ACC501

Quiz 1 MIDS

25 May 2023

Question 1:

Which of the following is NOT an external use of financial statements information?

a) Evaluation of performance through profit margin and return on equity

b) Evaluation of credit standing of new customer

c) Evaluation of financial worth of supplier

d) Evaluation of potential strength of the competitor

Correct option: d) Evaluation of potential strength of the competitor

Question 2:

Aslam wants to invest some money so that he will have Rs. 60,000 for his child's school education 10 years from now. He can earn 12 percent compounded annually. How much does he need to invest today?

a) Rs. 19,318

b) Rs. 20,318

c) Rs. 18,318

d) Rs. 15,318

Correct option: c) Rs. 18,318

Question 3:

In the case of international business, which of the following factor(s) must be considered?

a) Attitude of Governments

b) Role of foreign exchange

c) Balance of payments

d) All of the given options

Correct option: d) All of the given options

Question 4:

Which of the following cost is reported on the income statement as the cost of goods sold?

a) Period cost

b) Managerial cost

c) Product cost

d) Selling cost

Correct option: c) Product cost

Question 5:

Who among the following make a broader use of accounting information?

a) Accountants

b) Auditors

c) Financial Analysts

d) Marketers

Correct option: c) Financial Analysts

Question 6:

Which of the following has the unlimited life of business?

a) None of the given options

b) General partnership

c) Corporation

d) Sole proprietorship

Correct option: c) Corporation

Question 7:

The use of debt in a firm's capital structure is called:

a) Financial accounting

b) Financial modeling

c) Financial leverage

d) Accounting liquidity

Correct option: c) Financial leverage

Question 8:

Which of the following set of ratios measure the firm's intensity and efficiency of asset use?

a) Profitability ratios

b) Liquidity ratios

c) Financial leverage ratios

d) Turnover ratios

Correct option: d) Turnover ratios

Question 9:

Which of the following best represents the term "Financing"?

a) It is an object that provides services.

b) It represents an ownership interest.

c) It is trade license to trade securities on behalf of investors.

d) It means raising money to acquire something.

Correct option: d) It means raising money to acquire something.