

MGT401 MCQs from QUIZ 2(Shared &Solved by Roshni)

Mgt401 Financial Accounting II Quiz no 2 (10 May 2011)

Question # 1 of 15 (Start time: 11:17:21 AM) Total M - 1

Which of the following is/are the Classification of Current Assets with respect to the Companies Ordinance 1984?

Select correct option:

Stock

Cash Balance

Finished Goods

All of the given options

Question # 2 of 15 (Start time: 11:18:45 AM) Total M - 1

What will be the result of increase in the allowances for debtors?

Select correct option:

It will decrease in debtors and increase in profit

It will increase in debtors and decrease in profit

It will decrease in debtors and decrease in profit

It will increase in debtors and increase in profit

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Question # 3 of 15 (Start time: 11:19:56 AM) Total M - 1

A Partnership firm has a maximum _____ numbers of partners.

Select correct option:

20

15

10

02

Question # 4 of 15 (Start time: 11:21:22 AM) Total M - 1

By recording depreciation in the books of accounts, what a company ensures about the cost of non current assets which provide the benefit for their use in business?

Select correct option:

It is extending over the forecasted periods

It is extending over the accounting periods

It is extending over the tax periods

It is extending over the revenue periods

Question # 5 of 15 (Start time: 11:22:40 AM) Total M - 1

All of the following are Fixed assets EXCEPT:

Select correct option:

Machinery

Freehold land

Leasehold land

Marketable securities

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Quiz Start Time: 11:17 AM Time Left 73 sec(s)

Question # 6 of 15 (Start time: 11:23:06 AM) Total M - 1

Which of the following is/are example(s) of research activities?

Select correct option:

Activities aimed at obtaining new knowledge

The search, evaluation, final selection and application of research findings

The search for alternatives

All of the given options

Quiz Start Time: 11:17 AM Time Left 14 sec(s)

Question # 7 of 15 (Start time: 11:23:28 AM) Total M - 1

Sitara Textile is using the prudence concept to record the profit in its income statement. According to prudence concept,

Sitara Textile will record profit when it is:

Select correct option:

Expected

Realized

Material

Received

Quiz Start Time: 11:17 AM Time Left 76 sec(s)

Question # 8 of 15 (Start time: 11:24:57 AM) Total M - 1

Which of the following asset is not an example of Intangible Fixed Assets?

Select correct option:

Vehicles

Good Will

Copyrights

Trade Marks and Designs

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Question # 9 of 15 (Start time: 11:25:24 AM) Total M - 1

Concept of capital maintenance is most important for:

Select correct option:

Purchase of non current assets

Sources of finance

Measurement of profit

Relationship of debt to equity

Question # 10 of 15 (Start time: 11:26:43 AM) Total M - 1

Insurance paid in advance would be treated in the Balance sheet as:

Select correct option:

Non current asset

Current asset

Intangible asset

Deferred expense

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Question # 11 of 15 (Start time: 11:27:42 AM) Total M - 1

Which of the following is/are the Classification of Current Assets with respect to the Companies Ordinance 1984?

Select correct option:

Cash Balance

Loans and Advances

Bank Balance

All of the given options

Question # 12 of 15 (Start time: 11:29:01 AM) Total M - 1

In which situation, a company will be treated as related party?

Select correct option:

If it has the ability to control the other company

If it has significance influence over financial and operating matters of other company

If it is associated with other company

All of the given options

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Question # 13 of 15 (Start time: 11:29:25 AM) Total M - 1

Which of the following consist of money owing for goods supplied to the firm and for expenses & loans?

Select correct option:

Assets

Capital

Liability

Income

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Question # 14 of 15 (Start time: 11:30:50 AM) Total M - 1

Which of the following statement is/are INCORRECT under the Cost Method for recognition of investment in associated companies?

Select correct option:

Any distribution of profits by the investee company is recorded as an expense

Any distribution of profits by the investor company is recorded as an income

The carrying amount of the investment is increased or decreased to reorganize the investor's share of profits or losses of the investee after the date of acquisition

All of the given options

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Question # 15 of 15 (Start time: 11:32:16 AM) Total M - 1

In which situation, Y will be the indirect subsidiary of X?

Select correct option:

If X holds more than 50% shares of Y and Y holds more than 50% shares of W

If W holds less than 50% shares of X and more than 50% shares of Y

If Y holds more than 50% shares of W and X holds less than 50% shares of Y

If X holds more than 50% shares of W and W holds more than 50% shares of Y