1. When the fair value of the biological assets cannot be determined reliably, the biological asset should be measured
   a. Cost
   b. Net realizable
   c. Cost less accumulated depreciation
   d. Cost less accumulated depreciation and accumulated impairment losses
2. When agricultural produce is harvested, the harvested should be accounted for by using PAS 2, Inventories, or another applicable Philippine Financial Reporting Standard. For the purposes of that Standard, the cost on the date of harvest is deemed to be
   a. Market value
   b. The historical cost of the harvest
   c. Its fair value less cost to sell at point of harvest
   d. The historical cost less accumulated impairment losses
3. At certain stage of production, inventories of agricultural forest and mineral resources are measured at
   a. Cost
   b. Net realizable value
   c. Elative sales price
   d. Standard cost
4. An entity has a plantation forest that is likely to be harvested and sold in 30 years. The income should be accounted for in which of the following?
   a. No income should be reported annually until first harvest ad sale in 30 years
   b. The eventual sale proceeds should be estimated and matched to the profit and loss account over the 30 years period
   c. Income should be measured annually and reported using a fair value approach that recognizes and measures biological growth
   d. The plantation forest should be valued every 5 years and the increase in value should be shown in the statement of recognized gains and losses
5. ABC Company owns a number of herds of cattle. Where changes in the fair value of herd of cattle should be recognized in the financial statements, according to PAS 41, Agriculture?
   a. In profit or loss only
   b. In the statement of cash flows only
   c. In other comprehensive income only
   d. In profit or loss or other comprehensive income
6. A gain or loss arising on the initial recognition of a biological asset and from change in the fair value less estimated costs to sell of biological asset should be included in
   a. A capital reserve within equity
   b. A separate revaluation reserve
   c. The net profit of loss for the period
   d. The statement of recognized gains and losses

7. Where there is a production cycle of more than one year, PAS 41 encourages separate disclosure of the
   a. Physical change only
   b. Price change only
   c. Physical change and price change
   d. Total change in value
8. An unconditional government grant related to a biological asset that has been measured at fair value less costs to sell should be recognized as
   a. Income when the grant becomes receivable
   b. A deferred credit when the grant has been approved
   c. A deferred credit when the grant becomes receivable
   d. Income when the grant application has been submitted
9. If a government grant related to biological asset is conditional on certain events, then the grant should be recognized as
   a. Income when the grant has been approved
   b. A deferred credit when the grant is approved
   c. Income when the conditions attaching to the grant are met
   d. A deferred credit when the conditions attached to the government grant are met
10. Which of the following statements are correct according to PAS 41 (Agriculture)?
   Statement I: A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell without exception
   Statement II: Agricultural produce harvested from an entity's biological assets shall be measured at its fair value less to sell at the point of harvest
   a. I only
   b. II only
   c. Both I and II
   d. Neither I nor II
11. In case of property held under an operating lease and classified as investment property, the entity
   a. Has to use fair value model only
   b. Has to choice between the cost model and the fair value model
   c. Has to account for the investment property under the cost model only
   d. Need only to disclose the for value and can use the cost model under PAS 38
12. Which of the following generally provides the best evidence of fair value of an investment property?
   a. Discounted cash flow projection based on reliable estimated of future cash flows
   b. Current price for properties of a different nature or subject to different conditions
   c. Current price in an active market for similar property in the same location and occupation
   d. Recent price on less active markets with adjustment to reflect the changes in economic conditions

13. A gain rising from a change in the fair value of an investment property for which an entity has opted to use the fair value model is recognized in
    a. Net profit or loss for the year
    b. General reserve in the shareholders equity
    c. Valuation reserve in the stockholders equity
    d. None of the above
14. A gain or loss arising from the a change in the fair value investment property shall
    a. Not be recognized in the accounts
    b. Be recognized directly to equity in the period in which it arises
    c. Be recognized in the profit or loss for the period in which it arise
    d. Be recognized as an adjustment to retained earnings at the beginning of the year
15. Transfer from investment property to property, plant and equipment are appropriate
    a. When there is change if use
    b. Based on the entity's discretion
    c. Only when the entity adopts the fair value model under IAS 38
    d. The entity can never transfer property into other classification on the balance sheet once it is classified as investment property
16. When an owner-occupied property is transferred to investment to investment property at fair value, a decrease in the carrying amount of the property to its fair value at the date of transfer
    a. Is carried directly to equity
    b. Is absorbed by retained earnings
    c. Is recognized in profit and loss at all times
    d. Is recognized in profit and loss a revalued property, charge against the revolution surplus to the extent if its credit balance
17. Derecognition of investment property will not be required when
    a. It is sold
    b. It becomes the subject of a finance lease
    c. It becomes the subject of an operating lease
    d. It becomes the subject of a sale and leaseback deal
18. PAS 16 requires that revaluation surplus resulting from initial revaluation of property, plant and equipment should be tested in one of the following ways. Which of the four option mirrors the requirements of PAS 16?
    a. Credit to retained earnings as this is an unrealized gain
    b. Deducted from current assets and added to property, plant & equipment
    c. Released to the income statement an amount equal to the difference between the depreciation calculated on historical cost vis-a-vis revalued amount.
    d. Debited to the class of property, plant and equipment that is being revalued and credited to reserve captioned "revaluation surplus", which is presented under equity
19. When the balance carried is an 'asset revaluation surplus' account in relation to an asset that has been derecognized, it is acceptable under PAS 16 to

a. Transfer the balance to retained earnings
b. Transfer the balance to share capital account
c. Transfer the balance to provision account for future asset revaluation
d. Recognized the balance in profit or loss of the period in which the asset was derecognized

