

1. Determine the true statement regarding “IFRS” when referred collectively
 - a. The term “IAS” generally covers “IFRS”
 - b. The term “IFRS” generally covers “IAS”
 - c. The term “IAS” generally covers “IFRIC”
 - d. The term “IFRIC” generally covers “IFRS”
2. In respect to information included in financial statements, the accounting concept of prudence ensures that
 - a. The financial statements report what they purport to report
 - b. A degree of caution in the exercise of judgement about estimates is made
 - c. Information is provided to users with the same time period in which it is most likely to bear on their decision
 - d. An appropriate balance is achieved between the relevance and the reliability of information that has been included Applying IAS
3. Which of the following is NOT a description or a function of the Financial Reporting Standards Council (FRSC)
 - a. It establishes generally accepted accounting principles in the Philippines
 - b. It assists the Professional Regulatory Board of Accountancy (BOA) in carrying out its power and function to promulgate accounting standards in the Philippines
 - c. It is the successor of Accounting Standards Council (ASC) and the creator of Philippines Interpretations Committee
 - d. It receives financial support principally from the Professional Regulations Commission (PRC)
4. The usefulness of providing information in financial statements is not subject to the constraint of
 - a. Timeliness
 - b. Consistency
 - c. Balance between benefit and cost
 - d. Balance between qualitative characteristics
5. Which two characteristics of financial information are part of the “reliability” characteristic under the old Conceptual Framework that are no longer explicitly part of the “faithful representation” characteristic under the Conceptual Framework for Financial Reporting 2010?
 - a. Prudence and neutrality
 - b. Completeness and neutrality
 - c. Prudence and substance over form
 - d. Completeness and substance over form
6. Under the Conceptual Framework for financial reporting (2010) which of the following statements is not a feature of financial information’s “comparability” characteristics?
 - a. Comparability is uniformity
 - b. A comparison requires at least two items
 - c. Consistency, although related to comparability, is not the same

- d. Comparability is the goal, consistency helps to achieve that goal
- 7. Under the IFRS Framework (2010), it is the ability through consensus among independent observers to ensure that financial information represent what it purports to represent
 - a. Comparability
 - b. Feedback value
 - c. Relevance
 - d. Verifiability
- 8. What links the decision makers and they make so that financial information would be useful?
 - a. Materiality
 - b. Relevance
 - c. Reliability
 - d. Understandability
- 9. Which of the following is true in relation to understandability?
 - a. Financial statements should exclude complex matters
 - b. Financial statements should be free from material error
 - c. Users are expected to have significant business knowledge
 - d. Users should be willing to study the information with reasonable diligence
- 10. Which of the following is true regarding the qualitative characteristic of “understandability” in relation to information in financial statements?
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- 11. Which underlying assumption is indicated in the Conceptual Framework for Financial Reporting (2010)?
 - a. Accounting entity
 - b. Accrual basis
 - c. Going concern
 - d. Monetary unit
- 12. What is the basic underlying assumption?
 - a. The financial statements are complete, neutral and free from error
 - b. The financial statements have predictable value and confirmatory value
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 - d. The financial statements are normally prepared on the basis that the entity will continue in operation for the foreseeable future.
- 13. The continuity(going concern) assumption is the basis for the rule that
 - a. Treasury stock should not be reported in the balance sheet as an asset
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- c. The income statements should not include material gains and losses that are both unusual and infrequent
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14. Which one of the following is an essential characteristic of an asset?
- a. The cost of the asset can be measured accurately
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16. Which of the following is not an essential characteristics for an item to be reported as a liability on the balance sheet?
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17. It is frequently used as a measure of performance or as the basis for other measures, such as return on investment or earning per share
- a. Gain
 - b. Income
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18. It involves the depiction of the items in words and by a monetary amount and the inclusion of that amount in the financial statements.
- a. Disclosure
 - b. Presentation
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19. According to the Conceptual Framework, the two criteria required for incorporating items into the income statement or statement of financial position are that it
- a. Satisfies the criterion of capital maintenance
 - b. Meets the definitions of relevance and reliability
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20. What is the valuation basis used in conventional financial statements?
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- b. Original cost
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- a. Price in active market
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 - c. Price taken from industry or sector benchmarks
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24. Which capital concept requires the use of current cost basis of accounting?

