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4. The profit or loss of period and the other gains and losses recognized directly in equity are presented in the
   a. Income statement
   b. Statement of cash flows
   c. Statement of changes in equity
   d. Statement of financial position
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32. In 2021, a firm change from straight-line (SL) method of depreciation to double-declining method (DDB). The firm's 2020 and 2021 comparative financial statements will reflect which
    a. 2020: SL, 2021: SL

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33. A company has included in its consolidated financial position as a result of retrospective application, retrospective restatement and reclassification of items in financial statements?
    a. One
    b. Two
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34. A company has included in its consolidated financial statements this year a subsidiary acquired several years ago that was appropriately excluded from consolidated last year. This result in
    a. A correction of error
    b. Neither an accounting change nor a correction of an error
    c. An accounting change that should be reported prospectively
    d. An accounting change that should be reported by restating the financial statements of all prior periods presented.
35. What is the approach prescribed by PFRS 8 identifying an operating segment?
    a. Business segment approach
    b. Geographical segment approach
    c. Management approach
    d. Matrix presentation
36. What is the reasonable upper limit for the number of operating segment that an entity must
    a. One
    b. Two
    c. Three
    d. Ten
37. In determining whether a particular operating segment is significant size (i.e., 10%) to warrant disclosure
    a. Five test is usually applied and all test must be met
    b. Five test is usually applied but only one must be met
    c. Three test is usually applied and all test must be met
    d. Three test is usually applied but only one must be met
38. An entity shall report for each reportable operating segment a measure of all of the following except
    a. Net assets
    b. Total assets
    c. Profit or loss
    d. Liability if such amount is regularly provided to the chief operating decision maker

39. Which of the following falls within the definition of "related parties" as defined by PAS 24?
    a. Government department and agencies
    b. A supplier with whom eth reporting entity has a one-year contract for the supply of raw materials.
    c. Providers of finance in the course of their normal dealings with an enterprise by virtue only of those dealings
    d. The wife of a key management personnel who has the authority to plan, direct, and control the activities of the reporting enterprise
40. Under PAS 24, all of the following are not necessarily considered related parties of the reporting entity, except
    a. Post-employment benefits plans
    b. Providers of finance
    c. Public utilities
    d. Trade unions
41. According to PAS 24, which one of the following is not related partly of ABC Company
    a. An associate of ABC Company
    b. Key management personnel of ABC Company
    c. An entity providing banking facilities to ABC Company
    d. A shareholder of ABC company owning 30% of the ordinary share capital
42. PAS 10 covers adjusting and non-adjusting after the reporting period up to
    a. Date of financial statements publication
    b. Date of authorization to issue the financial statements
    c. Date when financial statements are filled with the regulator
    d. Date when financial statements are approved by shareholders
43. Part of the notes to financial statements are events after the reporting period which pertain to those events both favorable and unfavorable that occur
    a. After balance sheet date
    b. After issuance of the statements
    c. After the balance sheet date prior to issuance of financial statements
    d. Between the balances sheet date and the date when the financial statements are authorized fro issue
44. Adjustment of financial statements are required for those events after balance sheet date which
    a. Are unusual and material
    b. Occurred prior to issue of the financial statements
    c. Have a material effect or a user's evaluation of the information presentation in the financial statements
    d. Provide additional information for determining amounts relating to conditions existing on the balance sheet date

