1. Which of the following situations violates the concept of reliability?
   a. Data on segments having the same expected risk and growth rates are reported to analysis estimating future profits.
   b. Financial statements are issued nine months late
   c. Management report to stockholders now projects undertaken, but the financial statements never report the projected results
   d. Financial statements includes a property with a carrying amount increased to management's estimate of market value
2. Which of the following is not listed under the faithful representation characteristics of financial information based on the Conceptual Framework of Financial Reporting?
   a. Prudence
   b. Neutrality
   c. Completeness
   d. Freedom from error
3. Accounting traditionally has been influenced by conservatism because of the
   a. Difficulty in measuring net income on the accrual basis
   b. Large number of transaction recorder on any one period
   c. Inherent uncertainties of many accounting measurement
   d. Probability of undetected errors in the financial statements
4. The Conceptual Framework is interested to assist
   a. CPA is a public practice
   b. Users of financial statements
   c. Financial Reporting Standard Council
   d. All of these
5. Which is the basic purpose of the Conceptual Framework of Financial Reporting
   a. To develop a single set of high quality
   b. To promulgate rules and regulations affecting the practice of the Philippines Accountancy Profession
   c. To address accounting issues with divergent and unacceptable treatments in the absence of an authoritative guidance issued by FRSC
   d. To assist prepares of financial statements in applying accounting standards and in dealing with issue that have yet to from the subject of accounting standards.
6. What are the authoritative status of the Conceptual Framework?
   a. The Framework applies when FRSC develops new or revised standards. An enterprise is never required to consider the framework
   b. It has the highest level of authority. In case of conflict between the Framework and s Standard or Interpretation, the Framework overrides the Standard or Interpretation
   c. If there is a Standard or Interpretation that's specifically applies to a transaction, it overrides the Framework. In the absence of a Standard or an Interpretation that specifically applies, the Framework should be followed.
   d. If there is a Standard or Interpretation that specifically applies to a transaction, management should consider the applicability of the Framework in developing and

applying an accounting policy which result in information that is relevant and reliable.

7. Which of the following is the first within hierarchy of guidance to which management refers, and those applicability at considers, when selecting accounting policies?
   a. Apply the requirements in PFRS dealing with similar and related issues
   b. Apply the standard from PFRS if its specifically relates to the transaction, event, or condition
   c. Consider the applicability of the definitions, recognition criteria and measurement concepts in the Conceptual Framework
   d. Consider the most recent pronouncements of other standard-setting bodies to the extend they do not conflict with PFRS or the Conceptual Framework?
8. Which of the following is not function of the PFRS Conceptual Framework(2010)?
   a. To provide a basis for the use of judgement resolving accounting issue
   b. To facilitate the consistent and logical formulation of Philippines Financial Reporting Standards
   c. To address the concept underlying the information presented in general purpose financial statements
   d. To set out recognition, measurement, presentation and disclosure requirements dealing with transaction and other events and conditions that are important in general purpose financial statements.
9. The Conceptual Framework of Accounting deals with
   a. Tax laws and regulations
   b. SEC rules and regulations
   c. Code of Ethics for professional accountants
   d. Concept of capital and capital maintenance
10. The second level in the Conceptual Framework
    a. Identifies the objective of financial reporting
    b. Provides the elements of financial statements
    c. Includes assumptions, principles and constraints
    d. Identifies recognition measurement and disclosure concepts used in establishing and applying accounting standards
11. What statements are intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs?
    a. Separate financial statements
    b. Consolidate financial statements
    c. Business entity financial statements
    d. General purpose financial statements
12. Which of the following best states the purpose of general-purpose financial statements?
    a. To identify shareholders
    b. To help users make decision
    c. To determine compliance with tax laws

    d. To disclose the market value of the firm.

