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
- 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