

1. Financial accounting orientation is from:

- Ans:
1. Internal perspective
 - ☒ 2. External perspective
 3. Internal and External perspective
 4. None

2. Firms finance their business cash requirements from:

- Ans:
- ☒ 1. Shareholders and Creditors
 2. Shareholders and Government
 3. Creditors and Government
 4. FASB and Government

3. _____ authenticate the financial statements of Companies.

- Ans:
1. AICPA
 2. IRS
 - ☒ 3. Auditors
 4. FASB

4. The annual snapshot of companies assets and liabilities is available in:

- Ans:
- ☒ 1. Balance sheet
 2. Income statement
 3. Cash flow statement
 4. Notes to accounts

5. Prepaid expenses appear in Financial statements as:

- Ans:
1. Revenue
 - ☒ 2. Assets
 3. Expenses
 4. Liabilities

6. Accounting income is equal to

- Ans
- ☒ 1. Revenue - Expenses
 2. Expenses- Revenue
 3. Change in wealth
 4. Revenue

7. Goodwill is

- Ans:
1. Liability
 - ☒ 2. Asset
 3. Cash flow
 4. Revenue

8. Net Book value is equal to

- Ans:
1. Assets + Liability
 - ☒ 2. Assets- Liability
 3. Assets + Liability - Shareholder Equity
 4. Liability + Shareholder Equity

9. Financial Accounting is based on

- Ans:
1. Cash system
 - ☒ 2. Accrual system

10. Retained earnings is equal to

- Ans:
1. Dividend
 2. Cumulative Net income
 3. Cash flows
 - ☒ 4. Cumulative Net income - Dividends