

# 9 Lecture - MGT401

## Important Mcqs

1. Under IAS 38, what is the maximum amortization period for intangible assets?

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

Answer: b) 10 years

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

- a) Land
- b) Machinery
- c) Patents
- d) Inventory

Answer: c) Patents

3. Under IAS 38, how should research costs be treated?

- a) Expensed as incurred
- b) Capitalized as an intangible asset
- c) Recorded as a liability
- d) None of the above

Answer: a) Expensed as incurred

4. What is the accounting treatment for goodwill under IAS 38?

- a) Amortized over a period of 10 years
- b) Revalued annually
- c) Tested for impairment annually
- d) Written off immediately

Answer: a) Amortized over a period of 10 years

5. What is the maximum period for which goodwill can be amortized under IAS 38?

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

Answer: b) 10 years

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

- a) Trademark
- b) Copyright
- c) Investment in an associate
- d) Goodwill

Answer: c) Investment in an associate

7. What is an investment in associates?

- a) An equity investment in a company in which the investor has control

- b) An equity investment in a company in which the investor has significant influence
- c) A debt investment in a company
- d) None of the above

**Answer: b) An equity investment in a company in which the investor has significant influence**

**8. How should an investment in an associate be accounted for under IAS 28?**

- a) At cost less impairment
- b) At fair value
- c) Using the equity method
- d) None of the above

**Answer: c) Using the equity method**

**9. What is the equity method of accounting?**

- a) An accounting method that records an investment in an associate at cost
- b) An accounting method that records an investment in an associate at fair value
- c) An accounting method that records an investment in an associate at the investor's share of the associate's net assets
- d) None of the above

**Answer: c) An accounting method that records an investment in an associate at the investor's share of the associate's net assets**

**10. Which of the following is not an example of an intangible asset that can be recognized under IAS 38?**

- a) Brands
- b) Customer lists
- c) Goodwill
- d) Land

**Answer: d) Land**