	A.	B.	C.	D.
Physical capital concept	Yes	Yes	No	No
Financial capital concept	Yes	No	Yes	Yes

25. The current cost basis of accounting is specifically required under
- a. Any circumstances
 - b. Physical capital maintenance concept
 - c. Financial capital maintenance concept
 - d. Both financial and physical capital maintenance concept.
26. The following statement pertain to the provision of Conceptual Framework on the concept Capital and Capital Maintenance:
- Statement I: The principal difference between two concepts of capital maintenance is the treatment of the effects of changes in the effects of changes in the price of assets and liability of the entity
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- a. Only statements I is false
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27. Identify the (1) pervasive constraint and (2) underlying assumption mentioned in the Conceptual Framework

	A.	B.	C.	D.
Pervasive constraint	Cost	Cost	Timeliness	Timeliness
Underlying assumption	Accrual basis	Going concern	Accrual basis	Going concern

28. Determine the false statements regarding the Conceptual Framework of Financial Reporting

- a. The Conceptual Framework Serves as a guide in developing future financial reporting standards and in reviewing existing ones.
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29. D equals the sum of the debit column of a firm's unadjusted trial balance, and C equals the sum of the credit column. Which of the following statements is correct?

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- a. As a substitute for financial statements
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31. Adjusting entries are primarily based on the accounting principles of

- a. Matching and historical cost
- b. Matching and monetary unit
- c. Revenue realization and matching
- d. Revenue realization and materiality

32. Which is the correct order of the following steps in the accounting

Step 1: Preparation of financial statements

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- a. 2, 3, 4, 1
- b. 3, 1, 2, 4
- c. 2, 4, 3, 1
- d. 3, 1, 4, 2

33. Adjusting entries are needed

- a. Has expenses
- b. Uses the accrual basis of accounting
- c. Uses the cash basis of accounting rate than the accrual basis
- d. Has earned revenue during the period by selling products from its central operations

34. Adjusting entries are needed

- a. Whenever expenses are not paid in cash
- b. Whenever revenues are not received in cash
- c. Primarily to correct error in the initial recording of business transactions.
- d. Whenever transaction effect the revenues or expenses of more than accounting period

35. Adjusting entries are needed because in reporting financial data an entity

- I. Adopts the accrual assumption
 - II. Report on transactions that overlap accounting periods and records
 - III. Accepts the going concern assumption
- a. I only
 - b. I and II only
 - c. II and III only
 - d. I, II and III

36. Which one of the following concepts is least related to adjusting entries?

- a. Accrual
- b. Approximation
- c. Matching of cost against revenue
- d. Materiality

37. Which of the following items least resembles as a typical adjusting entry?

- a. Debit an asset and credit liability
- b. Debit an asset and credit revenue
- c. Debit an expense and credit liability
- d. Debit revenue and credit liability

38. Recording the adjusting entry for depreciation has the same effect as recording the adjusting entry for

- a. A prepaid expense
- b. An accrued expense
- c. An accrued income
- d. An unearned revenue

39. Which of the following is an example of deferral

- a. Recognizing prepaid rent
- b. Accruing year-end wages

- c. Recognizing revenue earned but not yet recorded
 - d. Recognizing expenses incurred but not yet recorded
40. The adjusting entry at the end of the accounting year to reflect revenues earned but not yet collected or recorded will
- a. Increase the assets
 - b. Not affected assets
 - c. Decrease liabilities
 - d. Not affected income for the current period
41. Which of the following is an example of closing entry?
- a. Transferring the balance in a temporary account to a contra account
 - b. Posting the ending inventory balance in a perpetual inventory system
 - c. Transferring an amount entered in a wrong account to the appropriate account
 - d. Transferring the balance in the bad debt expense account to the income summary account
42. The effect of closing entries is to
- a. Change assets
 - b. Change liabilities
 - c. Change retained earnings
 - d. Change debit balance of all accounts into credit and vice-versa
43. An appropriate reversing entry
- a. Is dated the first day of the next accounting period
 - b. Is usually made for adjusting entries that affect deferred items only
 - c. Must be made because they are required by accounting standards
 - d. Is often used to correct entries which are initially based on estimates
44. Which of the following adjusting entries cannot be subject to reversing entries?
- a. Accrual of income
 - b. Accrual of expenses
 - c. Deferral of expenses under the asset method
 - d. Deferral of income under the income method
45. As a general rule, which of the following is not subject to reversal?
- a. Accrued expenses
 - b. Accrued revenues
 - c. Prepaid expenses recorded as assets upon payment
 - d. Deferred revenues recorded as revenues upon receipt.
46. What is the purpose of information presented as notes to financial statements?
- a. To present management's responses to auditor comments
 - b. To correct improper presentation in the financial statements
 - c. To provide disclosures required by generally accepted accounting principles
 - d. To provide recognition of amounts not included in the totals of the financial statements
47. Which is not an objective of the notes to the financial statements as envisaged under PAS 1?
- a. Notes disclose information required by PFRS that is not presented on the face of the primary statements

