

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