

TorrentExam

Input your exam code ...

The passing rate of our valid exam braindumps for most certifications is high up to 99%. A small PDF dumps free is ready to download for new customers to tell if our exam dumps are suitable for their real exam.

All Products

Contact now

Why Choose Us



QUALITY AND VALUE

RealExamFree Practice Exams are written to the highest standards of technical accuracy, using only certified subject matter experts and published authors for development - no all dumps.



TESTED AND APPROVED

We are committed to the process of vendor and third party approvals. We believe professionals and executives alike deserve the confidence of quality coverage these authorizations provide.



EASY TO PASS

If you prepare for the exams using our RealExamFree testing engine, It is easy to succeed for all certifications in the first attempt. You don't have to deal with all dumps or any free torrent / rapidshare all stuff.



TRY BEFORE BUY

RealExamFree offers free demo of each product. You can check out the interface, question quality and usability of our practice exams before you decide to buy.

Customer Reviews



I wasted a lot of money and failed twice. Thanks to HPE0-J78 exam collection I pass now.

Noel



realexamfree is a reliable company. I pass exam at first shot. Many thanks

Julie



Pass BIMF.EN successfully. Really good dumps. It saves me a lot of time. Wonderful!

Ahern



online test engine is very useful for me, because i could practice the C-TERP10-67 question dumps in my phone when i was waiting or on the bus even without internet, i could make the most of my time. Last week, i passed the C-TERP10-67. so i want to share the realexamfree with you guys. hope you will get a good result in test.

Carl

<http://www.torrentexam.com>

Best Exam Bootcamp & Excellent VCE Torrent & Satisfying Dumps Torrent

Exam : **F1**

Title : **Financial Reporting**

Vendor : **CIMA**

Version : **DEMO**

NO.1 Which of the following is NOT a source of short-term finance?

- A. Increase in trade receivables
- B. Increase in trade payables
- C. Debt factoring
- D. Increase in a bank overdraft

Answer: A

NO.2 Why are excise duties an attractive method of raising tax for governments?

Select TWO that apply.

- A. Low cost of collection compared to other forms of taxation.
- B. High yields from the tax.
- C. Encourages consumption of products such as alcohol.
- D. Popular form of tax for the tax payer as it can be reclaimed.
- E. Ensures that the tax levied on all taxpayers is the same irrespective of their spending habits.

Answer: A B

NO.3 An entity opens a new factory and receives a government grant of \$25,000 towards the cost of new plant and equipment. This new plant and equipment originally costs \$100,000.

The entity uses the net cost method allowed by IAS 20 Accounting for Government Grants and Disclosure of Government Assistance to record government grants of this nature. All plant and equipment is depreciated at

20% a year on a straight line basis.

Calculate the amount of depreciation to be included for this plant and equipment in the statement of profit of loss for the factory's first year of operation.

Give your answer to the nearest whole \$.

Answer:

\$15000

NO.4 ABC has the following working capital ratios at 31 December 20X2:

During the year ended 31 December 20X4 credit purchases were \$1,700,000 and at 31 December 20X4 the outstanding trade payables balance was \$340,000

	Number of days
Inventory days	76
Trade receivable days	45

Calculate the working capital cycle for ABC.

Give your answer to the nearest whole number of days and assume there are 365 days in a year.

days

Answer: Pending

NO.5 Country X charges corporate income tax at the rate of 20% on all income irrespective of whether it is paid out as a dividend. Country Y charges corporate income tax at the rate of 25% on all income.

An entity, AA, which is resident in Country X pays a dividend of \$100,000 to another entity, BB, which is resident in Country Y.

Countries X and Y have a double taxation treaty which adopts the exemption method in respect of this type of transaction.

What is BB's liability to tax in Country Y in respect of the dividend income received?

- A.** No tax will be payable.
- B.** Tax will be payable at 20%.
- C.** Tax will be payable at 25%.
- D.** Tax will be payable at 25% less a credit given for the 20% already paid by AA in Country X.

Answer: A

NO.6 Indicate the possible reasons for the changes identified below to working capital ratios by placing the appropriate reason against each change.

