

41 Lecture - MGT201

Important Mcqs

- 1. Which of the following financing options is typically used for working capital needs?**
 - a) Long term financing
 - b) Lease financing
 - c) Short term financing
 - d) Equity financing**Solution: c) Short term financing**
- 2. Which of the following is a disadvantage of short term financing?**
 - a) It is easy to obtain
 - b) It can be expensive
 - c) It can be used for long term investments
 - d) It does not require collateral**Solution: b) It can be expensive**
- 3. Which of the following financing options is typically used for capital investments?**
 - a) Long term financing
 - b) Lease financing
 - c) Short term financing
 - d) Equity financing**Solution: a) Long term financing**
- 4. Which of the following is a disadvantage of long term financing?**
 - a) It is difficult to obtain
 - b) It can be expensive
 - c) It is typically used for short term needs
 - d) It does not require collateral**Solution: b) It can be expensive**
- 5. Which of the following financing options involves regular payments in exchange for the use of an asset?**
 - a) Long term financing
 - b) Lease financing
 - c) Short term financing
 - d) Equity financing**Solution: b) Lease financing**
- 6. Which of the following is an advantage of lease financing?**
 - a) The lessee owns the asset
 - b) It is typically more expensive than other financing options
 - c) It allows for flexibility in equipment upgrades
 - d) It requires a large upfront investment**Solution: c) It allows for flexibility in equipment upgrades**

7. Which of the following financing options typically requires collateral?

- a) Long term financing
- b) Lease financing
- c) Short term financing
- d) Equity financing

Solution: a) Long term financing

8. Which of the following is a disadvantage of equity financing?

- a) It is expensive
- b) It requires regular payments
- c) It can dilute ownership
- d) It requires collateral

Solution: c) It can dilute ownership

9. Which of the following financing options is typically used for real estate purchases?

- a) Long term financing
- b) Lease financing
- c) Short term financing
- d) Equity financing

Solution: a) Long term financing

10. Which of the following financing options is typically used for equipment purchases?

- a) Long term financing
- b) Lease financing
- c) Short term financing
- d) Equity financing

Solution: b) Lease financing