

4 Lecture - MGT401

Important Mcqs

- 1. Which of the following financial statements reports a company's financial position at a specific point in time?**
 - A) Income statement
 - B) Statement of cash flows
 - C) Statement of changes in equity
 - D) Balance sheet**Answer: D**
- 2. Which financial statement shows a company's revenues, expenses, and net income for a specific period?**
 - A) Balance sheet
 - B) Statement of changes in equity
 - C) Statement of cash flows
 - D) Income statement**Answer: D**
- 3. Which of the following is not a component of the balance sheet?**
 - A) Assets
 - B) Liabilities
 - C) Equity
 - D) Expenses**Answer: D**
- 4. Which financial statement reports a company's sources and uses of cash for a specific period?**
 - A) Income statement
 - B) Statement of changes in equity
 - C) Balance sheet
 - D) Statement of cash flows**Answer: D**
- 5. Which financial statement shows the changes in a company's equity over a specific period?**
 - A) Balance sheet
 - B) Income statement
 - C) Statement of cash flows
 - D) Statement of changes in equity**Answer: D**
- 6. Which of the following financial statements is prepared first?**
 - A) Balance sheet
 - B) Income statement
 - C) Statement of cash flows
 - D) Statement of changes in equity

Answer: B

7. **Which accounting principle requires that expenses be recognized in the same period as the revenue they help generate?**
- A) Going concern principle
 - B) Matching principle
 - C) Conservatism principle
 - D) Materiality principle

Answer: B

8. **Which of the following financial statements reports a company's retained earnings?**
- A) Income statement
 - B) Balance sheet
 - C) Statement of cash flows
 - D) Statement of changes in equity

Answer: D

9. **Which of the following financial statements does not report a company's net income?**
- A) Income statement
 - B) Statement of changes in equity
 - C) Statement of cash flows
 - D) Balance sheet

Answer: D

10. **Which financial statement reports the cash inflows and outflows from a company's operating, investing, and financing activities?**
- A) Balance sheet
 - B) Income statement
 - C) Statement of cash flows
 - D) Statement of changes in equity

Answer: C