20. When an entity chooses the revaluation model as its accounting policy for measuring property, plant and equipment, which of the following statements in correct?
    a. Revaluation of property, plant and equipment must be made at least every three years
    b. When an assets is revalued, the entire class of property, plant and equipment to which that assets belong must be revalued
    c. Increased in an component of profit or loss
    d. When an asset is revalued, individual assets within a class of property, plant and equipment to which the asset belong can be revalued
21. A newly acquired plants assets is to be depreciated over its useful life. The rational for this process is the
    a. Economic entity assumption
    b. Going concern assumption
    c. Materiality assumption
    d. Monetary unit assumption
22. Accounting for tangible operational assets is primarily in conformity with the
    a. Matching principle
    b. Historical cost principle
    c. Matching principle and realization principle
    d. Matching principle and historical cost principle
23. Depreciation best applies to
    a. Recorded costs that must be divide among periods
    b. Unrecorded (accrued) revenues that must be recorded
    c. Unrecorded (accrued) expense that must be recorded
    d. Recorded revenue that must be divided among periods
24. Depreciation is normally computed on the basis of the nearest K, W & W
    a. Day and to the nearest peso
    b. Day and to the nearest centavo
    c. Full month and to the nearest peso
    d. Full month and to the nearest centavo
25. If a plant asset is retired before it is fully depreciated and no salvage value is received
    a. A gain on disposal occurs
    b. A loos on disposal occurs
    c. Either a gain or loss can occur
    d. Neither a gain nor a loss occurs

26. Which of the following statements regarding depreciation is true, according to PAS 16, *Property, Plant and Equipment*?
   a. The total cost of an asset must eventually be depreciated
   b. The annual depreciation charge should be constant over the life of the asset
   c. An asset must be depreciated from the date of its purchase to the date sale
   d. If the carrying amount of an asset is less than the residual value, depreciation is not charge
27. Technical or commercial obsolescence arise from
   a. Expected using of the asset
   b. Expected physical wear and tear
   c. Expiry date of related of lease of the asset
   d. Improvement in production or change in market demand for the output of the asset
28. Accumulated depreciation, as used in accounting, represents
   a. Funds set aside to replace assets
   b. An express on the income statement
   c. The portion of the asset cost written off as an expense since the acquisition date
   d. Earnings retained in the business that will be used to purchase another operational asset when the related asset becomes fully depreciate
29. What is the minimum book value to be shown in the balance sheet for a plant asset which is expected to be for a reasonable amount at end of its useful life?
   a. Accumulated depreciation
   b. Depreciable cost
   c. Salvage value
   d. Zero
30. Normally depreciation should not be recognized on plant assets during their construction period. What is the exception?
   a. When the length of the construction period is unduly prolonged
   b. When the carrying amount of the property cannot be realized through sale
   c. When evidence indicates that operations will not produce sufficient revenue to overall cost including depreciation
   d. When partial use of the asset cab be identified with an income during their construction period and corresponding costs can be ascertained
31. In which of the following situations is the units-of-production method of depreciation most appropriate?
   a. An asset is subject to rapid obsolescence
   b. An asset's service potential declines with use
   c. An asset's service potential declines with the passage of time
   d. An asset incurs increasing repairs and maintenance with use
32. When entity allocates depreciation to the separate part of an asset and each part is accounted for separately, the entity is using which of the following approaches to depreciation

a. Components depreciation
b. Periodic depreciation
c. Replacement cost depreciation
d. An asset incurs increasing repairs and maintenance with use

33. A principal objection to the straight-line method of depreciation is that is
a. Ignores variations in the rate asset use
b. Provides for t5he declining productivity of an aging asset
c. Gives smaller periodic write-offs than decreasing charge methods
d. Tends to result in a constant rate return on diminishing investment bases

34. Ignoring tax effects, accelerated depreciation methods
a. Increase funds provided by operations
b. Tend to decrease the fixed assets turnover ratio
c. Provide funds for the earlier replacement of fixed assets
d. Tend to offset steadily increasing repair and maintenance costs

35. Depreciation is computer on the original cost without deducting estimated salvage value under which of the following depreciation methods?

