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