

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