

# 10 Lecture - MGT401

## Important Mcqs

1. **Which of the following is an example of other non-current assets?**

- A) Land held for investment purposes
- B) Machinery and equipment
- C) Goodwill
- D) Short-term investments

**Answer: A) Land held for investment purposes**

2. **How are other non-current assets reported on the balance sheet?**

- A) Under the current assets section
- B) Under the liabilities section
- C) Under the non-current assets section
- D) Under the equity section

**Answer: C) Under the non-current assets section**

3. **Which of the following is an example of long-term prepaid expenses?**

- A) Insurance premiums paid for the next six months
- B) Rent paid for the next month
- C) Advertising expenses paid for the next year
- D) Salaries paid for the current month

**Answer: C) Advertising expenses paid for the next year**

4. **What are deferred tax assets?**

- A) Assets that are recorded at a higher value than their fair market value
- B) Assets that arise due to temporary differences between accounting and tax rules
- C) Assets that are used in the production of goods and services
- D) Assets that are purchased for investment purposes

**Answer: B) Assets that arise due to temporary differences between accounting and tax rules**

5. **Which of the following is an example of long-term receivables?**

- A) Amounts owed by customers for goods or services sold on credit
- B) Amounts owed by suppliers for goods or services purchased on credit
- C) Amounts owed by employees for advances or loans
- D) Amounts owed by the government for taxes paid in excess

**Answer: A) Amounts owed by customers for goods or services sold on credit**

6. **How are other non-current assets typically amortized?**

- A) Straight-line method
- B) Double-declining balance method

- C) Sum-of-the-years'-digits method
- D) They are not typically amortized

**Answer: D) They are not typically amortized**

7. **How often are other non-current assets tested for impairment?**
- A) Monthly
  - B) Quarterly
  - C) Annually
  - D) It depends on the nature of the asset

**Answer: D) It depends on the nature of the asset**

8. **Which of the following is an example of an intangible other non-current asset?**
- A) Long-term investments in marketable securities
  - B) Prepaid expenses for a period exceeding one year
  - C) Trademarks and patents
  - D) Inventories held for more than one year

**Answer: C) Trademarks and patents**

9. **What is the purpose of accounting for other non-current assets?**
- A) To increase net income
  - B) To decrease taxes owed
  - C) To provide accurate financial reporting
  - D) To reduce liabilities

**Answer: C) To provide accurate financial reporting**

10. **How are other non-current assets typically valued?**
- A) At cost less accumulated depreciation
  - B) At fair value less accumulated depreciation
  - C) At market value less accumulated depreciation
  - D) At replacement cost less accumulated depreciation

**Answer: B) At fair value less accumulated depreciation**