

25 Lecture - MGT401

Important Mcqs

1. **What is a prospectus?**

- a) A legal document that provides information to potential investors about the securities a company is offering.
- b) A financial statement showing a company's assets, liabilities, and equity.
- c) A document used to record all of a company's transactions.

Answer: a

2. **What are non-current liabilities?**

- a) Obligations that a company is expected to fulfill within one year.
- b) Obligations that a company is expected to fulfill over a period of more than one year.
- c) The amount of money that a company owes to its shareholders.

Answer: b

3. **What does the 4th schedule of a prospectus typically include?**

- a) Details about a company's current liabilities.
- b) Details about a company's non-current liabilities.
- c) Details about a company's revenue and expenses.

Answer: b

4. **Which of the following is an example of a non-current liability?**

- a) Accounts payable
- b) Short-term loans
- c) Long-term loans

Answer: c

5. **Why is information about non-current liabilities important for investors?**

- a) It helps them understand a company's ability to meet its long-term obligations.
- b) It helps them understand a company's short-term cash flow.
- c) It helps them understand a company's profit margin.

Answer: a

6. **What type of information would you find in the 4th schedule of a prospectus?**

- a) Details about a company's current assets.
- b) Details about a company's non-current assets.
- c) Details about a company's non-current liabilities.

Answer: c

7. **Which of the following is an example of a non-current liability?**

- a) Accounts receivable
- b) Lease obligations
- c) Inventory

Answer: b

8. **What is the purpose of a prospectus?**

- a) To provide information to potential investors about the securities a company is offering.
- b) To provide information to potential customers about a company's products.
- c) To provide information to potential employees about a company's benefits.

Answer: a

9. **What is the difference between a current liability and a non-current liability?**

- a) A current liability is an obligation that a company is expected to fulfill within one year, while a non-current liability is an obligation that a company is expected to fulfill over a period of more than one year.
- b) A current liability is an obligation that a company is expected to fulfill over a period of more than one year, while a non-current liability is an obligation that a company is expected to fulfill within one year.
- c) There is no difference between a current liability and a non-current liability.

Answer: a

10. **Which of the following would be included in the 4th schedule of a prospectus?**

- a) Details about a company's short-term debt.
- b) Details about a company's long-term debt.
- c) Details about a company's current assets.

Answer: b