



VCE & PDF

PassApply.com

<https://www.passapply.com/financial-accounting-and-reporting.html>
2024 Latest passapply FINANCIAL-ACCOUNTING-AND-REPORTING PDF
and VCE dumps Download

FINANCIAL-ACCOUNTING-AND- REPORTING^{Q&As}

Certified Public Accountant (Financial Accounting & Reporting)

**Pass Test Prep FINANCIAL-ACCOUNTING-AND-
REPORTING Exam with 100% Guarantee**

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.passapply.com/financial-accounting-and-reporting.html>

100% Passing Guarantee
100% Money Back Assurance

Following Questions and Answers are all new published by Test Prep
Official Exam Center



VCE & PDF

PassApply.com

<https://www.passapply.com/financial-accounting-and-reporting.html>
2024 Latest passapply FINANCIAL-ACCOUNTING-AND-REPORTING PDF
and VCE dumps Download

- ⚙️ **Instant Download** After Purchase
- ⚙️ **100% Money Back** Guarantee
- ⚙️ **365 Days** Free Update
- ⚙️ **800,000+** Satisfied Customers





QUESTION 1

Which of the following qualifies as an operating segment?

- A. Corporate headquarters, which oversees \$1 billion in sales for the entire company.
- B. North American segment, whose assets are 12% of the company's assets of all segments, and management reports to the chief operating officer.
- C. South American segment, whose results of operations are reported directly to the chief operating officer, and has 5% of the company's assets, 9% of revenues, and 8% of the profits.
- D. Eastern Europe segment, which reports its results directly to the manager of the European division, and has 20% of the company's assets, 12% of revenues, and 11% of profits.

Correct Answer: B

Choice "b" is correct. Assets of the North American segment exceed 10% combined assets of all operating segments.

Choice "a" is incorrect. Corporate headquarters is not considered a segment.

Choice "c" is incorrect. The South American segment does not meet any of the 10% minimums (Revenue, Profit or Assets).

Choice "d" is incorrect. Eastern Europe segment does not report to the chief operating officer.

QUESTION 2

Tack, Inc. reported a retained earnings balance of \$150,000 at December 31, 1990. In June 1991, Tack discovered that merchandise costing \$40,000 had not been included in inventory in its 1990 financial statements. Tack has a 30% tax rate. What amount should Tack report as adjusted beginning retained earnings in its statement of retained earnings at December 31, 1991?

- A. \$190,000
- B. \$178,000
- C. \$150,000
- D. \$122,000

Correct Answer: B

Retained earnings as previously reported 12-31-90		\$150,000
Add: Adjustment for inventory not recorded	\$40,000	
Less applicable tax (30% × 40,000)	<u>(12,000)</u>	<u>28,000</u>
As restated		\$178,000 B



Choice "b" is correct. \$178,000.

QUESTION 3

On January 1, 1991, Brecon Co. installed cabinets to display its merchandise in customers' stores. Brecon expects to use these cabinets for five years. Brecon's 1991 multi-step income statement should include:

- A. One-fifth of the cabinet costs in cost of goods sold.
- B. One-fifth of the cabinet costs in selling, general, and administrative expenses.
- C. All of the cabinet costs in cost of goods sold.
- D. All of the cabinet costs in selling, general, and administrative expenses.

Correct Answer: B

Choice "b" is correct. One-fifth of the cabinet costs (depreciation expense) should be included in selling, general, and administrative expenses for 1991. Choice "a" is incorrect. Merchandise display cabinets in stores relate to selling activities, not to the purchase cost of goods sold. Choices "c" and "d" are incorrect. Merchandise display cabinets are fixed assets whose cost should be allocated systematically over their five-year useful life.

QUESTION 4

A planned volume variance in the first quarter, which is expected to be absorbed by the end of the fiscal period, ordinarily should be deferred at the end of the first quarter if it is:

	<u>Favorable</u>	<u>Unfavorable</u>
A.	Yes	No
B.	No	Yes
C.	No	No
D.	Yes	Yes

- A. Option A
- B. Option B
- C. Option C
- D. Option D

Correct Answer: D

Choice "d" is correct. Yes - Yes.

Rule: Volume variances that are planned or expected to be absorbed by the end of the year should be deferred at interim whether favorable or unfavorable.



QUESTION 5

According to the FASB conceptual framework, which of the following situations violates the concept of reliability?

- A. Data on segments having the same expected risks and growth rates are reported to analysts estimating future profits.
- B. Financial statements are issued nine months late.
- C. Management reports to stockholders regularly refer to new projects undertaken, but the financial statements never report project results.
- D. Financial statements include property with a carrying amount increased to management's estimate of market value.

Correct Answer: D

Choice "d" is correct. Management's estimate of market value lacks verifiability, which is a component of reliability. SFAC 2 para. 89 Choice "a" is incorrect. Communicating data on segments to analysts does not violate the concept of reliability. Choice "b" is incorrect. Issuing financial statements nine months late violates timeliness, which is a component of relevance, not reliability. SFAC 2 para. 56 Choice "c" is incorrect. Neglecting to report results of new projects violates full disclosure, not reliability.

[FINANCIAL-ACCOUNTING-AND-REPORTING PDF Dumps](#)

[FINANCIAL-ACCOUNTING-AND-REPORTING VCE Dumps](#)

[FINANCIAL-ACCOUNTING-AND-REPORTING Exam Questions](#)