## 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