Change	Possible reason?
An entity's trade payables days increased by 50%	
An entity's trade receivables days increased by 50%	

Cash shortage
Shorter customer credit terms
Reduction in sales volume
Increase in sales volume
Longer customer credit terms

Answer:

Change	Possible reason?
An entity's trade payables days increased by 50%	Cash shortage
An entity's trade receivables days increased by 50%	Longer customer credit terms

Cash shortage
Shorter customer credit terms
Reduction in sales volume
Increase in sales volume
Longer customer credit terms

Possible reason?
Cash shortage
Longer customer credit terms

NO.7 STU commenced trading on 1 January. Total sales for the month of January were \$250,000. which were 75% on credit and 25% for cash. Sales are expected to increase by 10% a month Irrecoverable debts are estimated to be 5% of credit sales Of the credit sales expected to pay, 50% pay in the month following the sale and the remaining 50% the month after.
The cash expected to be received in February is:

- A.** \$151,563
- B.** \$162,500
- C.** \$157,813
- D.** \$156,250

Answer: C

NO.8 The statement of profit or loss for PQ, ST and AB for the year ended 31 December 20X0 are shown below:

	PQ	ST	AB
	\$000	\$000	\$000
Revenue	300	200	165
Cost of sales	(180)	(80)	(85)
Gross profit	120	120	80
Operating expenses	(30)	(40)	(25)
Operating profit	90	80	55
Investment income	10	-	5
Finance costs	(5)	(2)	(4)
Profit before tax	95	78	56
Income tax expense	(40)	(30)	(26)
Profit for the year	55	48	30

1. PQ acquired 80% of its subsidiary, ST, on 1 January 20X0 and 40% of its associate, AB, on 1 September 20X0.
2. Since acquisition PQ has sold goods to ST and AB for \$20,000 and \$30,000 respectively. At the year end both ST and AB have 50% of these goods remaining in inventory. PQ uses a mark-up of 20% on all of its sales.

3. Since acquisition the goodwill in respect of ST has been impaired by \$8,000 and the investment in AB has been impaired by \$2,000.

4. PQ uses the fair value method for non-controlling interest at acquisition.

Calculate the profit attributable to the non-controlling interests disclosed in PQ's consolidated statement of profit or loss for the year ended 31 December 20X0.

Give your answer to the nearest whole \$.

Answer:

\$8000

NO.9 An entity purchased equipment on 1 April 20X4 for \$200,000. The equipment was depreciated using the reducing balance method at 20% a year.

Depreciation was charged up to and including 31 March 20X7. At that date the recoverable amount of the equipment was \$94,000.

Calculate the impairment loss on the equipment in accordance with IAS 36 Impairment of Assets.

Give your answer to the nearest whole \$.

Answer:

\$8400

NO.10 Which of the following methods could be used by a tax authority to reduce tax evasion and avoidance?

A. Increase tax rates to compensate for losses due to evasion.

B. Reduce penalties for avoidance.

C. Reduce requirements to have tax returns audited.

D. Simplify the tax structure, minimizing allowances and exemptions.

Answer: D

NO.11 Which of the following is NOT a feature of a multi-stage sales tax?

A. The entire tax burden is usually passed to the final consumer.

B. Tax is charged each time a product is sold in the chain from manufacturer through to retailer.

C. Tax is applied at the retail level only and not at production level.

D. Credit may not be allowed for taxes paid on sales within the chain from manufacturer through to retailer.

Answer: C

NO.12 The following information is extracted from the statement of financial position for ZZ at 31 March 20X3:

	20X3	20X2
	\$million	\$million
Non-current assets		
Property, plant and equipment	350	320
Equity		
Revaluation reserve	200	100
Non-current liabilities		
Deferred tax	10	7
Current liabilities		
Income tax	26	22

Included within cost of sales in the statement of profit or loss for the year ended 31 March 20X3 is \$20 million relating to the loss on the sale of plant and equipment which had cost \$100 million in June 20X1.

Depreciation is charged on all plant and equipment at 25% on a straight line basis with a full year's depreciation charged in the year of acquisition and none in the year of sale.

The revaluation reserve relates to the revaluation of ZZ's property.

The total depreciation charge for property, plant and equipment in ZZ's statement of profit or loss for the year ended 31 March 20X3 is \$80 million.

The corporate income tax expense in ZZ's statement of profit or loss for year ended 31 March 20X3 is \$28 million.

ZZ is preparing its statement of cash flows for the year ended 31 March 20X3.

What figure should be included for corporate income tax paid in order to arrive at the net cash flow from operating activities?

Give your answer to the nearest \$ million.

Answer:

\$21 million

NO.13 Which of the following would NOT be assessed for tax under a Pay-As-You-Earn system?

- A. Profit-sharing payments received by an employee.
- B. Benefits in kind received by an employee.
- C. Commissions received by an employee.
- D. The wealth of an employee.

Answer: D

NO.14 TUV owns property that has a carrying amount greater than its original cost due to a revaluation 2 years ago.

The property continues to be used by TUV up to the date of its disposal and is sold for more than its carrying amount.

Which THREE of the following correctly describe the accounting treatment for the disposal of the property?