- b. Notes present information about the basis of preparation of financial statements and the specific accounting policies used
 - c. Notes provide additional information that is not presented on the face of the primary statements but is relevant to an understanding of any of them
 - d. Notes allow external auditors in assessing whether amounts in the financial statements are fairly presented/stated so as to form an opinion as to the financial statements taken as a whole.
48. Proper application of accounting principles is most dependent upon the
- a. External audit function
 - b. Oversight of regulatory bodies
 - c. Existence of specific guidelines
 - d. Professional judgement of the accountant
49. Which of the following about note disclosures are considered mandatory rather than voluntary (optional)?
- I. Disclosure of information about the key sources of estimation uncertainty.
 - II. Disclosure of information about judgement that management has made in the process of applying accounting policies.
 - III. The presentation of notes to the financial statements in a systematic manner.
 - IV. The cross reference between each line in the financial statements and any related information disclose in the notes to the financial statements.
- a. I and II only
 - b. III and IV only
 - c. I, II and III only
 - d. I, II and IV
50. What is the first item presented in the notes to financial statements?
- a. Statement of compliance with PFRS
 - b. Summary of significant accounting policies
 - c. Supporting computation for items presented in the financial statements.
 - d. Other disclosure including contingent liabilities, unrecognized contractual commitments and nonfinancial disclosures.
51. The summary of accounting policies is normally presented
- a. Within the auditor's report
 - b. As the note in a set of financial statements
 - c. As the first note, after all the financial statements
 - d. Before all of the financial statements in a financial report
52. As a significant component note to the financial statements, the accounting policies section should describe
- a. Within the auditor's report
 - b. As the last note in a set of financial statements
 - c. As the first note, after all the financial statements
 - d. Before all of the financial statements in a financial report
53. Which of the following should be disclosed in the summary of significant accounting policies?
- a. Guarantees of indebtedness of others

- b. Refinancing of debt subsequent to the balance data sheet
 - c. Adequacy of pension plan assets relative to vested benefits
 - d. Criteria for determining which investment are treated as cash equivalent
54. Which of the following should be disclosed in the summary of significant accounting policies?
- a. Depreciation charges for the period
 - b. Borrowing cost capitalized for the period
 - c. Valuation method used for work in process inventory
 - d. Adequacy of pension plan assets in relation to vested benefits
55. The summary of significant account policies shall disclose
- a. The depreciation method used only
 - b. The composition of property, plant and equipment only
 - c. The composition of property, plant and equipment and the depreciation method used
 - d. Neither the composition of property, plant and equipment nor the depreciation method used
56. Identify the false statement statements regarding PAS 1's general principle relating to accounting policies
- a. Inappropriate accounting policies are not rectified by disclosure of accounting policies used
 - b. Materiality depends in the size and nature of the omission or misstatement judged based on the surrounding circumstances
 - c. Measuring assets net of valuation allowance is considered as offsetting, which is generally not allowed unless permitted by a specific PFRs
 - d. The presumption that application of PFRS, with additional disclosure when necessary results financial statements that achieve a fair presentation is rebuttable
57. PAS 1 required the following note disclosures in relation to the dividends of an entity
- a. Names of the recipients of the dividends
 - b. A schedule of cumulative dividends paid in prior period
 - c. Amount of any cumulative preference dividends not recognized
 - d. Address of all shareholders who are entitled to receive that dividends
58. Which of the following is not included in the notes to the financial statements?
- a. Narrative description of items disclosed in the financial statements
 - b. Information on disaggregation of items disclosed in the financial statements
 - c. Information about items that do not qualify for recognition in the financial statements
 - d. Information presented in the balance sheet, income statement cash flow statement
59. Which of the following is not a required supplemental disclosure for the statement of financial position?
- a. Accounting policies
 - b. Contingencies
 - c. Contractual situation

