

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