

8 Lecture - MGT401

Important Mcqs

1. Which of the following is an example of an intangible asset?

- a) Building
- b) Machinery
- c) Patent
- d) Inventory

Answer: c) Patent

2. Which ordinance defines intangible assets in Pakistan?

- a) Companies Ordinance 1984
- b) Income Tax Ordinance 2001
- c) Sales Tax Act 1990
- d) Customs Act 1969

Answer: a) Companies Ordinance 1984

3. Which of the following is required for companies to disclose in their financial statements?

- a) Tangible assets only
- b) Intangible assets only
- c) Both tangible and intangible assets
- d) None of the above

Answer: c) Both tangible and intangible assets

4. What is the maximum period for which acquired goodwill can be amortized under the Companies Ordinance 1984?

- a) 5 years
- b) 10 years
- c) 15 years
- d) 20 years

Answer: b) 10 years

5. Which of the following is not an example of an intangible asset?

- a) Trademark
- b) Copyright
- c) Land
- d) Goodwill

Answer: c) Land

6. Which of the following is subject to impairment testing?

- a) Tangible assets only
- b) Intangible assets only
- c) Both tangible and intangible assets
- d) None of the above

Answer: c) Both tangible and intangible assets

7. **Which of the following must be justified to amortize acquired goodwill over a period longer than 10 years?**
- a) Change in accounting policies
 - b) Change in management
 - c) Change in business strategy
 - d) Change in market conditions
- Answer: c) Change in business strategy**
8. **Which of the following is an example of an intangible asset that can be amortized?**
- a) Patent
 - b) Trademark
 - c) Goodwill
 - d) Copyright
- Answer: c) Goodwill**
9. **Which of the following is not required for proper disclosure of intangible assets?**
- a) Identification of the asset
 - b) Measurement of the asset
 - c) Classification of the asset
 - d) None of the above
- Answer: d) None of the above**
10. **Which of the following is not required for impairment testing of intangible assets?**
- a) Calculation of recoverable amount
 - b) Calculation of carrying amount
 - c) Calculation of depreciation expense
 - d) Comparison of recoverable amount and carrying amount
- Answer: c) Calculation of depreciation expense**