

# 14 Lecture - MGT401

## Important Mcqs

1. **Which category of assets are expected to be converted into cash within one year or the normal operating cycle of the business?**
- a) Non-current assets
  - b) Current assets
  - c) Tangible assets
  - d) Intangible assets

**Answer: b) Current assets**

2. **How should assets be presented in the balance sheet?**
- a) In random order
  - b) In order of magnitude
  - c) In order of liquidity
  - d) In alphabetical order

**Answer: c) In order of liquidity**

3. **What should the balance sheet disclose about assets?**
- a) The exact amount of each asset
  - b) Any restrictions on the use of assets
  - c) The purchase price of each asset
  - d) The future expected value of each asset

**Answer: b) Any restrictions on the use of assets**

4. **What is the purpose of proper presentation and disclosure of assets?**
- a) To make the balance sheet look more attractive
  - b) To provide transparency and help users make informed decisions
  - c) To hide information from stakeholders
  - d) To confuse investors

**Answer: b) To provide transparency and help users make informed decisions**

5. **Which type of assets are not expected to be converted into cash within one year?**
- a) Current assets
  - b) Non-current assets
  - c) Tangible assets
  - d) Intangible assets

**Answer: b) Non-current assets**

6. **What should be disclosed in the balance sheet about the value of assets?**
- a) The exact amount of each asset

- b) The method used to determine the value of each asset
- c) The expected future value of each asset
- d) The current market value of each asset

**Answer: b) The method used to determine the value of each asset**

**7. Which type of assets are physical items such as buildings and equipment?**

- a) Current assets
- b) Non-current assets
- c) Tangible assets
- d) Intangible assets

**Answer: c) Tangible assets**

**8. What does the disclosure of significant estimates or judgments made in determining the value of assets help with?**

- a) It helps stakeholders understand the process used to value assets
- b) It makes the balance sheet look more attractive
- c) It hides information from stakeholders
- d) It confuses investors

**Answer: a) It helps stakeholders understand the process used to value assets**

**9. Which category of assets can include items such as patents and copyrights?**

- a) Current assets
- b) Non-current assets
- c) Tangible assets
- d) Intangible assets

**Answer: d) Intangible assets**

**10. What is the purpose of presenting assets in the balance sheet?**

- a) To hide information from stakeholders
- b) To make the company look more profitable
- c) To provide transparency and help users make informed decisions
- d) To confuse investors

**Answer: c) To provide transparency and help users make informed decisions**