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