13. The object if financial reporting for business enterprises are based on the
    a. Need for conservative information
    b. Need to users of the information
    c. Need to report on management's stewardship
    d. Need to comply with financial accounting standards
14. Under the Conceptual Framework for Financial Reporting 2010, the objective of general purpose financial reporting is to provide financial reporting about the reporting entity that is useful to
    a. Existing and potential investors
    b. Existing investors, lenders and other creditors
    c. Potential investors, lenders and other creditors
    d. Existing and potential investor, lender and other creditors
15. A primary objective of financial reporting is to assist
    a. Investors in analyzing the company
    b. Investor the predict prospective cash flows.
    c. Bank to determine an appropriate interest for their commercials loans
    d. Suppliers in determining an appropriate discount to offer a particular company
16. The objective of general purpose financial statements, according to the Conceptualize Framework, shall be to provide financial information about the reporting entity that is useful to all of the following, except
    a. Existing shareholders.
    b. Lenders
    c. Potential investor
    d. Prospective customer
17. Which of the following statements about financial statements is incorrect?
    a. They are the primary responsibility of the management of the enterprise
    b. They show the result of the stewardship of the management for the resources entrusted to it by the capital providers
    c. They are prepared at least annually and are directed to both the common and specific information needs of wide range of statement users
    d. The provide information about the financial position, performance and cash flows of an enterprise that is useful to a wide range of users in making economic decision
18. Under the Conceptual Framework for Financial Reporting 2010, which of the following is a new item added in its scope but is still a work-in-process?
    a. Consolidated financial statements
    b. Mergers and acquisitions.
    c. The government entity
    d. The reporting entity
19. What are the qualitative characteristic of financial statements according to Framework?

   a. Qualitative characteristics are board classes of financial effect of transactions and other events.
   b. Qualitative characteristics are the attributes that make the information provided in financial statements useful to others
   c. Qualitative characteristics measure the extent to which an entity has complied with all relevant Standards and Interpretations
   d. Qualitative characteristics are non-quantitative aspect of an entity's position and performance and change in financial position
20. Which term best information that influence the economic decision of users?
   a. Prospective
   b. Relevant
   c. Reliable
   d. Understandable
21. Under the Conceptual Framework for Financial Reporting 2010, it is an entity-specifics aspect of relevance based on the natured and magnitude, or both, of the item to which the information relates in the context of an individual entity's financial report.
   a. Comparability
   b. Confirmatory value
   c. Feedback value
   d. Materiality
22. Which of the following is an entity-specific aspect of the fundamental qualitative characteristics
   a. Confirmatory value
   b. Materiality
   c. Predictive value
   d. Timeliness
23. If financial information that is presented in a balance sheet or income statement is misstated, and it influence the economic decision of user, that information is describe as
   a. Faithfull
   b. Material
   c. Prudent
   d. Reliable
24. Under PFRS conceptual Framework(2010), which of the following is considered a fundamental characteristics rather than an enhancing characteristics of financial information?
   a. Faithful representation
   b. Timeliness
   c. Understandability
   d. Verifiability
25. Under the Conceptual Framework for Financial Reporting 2010, which following characteristics replaces the

"reliability " characteristics under the old Conceptual Framework

a. Faithful representation
b. Prudence
c. Substance over form
d. Verifiability

26. "Freedom from error" relates to which qualitative characteristics of the Conceptual Framework
    a. Faithful representation
    b. Relevance
    c. Understandability
    d. Verifiability
27. Which of the following terms describing information in the finance statements are properly matched?
    a. Prudent and relevant
    b. Reliable and verifiable
    c. Unbiased and neutral
    d. Understandable and comparable
28. Which is the following is not an ingredient of faithful representation according to Conceptual Framework or Financial Reporting(2010)
    a. Completeness
    b. Confirmatory value
    c. Freedom from error
    d. Neutrality
29. Which of the following is not listed under the "faithful representation" characteristic of financial information based on the Conceptual Framework of Financial Reporting?
    a. Completeness
    b. Freedom from error
    c. Neutrality
    d. Prudence
30. Which is the correct order of the following steps in the accounting cycle?

    Step 1: Preparation of financial statements
    Step 2: Making closing entries statements
    Step 3: Posting transaction entries in the general ledger
    Step 4: Making revering entries in the general journal

    a. 2,3,4,1
    b. 2,4,3,1
    c. 3,1,2,4
    d. 3,1,4,2
31. Which accounting process is the recognition or non-recognition of business activities as accountable events?

