

# CPAAustralia.Financial-Accounting-and-Reporting.v2024-11-21.q35

<b>Exam Code:</b>	Financial-Accounting-and-Reporting
<b>Exam Name:</b>	CPA Financial Accounting and Reporting Exam
<b>Certification Provider:</b>	CPA Australia
<b>Free Question Number:</b>	35
<b>Version:</b>	v2024-11-21
<b># of views:</b>	440
<b># of Questions views:</b>	350
<a href="https://www.freepdfdumps.com/CPAAustralia.Financial-Accounting-and-Reporting.v2024-11-21.q35.html">https://www.freepdfdumps.com/CPAAustralia.Financial-Accounting-and-Reporting.v2024-11-21.q35.html</a>	

## NEW QUESTION: 1

Which one of the following examples would not represent an agency cost?

- A. the cost of engaging an external auditor
- B. the cost of preparing a cost-benefit report for a new project
- C. the cost of employing an internal auditor
- D. the cost of preparing a financial report for shareholders

**Answer:** (SHOW ANSWER)

## NEW QUESTION: 2

Which one of the following statements is correct?

- A. Accounting standards provide the basic knowledge upon which the conceptual framework is developed.
- B. Accounting standards prescribe the possible accounting treatments.
- C. Australian accounting standards are based on the US GAAP.
- D. Accounting standards are developed and maintained using a consultative process with the OECD.

**Answer:** B (LEAVE A REPLY)

## NEW QUESTION: 3

Financial managers will benefit in a strongly efficient market by

- A. having their shareholders be tolerant of low profits if higher profits are expected in the future.
- B. being able to take more risks without shareholders' consent.
- C. having their shareholders invest more money into expanding the company's operations.
- D. being able to decide what information needs to be made available to shareholders.

**Answer: ([SHOW ANSWER](#))**

**NEW QUESTION: 4**

Which one of the following is an objective of the International Federation of Accountants (IFAC)?

- A. to provide advice on accounting standards to the OECD
- B. to establish high quality professional standards in accountancy
- C. to issue new international financial reporting standards (IFRS)
- D. to provide direction to the Financial Accounting Standards Board (FASB)

**Answer: B ([LEAVE A REPLY](#))**

**NEW QUESTION: 5**

Which one of the following is not a principal motivation for creative accounting?

- A. bonus-related pay
- B. personal incentives
- C. benefits from shares and share options
- D. public good

**Answer: D ([LEAVE A REPLY](#))**

**NEW QUESTION: 6**

According to the Australian Accounting Standards Board, which one of the following is a benefit of adopting International Financial Reporting Standards (IFRSs)?

- A. to enable the national government to control activities of foreign multinationals
- B. to make it easier for tax authorities to calculate taxes on investors' overseas income
- C. to become a resource for developing nations who can easily adopt IFRSs as a full set of standards
- D. to increase foreign investors' understanding of local financial reports

**Answer: ([SHOW ANSWER](#))**

**NEW QUESTION: 7**

Which one of the following financial statements helps provide information about factors that might affect an entity's liquidity or solvency?

- A. statement of cash flows
- B. notes to the financial statements
- C. statement of changes in equity
- D. statement of profit or loss and other comprehensive income

**Answer: A ([LEAVE A REPLY](#))**

**NEW QUESTION: 8**

Which one of the following situations would result in either a new liability being recognised or an existing liability being increased?

- A. A company establishes an asset revaluation reserve.
- B. A company pays only half of an overdue invoice.
- C. At the end of the reporting period, there are unpaid wages.
- D. A company recognises the depreciation expense for the current period.

**Answer: C (LEAVE A REPLY)**

#### **NEW QUESTION: 9**

Which one of the following includes social reporting guidelines?

- A. International Accounting Standards (IAS)
- B. Generally Accepted Accounting Principles (GAAP)
- C. Global Reporting Initiative (GRI)
- D. International Financial Reporting Standards (IFRS)

**Answer: C (LEAVE A REPLY)**

#### **NEW QUESTION: 10**

Investors use the audited financial statements of a company to

- I) evaluate the company's current return on assets
- II) predict the company's market conditions for future years.
- III) predict the company's market conditions for future years.
- IV) make a judgement on the liquidity and solvency of the company.

- A. I and IV only
- B. III and IV only
- C. I and III only
- D. II and III only

**Answer: A (LEAVE A REPLY)**

#### **NEW QUESTION: 11**

To be relevant, financial information has to

- I) be provided in a timely manner.
- II) comply with the going concern assumption.
- III) have predictive and/or confirmatory value.
- IV) exclude computations that are difficult to understand.

- A. I and II only
- B. I and III only
- C. III and IV only
- D. II and III only

**Answer: (SHOW ANSWER)**

#### **NEW QUESTION: 12**

Which one of these is a disadvantage of a conceptual framework?

- A. It replaces the established principles.

- B. It mandates the formats of various financial statements.
- C. A single framework is not suitable for all users of financial statements.
- D. It increases the chances of political interference in the development of accounting standards.

