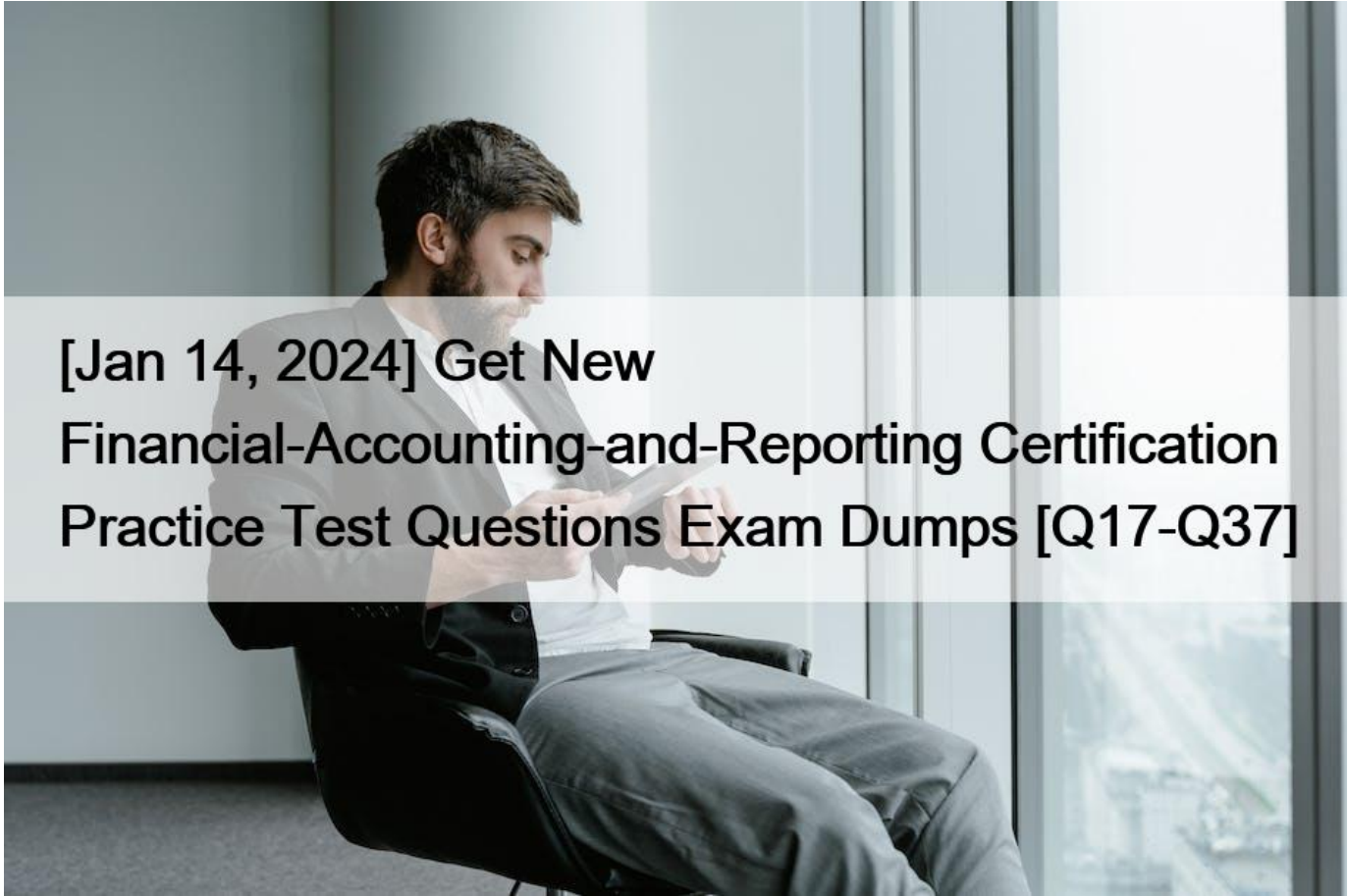


[Jan 14, 2024 Get New Financial-Accounting-and-Reporting Certification Practice Test Questions Exam Dumps [Q17-Q37]



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Real Financial-Accounting-and-Reporting Exam Dumps Questions Valid Financial-Accounting-and-Reporting Dumps PDF

The CPA Financial Accounting and Reporting Exam certification is highly valued by employers and is recognized by many leading accounting firms and financial institutions. The CPA Financial Accounting and Reporting certification exam is an important credential for professionals who are looking to advance their careers in the accounting and finance industry. CPA Financial Accounting and Reporting Exam certification can also help professionals increase their earning potential and open up new opportunities for career growth.

The CPA Financial Accounting and Reporting certification provides an excellent opportunity for professionals seeking to further their careers. Exam candidates are expected to have some level of experience in accounting and finance management, culminating in their ability to undertake complex accounting tasks. CPA Financial Accounting and Reporting Exam certification syllabus covers a range of topics, including financial reporting, accounting standards, financial management, and regulatory requirements. The content of the exam is in line with the most up-to-date global accounting and financial practices, making it a globally recognized certification.