a. Communicating
b. Identifying
c. Measuring
d. Recording

32. Which one of these is not among the criteria to consider an event as accountable?
    a. It must have already happened
    b. Its amount can be measured reliably
    c. It must increase or decrease an element of the financial statements
    d. It must be classified as an external event rather than an internal event
33. The recording phase of financial accounting covers the following steps, except
    a. Transaction are journalized
    b. Financial statements are prepared
    c. Transaction are posted to the ledger
    d. Business documents are received/prepared
34. The use of computer in recording business events
    a. Is economical only r large business
    b. Has made to recording process more efficient
    c. Does not use the same principle as manual accounting systems.
    d. Has greatly impacted he identification stage of the accounting process
35. A voucher system is usually used transaction involving
    a. Cash disbursement
    b. Cash receipts
    c. Cash receipts and disbursement
    d. Purchase o account
36. FOB shipping point and freight prepaid means
    a. The seller actually paid the freight charge but is not responsible for the same
    b. The buyer actually paid the freight charge but is not responsible for the same
    c. The seller actually aid the freight and is responsible for the same
    d. The buyer actually paid for the freight charge and is the responsible for the same
37. The double-entry concept in accounting means which of the following?
    a. The debit-credit convention must be used
    b. Only two account are affected by each transaction recording
    c. At least two account are affected by each transaction recoding
    d. For every asset increased, a revenue or liability must also be increased
38. Which the following is an application of science aspect of accounting
    a. Applying the rules of debit and credit
    b. Exercise the creative skill and judgement
    c. Attesting to the fairness of presentation of financial condition and operating result
    d. Interpreting the information presented in the financial statements through ratios and trend analysis
39. It is accounting device for accumulating increases and decreases relating to particular accounting value as an asset or liability
    a. Account
    b. Journal

c. Trial balance
d. Wok sheet

40. An example of a nominal account is
    a. Accumulated depreciation
    b. Freight-in
    c. Premium on bond liability
    d. Sales returns and allowance
41. Cash ae purchase are generally recorded in the
    a. Purchase journal
    b. Cash disbursement journal
    c. Purchase and cash disbursement journals
    d. General journal, even if special journals are in use
42. The post in accounting means to the cop of the information changes from the
    a. Ledger, and place it into the journal
    b. Journal, and place it into the ledger
    c. Source, documents and record It in the ledger
    d. Journal, place in the ledger, and the delete it from the journal
43. A counting device that helps minimize and localize accounting errors is known as
    a. Chart of accounts
    b. Subsidiary ledger
    c. Trial balance
    d. Worksheet
44. What is the normal order of accounts in the unadjusted trial balance?
    a. Assets, liabilities, equality
    b. Assets, equality, income, expense, and finally liabilities
    c. Assets, liabilities, equality, income and finally expense
    d. All account with debit balance, then all accounts with credit balances
45. Which of the following errors will probably be disclosed by the preparation of trial balance (i.e., would cause it to be out of balance)?
    a. Failure to post part of journal
    b. Failure to post an entire journal entry(i.e., nothing is posted)
    c. Failure to record an entry in the journal(i.e., nothing is posted)
    d. Posting the debit of a journal entry as a credit, and the credit as a debit
46. Financial statements include a statements of financial position, a statement of comprehensive income and a statement of changes in equity. According to the Preface to IFRS, which two of the following are also included within the financial statements?
    I. A statements of cash flows.
    II. Accounting policies
    III. An auditor's report
    IV. A director's report
    a. I and II
    b. I and III
    c. II and III
    d. III and IV

47. The level of rounding used in the financial statements refers to the
    a. Abbreviation of words used
    b. Truncation of the amounts presented
    c. Shortening of the notes by removing comparative figures
    d. Presentation of a concise financial report rather than full financial report
48. What financial statement does not involved a district period of time?
    a. Statement of cash flows
    b. Statement of financial position
    c. Statement of changes in equity
    d. Statement of comprehensive income
49. A public utility report noncurrent assets as the first item on its balance sheet. This is an example of
    a. Conservatism
    b. Improper statement presentation
    c. Industry practice
    d. Substance over form
50. PAS 1, Presentation of Financial Statements, requires disclosure in the balance sheet of the following items:
    a. The carrying amount of property, plant and equipment
    b. The measurement basis the revolution of assets
    c. Information about the key assumption used in the depreciation of assets
    d. A statement of compliance with Philippines Financial Report Standard(PFRS)
51. PAS 1 precludes an entity to present or classify this account as current in the statement of financial position
    a. Available-for-sale-securities
    b. Deferred tax assets
    c. Prepayments
    d. Provision
52. Under PAS 1, which of the following is not among in the criteria in classifying a liability as current?
    a. It is held primarily for the purpose of being traded
    b. Expected to be settled in the entity's normal operating cycle
    c. Due to be settled within twelve months after the balance sheet date
    d. The entity has an unconditional right to defer settlement of the liability for the least twelve months after the balance sheet date
53. PAS 1 refer to all changes in equity other than introduction and return of capital to owners.
    a. Net income
    b. Other comprehensive income
    c. Profit
    d. Total comprehensive income
54. The presence of "cost of sales" account in the income statement signifies that an entity classified expenses according to
    a. Amounts

