

19 Lecture - MGT401

Important Mcqs

1. **What is the purpose of the IASB's Framework?**

- a. To provide guidance on the preparation and presentation of financial statements.
- b. To provide guidance on the management of a company's assets.
- c. To provide guidance on the collection of financial data.

Answer: a

2. **What are the key concepts and principles in the IASB's Framework?**

- a. Reliability, relevance, comparability, and understandability.
- b. Efficiency, profitability, liquidity, and solvency.
- c. Sustainability, social responsibility, and ethics.

Answer: a

3. **What does the IASB's Framework provide guidance on?**

- a. The recognition, measurement, and disclosure of assets, liabilities, income, and expenses.
- b. The hiring and management of employees.
- c. The development of marketing strategies.

Answer: a

4. **What is the importance of the IASB's Framework?**

- a. It ensures that financial statements are reliable, relevant, comparable, and understandable to users.
- b. It promotes the efficient use of company resources.
- c. It minimizes the risk of fraud and mismanagement.

Answer: a

5. **Who develops the IASB's Framework?**

- a. The International Accounting Standards Board (IASB).
- b. The Financial Accounting Standards Board (FASB).
- c. The Securities and Exchange Commission (SEC).

Answer: a

6. **What is the relationship between the IASB's Framework and accounting standards?**

- a. The Framework provides a basis for the development of accounting standards.
- b. The Framework is unrelated to accounting standards.
- c. The Framework is used to audit accounting standards.

Answer: a

7. **What is the purpose of the recognition and measurement criteria in the IASB's Framework?**
- a. To ensure that financial statement elements are recognized when they meet the definition of an asset, liability, income, or expense.
 - b. To ensure that financial statement elements are recognized when they are expected to provide future economic benefits.
 - c. To ensure that financial statement elements are recognized when they are easily measurable.

Answer: a

8. **What is the importance of comparability in the IASB's Framework?**
- a. It allows users to compare financial statements across different periods and entities.
 - b. It ensures that financial statements are reliable.
 - c. It promotes the efficient use of company resources.

Answer: a

9. **What is the purpose of the disclosure requirements in the IASB's Framework?**
- a. To provide additional information that is relevant to the users of financial statements.
 - b. To provide information that is not required by accounting standards.
 - c. To promote transparency and accountability.

Answer: a

10. **What is the primary objective of the IASB's Framework?**
- a. To provide information that is useful in making economic decisions.
 - b. To promote the efficient use of company resources.
 - c. To ensure that financial statements are prepared in accordance with accounting standards.

Answer: a