

CPAAustralia.Financial-Accounting-and-Reporting.v2022-10-03.q33

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https://www.krdump.com/CPAAustralia.Financial-Accounting-and-Reporting.v2022-10-03.q33.html	

NEW QUESTION: 1

An element is recognised in the statement of financial position or statement of comprehensive income if

- I.
the value of the item can be measured reliably.
- II.
the value of the item can be measured accurately.
- III.
it is certain that there will be future economic benefits associated with the item.
- IV.
it is probable that there will be future economic benefits associated with the item.

Which of the above options are correct?

- A. III and IV only
- B. I and IV only
- C. I and III only
- D. II and III only

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 2

Which one of the following is not an advantage of accounting regulation?

- A. It provides quality of information in and across financial statements.
- B. It provides flexibility in the way accounting information is presented to users.
- C. It instils public confidence in the accounting system employed in commerce and industry.
- D. It provides the required accounting information to all necessary shareholders.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 3

Venturer Ltd has received fees from venture capital activities and has engaged you as the accountant to prepare the financial report for 31 December 20X0. Unable to find a specific reference to venture capital fees in either the conceptual framework or the accounting standards, you establish the appropriate accounting treatment by

- A. using your professional judgment and referring to generally accepted accounting principles and practice.
- B. referring to the fundamental accounting assumptions and conventions.
- C. consulting with the International Accounting Standards Board.
- D. using your professional judgment and referring to the conceptual framework's definitions and recognition criteria.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 4

The ability of a company to pay its bills when and as they fall due is a measure of

- A. solvency.
- B. economic value.
- C. the true and fair view of the financial report.
- D. compliance with the conceptual framework.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 5

A statement of generally accepted theoretical principles which form the frame of reference for financial reporting refers to the

- A. International Financial Reporting Standards.
- B. Generally Accepted Accounting Principles.
- C. Conceptual Framework.
- D. Regulatory Framework.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 6

LMN Ltd recently changed the measurement base for their assets. They should I) treat this like a change in an estimate.

II) treat this like a change in the accounting policy.

III) disclose this in the notes to financial statements.

- A. III only
- B. I only
- C. II and III only
- D. I and III only

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 7

Which one of the following is not a principal motivation for creative accounting?

- A. bonus-related pay
- B. benefits from shares and share options
- C. personal incentives
- D. public good

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 8

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

- A. public and inside information.
- B. public information.
- C. information about future expansion plans.
- D. information about past changes in share prices.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 9

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

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 10

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

- A. statement of cash flows
- B. statement of changes in equity
- C. notes to the financial statements
- D. statement of profit or loss and other comprehensive income

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 11

The Framework for the Preparation and Presentation of Financial Statements which assists the development of the International Financial Reporting Standards (IFRS) was originally approved by the

- A. International Accounting Standards Committee (IASC).
- B. International Accounting Standards Board (IASB).

C. International Federation of Accountants (IFAC).

D. IFRS Interpretations Committee (IFRIC).

Answer: A (LEAVE A REPLY)

NEW QUESTION: 12

Which one of the following statements is correct about using judgement in the financial reporting process?

A. A true and fair view cannot be assured if individual judgement is allowed.

B. Accountants should not be allowed to use their own judgement.

C. Use of individual judgement is required to choose between alternative methods available within accounting standards.

D. Judgement can be allowed in the statement of comprehensive income but not in the statement of financial position.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 13

Which one of the following is an advantage of current purchasing power accounting?

A. It supposes that value of net assets clearly reflects general goods and services are bought once assets were released.

B. It enables raw data to be just easily verifiable but not auditable.

C. It provides a clear use of indices which approximates the measurement of value.

D. It provides a stable monetary unit that values profit and capital.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 14

Liquidity of a company is based on its ability to

A. meet short term commitments.

B. meet long term commitments.

C. pay dividends to shareholders.

D. buy back shares.

Answer: (SHOW ANSWER)

NEW QUESTION: 15

Which one of the following shows whether the financial statements of a company show a true and fair presentation of the financial performance of the company?

A. Director's Report

B. Corporate Governance Statement

C. Statement of cash flows

D. Auditor's Report

Answer: D (LEAVE A REPLY)

C. financial Institutions

D. tax consultants

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 20

The IASB evaluates the merits of adding a potential item to its agenda mainly by reference to the needs of

A. regulatory authorities.

B. tax agencies.

C. investors.

D. suppliers.

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 21

Generally accepted accounting practice recognises revenue when

A. goods are dispatched to the customer.

B. goods are produced.

C. customers order goods.

D. cash is received for the goods.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 22

Which one of these concepts suggests that stock prices react to new information almost instantly?

A. market power

B. efficient market

C. incentive substitution

D. bargaining power

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 23

A company's financial report is compliant with International Financial Reporting Standards. Where in the report would an investor find the amount of money received by the company for investment activities?

A. statement of financial position

B. statement of changes in equity

C. statement of cash flows

D. statement of comprehensive income

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 24

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

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

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 25

Financial markets have achieved operational efficiency when

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

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 26

Which one of the following is not a function of the trustees of the International Financial Reporting Standards Foundation (IFRS Foundation)?

- A. appointing the members of the International Accounting Standards Board (IASB)
- B. ensuring the financing of the International Accounting Standards Board (IASB)
- C. promoting the application of International Financial Reporting Standards (IFRSs)
- D. providing suggestions on technical matters relating to accounting standards

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 27

Which one of these is a disadvantage of a conceptual framework?

- A. It replaces the established principles.
- B. It mandates the formats of various financial statements.
- C. It increases the chances of political interference in the development of accounting standards.
- D. A single framework is not suitable for all users of financial statements.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 28

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

- A. depreciation
- B. distribution costs
- C. gains on property valuations

□□□. <https://www.dumptop.com/CPA-Australia/Financial-Accounting-and-Reporting-dump.html> (100 Q&As Dumps, **30%OFF Special Discount: KrDump**)

NEW QUESTION: 32

Which one of the following statements is correct in relation to presenting the financial position of an entity?

- A. Liquidity is the ability to repay long-term financial commitments, whereas solvency is the ability to repay short-term commitments.
- B. Solvency is the availability of cash over the long-term, while liquidity is the availability of funds over the short-term to meet financial commitments as they fall due.
- C. Solvency is the availability of total assets over a long-term, while liquidity is the availability of total assets over the short-term to meet financial commitments as they fall due.
- D. Liquidity represents cash holdings, while solvency is long-term profitability.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 33

Restrictions on the scope of a specific accounting standard are stated in

- A. that specific standard.
- B. the explanatory materials provided by the AASB.
- C. the IASB's Conceptual Framework.
- D. various Statements of Accounting Concepts (SACs) issued by the AASB.

Answer: A (LEAVE A REPLY)

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