b. Function
c. Maturity
d. Nature

55. An entity classified expenses by logistics quality control, manufacturing plant engineering, sales and marketing, research and development, finance and administration. The classification basis is by
    a. Area of responsibility
    b. Function performed
    c. Nature of expense
    d. Object of expenditure
56. If the classification of expenses by function method is used for the presentation of an income statement, additional information on the following items must be disclosed.
    a. Revenue
    b. Gains on disposal of assets
    c. Gains on revaluation of assets
    d. Depreciation and amortization expense
57. If expense account in the income statement are not presented according to functions, they may be represented using
    a. Account form
    b. Functional presentation
    c. Natural presentation
    d. Report form
58. Under PAS 1, which of the following items is not included in the computation of profit?
    a. Finance cost
    b. Post-tax gain or loss on discontinued operations
    c. Unrealized gain in change in value of biological assets
    d. Unrealized gain in change in value of available-for-sale securities
59. Under PAS 1, which of the following should be classified as extraordinary item in reporting results of operations?
    a. Losses resulting from an unusual major flashflood in the Visayas region
    b. Gain resulting from the national government expropriation of a corporate property
    c. Foreign exchange losses arising from appreciation of Japanese yen relative to the Philippines peso
    d. None, all are ordinary gains losses
60. PAS 1 does not allow presenting any items of income or expense as extra ordinary items in the
    a. Notes to the financial statements
    b. Separates income statement
    c. Statement of comprehensive income
    d. All of these choices
61. PAS 1 requires the allocation of profit or loss for the period between or among
    I. Profit or loss attribute to owner of the parent
    II. Profit or loss attribute to subsidiaries of the parent
    III. Profit or loss attribute to non-controlling interests

a. I and II
b. I and III
c. II and III
d. I, II and III

62. PAS 1 requires the collection of total comprehensive income for the period between or among
    I. Total comprehensive income attributable to owners of the parent
    II. Total comprehensive income attributable to subsidiaries of the parent
    III. Total comprehensive income attributable to non-controlling interests
    a. I and II
    b. I and III
    c. II and III
    d. I, II and III
63. Determine the true statement(s) relating to presentation of the statement of changes in equity.
    Statement I: The amount of dividends shown as distribution to owner and the amounts of dividends per share should be shown in the notes only.
    Statement II: Components of equality includes each class of contribute equity, the accumulated balance of each class of other comprehensive income and retained earnings.

	A.	B.	C.	D.
Statement I	True	True	False	False
Statement II	True	False	True	False

64. Which of the following should not be considered as a current asset in the balance sheet?
    a. Prepaid taxes which cover assessment of the following operation cycle of the business
    b. Installment notes receivable due over 18 months in accordance with normal trade practice
    c. Trading securities purchased as a temporary investment of cash available for current operation
    d. The cash surrender value of life insurance policy carried by a corporation, the beneficiary, on its president.
65. In which section of the statement of financial position should cash that is restricted for the settlement of liability due 18 months after the reporting period be presented?
    a. Current assets
    b. Equity
    c. Noncurrent assets
    d. Noncurrent liability
66. Which of the following is generally classified as current liability on the balance sheet?
    a. Bank overdraft
    b. Customer NFS checks
    c. Posted checks
    d. Travel advance

67. Unrealized loss in this type of investment is presented in the statement of comprehensive income
    a. Trading securities only
    b. Available-for-sale-securities only
    c. Trading and available-for-sale securities
    d. Trading, available-for-sale, and held-to-maturity securities
68. Which is not include in the category is comprehensive income of an accounting entity?
    a. Trading securities only
    b. Available-for-sale securities only
    c. Trading and available-for-sale securities
    d. Trading, available-for-sale, and held-to-maturity securities
69. Which financial statement is superseded by the Statement of Comprehensive Income as a basic component of general-purpose financial statements?
    a. Balance sheet
    b. Income sheet
    c. Statement of cash flow
    d. Statement of changes in equity
70. The single-step income statement emphasizes
    a. The gross profit figure
    b. Total of revenue and total expenses
    c. The various components of income from continuing operations.
    d. Accounting changes is more than these are emphasize in the multiple-step income