**Answer: C (LEAVE A REPLY)**

#### **NEW QUESTION: 13**

Which one of the following is not an Australian Securities Exchange (ASX) principle of good corporate governance?

- A. Respect the rights of shareholders.
- B. Remunerate fairly and responsibly.
- C. Safeguard the environment.
- D. Promote ethical and responsible decision-making.

**Answer: C (LEAVE A REPLY)**

#### **NEW QUESTION: 14**

Which one of the following is not an advantage of accounting regulation?

- A. It provides flexibility in the way accounting information is presented to users.
- B. It provides quality of information in and across financial statements.
- C. It instils public confidence in the accounting system employed in commerce and industry.
- D. It provides the required accounting information to all necessary shareholders.

**Answer: A (LEAVE A REPLY)**

#### **NEW QUESTION: 15**

A statement of comprehensive income reports on

- A. financial position.
- B. solvency.
- C. financial performance.
- D. changes in financial position.

**Answer: C (LEAVE A REPLY)**

#### **NEW QUESTION: 16**

The Framework for the Preparation and Presentation of Financial Statements which assists the development of the International Financial Reporting Standards (IFRS) was originally approved by the

- A. International Federation of Accountants (IFAC).
- B. International Accounting Standards Board (IASB).
- C. IFRS Interpretations Committee (IFRIC).
- D. International Accounting Standards Committee (IASC).

**Answer: D (LEAVE A REPLY)**

**Valid Financial-Accounting-and-Reporting Dumps** shared by Actual4test.com for Helping Passing Financial-Accounting-and-Reporting Exam! Actual4test.com now offer the **newest Financial-Accounting-and-Reporting exam dumps**, the Actual4test.com Financial-Accounting-and-Reporting exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com Financial-Accounting-and-Reporting dumps with Test Engine here: [https://www.actual4test.com/Financial-Accounting-and-Reporting\\_examcollection.html](https://www.actual4test.com/Financial-Accounting-and-Reporting_examcollection.html) (100 Q&As Dumps, **30%OFF Special Discount: Freepdfdumps**)

**NEW QUESTION: 17**

Which one of the following bases of measurement is used to implement an approach to capital maintenance based on maintaining the operating capability of a business?

- A. deprival value
- B. current value
- C. fair value
- D. current purchasing power

**Answer: (SHOW ANSWER)**

**NEW QUESTION: 18**

Which one of these is a key principle of good corporate governance?

- A. effective management of the employees of the company
- B. effective communication with shareholders
- C. non-disclosure of directors' agency relationship with the company
- D. restriction of shareholders' rights in decision-making

**Answer: (SHOW ANSWER)**

**NEW QUESTION: 19**

Which one of the following describes the key advantage of the manual system of accounting?

- A. The quality of output is not necessarily an issue.
- B. Processing is maintained at a reasonable speed even while dealing with large volumes of data.
- C. Corrections are easily managed as updating or recreating the whole document is not difficult.
- D. A thorough understanding of the business can be gained through it.

**Answer: D (LEAVE A REPLY)**

**NEW QUESTION: 20**

Which one of the following statements differentiates semi-strong form efficiency from strong form efficiency in the context of the efficient market hypothesis?

- A.** Semi-strong form efficiency does not reflect knowledge whereas strong form efficiency considers knowledge in addition to publicly available information and past price movements.
- B.** Semi-strong form efficiency reflects all past price movements whereas strong form efficiency reflects future share price movements.
- C.** Semi-strong form efficiency does not reflect all publicly available information whereas strong form efficiency does incorporate all publicly available information.
- D.** Semi-strong form efficiency addresses operational efficiency whereas strong form efficiency aims to address allocative efficiency.

**Answer:** ([SHOW ANSWER](#))

#### **NEW QUESTION: 21**

Which one of the following is an accurate definition of fair value of an asset?

- A.** The amount yet to be written off over the remainder of the asset's useful life.
- B.** The price for which an asset could be sold net of disposal costs.
- C.** The cost of replacing an asset with an identical item.
- D.** The price for which an asset could be sold in an orderly transaction between market participants at the measurement date.

**Answer:** ([SHOW ANSWER](#))

#### **NEW QUESTION: 22**

Which one of the following shows whether the financial statements of a company show a true and fair presentation of the financial performance of the company?

- A.** Auditor's Report
- B.** Corporate Governance Statement
- C.** Director's Report
- D.** Statement of cash flows

**Answer:** **A** ([LEAVE A REPLY](#))

#### **NEW QUESTION: 23**

The concept of transparency in corporate governance means that listed companies should disclose

- A.** only mandatory information by management.
- B.** material information that affects decisions.
- C.** confidential issues relating to competitors.
- D.** their future strategy.

**Answer:** ([SHOW ANSWER](#))

#### **NEW QUESTION: 24**

Restrictions on the scope of a specific accounting standard are stated in

- A. the explanatory materials provided by the AASB.
- B. various Statements of Accounting Concepts (SACs) issued by the AASB.
- C. that specific standard.
- D. the IASB's Conceptual Framework.