- d. Financial forecasts
60. Which of the following information is not specifically a required disclosure of PAS 1?
- a. Name of the reporting entity or other means of identification and any change in that information from the previous year
 - b. Names of major shareholders of the entity
 - c. Level of rounding used in presenting the financial statements
 - d. Whether the financial statements cover the individual entity or a group of entities
61. An entity received an advance payment for special order goods that are to be manufactured and delivered within six months. The advance payment is reported in the statement of financial position as
- a. Deferred charges
 - b. Current asset account non current liability
 - c. Contra assets account
 - d. Noncurrent liability
62. Under PAS 1, which inform is normally not included in the “notes to financial statements”?
- a. A statement of cash flows
 - b. A statement of compliance with GAAP
 - c. Supporting information for line items presented and aggregated
 - d. A statement of measurement basis for the financial statements and accounting policies applied
63. The following statement are based on the PAS 1 (Presentation of Finance Statements):
- Statement I: The number of shares authorized for issue shall be shown in the statement of financial position or the statement of changes in equity or in the notes to the financial statements.
- Statement II: An entity presenting a separate income statement and a statement of comprehensive income shall presented a statement of change in equity.
- Statement III: An income statement is prepared under the “natural presentation” when it presents expense based logistics, marketing and production.
- Which of the foregoing statements are true
- a. I only
 - b. II only
 - c. I and II only
 - d. I, II and III
64. What is the purpose of reporting comprehensive income?
- a. To replace net income with better measure
 - b. To report a measure of overall enterprise performance
 - c. To report changes in equity due to transactions with owners
 - d. To combine income from continuing operation and extraordinary items.
65. Other than financial liabilities measured at lost value through profit or loss, how are financial liabilities subsequently measured under PFRS?

- a. Fair value if acceptable of the entity
 - b. Amortized cost using the effective interest rate method
 - c. Amortized cost using the stated interest rate of the debt
 - d. The amount of undiscounted cash that would be required to settle the obligation at the end of the reporting period
66. Which of the following method are acceptable for reporting comprehensive income under PFRS?
- i. One comprehensive income statement
 - ii. Two statements: an income statement and comprehensive income statement
 - iii. In the statement of owners' equity
- a. I only
 - b. I and II only
 - c. I and III only
 - d. I, II and III
67. In a single statement of comprehensive income, profit is equal to the total comprehensive income
- a. Always
 - b. Only if expense are classified by nature
 - c. Only if there are no reclassification adjustments
 - d. Only if an entity has no item of other comprehensive income
68. Profit + Other Comprehensive Income
- a. No meaningful amount
 - b. Total comprehensive income
 - c. Total net equity
 - d. Total net performance
69. Conventionally, accountant measure income
- a. By using a transaction approach
 - b. By applying a value-added concept
 - c. As change in the value of shareholders' equity
 - d. As change in the purchasing power of the equity
70. Accounting income is a concept in which
- a. Market values adjusted for the effects for the effects of inflation or *deflation* are used to calculate real wealth
 - b. Income equals the change in market value of the firm's outstanding common stock for the period
 - c. The transaction approach is used to record income and expenses throughout the reporting period
 - d. Income is measured as the amount of "real wealth" that an entity could consume during a period and be as well off at the end of that period as it was at the beginning.

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Step 4: Making reversing entries in the general journal

- a. 2, 3, 4, 1
- b. 3, 1, 2, 4
- c. 2, 4, 3, 1
- d. 3, 1, 4, 2

33. Adjusting entries are needed

- a. Has expenses
- b. Uses the accrual basis of accounting
- c. Uses the cash basis of accounting rate than the accrual basis
- d. Has earned revenue during the period by selling products from its central operations

34. Adjusting entries are needed

- a. Whenever expenses are not paid in cash
- b. Whenever revenues are not received in cash
- c. Primarily to correct error in the initial recording of business transactions.
- d. Whenever transaction effect the revenues or expenses of more than accounting period

35. Adjusting entries are needed because in reporting financial data an entity

- I. Adopts the accrual assumption
 - II. Report on transactions that overlap accounting periods and records
 - III. Accepts the going concern assumption
- a. I only
 - b. I and II only
 - c. II and III only
 - d. I, II and III

36. Which one of the following concepts is least related to adjusting entries?

- a. Accrual
- b. Approximation
- c. Matching of cost against revenue
- d. Materiality

37. Which of the following items least resembles as a typical adjusting entry?

- a. Debit an asset and credit liability
- b. Debit an asset and credit revenue
- c. Debit an expense and credit liability
- d. Debit revenue and credit liability

38. Recording the adjusting entry for depreciation has the same effect as recording the adjusting entry for

- a. A prepaid expense
- b. An accrued expense
- c. An accrued income
- d. An unearned revenue