45. Type 1 event that provide of conditions existing at the balance sheet date are given the following treatment
    a. Adjustment in the cash flow statement
    b. Recognition in the following statements
    c. Disclosure in the note to the financial statements
    d. Ratification by shareholders at an annual meeting
46. Which is usually considered as a type 1 event (i.e., adjusting event) under PAS 10?
    a. A decline in fair value of investment
    b. Abnormally large change in asset prices of foreign exchange rates
    c. Receipt of information indicating that an asset was impaired at the end of the reporting period
    d. Enactment of tax law that significant affect current and deferred tax assets and liabilities
47. As a minimum requirement, interim financial reports should include
    a. A complete set of financial statements pursuant to PAS 1
    b. A balance sheet and statement of comprehensive income
    c. A condensed balance sheet and statements of comprehensive income
    d. A condensed set of financial statements and selected explanatory
48. Under PAS 34, the preparation of interim report will required
    a. No use of estimation method
    b. Lesser of use estimation methods than annual financial reports
    c. Greater use of estimation methods than annual financial reports
    d. The same account of estimation methods within annual financial reports
49. In interim reporting which of the following should be accounted for on a time?
    a. Depreciation
    b. Cost sales
    c. Productive bonus
    d. Decline in the net realizable value of inventory items.
50. An entity owns of number of farms that harvest produce seasonally. Approximately 80% of the entity's sales are in the period August to October. Because the entity business is seasonal PAS 34 suggestions
    a. No additional disclosure
    b. Additional disclosure in the accounting policy note
    c. Additional disclosure in the notes about the seasonal nature of the business
    d. Disclosure of the seasonal nature of the business and disclosure of financial information for the latest and comprehensive 12-months period in additional to the interim report
51. Which of the following is false regarding standards for interim reporting?
    a. Declines in inventory value shall be deferred to future interim periods
    b. Use of the gross margin method for computing cost of goods sold must be disclosed

c. Cost the expenses not directly associate with interim revenue must be allocated to interim periods on a reasonable basis
d. Gains and losses that arise in the interim period shall be recognize in the interim period in which they arise if they would not normally be deferred at year-end

52. Which of the following is usually not disclosed in the selected explanatory notes for an interim financial report?
a. Nature of entity's operations
b. Events after the interim period
c. Accounting policies and methods
d. Seasonality or cyclicality of interim operations

53. Statement I: an interim financial report may consist of a complete set of financial statements
Statement II: An interim financial report may consist of a condensed of a condensed set of financial statements

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

54. The following statements are based on PAS 34 (interim financial reporting)
Statement I: Interim financial report means a financial report containing either a complete set of financial statements or set of condensed financial statement for an interim period
Statement II: If an entity publishes a complete set of financial statements in its interim financial report, the form and content of those statements shall conform to the requirements of PAS 1 for a complete set of financial statements
Statement III: An entity shall apply different accounting policies in its interim financial statements and in its annual financial statements.

	A	B	C	D
statement I:	True	True	False	False
statement II:	True	True	False	True
statement III:	True	False	False	False

55. Which is not acceptable basis of recognizing revenue under PAS 18?
a. Accrual basis (royalties)
b. Date basis (Dividends)
c. Straight-line amortization (interest)
d. Percentage-of-completion (rendering of services)

56. Revenues is normally recognized when the
a. Title to the goods changes
b. Customer's order is received
c. Customer's order is accompanied by a check
d. Transaction results to recording an account receivable

57. Revenue may, under proper circumstances, be recognized at the following moments in time, except
    a. Upon receipt of cash from the customer
    b. When manufactured goods are acquired for resale
    c. As certain stage of completion of production are attained
    d. After the earning process has been completed and an exchange has taken place
58. What is the proper for credit cash sales if the credit card company is

	A	B	C	D
Affiliated with bank	cash sales	cash sales	sales on account	sales on account
Not affiliated with a bank	cash sales	sales on account	cash sales	sales on account

59. An entity received an advanced payment for special order goods that are to be manufactured and delivered within six months. The advanced payments is reported in the statement of financial position as
    a. Contra-asset account
    b. Current liability
    c. Deferred charges
    d. Non-current liability
60. Under PAS 18 (Revenue) which is not criterion to satisfy before revenue from sale of goods be recognized in profit or loss?
    a. Revenue can be reliably measured
    b. The outcome of the transaction is probable
    c. The risk and reward of ownership has been transferred to the buyer
    d. Control over the goods sold has been relinquished but management maintains continuing involvement over the goods sold
61. Revenues from sale of goods are recognized when all the following conditions are met except
    a. Amount of revenue can be measured reliably
    b. The entity has retained effective control of the goods
    c. Amount of cost incurred or to be incurred can be measured reliably
    d. Significant risk and rewards of ownership are transferred to the buyer
62. Under "bill and hold" sales delivery of goods is delayed at the buyer's but the buyer takes title and accepts billing. Under PAS 18. revenue from such sales is generally recognized when
    a. Buyer takes title
    b. Delivery is made
    c. Payment is made
    d. Seller makes billing
63. The term 'layway sale' applies to transactions where goods are delivered only when the buyer make the final payment in a series of installments. Under PAS 18 ; revenue from such sales is generally recognized when the
    a. Final installment is made

b. First installment is made
c. Goods are delivered
d. Substantial payment is made