	A	B	C	D
Declining balance	Yes	Yes	No	No
Productive Output	Yes	No	Yes	No

36. An asset has a nine year useful life and is to be depreciated under the sum-of-the-years digits method. The annual depreciation expense would be the same as that under the straight line method in the
a. Third year
b. Fifth year
c. Seventh year
d. Ninth year

37. The following are based on PAS 16 (Property, Plant and Equipment):
Statement I: An entity is required to measure the residual value of an item of property plant and equipment as the amount it estimate it would receive currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life
Statement II: An entity is required to determine the depreciation charge separately for each significant part of an item of property, plant of an item of property, plant and equipment
Statement III: If fair value can be measured reliably, an entity should carry all times of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of the revaluation less any subsequent depreciation and accumulated impairment losses

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

38. Capitalization of construction period interest is based primarily upon the
    a. Comparability principle
    b. Full-disclosure principle
    c. Matching principle
    d. Revenue principle
39. Capitalization of borrowing costs shall be suspended
    a. Only during temporary periods of delay
    b. At no instance at all as capitalization has already commenced
    c. Only upon agreement by management and the construction company
    d. Only during extend periods of delay in which active development is delayed
40. A company constructed machinery for its own use. A bank loan specifically finance this property both during after the construction. How much of the interest incurred should be reported as interest expense?
    a. All interests incurred
    b. Interest incurred after completion
    c. Interest incurred before completion
    d. Zero
41. Which of the following is not disclosure requirements under PAS 23?
    a. Accounting policy adopted for borrowing costs
    b. Amount of borrowing cost capitalized during the period
    c. Capitalization rate use to determine the amount of borrowing cost eligible for capitalization
    d. Segregation of assets that re "qualifying assets" on the balance sheet as a disclosure in the financial statements notes
42. Under PAS, Borrowing Cost, which of the following statements about the capitalization of borrowing costs as part of the cost of a qualifying assets is true?
    a. Capitalization always continues as soon as expenditure of the assets is incurred
    b. Capitalization always commences as soon as expenditure of the assets is incurred
    c. Capitalization always commences as soon as interest on relevant borrowing is being incurred
    d. If funds comes from general borrowing in the amount to be capitalized is based on the weighted-average cost borrowing
43. Which two of the following models may be applied by entities for the measurement after recognition of exploration and evaluation assets in accordance with PFRS 6, Exploration and Evaluation of Mineral Resources
    a. Cost and present value
    b. Cost and revaluation
    c. Realization and present value
    d. Revaluation and realization
44. Which measurement model applies to exploration and evaluation assets subsequent to initial recognition?

a. The cost model
b. The revaluation
c. The recoverable
d. Either the cost model or the revaluation model

45. Which of the following is not a disclosure requirements by PFRS 6?
   a. Information about commercial reserve quantities
   b. Accounting policies for exploration and evaluation expenditures including the recognition of the exploration and evaluation assets
   c. Information that identifies and explains the amounts recognized in the financial statements arising from the exploration of mineral resources
   d. The amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration and evaluation of mineral resources
46. Which of the following is criterion that must be met in order for an item to be recognized as an intangible assets other than goodwill?
   a. The item's fair value can be measured reliably
   b. The item is identifiable and lacks physical substance
   c. The item is expected to be used in the production or supply of goods services
   d. The item is part of the entity's activities aimed at gaining new scientific or technical knowledge
47. Identify the specific intangible asset that is outside the scope of PAS 38 "Intangible Assets"
   a. Goodwill
   b. Patent
   c. Research & Development
   d. Trade bank
48. Which of the following examples is unlikely to meet the definition of an intangible assets?
   a. Customer-related, such as customer list and contracts
   b. Technology-based, such a computer software and databases
   c. Pure research based, such as general expenditure on research
   d. Marketing-related, such as trademarks and internet domain names
49. Identifiability is seen as the characteristic that conceptually distinguished other intangible assets from
   a. Copyright
   b. Franchise
   c. Goodwill
   d. patent
50. goodwill should be properly appear in the statements of financial position of a company which
   a. has purchased an entity
   b. meets all of the conditions
   c. consistent operates profitability
   d. consistently reports above-normal profits

51. Goodwill should be recorded in the accounting records only when
   a. It's is internally generated
   b. It is acquired through the acquisition of another business
   c. A firm reports above normal earnings for five or more consecutive years
   d. It can be established that a definite benefit or advantage has resulted to a firm from some items such as good name capable staff or eruption.
52. Which of the following confers exclusive right to conduct business in a particular territory?
   a. Franchise
   b. Leasehold improvement
   c. Patent-copyright
   d. Trademark
53. Which of the following items as an intangible assets under PAS 38?
   a. Operating losses during the initial stage of the project
   b. Advertising and promotion on the launch of huge product
   c. Legal cost to paid intellectual property lawyers to register a patent
   d. College tuition fees paid to employees who decide to enroll in executive MBA program while working with the company
54. Amortization of specific intangible assets result primarily form application of the
   a. Cost principle
   b. Full-disclosure principle
   c. Matching principle
   d. Revenue principle
55. A intangible asset with a indefinite life is one where
   a. The length of life is over 20 years
   b. The directors feel that the intangible asset will not lose value in the foreseeable future
   c. There is no foreseeable limit on the period over which the asset will generate cash flows
   d. Thee is contractual or legal arrangement that last for period in excess of five years
56. An intangible assets with an indefinite life is accounted for as allows
   a. Amortized and no impairment test
   b. Amortized and impairment tests annually
   c. No amortization but tested for impairment annually
   d. Amortized and tested for impairment if there is a trigger event
57. In relation to the amortization of intangible assets, if an intangible assets, if an intangible asset has finite useful life
   a. It must be amortized over that life
   b. It is not subject to annual amortization charge
   c. It must be amortized over a period not exceeding 40 years
   d. It must be amortized across a period not exceeding 5 years
58. Which of the following is most likely included in research and development
   a. Depreciation in 2020 of the building used for research and development