39. Which of the following is an example of deferral

- a. Recognizing prepaid rent
- b. Accruing year-end wages

- c. Recognizing revenue earned but not yet recorded
 - d. Recognizing expenses incurred but not yet recorded
40. The adjusting entry at the end of the accounting year to reflect revenues earned but not yet collected or recorded will
- a. Increase the assets
 - b. Not affected assets
 - c. Decrease liabilities
 - d. Not affected income for the current period
41. Which of the following is an example of closing entry?
- a. Transferring the balance in a temporary account to a contra account
 - b. Posting the ending inventory balance in a perpetual inventory system
 - c. Transferring an amount entered in a wrong account to the appropriate account
 - d. Transferring the balance in the bad debt expense account to the income summary account
42. The effect of closing entries is to
- a. Change assets
 - b. Change liabilities
 - c. Change retained earnings
 - d. Change debit balance of all accounts into credit and vice-versa
43. An appropriate reversing entry
- a. Is dated the first day of the next accounting period
 - b. Is usually made for adjusting entries that affect deferred items only
 - c. Must be made because they are required by accounting standards
 - d. Is often used to correct entries which are initially based on estimates
44. Which of the following adjusting entries cannot be subject to reversing entries?
- a. Accrual of income
 - b. Accrual of expenses
 - c. Deferral of expenses under the asset method
 - d. Deferral of income under the income method
45. As a general rule, which of the following is not subject to reversal?
- a. Accrued expenses
 - b. Accrued revenues
 - c. Prepaid expenses recorded as assets upon payment
 - d. Deferred revenues recorded as revenues upon receipt.
46. What is the purpose of information presented as notes to financial statements?
- a. To present management's responses to auditor comments
 - b. To correct improper presentation in the financial statements
 - c. To provide disclosures required by generally accepted accounting principles
 - d. To provide recognition of amounts not included in the totals of the financial statements
47. Which is not an objective of the notes to the financial statements as envisaged under PAS 1?
- a. Notes disclose information required by PFRS that is not presented on the face of the primary statements

- b. Notes present information about the basis of preparation of financial statements and the specific accounting policies used
 - c. Notes provide additional information that is not presented on the face of the primary statements but is relevant to an understanding of any of them
 - d. Notes allow external auditors in assessing whether amounts in the financial statements are fairly presented/stated so as to form an opinion as to the financial statements taken as a whole.
48. Proper application of accounting principles is most dependent upon the
- a. External audit function
 - b. Oversight of regulatory bodies
 - c. Existence of specific guidelines
 - d. Professional judgement of the accountant
49. Which of the following about note disclosures are considered mandatory rather than voluntary (optional)?
- I. Disclosure of information about the key sources of estimation uncertainty.
 - II. Disclosure of information about judgement that management has made in the process of applying accounting policies.
 - III. The presentation of notes to the financial statements in a systematic manner.
 - IV. The cross reference between each line in the financial statements and any related information disclose in the notes to the financial statements.
- a. I and II only
 - b. III and IV only
 - c. I, II and III only
 - d. I, II and IV
50. What is the first item presented in the notes to financial statements?
- a. Statement of compliance with PFRS
 - b. Summary of significant accounting policies
 - c. Supporting computation for items presented in the financial statements.
 - d. Other disclosure including contingent liabilities, unrecognized contractual commitments and nonfinancial disclosures.
51. The summary of accounting policies is normally presented
- a. Within the auditor's report
 - b. As the note in a set of financial statements
 - c. As the first note, after all the financial statements
 - d. Before all of the financial statements in a financial report
52. As a significant component note to the financial statements, the accounting policies section should describe
- a. Within the auditor's report
 - b. As the last note in a set of financial statements
 - c. As the first note, after all the financial statements
 - d. Before all of the financial statements in a financial report
53. Which of the following should be disclosed in the summary of significant accounting policies?
- a. Guarantees of indebtedness of others