1. Which of the following situations violates the concept of reliability?
   a. Data on segments having the same expected risk and growth rates are reported to analysis estimating future profits.
   b. Financial statements are issued nine months late
   c. Management report to stockholders now projects undertaken, but the financial statements never report the projected results
   d. Financial statements includes a property with a carrying amount increased to management's estimate of market value
2. Which of the following is not listed under the faithful representation characteristics of financial information based on the Conceptual Framework of Financial Reporting?
   a. Prudence
   b. Neutrality
   c. Completeness
   d. Freedom from error

3. Accounting traditionally has been influenced by conservatism because of the
   a. Difficulty in measuring net income on the accrual basis
   b. Large number of transaction recorder on any one period
   c. Inherent uncertainties of many accounting measurement
   d. Probability of undetected errors in the financial statements
4. The Conceptual Framework is interested to assist
   a. CPA is a public practice
   b. Users of financial statements
   c. Financial Reporting Standard Council
   d. All of these
5. Which is the basic purpose of the Conceptual Framework of Financial Reporting
   a. To develop a single set of high quality
   b. To promulgate rules and regulations affecting the practice of the Philippines Accountancy Profession
   c. To address accounting issues with divergent and unacceptable treatments in the absence of an authoritative guidance issued by FRSC
   d. To assist prepares of financial statements in applying accounting standards and in dealing with issue that have yet to from the subject of accounting standards.
6. What are the authoritative status of the Conceptual Framework?
   a. The Framework applies when FRSC develops new or revised standards. An enterprise is never required to consider the framework
   b. It has the highest level of authority. In case of conflict between the Framework and s Standard or Interpretation, the Framework overrides the Standard or Interpretation
   c. If there is a Standard or Interpretation that's specifically applies to a transaction, it overrides the Framework. In the absence of a Standard or an Interpretation that specifically applies, the Framework should be followed.
   d. If there is a Standard or Interpretation that specifically applies to a transaction, management should consider the applicability of the Framework in developing and

applying an accounting policy which result in information that is relevant and reliable.

7. Which of the following is the first within hierarchy of guidance to which management refers, and those applicability at considers, when selecting accounting policies?
   a. Apply the requirements in PFRS dealing with similar and related issues
   b. Apply the standard from PFRS if its specifically relates to the transaction, event, or condition
   c. Consider the applicability of the definitions, recognition criteria and measurement concepts in the Conceptual Framework
   d. Consider the most recent pronouncements of other standard-setting bodies to the extend they do not conflict with PFRS or the Conceptual Framework?
8. Which of the following is not function of the PFRS Conceptual Framework(2010)?
   a. To provide a basis for the use of judgement resolving accounting issue
   b. To facilitate the consistent and logical formulation of Philippines Financial Reporting Standards
   c. To address the concept underlying the information presented in general purpose financial statements
   d. To set out recognition, measurement, presentation and disclosure requirements dealing with transaction and other events and conditions that are important in general purpose financial statements.
9. The Conceptual Framework of Accounting deals with
   a. Tax laws and regulations
   b. SEC rules and regulations
   c. Code of Ethics for professional accountants
   d. Concept of capital and capital maintenance
10. The second level in the Conceptual Framework
    a. Identifies the objective of financial reporting
    b. Provides the elements of financial statements
    c. Includes assumptions, principles and constraints
    d. Identifies recognition measurement and disclosure concepts used in establishing and applying accounting standards
11. What statements are intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs?
    a. Separate financial statements
    b. Consolidate financial statements
    c. Business entity financial statements
    d. General purpose financial statements
12. Which of the following best states the purpose of general-purpose financial statements?
    a. To identify shareholders
    b. To help users make decision
    c. To determine compliance with tax laws

d. To disclose the market value of the firm.

