

# 10 Lecture - MGT401

## Important Subjective

1. **What are other non-current assets?**

Answer: Other non-current assets are long-term assets that are not classified as property, plant, and equipment, intangible assets, or investments in associates.

2. **What are long-term prepaid expenses?**

Answer: Long-term prepaid expenses are expenses that have been paid in advance and are expected to provide future economic benefits beyond one year.

3. **How are deferred tax assets created?**

Answer: Deferred tax assets are created due to temporary differences between accounting and tax rules, which result in lower taxes paid in the current year and higher taxes paid in future years.

4. **What is an impairment test?**

Answer: An impairment test is a test performed on assets to determine if their carrying value exceeds their recoverable amount. If so, the asset is considered impaired and the carrying value is reduced accordingly.

5. **How are intangible other non-current assets amortized?**

Answer: Intangible other non-current assets, such as patents and trademarks, are typically amortized over their useful lives.

6. **What is the difference between long-term receivables and short-term receivables?**

Answer: Long-term receivables are amounts owed by customers that will be collected beyond one year, while short-term receivables are amounts owed by customers that will be collected within one year.

7. **What is the purpose of testing other non-current assets for impairment?**

Answer: The purpose of testing other non-current assets for impairment is to ensure that they are carried at no more than their recoverable amount.

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

Answer: Other non-current assets are reported on the balance sheet under the non-current assets section.

9. **What is the role of other non-current assets in financial reporting?**

Answer: Other non-current assets play an important role in financial reporting as they provide information about a company's long-term investments and commitments.

10. **What are some examples of other non-current assets?**

Answer: Examples of other non-current assets include long-term prepaid expenses, deferred tax assets, long-term receivables, and investments in non-consolidated subsidiaries.