b. The cost incurred in 2020 to ensure quality control for existing production process
c. The cost incurred in 2020 of research activities performed by another firm, the project is expected to be completed in 2021
d. The total cost of a building (useful life 25 years, completed January 1 2020) to be used in various research and development projects

59. Which of the following is a correct statement concerning research and development (R&D) cost?
   a. All R&D costs, without exemption, must be charges to expense when incurred
   b. R&D can only be amortized over a life of 40 years or more
   c. Almost any treatment is acceptable for handling R&D costs
   d. Notes to the financial statements must disclose total amount of R&D cost expensed during the period
60. Which of the following costs related to computer software is capitalized to an intangible asset account?
   a. Cost of customer service
   b. Cost to duplicate discs and manuals for sale
   c. Development costs preceding technology feasibility
   d. Coding and testing cost incurred after technological feasibility but before completing the product master
61. On January 1, 2020, ABC Company capitalized cost for a new computer software product with an economic life of five years. Sale for 2020 were 30% of expected total sales of the software and the pattern of future sales can be measured reliably. At December 31, 2020, the software had a net realizable value equal to 90% of the capitalized cost. What percentage of the original capitalized cost should be presented as the net amount on December 31, 2020 balance sheet?
   a. 70%
   b. 72%
   c. 80%
   d. 90%
62. On January 1, 2020, ABC Company capitalized cost for a new computer software product with an economic life of five years. Sale for 2020 were 30% of expected total sales of the software. However, the pattern of future sales cannot be measured reliably. At December 31, 2020, the software had a net realizable value equal to 90% of the capitalized cost. What percentage of the original capitalized cost should be presented as the net amount on December 31, 2020 balance sheet?
   a. 70%
   b. 72%
   c. 80%
   d. 90%
63. The estimate of failure cash flows in calculating value in use include all of the following except

a. Cash inflows from the continuing use of the asset
b. Cash outflows necessarily incurred to generate the cash
c. Net cash flows from the disposal of the asset at the end of its useful life
d. Future cash outflows that are expected to arise from the improving or enhancing the asset's performance

64. Which the following items shall be excluded in estimating future cash flows determining the value in use of an asset?
a. Projection of cash inflow from the continuing use of the asset
b. Cash inflows or outflows from financing activities or income tax receipts or payments
c. Net cash flows to be received (or paid) for the disposal of the asset at the end of its useful life
d. Projections of cash outflows from the are necessarily incurred to generate the cash inflows from continuing of the asset

65. When calculating estimates of future cash flows for value in use, which one of those cash flows should not be include?
a. Income tax payments
b. Cash flows from disposal
c. Cash outflows on the maintenance of the asset
d. Cash flow from the sale of assets produced by the asset

66. If an impairment of PPE is indicated, any impairment losses is recorded as an amount equal to the excess of the
a. Carrying amount over the fair value of the asset
b. Recoverable amount over the carrying amount of the asset
c. Carrying amount over the recoverable amount of the asset
d. Carrying amount the discounted cash flows from the asset

67. When an impairment loss in cash-generating unit is reversed, it is allocated (pro-rata) to the unit asset, except for
a. Equipment
b. Goodwill
c. Land
d. Plant Applying IAS

68. In the case of grant related to an asset, which of these treatments is prescribed by PAS 20?
a. Take it income statement and disclose it as an extraordinary gain
b. Record the grant at a nominal value in the first year and write it off in the subsequent year?
c. Record the grant at fair value in the first year and write it off in the subsequent year?
d. Either set up the grant as deferred income or deduct in arriving at the carrying amount of the asset

69. In the case of grant related to income, which of these treatment is prescribe by PAS 20?
a. Credit the grant to retained earning's on the balance sheet

b. Credit the grant to retained reserve under shareholders' equity
c. Credit the grant to sales or other revenue from operations in the income statement
d. Present the grant in the income statement as other income or as a separate line item or deduct it from the related expense

70. In case of non-monetary grant, which of the following is prescribe by PAS 20?
a. Recorded the grant at a value estimated by management
b. Recorded the asset at replacement cost and the grant a nominal value
c. Recorded both the grant and the asset at fair value of the non-monetary asset
d. Recorded only the asset at fair value and not recognize the fair value of the grant