13. The object if financial reporting for business enterprises are based on the
    a. Need for conservative information
    b. Need to users of the information
    c. Need to report on management's stewardship
    d. Need to comply with financial accounting standards
14. Under the Conceptual Framework for Financial Reporting 2010, the objective of general purpose financial reporting is to provide financial reporting about the reporting entity that is useful to
    a. Existing and potential investors
    b. Existing investors, lenders and other creditors
    c. Potential investors, lenders and other creditors
    d. Existing and potential investor, lender and other creditors
15. A primary objective of financial reporting is to assist
    a. Investors in analyzing the company
    b. Investor the predict prospective cash flows.
    c. Bank to determine an appropriate interest for their commercials loans
    d. Suppliers in determining an appropriate discount to offer a particular company
16. The objective of general purpose financial statements, according to the Conceptualize Framework, shall be to provide financial information about the reporting entity that is useful to all of the following, except
    a. Existing shareholders.
    b. Lenders
    c. Potential investor
    d. Prospective customer
17. Which of the following statements about financial statements is incorrect?
    a. They are the primary responsibility of the management of the enterprise
    b. They show the result of the stewardship of the management for the resources entrusted to it by the capital providers
    c. They are prepared at least annually and are directed to both the common and specific information needs of wide range of statement users
    d. The provide information about the financial position, performance and cash flows of an enterprise that is useful to a wide range of users in making economic decision
18. Under the Conceptual Framework for Financial Reporting 2010, which of the following is a new item added in its scope but is still a work-in-process?
    a. Consolidated financial statements
    b. Mergers and acquisitions.
    c. The government entity
    d. The reporting entity
19. What are the qualitative characteristic of financial statements according to Framework?

a. Qualitative characteristics are board classes of financial effect of transactions and other events.
b. Qualitative characteristics are the attributes that make the information provided in financial statements useful to others
c. Qualitative characteristics measure the extent to which an entity has complied with all relevant Standards and Interpretations
d. Qualitative characteristics are non-quantitative aspect of an entity's position and performance and change in financial position

20. Which term best information that influence the economic decision of users?
    a. Prospective
    b. Relevant
    c. Reliable
    d. Understandable
21. Under the Conceptual Framework for Financial Reporting 2010, it is an entity-specifics aspect of relevance based on the natured and magnitude, or both, of the item to which the information relates in the context of an individual entity's financial report.
    a. Comparability
    b. Confirmatory value
    c. Feedback value
    d. Materiality
22. Which of the following is an entity-specific aspect of the fundamental qualitative characteristics
    a. Confirmatory value
    b. Materiality
    c. Predictive value
    d. Timeliness
23. If financial information that is presented in a balance sheet or income statement is misstated, and it influence the economic decision of user, that information is describe as
    a. Faithfull
    b. Material
    c. Prudent
    d. Reliable
24. Under PFRS conceptual Framework(2010), which of the following is considered a fundamental characteristics rather than an enhancing characteristics of financial information?
    a. Faithful representation
    b. Timeliness
    c. Understandability
    d. Verifiability
25. Under the Conceptual Framework for Financial Reporting 2010, which following characteristics replaces the

"reliability " characteristics under the old Conceptual Framework

a. Faithful representation
b. Prudence
c. Substance over form
d. Verifiability

26. "Freedom from error" relates to which qualitative characteristics of the Conceptual Framework
    a. Faithful representation
    b. Relevance
    c. Understandability
    d. Verifiability
27. Which of the following terms describing information in the finance statements are properly matched?
    a. Prudent and relevant
    b. Reliable and verifiable
    c. Unbiased and neutral
    d. Understandable and comparable
28. Which is the following is not an ingredient of faithful representation according to Conceptual Framework or Financial Reporting(2010)
    a. Completeness
    b. Confirmatory value
    c. Freedom from error
    d. Neutrality
29. Which of the following is not listed under the "faithful representation" characteristic of financial information based on the Conceptual Framework of Financial Reporting?
    a. Completeness
    b. Freedom from error
    c. Neutrality
    d. Prudence

30. Which is the correct order of the following steps in the accounting cycle?

    Step 1: Preparation of financial statements
    Step 2: Making closing entries statements
    Step 3: Posting transaction entries in the general ledger
    Step 4: Making revering entries in the general journal

    a. 2,3,4,1
    b. 2,4,3,1
    c. 3,1,2,4
    d. 3,1,4,2
31. Which accounting process is the recognition or non-recognition of business activities as accountable events?

