18 Lecture - MGT401

Important Mcqs

1. Which of the following is an example of a long-term deposit?

- a. Accounts receivable
- b. Inventory
- c. Property, plant, and equipment
- d. Cash in the bank

Answer: c

2. Long-term deposits are typically held for how long?

- a. Less than one year
- b. One to three years
- c. More than three years
- d. It depends on the nature of the deposit

Answer: c

3. Prepaid expenses are an example of which type of asset?

- a. Long-term asset
- b. Current asset
- c. Non-current asset
- d. Intangible asset

Answer: a

4. Which of the following is an example of a current asset?

- a. Land held for investment purposes
- b. A building owned by the company
- c. Accounts payable
- d. Patents and trademarks

Answer: c

5. Cash and cash equivalents are an example of which type of asset?

- a. Long-term asset
- b. Current asset
- c. Fixed asset
- d. Intangible asset

Answer: b

6. Which of the following is an example of a prepayment?

- a. Rent paid in advance
- b. Salary paid to an employee
- c. Interest received from a bank
- d. Sales revenue earned from customers

Answer: a

7. Current assets are important for a company because they help to:

a. Increase the value of the company

- b. Support ongoing operations
- c. Generate long-term revenue
- d. Pay off long-term debts

Answer: b

8. Which of the following is an example of a non-current asset?

- a. Inventory
- b. Cash in the bank
- c. Land held for investment purposes
- d. Accounts payable

Answer: c

9. Which of the following is an example of a long-term deposit?

- a. Payment made for inventory
- b. Payment made for a loan
- c. Payment made for property taxes
- d. Payment made for advertising expenses

Answer: b

10. Which of the following is an example of a current asset?

- a. Machinery owned by the company
- b. Patent owned by the company
- c. Inventory held for sale
- d. Land held for investment purposes

Answer: c