Q-1. Which of the following financial reports are considered to be of the lowest quality? Financial reports that reflect:

A. Unsustainable earnings

B. Biased accounting choices

C. Departures from accounting principles

Q-2. In a comprehensive financial analysis, financial statements should be:

A. used as reported without adjustment.

B. adjusted after completing ratio analysis.

C. adjusted for differences in accounting standards, such as international financial reporting standards and US generally accepted accounting principles.

Q-3. Assume U.S. GAAP applies unless otherwise noted. In 2008, a company reported net income of $200 million and cash flow from operations of $120 million. All else equal, the *most likely* explanation for the difference between net income and cash flow from operations in 2008 is that the company: （未知）

A. tightened credit policies and increased collection efforts during the year.

B. sold a long-term investment for an amount equal to book value at the end of the year.

C. increased raw materials inventory in anticipation of increased sales at the end of the year.

Q-4. Which of the following statements regarding ESG implementation methods is most accurate?

A. Negative screening is the most commonly applied method.

B. Thematic investing considers multiple factors.

C. The best-in-class strategy excludes industries with unfavorable ESG aspects.

Q-5. Based on good corporate governance practices, it is most appropriate for a company's compensation committee to:

A. develop director remuneration policies.

B. recommend remuneration for the external auditors.

C. include some external directors.