a. Communicating
b. Identifying
c. Measuring
d. Recording

32. Which one of these is not among the criteria to consider an event as accountable?
    a. It must have already happened
    b. Its amount can be measured reliably
    c. It must increase or decrease an element of the financial statements
    d. It must be classified as an external event rather than an internal event
33. The recording phase of financial accounting covers the following steps, except
    a. Transaction are journalized
    b. Financial statements are prepared
    c. Transaction are posted to the ledger
    d. Business documents are received/prepared
34. The use of computer in recording business events
    a. Is economical only r large business
    b. Has made to recording process more efficient
    c. Does not use the same principle as manual accounting systems.
    d. Has greatly impacted he identification stage of the accounting process
35. A voucher system is usually used transaction involving
    a. Cash disbursement
    b. Cash receipts
    c. Cash receipts and disbursement
    d. Purchase o account
36. FOB shipping point and freight prepaid means
    a. The seller actually paid the freight charge but is not responsible for the same
    b. The buyer actually paid the freight charge but is not responsible for the same
    c. The seller actually aid the freight and is responsible for the same
    d. The buyer actually paid for the freight charge and is the responsible for the same
37. The double-entry concept in accounting means which of the following?
    a. The debit-credit convention must be used
    b. Only two account are affected by each transaction recording
    c. At least two account are affected by each transaction recoding
    d. For every asset increased, a revenue or liability must also be increased
38. Which the following is an application of science aspect of accounting
    a. Applying the rules of debit and credit
    b. Exercise the creative skill and judgement
    c. Attesting to the fairness of presentation of financial condition and operating result
    d. Interpreting the information presented in the financial statements through ratios and trend analysis
39. It is accounting device for accumulating increases and decreases relating to particular accounting value as an asset or liability
    a. Account
    b. Journal

c. Trial balance
d. Wok sheet

40. An example of a nominal account is
    a. Accumulated depreciation
    b. Freight-in
    c. Premium on bond liability
    d. Sales returns and allowance
41. Cash ae purchase are generally recorded in the
    a. Purchase journal
    b. Cash disbursement journal
    c. Purchase and cash disbursement journals
    d. General journal, even if special journals are in use
42. The post in accounting means to the cop of the information changes from the
    a. Ledger, and place it into the journal
    b. Journal, and place it into the ledger
    c. Source, documents and record It in the ledger
    d. Journal, place in the ledger, and the delete it from the journal
43. A counting device that helps minimize and localize accounting errors is known as
    a. Chart of accounts
    b. Subsidiary ledger
    c. Trial balance
    d. Worksheet
44. What is the normal order of accounts in the unadjusted trial balance?
    a. Assets, liabilities, equality
    b. Assets, equality, income, expense, and finally liabilities
    c. Assets, liabilities, equality, income and finally expense
    d. All account with debit balance, then all accounts with credit balances
45. Which of the following errors will probably be disclosed by the preparation of trial balance (i.e., would cause it to be out of balance)?
    a. Failure to post part of journal
    b. Failure to post an entire journal entry(i.e., nothing is posted)
    c. Failure to record an entry in the journal(i.e., nothing is posted)
    d. Posting the debit of a journal entry as a credit, and the credit as a debit
46. Financial statements include a statements of financial position, a statement of comprehensive income and a statement of changes in equity. According to the Preface to IFRS, which two of the following are also included within the financial statements?
    I. A statements of cash flows.
    II. Accounting policies
    III. An auditor's report
    IV. A director's report
    a. I and II
    b. I and III
    c. II and III
    d. III and IV

47. The level of rounding used in the financial statements refers to the
    a. Abbreviation of words used
    b. Truncation of the amounts presented
    c. Shortening of the notes by removing comparative figures
    d. Presentation of a concise financial report rather than full financial report
48. What financial statement does not involved a district period of time?
    a. Statement of cash flows
    b. Statement of financial position
    c. Statement of changes in equity
    d. Statement of comprehensive income
49. A public utility report noncurrent assets as the first item on its balance sheet. This is an example of
    a. Conservatism
    b. Improper statement presentation
    c. Industry practice
    d. Substance over form
50. PAS 1, Presentation of Financial Statements, requires disclosure in the balance sheet of the following items:
    a. The carrying amount of property, plant and equipment
    b. The measurement basis the revolution of assets
    c. Information about the key assumption used in the depreciation of assets
    d. A statement of compliance with Philippines Financial Report Standard(PFRS)
51. PAS 1 precludes an entity to present or classify this account as current in the statement of financial position
    a. Available-for-sale-securities
    b. Deferred tax assets
    c. Prepayments
    d. Provision
52. Under PAS 1, which of the following is not among in the criteria in classifying a liability as current?
    a. It is held primarily for the purpose of being traded
    b. Expected to be settled in the entity's normal operating cycle
    c. Due to be settled within twelve months after the balance sheet date
    d. The entity has an unconditional right to defer settlement of the liability for the least twelve months after the balance sheet date
53. PAS 1 refer to all changes in equity other than introduction and return of capital to owners.
    a. Net income
    b. Other comprehensive income
    c. Profit
    d. Total comprehensive income
54. The presence of "cost of sales" account in the income statement signifies that an entity classified expenses according to
    a. Amounts

