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