- b. Refinancing of debt subsequent to the balance data sheet
 - c. Adequacy of pension plan assets relative to vested benefits
 - d. Criteria for determining which investment are treated as cash equivalent
54. Which of the following should be disclosed in the summary of significant accounting policies?
- a. Depreciation charges for the period
 - b. Borrowing cost capitalized for the period
 - c. Valuation method used for work in process inventory
 - d. Adequacy of pension plan assets in relation to vested benefits
55. The summary of significant account policies shall disclose
- a. The depreciation method used only
 - b. The composition of property, plant and equipment only
 - c. The composition of property, plant and equipment and the depreciation method used
 - d. Neither the composition of property, plant and equipment nor the depreciation method used
56. Identify the false statement statements regarding PAS 1's general principle relating to accounting policies
- a. Inappropriate accounting policies are not rectified by disclosure of accounting policies used
 - b. Materiality depends in the size and nature of the omission or misstatement judged based on the surrounding circumstances
 - c. Measuring assets net of valuation allowance is considered as offsetting, which is generally not allowed unless permitted by a specific PFRs
 - d. The presumption that application of PFRS, with additional disclosure when necessary results financial statements that achieve a fair presentation is rebuttable
57. PAS 1 required the following note disclosures in relation to the dividends of an entity
- a. Names of the recipients of the dividends
 - b. A schedule of cumulative dividends paid in prior period
 - c. Amount of any cumulative preference dividends not recognized
 - d. Address of all shareholders who are entitled to receive that dividends
58. Which of the following is not included in the notes to the financial statements?
- a. Narrative description of items disclosed in the financial statements
 - b. Information on disaggregation of items disclosed in the financial statements
 - c. Information about items that do not qualify for recognition in the financial statements
 - d. Information presented in the balance sheet, income statement cash flow statement
59. Which of the following is not a required supplemental disclosure for the statement of financial position?
- a. Accounting policies
 - b. Contingencies
 - c. Contractual situation

d. Financial forecasts

60. Which of the following information is not specifically a required disclosure of PAS 1?
- Name of the reporting entity or other means of identification and any change in that information from the previous year
 - Names of major shareholders of the entity**
 - Level of rounding used in presenting the financial statements
 - Whether the financial statements cover the individual entity or a group of entities
61. An entity received an advance payment for special order goods that are to be manufactured and delivered within six months. The advance payment is reported in the statement of financial position as
- Deferred charges
 - Current asset account non current liability**
 - Contra assets account
 - Noncurrent liability
62. Under PAS 1, which inform is normally not included in the “notes to financial statements”?
- A statement of cash flows**
 - A statement of compliance with GAAP
 - Supporting information for line items presented and aggregated
 - A statement of measurement basis for the financial statements and accounting policies applied
63. The following statement are based on the PAS 1 (Presentation of Finance Statements):
- Statement I: The number of shares authorized for issue shall be shown in the statement of financial position or the statement of changes in equity or in the notes to the financial statements.
- Statement II: An entity presenting a separate income statement and a statement of comprehensive income shall presented a statement of change in equity.
- Statement III: An income statement is prepared under the “natural presentation” when it presents expense based logistics, marketing and production.
- Which of the foregoing statements are true
- I only
 - II only
 - I and II only**
 - I, II and III
64. What is the purpose of reporting comprehensive income?
- To replace net income with better measure
 - To report a measure of overall enterprise performance**
 - To report changes in equity due to transactions with owners
 - To combine income from continuing operation and extraordinary items.
65. Other than financial liabilities measured at lost value through profit or loss, how are financial liabilities subsequently measured under PFRS?

- a. Fair value if acceptable of the entity
 - b. Amortized cost using the effective interest rate method
 - c. Amortized cost using the stated interest rate of the debt
 - d. The amount of undiscounted cash that would be required to settle the obligation at the end of the reporting period
66. Which of the following method are acceptable for reporting comprehensive income under PFRS?
- i. One comprehensive income statement
 - ii. Two statements: an income statement and comprehensive income statement
 - iii. In the statement of owners' equity
- a. I only
 - b. I and II only
 - c. I and III only
 - d. I, II and III
67. In a single statement of comprehensive income, profit is equal to the total comprehensive income
- a. Always
 - b. Only if expense are classified by nature
 - c. Only if there are no reclassification adjustments
 - d. Only if an entity has no item of other comprehensive income
68. Profit + Other Comprehensive Income
- a. No meaningful amount
 - b. Total comprehensive income
 - c. Total net equity
 - d. Total net performance
69. Conventionally, accountant measure income
- a. By using a transaction approach
 - b. By applying a value-added concept
 - c. As change in the value of shareholders' equity
 - d. As change in the purchasing power of the equity
70. Accounting income is a concept in which
- a. Market values adjusted for the effects for the effects of inflation or *deflation* are used to calculate real wealth
 - b. Income equals the change in market value of the firm's outstanding common stock for the period
 - c. The transaction approach is used to record income and expenses throughout the reporting period
 - d. Income is measured as the amount of "real wealth" that an entity could consume during a period and be as well off at the end of that period as it was at the beginning.

