

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