64. Under sales “on approval” goods are shipped where the buyer has negotiated a limited right of return. Under PAS 18, revenue from sales “on approval” is recognized when all the following are satisfied, except
    a. Goods have been delivered
    b. Initial down payment is made
    c. Time period for rejection has elapsed
    d. Shipment has been formally accepted by the buyer
65. Under “consignment” sales, the recipient (consignee) undertakes to sell the goods on behalf of the shipper (consignor). Under 18, revenue from consignment sales is generally recognized by the
    a. Shipper when goods are shipped to the recipient
    b. Recipient when goods are shipped to the recipient
    c. Shipper when goods are sold by the recipient to a third party
    d. Recipient when goods are sold by the recipient to a third party
66. Income recognized using the installment method of accounting generally equals cash collected multiplied by the
    a. Gross profit percentage
    b. Net operating percentage
    c. Gross profit percentage adjusted for expected uncollectible accounts
    d. Net operating percentage adjusted for expected uncollectible accounts
67. If the outcome for rending service can’t be estimated reliably, PFRS requires the use of which revenue recognition method?
    a. Completed-contract method
    b. Cost recovery method
    c. Installment method
    d. Percentage-of-completion method
68. Cash control system are the method and procedures used to ensure
    a. That current obligation are met
    b. That excess cash does not exist
    c. That unused cash is invested
    d. The safeguarding of cash
69. Which is not a key element of internal control over cash receipts?
    a. Cash deposit on a regular basis
    b. Daily entry in a voucher register
    c. Daily recording of all receipts in the accounting records
    d. Immediate accounting by the person opening the mail or using the cash register
70. Which of the following is internal control measure to control major company disbursement?

a. Voucher system
b. Petty cash system
c. Issuance of official receipts
d. Preparation of a standard accounting worksheet

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    c. An accounting change that should be reported prospectively
    d. An accounting change that should be reported by restating the financial statements of all prior periods presented.
35. What is the approach prescribed by PFRS 8 identifying an operating segment?
    a. Business segment approach
    b. Geographical segment approach
    c. Management approach
    d. Matrix presentation
36. What is the reasonable upper limit for the number of operating segment that an entity must
    a. One
    b. Two
    c. Three
    d. Ten
37. In determining whether a particular operating segment is significant size (i.e., 10%) to warrant disclosure
    a. Five test is usually applied and all test must be met
    b. Five test is usually applied but only one must be met
    c. Three test is usually applied and all test must be met
    d. Three test is usually applied but only one must be met
38. An entity shall report for each reportable operating segment a measure of all of the following except
    a. Net assets
    b. Total assets
    c. Profit or loss
    d. Liability if such amount is regularly provided to the chief operating decision maker

