Question #1 of 12

Question ID: 1457214

Which of the following is *least likely* a qualitative characteristic accounting information must possess in order to provide useful information to an analyst, according to the IASB Conceptual Framework?

A) Conservatism.

B) Relevance.

C) Faithful representation.

Question #2 of 12

Question ID: 1457209

The objective of financial reporting is *most accurately* described as providing information about a firm that is:

A) complete, neutral, and free from error.

B) compliant with accepted accounting principles.

C) useful to decision makers.

Question #3 of 12

Question ID: 1457217

Required financial statements, according to International Accounting Standard (IAS) No. 1, include a(n):

A) balance sheet and explanatory notes.

B) cash flow statement and auditor’s report.

C) income statement and working capital summary.

Question #4 of 12

Question ID: 1457220

A firm engages in a new type of financial transaction that has a material effect on its earnings. An analyst should *most likely* be suspicious of the new transaction if:

A) management has not explained its business purpose.

B) no accounting standard exists that applies to the transaction.

C) the transaction is not governed by existing regulations.

Question #5 of 12

Question ID: 1457219

Which of the following is *least likely* one of the general requirements for financial statements under IFRS?

A) Statements should be prepared under a going concern assumption.

B) Statements should be prepared at least quarterly.

C) No offsetting of income against expenses unless a standard permits or requires it.

Question #6 of 12

Question ID: 1457211

Two underlying assumptions of financial statements, according to the IASB conceptual framework, are:

A) going concern and accrual accounting.

B) accrual accounting and historical cost.

C) historical cost and going concern.

Question #7 of 12

Question ID: 1462803

Which of the following is *least likely* a fundamental characteristic of financial statements that makes them useful, according to the IASB Conceptual Framework for Financial Reporting?

A) Reliability.

B) Relevance.

C) Faithful representation.

Question #8 of 12

Question ID: 1457213

According to the IFRS framework, timeliness is a characteristic that enhances:

A) only relevance.

B) only faithful representation.

C) both relevance and faithful representation.

Question #9 of 12

Question ID: 1457218

Which of the following is a company *least* likely required to present according to International Accounting Standard (IAS) No. 1?

A) Disclosures of material events.

B) Statement of changes in owners' equity.

C) A summary of accounting policies.

Question #10 of 12

Question ID: 1457210

Accounting standard setting bodies are *best* described as:

A) government agencies that exercise regulatory authority over financial reporting standards.

B) organizations of securities commissions that establish international financial reporting standards.

C) professional organizations that establish financial reporting standards.

Question #11 of 12

Question ID: 1457215

According to the IASB Conceptual Framework for Financial Reporting, one of the qualitative characteristics of financial statements is:

A) faithful representation.

B) going concern.

C) timeliness.

Question #12 of 12

Question ID: 1457212

According to the IASB conceptual framework, characteristics that enhance relevance and faithful representation include:

A) comparability, understandability, and thoroughness.

B) assurance, timeliness, and understandability.

C) timeliness, comparability, and verifiability.