**Answer: C (LEAVE A REPLY)**

#### **NEW QUESTION: 25**

The two fundamental qualitative characteristics of the financial information are

- A. verifiability and relevance.
- B. relevance and comparability.
- C. relevance and faithful representation.
- D. faithful representation and comparability.

**Answer: C (LEAVE A REPLY)**

#### **NEW QUESTION: 26**

The IASB evaluates the merits of adding a potential item to its agenda mainly by reference to the needs of

- A. suppliers.
- B. regulatory authorities.
- C. tax agencies.
- D. investors.

**Answer: D (LEAVE A REPLY)**

#### **NEW QUESTION: 27**

A statement of generally accepted theoretical principles which form the frame of reference for financial reporting refers to the

- A. Regulatory Framework.
- B. International Financial Reporting Standards.
- C. Conceptual Framework.
- D. Generally Accepted Accounting Principles.

**Answer: C (LEAVE A REPLY)**

#### **NEW QUESTION: 28**

The amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal, refers to which basis of measurement?

- A. present value
- B. historical cost
- C. realisable value
- D. current cost

**Answer: C (LEAVE A REPLY)**

**NEW QUESTION: 29**

A decision has been made to change the value of a major non-current asset, upon which depreciation is based, from original cost to a revalued amount. This results in a change in

- A. measurement basis and must be disclosed.
- B. measurement basis and does not need to be disclosed.
- C. accounting estimate and must be disclosed.
- D. accounting estimate and does not need to be disclosed.

**Answer: A (LEAVE A REPLY)**

**NEW QUESTION: 30**

JK Ltd intentionally over-valued its closing inventories to increase profitability for the year 20X8. This would help them to better price a planned share issue in 20X9. By doing this they have breached the concept of

- A. completeness.
- B. understandability.
- C. substance over form.
- D. neutrality.

**Answer: (SHOW ANSWER)**

**NEW QUESTION: 31**

Variations in the regulatory regime over financial reporting in different countries is attributable to a range of differences including

- A. consumer laws, taxation requirements and the extent to which the country has adopted international financial reporting standards.
- B. company structures, ownership, local culture and the level of development of the country.
- C. the needs of investors, creditors, employees, lending institutions and taxation authorities.
- D. the extent to which the country has adopted international financial reporting standards and the requirements of local securities exchange.

**Answer: (SHOW ANSWER)**

**Valid Financial-Accounting-and-Reporting Dumps** shared by Actual4test.com for Helping Passing Financial-Accounting-and-Reporting Exam! Actual4test.com now offer the **newest Financial-Accounting-and-Reporting exam dumps**, the Actual4test.com Financial-Accounting-and-Reporting exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com Financial-Accounting-and-Reporting dumps with Test Engine here: <https://www.actual4test.com/Financial->

**NEW QUESTION: 32**

In a strong efficient market, the finance manager will

- A. employ analysts to determine the best time to issue shares.
- B. maximise the net present value of the firm's investments.
- C. analyse historical data on takeover targets.
- D. develop strategies to disclose the company's profit or loss.

**Answer: B ([LEAVE A REPLY](#))**

**NEW QUESTION: 33**

Which one of the following is an advantage of current purchasing power accounting?

- A. It provides a clear use of indices which approximates the measurement of value.
- B. It enables raw data to be just easily verifiable but not auditable.
- C. It supposes that value of net assets clearly reflects general goods and services are bought once assets were released.
- D. It provides a stable monetary unit that values profit and capital.

**Answer: ([SHOW ANSWER](#))**

**NEW QUESTION: 34**

Which one of these concepts suggests that stock prices react to new information almost instantly?

- A. incentive substitution
- B. efficient market
- C. market power
- D. bargaining power

**Answer: B ([LEAVE A REPLY](#))**

**NEW QUESTION: 35**

Published financial statements are regulated by

- A. rules to ensure the provision of consistent financial information to investors.
- B. shareholders who specify the framework for the provision of consistent and comparable financial information for decision-making.
- C. International Financial Reporting Standards to ensure the provision of useful financial information to shareholders.
- D. accounting and legal rules to ensure the provision of relevant and reliable financial information to shareholders.

**Answer: D ([LEAVE A REPLY](#))**

**Valid Financial-Accounting-and-Reporting Dumps** shared by Actual4test.com for Helping Passing Financial-Accounting-and-Reporting Exam! Actual4test.com now offer the **newest Financial-Accounting-and-Reporting exam dumps**, the Actual4test.com Financial-Accounting-and-Reporting exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com Financial-Accounting-and-Reporting dumps with Test Engine here: [https://www.actual4test.com/Financial-Accounting-and-Reporting\\_examcollection.html](https://www.actual4test.com/Financial-Accounting-and-Reporting_examcollection.html) (**100** Q&As Dumps, **30%OFF** Special Discount: **Freepdfdumps**)