1. When the fair value of the biological assets cannot be determined reliably, the biological asset should be measured
   a. Cost
   b. Net realizable
   c. Cost less accumulated depreciation
   d. Cost less accumulated depreciation and accumulated impairment losses
2. When agricultural produce is harvested, the harvested should be accounted for by using PAS 2, Inventories, or another applicable Philippine Financial Reporting Standard. For the purposes of that Standard, the cost on the date of harvest is deemed to be
   a. Market value
   b. The historical cost of the harvest
   c. Its fair value less cost to sell at point of harvest
   d. The historical cost less accumulated impairment losses
3. At certain stage of production, inventories of agricultural forest and mineral resources are measured at
   a. Cost
   b. Net realizable value
   c. Elative sales price
   d. Standard cost
4. An entity has a plantation forest that is likely to be harvested and sold in 30 years. The income should be accounted for in which of the following?
   a. No income should be reported annually until first harvest ad sale in 30 years
   b. The eventual sale proceeds should be estimated and matched to the profit and loss account over the 30 years period
   c. Income should be measured annually and reported using a fair value approach that recognizes and measures biological growth
   d. The plantation forest should be valued every 5 years and the increase in value should be shown in the statement of recognized gains and losses
5. ABC Company owns a number of herds of cattle. Where changes in the fair value of herd of cattle should be recognized in the financial statements, according to PAS 41, Agriculture?
   a. In profit or loss only
   b. In the statement of cash flows only
   c. In other comprehensive income only
   d. In profit or loss or other comprehensive income
6. A gain or loss arising on the initial recognition of a biological asset and from change in the fair value less estimated costs to sell of biological asset should be included in
   a. A capital reserve within equity
   b. A separate revaluation reserve
   c. The net profit of loss for the period
   d. The statement of recognized gains and losses

7. Where there is a production cycle of more than one year, PAS 41 encourages separate disclosure of the
    a. Physical change only
    b. Price change only
    c. Physical change and price change
    d. Total change in value
8. An unconditional government grant related to a biological asset that has been measured at fair value less costs to sell should be recognized as
    a. Income when the grant becomes receivable
    b. A deferred credit when the grant has been approved
    c. A deferred credit when the grant becomes receivable
    d. Income when the grant application has been submitted
9. If a government grant related to biological asset is conditional on certain events, then the grant should be recognized as
    a. Income when the grant has been approved
    b. A deferred credit when the grant is approved
    c. Income when the conditions attaching to the grant are met
    d. A deferred credit when the conditions attached to the government grant are met
10. Which of the following statements are correct according to PAS 41 (Agriculture)?

    Statement I: A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell without exception

    Statement II: Agricultural produce harvested from an entity's biological assets shall be measured at its fair value less to sell at the point of harvest
    a. I only
    b. II only
    c. Both I and II
    d. Neither I nor II
11. In case of property held under an operating lease and classified as investment property, the entity
    a. Has to use fair value model only
    b. Has to choice between the cost model and the fair value model
    c. Has to account for the investment property under the cost model only
    d. Need only to disclose the for value and can use the cost model under PAS 38
12. Which of the following generally provides the best evidence of fair value of an investment property?
    a. Discounted cash flow projection based on reliable estimated of future cash flows
    b. Current price for properties of a different nature or subject to different conditions
    c. Current price in an active market for similar property in the same location and occupation
    d. Recent price on less active markets with adjustment to reflect the changes in economic conditions

13. A gain rising from a change in the fair value of an investment property for which an entity has opted to use the fair value model is recognized in
  a. Net profit or loss for the year
  b. General reserve in the shareholders equity
  c. Valuation reserve in the stockholders equity
  d. None of the above
14. A gain or loss arising from the a change in the fair value investment property shall
  a. Not be recognized in the accounts
  b. Be recognized directly to equity in the period in which it arises
  c. Be recognized in the profit or loss for the period in which it arise
  d. Be recognized as an adjustment to retained earnings at the beginning of the year
15. Transfer from investment property to property, plant and equipment are appropriate
  a. When there is change if use
  b. Based on the entity's discretion
  c. Only when the entity adopts the fair value model under IAS 38
  d. The entity can never transfer property into other classification on the balance sheet once it is classified as investment property
16. When an owner-occupied property is transferred to investment to investment property at fair value, a decrease in the carrying amount of the property to its fair value at the date of transfer
  a. Is carried directly to equity
  b. Is absorbed by retained earnings
  c. Is recognized in profit and loss at all times
  d. Is recognized in profit and loss a revalued property, charge against the revolution surplus to the extent if its credit balance
17. Derecognition of investment property will not be required when
  a. It is sold
  b. It becomes the subject of a finance lease
  c. It becomes the subject of an operating lease
  d. It becomes the subject of a sale and leaseback deal
18. PAS 16 requires that revaluation surplus resulting from initial revaluation of property, plant and equipment should be tested in one of the following ways. Which of the four option mirrors the requirements of PAS 16?
  a. Credit to retained earnings as this is an unrealized gain
  b. Deducted from current assets and added to property, plant & equipment
  c. Released to the income statement an amount equal to the difference between the depreciation calculated on historical cost vis-a-vis revalued amount.
  d. Debited to the class of property, plant and equipment that is being revalued and credited to reserve captioned "revaluation surplus", which is presented under equity
19. When the balance carried is an 'asset revaluation surplus' account in relation to an asset that has been derecognized, it is acceptable under PAS 16 to

a. Transfer the balance to retained earnings
b. Transfer the balance to share capital account
c. Transfer the balance to provision account for future asset revaluation
d. Recognized the balance in profit or loss of the period in which the asset was derecognized

