



FINAL EXAM

Course # 171030 A Guide to IFRS

based on the electronic .pdf file(s):

A Guide to IFRS

by: Delta CPE, 2014, 32 pages



2 CPE Credit Hours
Accounting & Auditing

A P E X C P E . C O M 800.273.9619 support@apexcpe.com

This exam sheet is made available for your convenience in answering questions while offline. Please note that you will still need to enter your answers on the online exam sheet for grading. Instructions are provided at the end of this document.

Chapter 0 - Course Material

1. Inventory should be stated at

- Lower of cost and fair value.
- Lower of cost and net realizable value.
- Lower of cost and nominal value,
- Lower of cost and net selling price.

2. FIFO inventory equals

- LIFO inventory + LIFO reserve.
- LIFO inventory + price adjustments.
- LIFO inventory – LIFO reserve.
- LIFO inventory – FIFO reserve.

3. IAS 16 requires that revaluation surplus resulting from initial revaluation of property, plant, and equipment should be treated in one of the following ways. Which of the four options mirrors the requirements of IAS 16?

- Credited to retained earnings as this is an unrealized gain.
- Released to the income statement an amount equal to the difference between the depreciation calculated on historical cost vis-a-vis revalued amount.
- Deducted from current assets and added to the property, plant, and equipment.
- Debited to the class of property, plant, and equipment that is being revalued and credited to a reserve captioned "revaluation surplus",- which is presented under "equity."

4. An impairment loss that relates to an asset that has been revalued should be recognized in

- Profit or loss.
- Opening retained profits.
- Revaluation reserve that relates to the revalued asset.
- Any reserve in equity.

5. The classification of a lease as either an operating or finance lease is based on

- The length of the lease.
- The transfer of the risks and rewards of ownership.
- The minimum lease payments being at least 50% of the fair value.
- The economic life of the asset.

6. "Bill and hold" sales, in which delivery is delayed at the buyer's request but the buyer assumes title and accepts invoicing, should be recognized when

- The buyer makes an order.
- The seller starts manufacturing the goods.
- The title has been transferred but the goods are kept on the seller's premises.
- It is probable that the delivery will be made, payment terms have been established, and the buyer has acknowledged the delivery instructions.

7. IFRS prohibits use of _____ to account for long-terms construction contracts.

- The completed-contract method.
- The percentage-of-completion method.
- The zero profit method.
- The stage of completion method.

8. "Value in use" is

- The market value.
- The present value of expected future net cash flows over the remaining useful life of the asset.
- The higher of an asset's fair value less cost to sell and its market value.
- The amount at which the asset is recognized in the balance sheet.

9. IAS 36 applies to which of the following assets?

- Inventories.
- Financial assets.
- Assets held for sale.
- Property, plant, and equipment.

10. What is the objective of financial statements according to the Framework?

- To provide information about the financial position, performance, and changes in financial position of an entity that is useful to a wide range of users in making economic decisions.
- To prepare and present a balance sheet, an income statement, a cash flow statement, and a statement of changes in equity.
- To prepare and present comparable, relevant, reliable, and understandable information to investors and creditors.
- To prepare financial statements in accordance with all applicable Standards and Interpretations.

11. Which of the following is not a qualitative characteristic of financial statements according to the Framework?

- Understandability.
- Materiality.
- Comparability.
- Relevance.

Instructions for Submitting Answers Online:

- Sign In at www.ApexCPE.com
- Click the "My CPE" tab at the top of the page.
- Click "My CPE Courses".
- Find the current CPE year and click "Go to My Courses".
- Find this course and click the "Go to Course" link.
- Step 2 on the Course Syllabus page is "Take the Final Exam". Click the "Begin Final

Exam" link.

- *Enter your answers on the online exam sheet.*
- *Click the "Grade Exam" button at the bottom of the page. Your exam will be graded automatically. If your score exceeds 70%, a "Create Certificate" button will display. Otherwise, you may continue to retake the exam until you pass.*
- *A short evaluation page will display. Please provide your feedback for the course.*
- *Once the evaluation is complete, click the "Submit Evaluation & Create Certificate" button at the top of the page.*
- *You may print your Certificate of Completion by selecting File Print from your browser. Certificates remain online for at least five years from the certificate date.*

**If you have any questions, please call us at 800.273.9619
or send an email to support@apexcpe.com**

COPYRIGHT 2013 Apex CPE - ALL RIGHTS RESERVED

800.273.9619