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Self-Made Assignment- Advanced Accounting

Goodwill

Solve this MCQ Questions

1. What type of asset is goodwill?
 - A. Tangible
 - B. Intangible
 - C. Current
 - D. Fixed
2. Can goodwill be seen or touched?
 - A. Yes
 - B. No
3. What does goodwill mainly represent?
 - A. Cash in hand
 - B. Value of buildings
 - C. Extra value of a business
 - D. Debts of the business
4. Which of the following helps create goodwill?
 - A. Bad service
 - B. Dishonesty
 - C. Loyal customers
 - D. Low sales
5. Goodwill helps a firm earn:
 - A. Normal profits
 - B. Less profits
 - C. Extra profits
 - D. No profits
6. Goodwill is similar to:
 - A. Furniture
 - B. Patents
 - C. Cash
 - D. Stock
7. Is goodwill a valuable asset?
 - A. No
 - B. Yes
8. Can goodwill change in value over time?
 - A. No
 - B. Yes

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9. When does goodwill lose value?
A. When profits increase
B. When profits stay the same
C. When profits decrease
D. Always
10. Can goodwill be sold separately from the business?
A. Yes
B. No
11. Who creates goodwill in a business?
A. Customers
B. Owners through honesty and hard work
C. Government
D. Machines
12. Which factor increases goodwill?
A. Poor management
B. High product prices
C. Efficient management
D. New employees
13. Good quality products result in:
A. Less goodwill
B. Angry customers
C. More goodwill
D. No effect
14. Which location increases goodwill?
A. Remote village
B. Difficult-to-reach area
C. Convenient place
D. No location matters
15. Older businesses generally have:
A. Less goodwill
B. No goodwill
C. More goodwill
D. Same goodwill as new ones

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