

20 Lecture - MGT401

Important Mcqs

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

- A) Reliability
- B) Comparability
- C) Understandability
- D) All of the above

Answer: D

2. **Which of the following elements are recognized in financial statements according to the IASB's Framework?**

- A) Assets
- B) Liabilities
- C) Income
- D) All of the above

Answer: D

3. **The IASB's Framework promotes transparency and accountability by requiring companies to provide what?**

- A) Relevant and reliable information
- B) Excessive information
- C) Irrelevant and unreliable information
- D) None of the above

Answer: A

4. **What is the importance of substance over form in the IASB's Framework?**

- A) Economic substance of a transaction should be reflected in the financial statements
- B) Legal form of a transaction should be reflected in the financial statements
- C) Both A and B
- D) None of the above

Answer: A

5. **The IASB's Framework provides guidance on which of the following?**

- A) When to recognize gains and losses
- B) How to measure assets and liabilities
- C) When to recognize an item as an asset or liability
- D) All of the above

Answer: D

6. **The IASB's Framework is regularly updated to reflect changes in which of the following?**

- A) Business practices
- B) Financial reporting requirements
- C) Both A and B
- D) None of the above

Answer: C

7. Which of the following is NOT a key principle of the IASB's Framework?

- A) Relevance
- B) Reliability
- C) Comparability
- D) Sustainability

Answer: D

8. What is the role of the IASB in the development and update of the Framework?

- A) Develop and update the Framework
- B) Enforce compliance with the Framework
- C) Both A and B
- D) None of the above

Answer: A

9. What is the purpose of the recognition and measurement criteria in the IASB's Framework?

- A) Ensure that financial statement elements are recognized when they meet the definition of an asset, liability, income, or expense
- B) Ensure that financial statements are free from material errors and omissions
- C) Ensure that financial statements are presented in a clear and concise manner
- D) None of the above

Answer: A

10. The IASB's Framework is used by which of the following groups?

- A) Companies and accounting professionals
- B) Auditors and regulators
- C) Both A and B
- D) None of the above

Answer: C