39. Which of the following falls within the definition of “related parties” as defined by PAS 24?
    a. Government department and agencies
    b. A supplier with whom eth reporting entity has a one-year contract for the supply of raw materials.
    c. Providers of finance in the course of their normal dealings with an enterprise by virtue only of those dealings
    d. The wife of a key management personnel who has the authority to plan, direct, and control the activities of the reporting enterprise
40. Under PAS 24, all of the following are not necessarily considered related parties of the reporting entity, except
    a. Post-employment benefits plans
    b. Providers of finance
    c. Public utilities
    d. Trade unions
41. According to PAS 24, which one of the following is not related partly of ABC Company
    a. An associate of ABC Company
    b. Key management personnel of ABC Company
    c. An entity providing banking facilities to ABC Company
    d. A shareholder of ABC company owning 30% of the ordinary share capital
42. PAS 10 covers adjusting and non-adjusting after the reporting period up to
    a. Date of financial statements publication
    b. Date of authorization to issue the financial statements
    c. Date when financial statements are filled with the regulator
    d. Date when financial statements are approved by shareholders
43. Part of the notes to financial statements are events after the reporting period which pertain to those events both favorable and unfavorable that occur
    a. After balance sheet date
    b. After issuance of the statements
    c. After the balance sheet date prior to issuance of financial statements
    d. Between the balances sheet date and the date when the financial statements are authorized fro issue
44. Adjustment of financial statements are required for those events after balance sheet date which
    a. Are unusual and material
    b. Occurred prior to issue of the financial statements
    c. Have a material effect or a user’s evaluation of the information presentation in the financial statements
    d. Provide additional information for determining amounts relating to conditions existing on the balance sheet date

45. Type 1 event that provide of conditions existing at the balance sheet date are given the following treatment
    a. Adjustment in the cash flow statement
    b. Recognition in the following statements
    c. Disclosure in the note to the financial statements
    d. Ratification by shareholders at an annual meeting
46. Which is usually considered as a type 1 event (i.e., adjusting event) under PAS 10?
    a. A decline in fair value of investment
    b. Abnormally large change in asset prices of foreign exchange rates
    c. Receipt of information indicating that an asset was impaired at the end of the reporting period
    d. Enactment of tax law that significant affect current and deferred tax assets and liabilities
47. As a minimum requirement, interim financial reports should include
    a. A complete set of financial statements pursuant to PAS 1
    b. A balance sheet and statement of comprehensive income
    c. A condensed balance sheet and statements of comprehensive income
    d. A condensed set of financial statements and selected explanatory
48. Under PAS 34, the preparation of interim report will required
    a. No use of estimation method
    b. Lesser of use estimation methods than annual financial reports
    c. Greater use of estimation methods than annual financial reports
    d. The same account of estimation methods within annual financial reports
49. In interim reporting which of the following should be accounted for on a time?
    a. Depreciation
    b. Cost sales
    c. Productive bonus
    d. Decline in the net realizable value of inventory items.
50. An entity owns of number of farms that harvest produce seasonally. Approximately 80% of the entity's sales are in the period August to October. Because the entity business is seasonal PAS 34 suggestions
    a. No additional disclosure
    b. Additional disclosure in the accounting policy note
    c. Additional disclosure in the notes about the seasonal nature of the business
    d. Disclosure of the seasonal nature of the business and disclosure of financial information for the latest and comprehensive 12-months period in additional to the interim report
51. Which of the following is false regarding standards for interim reporting?
    a. Declines in inventory value shall be deferred to future interim periods
    b. Use of the gross margin method for computing cost of goods sold must be disclosed

c. Cost the expenses not directly associate with interim revenue must be allocated to interim periods on a reasonable basis
d. Gains and losses that arise in the interim period shall be recognize in the interim period in which they arise if they would not normally be deferred at year-end

52. Which of the following is usually not disclosed in the selected explanatory notes for an interim financial report?
a. Nature of entity's operations
b. Events after the interim period
c. Accounting policies and methods
d. Seasonality or cyclicality of interim operations

53. Statement I: an interim financial report may consist of a complete set of financial statements
Statement II: An interim financial report may consist of a condensed of a condensed set of financial statements

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

54. The following statements are based on PAS 34 (interim financial reporting)
Statement I: Interim financial report means a financial report containing either a complete set of financial statements or set of condensed financial statement for an interim period
Statement II: If an entity publishes a complete set of financial statements in its interim financial report, the form and content of those statements shall conform to the requirements of PAS 1 for a complete set of financial statements
Statement III: An entity shall apply different accounting policies in its interim financial statements and in its annual financial statements.

