

37 Lecture - MGT201

Important Mcqs

1. **What is a dividend payout?**

- a) The amount of money that a company pays to its employees
- b) The amount of money that a company pays to its shareholders
- c) The amount of money that a company pays to its creditors

Answer: b) The amount of money that a company pays to its shareholders

2. **Which of the following can companies use to pay dividends?**

- a) Cash
- b) Additional shares of stock
- c) Both A and B

Answer: c) Both A and B

3. **How do companies determine the amount of dividend payout?**

- a) Based on their financial performance
- b) Based on the number of shareholders
- c) Based on the size of the company

Answer: a) Based on their financial performance

4. **What is a regular dividend payout?**

- a) Dividend payout that is paid out irregularly
- b) Dividend payout that is paid out at a fixed interval
- c) Dividend payout that is paid out only once

Answer: b) Dividend payout that is paid out at a fixed interval

5. **What is a special dividend payout?**

- a) Dividend payout that is paid out irregularly
- b) Dividend payout that is paid out at a fixed interval
- c) Dividend payout that is paid out only once

Answer: a) Dividend payout that is paid out irregularly

6. **Which of the following factors can impact dividend payout?**

- a) Company's financial performance
- b) Economic conditions
- c) Regulatory environment
- d) All of the above

Answer: d) All of the above

7. **What is a dividend yield?**

- a) The total amount of dividend paid out by a company
- b) The percentage of dividend payout relative to the stock price
- c) The percentage of dividend payout relative to the company's earnings

Answer: b) The percentage of dividend payout relative to the stock price

8. **What is a dividend reinvestment plan (DRIP)?**

- a) A plan where companies reinvest their dividends in their own stock
- b) A plan where shareholders can reinvest their dividends to purchase additional shares of stock
- c) A plan where shareholders can sell their dividends to other investors

Answer: b) A plan where shareholders can reinvest their dividends to purchase additional shares of stock

9. **Which of the following statements is true about dividend payout?**

- a) Dividend payout is mandatory for all companies
- b) Dividend payout is optional for companies
- c) Dividend payout is required only for publicly traded companies

Answer: b) Dividend payout is optional for companies

10. **Which of the following is a disadvantage of high dividend payout for a company?**

- a) Decreased shareholder loyalty
- b) Reduced access to capital
- c) Increased financial risk

Answer: b) Reduced access to capital