QUESTION 17

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.

QUESTION 18

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.

QUESTION 19

The International Federation of Accountants (IFAC) was established by

- * the United Nations.
- * various professional accounting bodies.
- * the International Accounting Standards Board.
- * the Organization for Economic Co-operation & Development.

QUESTION 20

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.

QUESTION 21

Which one of the following methods is not used for 'creative accounting'?

- * profit smoothing
- * window dressing
- * off balance sheet financing
- * aggressive debt management

QUESTION 22

An example of voluntary reporting in Australia is a

- * sustainability report.
- * statement of cash flows.
- * statement of financial position.
- * statement of comprehensive income.

QUESTION 23

Which one of the following would be recognised in the statement of profit or loss and other comprehensive income?

- * inventory
- * employee wages
- * retained earnings
- * prepayment of expenses

QUESTION 24

In an efficient market, normally if interest rates rise, share prices will

- * rise due to the overall positive sentiment.
- * fall since investors expect a higher return.
- * rise since banks invest their increased profits.
- * fall in anticipation of a reversal in the interest rate cycle.

QUESTION 25

XYZ Ltd is listed on the Australian Securities Exchange (ASX). Which one of the following reports is the company required to prepare as a part of its annual financial report?

- * sustainability report
- * chairman's statement
- * management commentary
- * corporate governance statement

QUESTION 26

A statement of comprehensive income reports on

- * solvency.
- * financial position.
- * financial performance.
- * changes in financial position.

QUESTION 27

In a stock market that displays strong efficiency, share prices reflect all available

- * public information.
- * public and inside information.
- * information about future expansion plans.
- * information about past changes in share prices.

QUESTION 28

Which one of the following describes the key advantage of the manual system of accounting?

- * The quality of output is not necessarily an issue.
- * A thorough understanding of the business can be gained through it.
- * Corrections are easily managed as updating or recreating the whole document is not difficult.
- * Processing is maintained at a reasonable speed even while dealing with large volumes of data.

QUESTION 29

X was influenced by G Co's audit report and dividend declaration, and decided to invest in the securities of the company. What should X be cautious about before investing in the shares of the company?

X should be aware that

- * the auditor's report is influenced by the directors.
- * the declaration of dividends assures high earnings per share.
- * the auditor's report refers to the company's prior year financials.
- * a declaration of dividend is the ultimate measure of a company's profitability.

QUESTION 30

In the context of a regulatory framework, a principles-based system

- * is a rule-driven approach.
- * attempts to cover specific eventualities.
- * provides a theoretical basis with broad terms of reference.
- * removes any element of judgement by providing clear requirements.

QUESTION 31

Which one of the following statements regarding the IASB's Conceptual Framework for Financial Reporting is correct?

- * It overrides any local or international accounting standard.
- * It specifies the concepts that underlie the preparation and presentation of special purpose financial statements.
- * It specifies the concepts that underlie the preparation and presentation of general purpose financial statements.
- * It specifies the concepts that underlie the preparation and presentation of only consolidated financial statements.

QUESTION 32

Generally accepted accounting practice recognises revenue when

- * goods are produced.
- * customers order goods.
- * cash is received for the goods.
- * goods are dispatched to the customer.

QUESTION 33

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

QUESTION 34

Which one of the following situations would result in either a new liability being recognised or an existing liability being increased?

- * A company pays only half of an overdue invoice.
- * A company establishes an asset revaluation reserve.
- * At the end of the reporting period, there are unpaid wages.
- * A company recognises the depreciation expense for the current period.

QUESTION 35

A company purchased a machine 10 years ago for \$143 890. It is expected that the machine will generate future revenues of \$108 495. The machine could be scrapped for \$81 232. An equivalent machine in the same condition would cost \$94 950 to buy now.

What is the deprival value of the asset?

- * \$35 395
- * \$81 232
- * \$94 950
- * \$108 495

QUESTION 36

Which one of the following statements differentiates semi-strong form efficiency from strong form efficiency in the context of the efficient market hypothesis?

- * Semi-strong form efficiency addresses operational efficiency whereas strong form efficiency aims to address allocative efficiency.
- * Semi-strong form efficiency reflects all past price movements whereas strong form efficiency reflects future share price movements.
- * Semi-strong form efficiency does not reflect all publicly available information whereas strong form efficiency does incorporate all publicly available information.
- * Semi-strong form efficiency does not reflect knowledge whereas strong form efficiency considers knowledge in addition to publicly available information and past price movements.

QUESTION 37

According to the IASB Conceptual Framework, income is an increase in economic benefits in the form of I)inflows.

II)decreases of liabilities.

III)enhancements of assets.

IV)contributions from equity holders.

- * I, II and III only
- * I, II and IV only
- * I, III and IV only
- * II, III and IV only

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