	A	B	C	D
statement I:	True	True	False	False
statement II:	True	True	False	True
statement III:	True	False	False	False

55. Which is not acceptable basis of recognizing revenue under PAS 18?
a. Accrual basis (royalties)
b. Date basis (Dividends)
c. Straight-line amortization (interest)
d. Percentage-of-completion (rendering of services)

56. Revenues is normally recognized when the
a. Title to the goods changes
b. Customer's order is received
c. Customer's order is accompanied by a check
d. Transaction results to recording an account receivable

57. Revenue may, under proper circumstances, be recognized at the following moments in time, except
    a. Upon receipt of cash from the customer
    b. When manufactured goods are acquired for resale
    c. As certain stage of completion of production are attained
    d. After the earning process has been completed and an exchange has taken place
58. What is the proper for credit cash sales if the credit card company is

	A	B	C	D
Affiliated with bank	cash sales	cash sales	sales on account	sales on account
Not affiliated with a bank	cash sales	sales on account	cash sales	sales on account

59. An entity received an advanced payment for special order goods that are to be manufactured and delivered within six months. The advanced payments is reported in the statement of financial position as
    a. Contra-asset account
    b. Current liability
    c. Deferred charges
    d. Non-current liability
60. Under PAS 18 (Revenue) which is not criterion to satisfy before revenue from sale of goods be recognized in profit or loss?
    a. Revenue can be reliably measured
    b. The outcome of the transaction is probable
    c. The risk and reward of ownership has been transferred to the buyer
    d. Control over the goods sold has been relinquished but management maintains continuing involvement over the goods sold
61. Revenues from sale of goods are recognized when all the following conditions are met except
    a. Amount of revenue can be measured reliably
    b. The entity has retained effective control of the goods
    c. Amount of cost incurred or to be incurred can be measured reliably
    d. Significant risk and rewards of ownership are transferred to the buyer
62. Under “bill and hold” sales delivery of goods is delayed at the buyer’s but the buyer takes title and accepts billing. Under PAS 18. revenue from such sales is generally recognized when
    a. Buyer takes title
    b. Delivery is made
    c. Payment is made
    d. Seller makes billing
63. The term ‘layway sale’ applies to transactions where goods are delivered only when the buyer make the final payment in a series of installments. Under PAS 18 ; revenue from such sales is generally recognized when the

a. Final installment is made
b. First installment is made
c. Goods are delivered
d. Substantial payment is made

64. Under sales "on approval" goods are shipped where the buyer has negotiated a limited right of return. Under PAS 18, revenue from sales "on approval" is recognized when all the following are satisfied, except
    a. Goods have been delivered
    b. Initial down payment is made
    c. Time period for rejection has elapsed
    d. Shipment has been formally accepted by the buyer
65. Under "consignment" sales, the recipient (consignee) undertakes to sell the goods on behalf of the shipper (consignor). Under 18, revenue from consignment sales is generally recognized by the
    a. Shipper when goods are shipped to the recipient
    b. Recipient when goods are shipped to the recipient
    c. Shipper when goods are sold by the recipient to a third party
    d. Recipient when goods are sold by the recipient to a third party
66. Income recognized using the installment method of accounting generally equals cash collected multiplied by the
    a. Gross profit percentage
    b. Net operating percentage
    c. Gross profit percentage adjusted for expected uncollectible accounts
    d. Net operating percentage adjusted for expected uncollectible accounts
67. If the outcome for rending service can't be estimated reliably, PFRS requires the use of which revenue recognition method?
    a. Completed-contract method
    b. Cost recovery method
    c. Installment method
    d. Percentage-of-completion method
68. Cash control system are the method and procedures used to ensure
    a. That current obligation are met
    b. That excess cash does not exist
    c. That unused cash is invested
    d. The safeguarding of cash
69. Which is not a key element of internal control over cash receipts?
    a. Cash deposit on a regular basis
    b. Daily entry in a voucher register
    c. Daily recording of all receipts in the accounting records
    d. Immediate accounting by the person opening the mail or using the cash register

70. Which of the following is internal control measure to control major company disbursement?
    a. Voucher system
    b. Petty cash system
    c. Issuance of official receipts
    d. Preparation of a standard accounting worksheet