20. When an entity chooses the revaluation model as its accounting policy for measuring property, plant and equipment, which of the following statements in correct?
a. Revaluation of property, plant and equipment must be made at least every three years
b. When an assets is revalued, the entire class of property, plant and equipment to which that assets belong must be revalued
c. Increased in an component of profit or loss
d. When an asset is revalued, individual assets within a class of property, plant and equipment to which the asset belong can be revalued

21. A newly acquired plants assets is to be depreciated over its useful life. The rational for this process is the
a. Economic entity assumption
b. Going concern assumption
c. Materiality assumption
d. Monetary unit assumption

22. Accounting for tangible operational assets is primarily in conformity with the
a. Matching principle
b. Historical cost principle
c. Matching principle and realization principle
d. Matching principle and historical cost principle

23. Depreciation best applies to
a. Recorded costs that must be divide among periods
b. Unrecorded (accrued) revenues that must be recorded
c. Unrecorded (accrued) expense that must be recorded
d. Recorded revenue that must be divided among periods

24. Depreciation is normally computed on the basis of the nearest K, W & W
a. Day and to the nearest peso
b. Day and to the nearest centavo
c. Full month and to the nearest peso
d. Full month and to the nearest centavo

25. If a plant asset is retired before it is fully depreciated and no salvage value is received
a. A gain on disposal occurs
b. A loos on disposal occurs
c. Either a gain or loss can occur
d. Neither a gain nor a loss occurs

26. Which of the following statements regarding depreciation is true, according to PAS 16, *Property, Plant and Equipment*?
    a. The total cost of an asset must eventually be depreciated
    b. The annual depreciation charge should be constant over the life of the asset
    c. An asset must be depreciated from the date of its purchase to the date sale
    d. If the carrying amount of an asset is less than the residual value, depreciation is not charge
27. Technical or commercial obsolescence arise from
    a. Expected using of the asset
    b. Expected physical wear and tear
    c. Expiry date of related of lease of the asset
    d. Improvement in production or change in market demand for the output of the asset
28. Accumulated depreciation, as used in accounting, represents
    a. Funds set aside to replace assets
    b. An express on the income statement
    c. The portion of the asset cost written off as an expense since the acquisition date
    d. Earnings retained in the business that will be used to purchase another operational asset when the related asset becomes fully depreciate
29. What is the minimum book value to be shown in the balance sheet for a plant asset which is expected to be for a reasonable amount at end of its useful life?
    a. Accumulated depreciation
    b. Depreciable cost
    c. Salvage value
    d. Zero
30. Normally depreciation should not be recognized on plant assets during their construction period. What is the exception?
    a. When the length of the construction period is unduly prolonged
    b. When the carrying amount of the property cannot be realized through sale
    c. When evidence indicates that operations will not produce sufficient revenue to overall cost including depreciation
    d. When partial use of the asset cab be identified with an income during their construction period and corresponding costs can be ascertained
31. In which of the following situations is the units-of-production method of depreciation most appropriate?
    a. An asset is subject to rapid obsolescence
    b. An asset's service potential declines with use
    c. An asset's service potential declines with the passage of time
    d. An asset incurs increasing repairs and maintenance with use
32. When entity allocates depreciation to the separate part of an asset and each part is accounted for separately, the entity is using which of the following approaches to depreciation

a. Components depreciation
b. Periodic depreciation
c. Replacement cost depreciation
d. An asset incurs increasing repairs and maintenance with use

33. A principal objection to the straight-line method of depreciation is that is
a. Ignores variations in the rate asset use
b. Provides for t5he declining productivity of an aging asset
c. Gives smaller periodic write-offs than decreasing charge methods
d. Tends to result in a constant rate return on diminishing investment bases

34. Ignoring tax effects, accelerated depreciation methods
a. Increase funds provided by operations
b. Tend to decrease the fixed assets turnover ratio
c. Provide funds for the earlier replacement of fixed assets
d. Tend to offset steadily increasing repair and maintenance costs

35. Depreciation is computer on the original cost without deducting estimated salvage value under which of the following depreciation methods?

