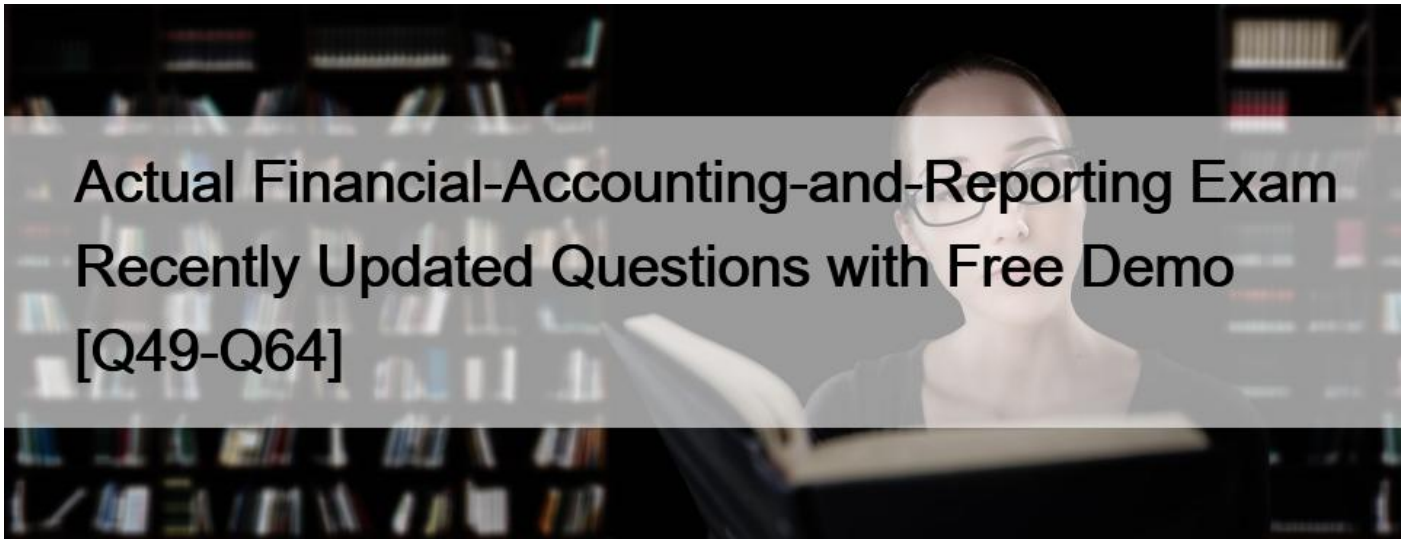


Actual Financial-Accounting-and-Reporting Exam Recently Updated Questions with Free Demo [Q49-Q64]



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NEW QUESTION 49

Which one of the following statements is correct?

- * Liabilities are future obligations that will cause outflow of resources embodying economic benefits.
- * Current and non-current assets are shown as separate classifications in the statement of financial position.
- * Assets used for long-term operations are shown under working capital in the statement of financial position.
- * A statement of financial position explains the reasons for movement of assets and liabilities through the accounting period.

NEW QUESTION 50

Liquidity of a company is based on its ability to

- * buy back shares.
- * meet long term commitments.
- * pay dividends to shareholders.
- * meet short term commitments.

NEW QUESTION 51

Which one of the following statements is correct?

- * Australian accounting standards are based on the US GAAP.
- * Accounting standards prescribe the possible accounting treatments.
- * Accounting standards are developed and maintained using a consultative process with the OECD.
- * Accounting standards provide the basic knowledge upon which the conceptual framework is developed.

NEW QUESTION 52

The concept of transparency in corporate governance means that listed companies should disclose

- * their future strategy.
- * confidential issues relating to competitors.
- * material information that affects decisions.
- * only mandatory information by management.

NEW QUESTION 53

Which one of the following includes social reporting guidelines?

- * Global Reporting Initiative (GRI)
- * International Accounting Standards (IAS)
- * Generally Accepted Accounting Principles (GAAP)
- * International Financial Reporting Standards (IFRS)

NEW QUESTION 54

Which one of the following is an objective of the International Federation of Accountants (IFAC)?

- * to provide advice on accounting standards to the OECD
- * to issue new international financial reporting standards (IFRS)
- * to establish high quality professional standards in accountancy
- * to provide direction to the Financial Accounting Standards Board (FASB)

NEW QUESTION 55

Which one of the following would be included in the statement of financial position?

- * depreciation
- * deferred tax
- * distribution costs
- * gains on property valuations

NEW QUESTION 56

A rules-based approach to standard setting

- * provides a broad framework for standard setting.
- * helps a standard-setting body to prioritise matters.
- * prescribes standards that attempt to cover all eventualities a business may face.
- * ensures there are no conflicts within accounting standards as each issue is handled just once.

NEW QUESTION 57

Financial markets have achieved operational efficiency when

- * past records are used to predict the future prices of goods.
- * the costs of financial transactions are kept as low as possible.
- * the cost of transactions is a reflection of the actual cost incurred.
- * the price of stocks and shares are available accurately and quickly.

NEW QUESTION 58

Which form of capital market efficiency exists when share prices on the stock market reflect all information whether public or not?

- * allocative efficiency
- * strong form efficiency
- * semi-strong form efficiency
- * information processing efficiency

NEW QUESTION 59

Which one of the following countries has the view that Generally Accepted Accounting Principles (GAAP) refers to accounting practices which are regarded as permissible by the accounting profession?

- * Canada
- * Australia
- * United Kingdom
- * United States of America

NEW QUESTION 60

Which one of the following financial statements helps provide information about factors that might affect an entity's liquidity or solvency?

- * statement of cash flows
- * statement of changes in equity
- * notes to the financial statements
- * statement of profit or loss and other comprehensive income

NEW QUESTION 61

A decision has been made to change the value of a major non-current asset, upon which depreciation is based, from original cost to a revalued amount. This results in a change in

- * measurement basis and must be disclosed.
- * accounting estimate and must be disclosed.
- * measurement basis and does not need to be disclosed.
- * accounting estimate and does not need to be disclosed.

NEW QUESTION 62

Which one of these is a key principle of good corporate governance?

- * effective communication with shareholders
- * restriction of shareholders' rights in decision-making
- * effective management of the employees of the company
- * non-disclosure of directors' agency relationship with the company

NEW QUESTION 63

Historical cost accounting provides financial information that is

- * relevant for decision making.
- * relevant and reliable for decision making.
- * relevant but may not be reliable for decision making.
- * reliable but may not be relevant for decision making.

NEW QUESTION 64

Which one of the following is the correct treatment of sales?

- * Cash sales are recorded in the receivables ledger prior to posting to the general ledger.
- * Credit sales are recorded in the receivables ledger prior to posting to the general ledger.
- * Cash and credit sales are recorded in the receivables ledger prior to posting to the general ledger.
- * Credit sales are not recorded in the receivables ledger prior to posting to the general ledger.

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