b. Function
c. Maturity
d. Nature

55. An entity classified expenses by logistics quality control, manufacturing plant engineering, sales and marketing, research and development, finance and administration. The classification basis is by
    a. Area of responsibility
    b. Function performed
    c. Nature of expense
    d. Object of expenditure
56. If the classification of expenses by function method is used for the presentation of an income statement, additional information on the following items must be disclosed.
    a. Revenue
    b. Gains on disposal of assets
    c. Gains on revaluation of assets
    d. Depreciation and amortization expense
57. If expense account in the income statement are not presented according to functions, they may be represented using
    a. Account form
    b. Functional presentation
    c. Natural presentation
    d. Report form
58. Under PAS 1, which of the following items is not included in the computation of profit?
    a. Finance cost
    b. Post-tax gain or loss on discontinued operations
    c. Unrealized gain in change in value of biological assets
    d. Unrealized gain in change in value of available-for-sale securities
59. Under PAS 1, which of the following should be classified as extraordinary item in reporting results of operations?
    a. Losses resulting from an unusual major flashflood in the Visayas region
    b. Gain resulting from the national government expropriation of a corporate property
    c. Foreign exchange losses arising from appreciation of Japanese yen relative to the Philippines peso
    d. None, all are ordinary gains losses
60. PAS 1 does not allow presenting any items of income or expense as extra ordinary items in the
    a. Notes to the financial statements
    b. Separates income statement
    c. Statement of comprehensive income
    d. All of these choices
61. PAS 1 requires the allocation of profit or loss for the period between or among
    I. Profit or loss attribute to owner of the parent
    II. Profit or loss attribute to subsidiaries of the parent
    III. Profit or loss attribute to non-controlling interests

a. I and II
b. I and III
c. II and III
d. I, II and III

62. PAS 1 requires the collection of total comprehensive income for the period between or among
    I. Total comprehensive income attributable to owners of the parent
    II. Total comprehensive income attributable to subsidiaries of the parent
    III. Total comprehensive income attributable to non-controlling interests
    a. I and II
    b. I and III
    c. II and III
    d. I, II and III
63. Determine the true statement(s) relating to presentation of the statement of changes in equity.
    Statement I: The amount of dividends shown as distribution to owner and the amounts of dividends per share should be shown in the notes only.
    Statement II: Components of equality includes each class of contribute equity, the accumulated balance of each class of other comprehensive income and retained earnings.

	A.	B.	C.	D.
Statement I	True	True	False	False
Statement II	True	False	True	False

64. Which of the following should not be considered as a current asset in the balance sheet?
    a. Prepaid taxes which cover assessment of the following operation cycle of the business
    b. Installment notes receivable due over 18 months in accordance with normal trade practice
    c. Trading securities purchased as a temporary investment of cash available for current operation
    d. The cash surrender value of life insurance policy carried by a corporation, the beneficiary, on its president.
65. In which section of the statement of financial position should cash that is restricted for the settlement of liability due 18 months after the reporting period be presented?
    a. Current assets
    b. Equity
    c. Noncurrent assets
    d. Noncurrent liability
66. Which of the following is generally classified as current liability on the balance sheet?
    a. Bank overdraft
    b. Customer NFS checks
    c. Posted checks
    d. Travel advance

67. Unrealized loss in this type of investment is presented in the statement of comprehensive income
    a. Trading securities only
    b. Available-for-sale-securities only
    c. Trading and available-for-sale securities
    d. Trading, available-for-sale, and held-to-maturity securities
68. Which is not include in the category is comprehensive income of an accounting entity?
    a. Trading securities only
    b. Available-for-sale securities only
    c. Trading and available-for-sale securities
    d. Trading, available-for-sale, and held-to-maturity securities
69. Which financial statement is superseded by the Statement of Comprehensive Income as a basic component of general-purpose financial statements?
    a. Balance sheet
    b. Income sheet
    c. Statement of cash flow
    d. Statement of changes in equity
70. The single-step income statement emphasizes
    a. The gross profit figure
    b. Total of revenue and total expenses
    c. The various components of income from continuing operations.
    d. Accounting changes is more than these are emphasize in the multiple-step income