

15 Lecture - MGT401

Important Mcqs

- 1. Long-term investments are assets held by a company for a period exceeding:**
 - a) 6 months
 - b) 1 year
 - c) 2 years
 - d) 5 years**Answer: b) 1 year**
- 2. Marketable securities are categorized as:**
 - a) Short-term investments
 - b) Long-term investments
 - c) Non-marketable securities
 - d) Both a and c**Answer: b) Long-term investments**
- 3. Non-marketable securities include:**
 - a) Stocks
 - b) Bonds
 - c) Loans to other companies
 - d) Both a and b**Answer: c) Loans to other companies**
- 4. Long-term investments should be presented in the balance sheet after:**
 - a) Current assets
 - b) Non-current assets
 - c) Equity
 - d) Liabilities**Answer: b) Non-current assets**
- 5. The value of long-term investments should be disclosed in the:**
 - a) Income statement
 - b) Cash flow statement
 - c) Balance sheet
 - d) Statement of retained earnings**Answer: c) Balance sheet**
- 6. Any restrictions on the use of long-term investments should be disclosed in the:**
 - a) Income statement
 - b) Cash flow statement
 - c) Balance sheet
 - d) Notes to financial statements**Answer: d) Notes to financial statements**
- 7. The purpose and risks associated with long-term investments should be included in the:**
 - a) Income statement

- b) Cash flow statement
- c) Balance sheet
- d) Notes to financial statements

Answer: d) Notes to financial statements

8. Long-term investments should be categorized as either:

- a) Marketable or non-marketable
- b) Current or non-current
- c) Cash or non-cash
- d) Both a and b

Answer: a) Marketable or non-marketable

9. The disclosure of significant estimates or judgments made in determining the value of long-term investments is important to:

- a) Provide transparency to stakeholders
- b) Meet regulatory requirements
- c) Enhance the company's image
- d) All of the above

Answer: a) Provide transparency to stakeholders

10. Proper presentation and disclosure of long-term investments is important to:

- a) Improve investor confidence
- b) Attract financing
- c) Both a and b
- d) None of the above

Answer: c) Both a and b