  - a. Financial assets
  - b. Physical assets
  - c. Services
  - d. All of the above

Answer: a

- 4. The ownership of which financial asset represents ownership in a company?
  - a. Stocks
  - b. Bonds
  - c. Real estate
  - d. All of the above

Answer: a

- 5. Which of the following is NOT a characteristic of financial assets?
  - a. They are easily transferable.
  - b. They have a high degree of liquidity.
  - c. They have a low degree of risk.
  - d. They have the potential for high returns.

Answer: c

- 6. Which financial market specializes in the buying and selling of government-issued bonds?
  - a. Stock market
  - b. Bond market
  - c. Real estate market
  - d. Commodities market

Answer: b

# 7. Which of the following is NOT a factor that affects financial asset prices in financial markets?

- a. Economic conditions
- b. Political instability
- c. Company size
- d. Interest rates

#### Answer: c

## 8. What is the main goal of a shareholder when investing in financial assets?

- a. To receive a high level of interest payments
- b. To receive a guaranteed return on investment
- c. To make a profit by selling the asset at a higher price
- d. To have a long-term ownership stake in the company

#### Answer: c

### 9. Which financial asset represents a debt owed by a company or government entity?

- a. Stocks
- b. Bonds
- c. Real estate
- d. Commodities

#### Answer: b

## 10. Which of the following is NOT a function of financial markets?

- a. Providing a platform for companies to raise capital
- b. Facilitating the buying and selling of financial assets
- c. Setting interest rates for loans and mortgages
- d. Providing a means for investors to diversify their portfolios

#### Answer: c