- A. The gain on disposal is recognised in the statement of profit or loss
- B. The gain on disposal is recognised in other comprehensive income
- C. The property is depreciated based on its original cost up to the date of disposal
- D. The remaining balance on the revaluation surplus is transferred to the statement of profit or loss
- E. The property is depreciated based on its revalued amount up to the date of disposal
- F. The remaining balance on the revaluation surplus is transferred to retained earnings

Answer: A E F

NO.15 An entity acquires 100% of the equity shares in another entity.

The consideration paid for the shares is less than the fair value of the net assets acquired.

Which of the following is the correct accounting treatment for the difference between the consideration paid and the fair value of the net assets acquired, in accordance with IFRS 3 Business Combinations?

- A. Recognise as a gain in the consolidated statement of profit or loss.
- B. Recognise as a deferred credit and release to consolidated profit or loss over its useful economic life.
- C. Recognise as a deduction from goodwill in the consolidated statement of financial position.
- D. Recognise as a gain in the statement of changes in equity.

Answer: A

NO.16 ABC uses an aggressive approach to managing its working capital. XYZ uses a conservative approach to managing its working capital.

Which of the following is ABC more at risk of compared to XYZ?

- A. Inventory obsolescence
- B. Running out of cash
- C. High finance costs
- D. Receivables not paying on time

Answer: B

NO.17 Which of the following is NOT a principle in the CIMA Code of Ethics for Professional Accountants?

- A. Integrity

- B. Professional competence and due care
- C. Timeliness
- D. Objectivity

Answer: C

NO.18 The financial statements of JK for the year ended 31 August 20X4 were approved on 10 November 20X4.

Within these financial statements which of the following would have been treated as a non-adjusting event in accordance with IAS 10 Events After the Reporting Period?

- A. Inventory which was originally valued at its cost of \$45,000 being sold for \$37,000 in September 20X4.
- B. A fire in JK's main warehouse on 3 September 20X4 destroying 60% of the inventory that had been held at the year end.
- C. Notification received on 31 August that one of JK's major customers had gone into liquidation and was unlikely to pay any outstanding invoices.
- D. The completion of a court case on 5 November 20X4 in which JK was ordered to pay damages of \$150,000.

Answer: B

NO.19 In Country X, trading losses in any year can be carried back and set off against trading profits in the previous year, with any unrelieved losses carried forward to set against the first available trade profits in future years.

GH had the following taxable profits and losses in years 20X1 to 20X4:

Year	Trading profit or loss
	\$
20X1	25,000
20X2	(60,000)
20X3	30,000
20X4	100,000

What are the taxable profits for 20X4, assuming the most efficient use of the loss is made?

- A. \$65,000
- B. \$95,000
- C. \$100,000
- D. \$70,000

Answer: B

NO.20 The development of an international financial reporting standard generally goes through a number of stages.

Which of the following is NOT a stage of development?

- A. Producing an exposure draft for public comment
- B. Establishing an advisory committee
- C. Developing and publishing a discussion paper
- D. Establishing an interpretations committee

Answer: D

NO.21 When calculating the gain chargeable to tax on the disposal of a building, which of the following would NOT be an allowable deduction?

- A. Interest on a loan that was used to assist with its original purchase.
- B. Costs of constructing an extension to the building.
- C. Legal fees arising on the original purchase of the building.
- D. Estate agent's fee payable on its sale.

Answer: A

NO.22 Country J is a newly formed independent country and its accounting professionals are considering adopting international financial reporting standards (IFRS).

Which of the following is a disadvantage to Country J of adopting IFRS as their local generally accepted accounting practice (GAAP)?

- A. IFRS are quick to implement which reduces the costs involved.
- B. Specific local variations that might be needed will not be accommodated.
- C. Facilitates comparability with other countries who use IFRS as their local GAAP.
- D. Easier to adopt standards which have already been developed.

Answer: B

NO.23 When developing local Generally Accepted Accounting Principles (known as local GAAP) some countries start with International Financial Reporting Standards (IFRSs) which are then amended to reflect local needs and conditions.

This type of approach is classified as:

- A. Adoption of IFRSs as local GAAP.
- B. Using IFRSs as a model for local GAAP.
- C. IFRSs having a persuasive influence in formulating local GAAP.
- D. IFRSs having little or no impact in formulating local GAAP.

Answer: B

NO.24 Company Y is using some of the money from a share issue to purchase a new office building. The company is also using some of the money to purchase inventories. Which method of financing is this?

- A. Conservative financing
- B. Matching financing

C. Aggressive financing

Answer: A

NO.25 Which THREE of the following are part of the International Accounting Standards Committee (IASC) Foundation structure?

A. International Accounting Standards Board

B. Standards Advisory Council

C. International Financial Reporting Interpretations Committee

D. International Organisation of Securities Commission

E. Standards Application Council

F. International Financial Reporting Evaluations Committee

Answer: A B C