

Question #1 of 25

Question ID: 1457192

An analyst who wants to examine a firm's financing transactions during the most recent period is *most likely* to evaluate the firm's statement of:

- A) comprehensive income.
 - B) financial position.
 - C) cash flows.
-

Question #2 of 25

Question ID: 1457197

The standard auditor's report is *most likely* required to:

- A) provide an "unqualified" opinion if material uncertainties exist.
 - B) provide reasonable assurance that the financial statements contain no material errors.
 - C) provide reasonable assurance that management is reliable.
-

Question #3 of 25

Question ID: 1457191

Which financial statement reports information about a company's financial position at a single point in time?

- A) income statement.
 - B) cash flow statement.
 - C) balance sheet.
-

Question #4 of 25

Question ID: 1457195

According to IFRS guidance for management's commentary, addressing the company's key relationships is:

- A)** neither recommended nor required.
 - B)** required.
 - C)** recommended.
-

Question #5 of 25

Question ID: 1457188

The role of financial statement analysis is *most accurately* described as:

- A)** a common requirement for companies that are listed on public exchanges.
 - B)** the use of information from a company's financial statements along with other information to make economic decisions regarding that company.
 - C)** the reports and presentations a company uses to show its financial performance to investors, creditors, and other interested parties.
-

Question #6 of 25

Question ID: 1457193

Which of the following statements concerning the notes to the audited financial statements of a company is *least* accurate? Financial statement notes:

- A)** include management's assessment of the company's operating performance and financial results.
 - B)** are audited.
 - C)** contain information about contingent losses that may occur.
-

Question #7 of 25

Question ID: 1457189

A company's operating revenues for a reporting period are *most likely* to be shown on its:

- A)** balance sheet.
- B)** cash flow statement.

C) income statement.

Question #8 of 25

Question ID: 1457187

According to the IASB, which of the following *least* accurately describes financial reporting?
Financial reporting:

- A) provides information about changes in financial position of an entity.
 - B) is useful to a wide range of users.
 - C) uses the information in a company's financial statements to make economic decisions.
-

Question #9 of 25

Question ID: 1457186

Which of the following is *least likely* to be considered a role of financial statement analysis?

- A) Assessing the management skill of the company's executives.
 - B) Determining whether to invest in the company's securities.
 - C) To make economic decisions.
-

Question #10 of 25

Question ID: 1457184

Which of the following statements about financial statement analysis and reporting is *least* accurate?

- A) Financial statement analysis focuses on the way companies show their financial performance to investors by preparing and presenting financial statements.
 - B) Providing information about changes in a company's financial position is a role of financial reporting.
 - C) Deciding whether to recommend a company's securities to investors is a role of financial statement analysis.
-

Question #11 of 25

Question ID: 1457204

In addition to the audited financial statements included in a firm's annual report, which of the following sources of information is *most likely* to contain audited data?

- A) Footnotes to the annual financial statements.
 - B) Management's commentary.
 - C) Interim financial statements filed with the SEC.
-

Question #12 of 25

Question ID: 1457203

Which of the following is *least likely* to be available on EDGAR (Electronic Data Gathering, Analysis, and Retrieval System)?

- A) Corporate press releases.
 - B) Form 10Q.
 - C) SEC filings.
-

Question #13 of 25

Question ID: 1457196

For publicly traded firms in the United States, the Management Discussion and Analysis (MD&A) portion of the financial disclosure is *least likely* required to discuss:

- A) capital resources and liquidity.
 - B) results of operations.
 - C) unusual or infrequent items.
-

Question #14 of 25

Question ID: 1457190

Which of the following statements represents information at a specific point in time?

- A) The balance sheet.
- B) The income statement and the balance sheet.

C) The income statement.

Question #15 of 25

Question ID: 1457200

A firm's internal controls are *most accurately* described as:

- A) directly affecting the firm's financial reporting quality.
 - B) outside the scope of an audit report under IFRS and U.S. GAAP.
 - C) a responsibility of the firm's board of directors.
-

Question #16 of 25

Question ID: 1457206

The step in the financial statement analysis framework that includes making any appropriate adjustments to the financial statements and calculating ratios is *best* described as:

- A) analyzing and interpreting the data.
 - B) gathering the data.
 - C) processing the data.
-

Question #17 of 25

Question ID: 1457194

Which of the following statements regarding footnotes to the financial statements is *least* accurate? Financial statement footnotes:

- A) may contain information regarding contingent losses.
 - B) provide information about assumptions and estimates used by management.
 - C) typically include a discussion of the firm's past performance and future outlook.
-

Question #18 of 25

Question ID: 1457198

Which of the following would NOT require an explanatory paragraph added to the auditors' report?

- A) Doubt regarding the "going concern" assumption.
 - B) Uncertainty due to litigation.
 - C) Statements that the financial information was prepared according to GAAP.
-

Question #19 of 25

Question ID: 1457185

Which of the following *best* describes financial reporting and financial statement analysis?

- A) Financial reporting refers to how companies show their financial performance and financial analysis refers to using the information to make economic decisions.
 - B) Financial reports assess a company's past performance in order to draw conclusions about the company's ability to generate cash and profits in the future.
 - C) The objective of financial analysis is to provide information about the financial position of an entity that is useful to a wide range of users.
-

Question #20 of 25

Question ID: 1457208

In the financial statement analysis framework, using the data to address the objectives of the analysis and deciding what conclusions or recommendations the information supports is *best* described as:

- A) analyzing and interpreting the data.
 - B) processing the data.
 - C) reporting the conclusions.
-

Question #21 of 25

Question ID: 1457207

The step in the financial statement analysis framework of "processing the data" is *least likely* to include which activity?

- A) Acquiring the company's financial statements.
 - B) Preparing exhibits such as graphs.
 - C) Making appropriate adjustments to the financial statements.
-

Question #22 of 25

Question ID: 1457205

Which of the following is the *best* description of the financial statement analysis framework?

- A) Gather data, analyze and interpret the data, process the conclusions, assess the context, report the recommendations, update the analysis.
 - B) State the objective and context, gather data, process the data, analyze and interpret the data, report the conclusions or recommendations, update the analysis.
 - C) Gather data, analyze and interpret the data, determine the context, report the conclusions, update the analysis.
-

Question #23 of 25

Question ID: 1457202

Which of the following is an analyst *least likely* to rely on as objective information to include in a company analysis?

- A) Corporate press releases.
 - B) Government agency statistical data on the economy and the company's industry.
 - C) Proxy statements.
-

Question #24 of 25

Question ID: 1457199

Which of the following is an independent auditor *least likely* to do with respect to a company's financial statements?

- A) Confirm assets and liabilities contained in them.
- B) Prepare and accept responsibility for them.
- C) Provide an opinion concerning their fairness and reliability.

Question #25 of 25

Question ID: 1457201

Which of the following statements about proxy statements is *least* accurate? Proxy statements are:

- A)** not filed with the SEC.
- B)** a good source of information about the qualifications of board members and management.
- C)** available on the EDGAR web site.