	A	B	C	D
Declining balance	Yes	Yes	No	No
Productive Output	Yes	No	Yes	No

36. An asset has a nine year useful life and is to be depreciated under the sum-of-the-years digits method. The annual depreciation expense would be the same as that under the straight line method in the
a. Third year
b. Fifth year
c. Seventh year
d. Ninth year

37. The following are based on PAS 16 (Property, Plant and Equipment):
Statement I: An entity is required to measure the residual value of an item of property plant and equipment as the amount it estimate it would receive currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life
Statement II: An entity is required to determine the depreciation charge separately for each significant part of an item of property, plant of an item of property, plant and equipment
Statement III: If fair value can be measured reliably, an entity should carry all times of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of the revaluation less any subsequent depreciation and accumulated impairment losses

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

38. Capitalization of construction period interest is based primarily upon the
   a. Comparability principle
   b. Full-disclosure principle
   c. Matching principle
   d. Revenue principle
39. Capitalization of borrowing costs shall be suspended
   a. Only during temporary periods of delay
   b. At no instance at all as capitalization has already commenced
   c. Only upon agreement by management and the construction company
   d. Only during extend periods of delay in which active development is delayed
40. A company constructed machinery for its own use. A bank loan specifically finance this property both during after the construction. How much of the interest incurred should be reported as interest expense?
   a. All interests incurred
   b. Interest incurred after completion
   c. Interest incurred before completion
   d. Zero
41. Which of the following is not disclosure requirements under PAS 23?
   a. Accounting policy adopted for borrowing costs
   b. Amount of borrowing cost capitalized during the period
   c. Capitalization rate use to determine the amount of borrowing cost eligible for capitalization
   d. Segregation of assets that re "qualifying assets" on the balance sheet as a disclosure in the financial statements notes
42. Under PAS, Borrowing Cost, which of the following statements about the capitalization of borrowing costs as part of the cost of a qualifying assets is true?
   a. Capitalization always continues as soon as expenditure of the assets is incurred
   b. Capitalization always commences as soon as expenditure of the assets is incurred
   c. Capitalization always commences as soon as interest on relevant borrowing is being incurred
   d. If funds comes from general borrowing in the amount to be capitalized is based on the weighted-average cost borrowing
43. Which two of the following models may be applied by entities for the measurement after recognition of exploration and evaluation assets in accordance with PFRS 6, Exploration and Evaluation of Mineral Resources
   a. Cost and present value
   b. Cost and revaluation
   c. Realization and present value
   d. Revaluation and realization
44. Which measurement model applies to exploration and evaluation assets subsequent to initial recognition?

a. The cost model
b. The revaluation
c. The recoverable
d. Either the cost model or the revaluation model

45. Which of the following is not a disclosure requirements by PFRS 6?
  a. Information about commercial reserve quantities
  b. Accounting policies for exploration and evaluation expenditures including the recognition of the exploration and evaluation assets
  c. Information that identifies and explains the amounts recognized in the financial statements arising from the exploration of mineral resources
  d. The amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration and evaluation of mineral resources
46. Which of the following is criterion that must be met in order for an item to be recognized as an intangible assets other than goodwill?
  a. The item's fair value can be measured reliably
  b. The item is identifiable and lacks physical substance
  c. The item is expected to be used in the production or supply of goods services
  d. The item is part of the entity's activities aimed at gaining new scientific or technical knowledge
47. Identify the specific intangible asset that is outside the scope of PAS 38 "Intangible Assets"
  a. Goodwill
  b. Patent
  c. Research & Development
  d. Trade bank
48. Which of the following examples is unlikely to meet the definition of an intangible assets?
  a. Customer-related, such as customer list and contracts
  b. Technology-based, such a computer software and databases
  c. Pure research based, such as general expenditure on research
  d. Marketing-related, such as trademarks and internet domain names
49. Identifiability is seen as the characteristic that conceptually distinguished other intangible assets from
  a. Copyright
  b. Franchise
  c. Goodwill
  d. patent
50. goodwill should be properly appear in the statements of financial position of a company which
  a. has purchased an entity
  b. meets all of the conditions
  c. consistent operates profitability
  d. consistently reports above-normal profits

51. Goodwill should be recorded in the accounting records only when
   a. It's is internally generated
   b. It is acquired through the acquisition of another business
   c. A firm reports above normal earnings for five or more consecutive years
   d. It can be established that a definite benefit or advantage has resulted to a firm from some items such as good name capable staff or eruption.
52. Which of the following confers exclusive right to conduct business in a particular territory?
   a. Franchise
   b. Leasehold improvement
   c. Patent-copyright
   d. Trademark
53. Which of the following items as an intangible assets under PAS 38?
   a. Operating losses during the initial stage of the project
   b. Advertising and promotion on the launch of huge product
   c. Legal cost to paid intellectual property lawyers to register a patent
   d. College tuition fees paid to employees who decide to enroll in executive MBA program while working with the company
54. Amortization of specific intangible assets result primarily form application of the
   a. Cost principle
   b. Full-disclosure principle
   c. Matching principle
   d. Revenue principle
55. A intangible asset with a indefinite life is one where
   a. The length of life is over 20 years
   b. The directors feel that the intangible asset will not lose value in the foreseeable future
   c. There is no foreseeable limit on the period over which the asset will generate cash flows
   d. Thee is contractual or legal arrangement that last for period in excess of five years
56. An intangible assets with an indefinite life is accounted for as allows
   a. Amortized and no impairment test
   b. Amortized and impairment tests annually
   c. No amortization but tested for impairment annually
   d. Amortized and tested for impairment if there is a trigger event
57. In relation to the amortization of intangible assets, if an intangible assets, if an intangible asset has finite useful life
   a. It must be amortized over that life
   b. It is not subject to annual amortization charge
   c. It must be amortized over a period not exceeding 40 years
   d. It must be amortized across a period not exceeding 5 years
58. Which of the following is most likely included in research and development
   a. Depreciation in 2014 of the building used for research and development

b. The cost incurred in 2014 to ensure quality control for existing production process
c. The cost incurred in 2014 of research activities performed by another firm, the project is expected to be completed in 2015
d. The total cost of a building (useful life 25 years, completed January 1 2014) to be used in various research and development projects

59. Which of the following is a correct statement concerning research and development (R&D) cost?
    a. All R&D costs, without exemption, must be charges to expense when incurred
    b. R&D can only be amortized over a life of 40 years or more
    c. Almost any treatment is acceptable for handling R&D costs
    d. Notes to the financial statements must disclose total amount of R&D cost expensed during the period
60. Which of the following costs related to computer software is capitalized to an intangible asset account?
    a. Cost of customer service
    b. Cost to duplicate discs and manuals for sale
    c. Development costs preceding technology feasibility
    d. Coding and testing cost incurred after technological feasibility but before completing the product master
61. On January 1, 2019, ABC Company capitalized cost for a new computer software product with an economic life of five years. Sale for 2019 were 30% of expected total sales of the software and the pattern of future sales can be measured reliably. At December 31, 2019, the software had a net realizable value equal to 90% of the capitalized cost. What percentage of the original capitalized cost should be presented as the net amount on December 31, 2019 balance sheet?
    a. 70%
    b. 72%
    c. 80%
    d. 90%
62. On January 1, 2019, ABC Company capitalized cost for a new computer software product with an economic life of five years. Sale for 2019 were 30% of expected total sales of the software. However, the pattern of future sales cannot be measured reliably. At December 31, 2019, the software had a net realizable value equal to 90% of the capitalized cost. What percentage of the original capitalized cost should be presented as the net amount on December 31, 2019 balance sheet?
    a. 70%
    b. 72%
    c. 80%
    d. 90%
63. The estimate of failure cash flows in calculating value in use include all of the following except

a. Cash inflows from the continuing use of the asset
b. Cash outflows necessarily incurred to generate the cash
c. Net cash flows from the disposal of the asset at the end of its useful life
d. Future cash outflows that are expected to arise from the improving or enhancing the asset’s performance

64. Which the following items shall be excluded in estimating future cash flows determining the value in use of an asset?
a. Projection of cash inflow from the continuing use of the asset
b. Cash inflows or outflows from financing activities or income tax receipts or payments
c. Net cash flows to be received (or paid) for the disposal of the asset at the end of its useful life
d. Projections of cash outflows from the are necessarily incurred to generate the cash inflows from continuing of the asset

65. When calculating estimates of future cash flows for value in use, which one of those cash flows should not be include?
a. Income tax payments
b. Cash flows from disposal
c. Cash outflows on the maintenance of the asset
d. Cash flow from the sale of assets produced by the asset

66. If an impairment of PPE is indicated, any impairment losses is recorded as an amount equal to the excess of the
a. Carrying amount over the fair value of the asset
b. Recoverable amount over the carrying amount of the asset
c. Carrying amount over the recoverable amount of the asset
d. Carrying amount the discounted cash flows from the asset

67. When an impairment loss in cash-generating unit is reversed, it is allocated (pro-rata) to the unit asset, except for
a. Equipment
b. Goodwill
c. Land
d. Plant Applying IAS

68. In the case of grant related to an asset, which of these treatments is prescribed by PAS 20?
a. Take it income statement and disclose it as an extraordinary gain
b. Record the grant at a nominal value in the first year and write it off in the subsequent year?
c. Record the grant at fair value in the first year and write it off in the subsequent year?
d. Either set up the grant as deferred income or deduct in arriving at the carrying amount of the asset

69. In the case of grant related to income, which of these treatment is prescribe by PAS 20?
a. Credit the grant to retained earning’s on the balance sheet

b. Credit the grant to retained reserve under shareholders' equity
c. Credit the grant to sales or other revenue from operations in the income statement
d. Present the grant in the income statement as other income or as a separate line item or deduct it from the related expense

70. In case of non-monetary grant, which of the following is prescribe by PAS 20?

a. Recorded the grant at a value estimated by management
b. Recorded the asset at replacement cost and the grant a nominal value
c. Recorded both the grant and the asset at fair value of the non-monetary asset
d. Recorded only the asset at fair value and not recognize the fair value of the grant