Free Questions for CIMAPRA19-F01-1 by certsdeals

Shared by Dawson on 06-06-2022

Question 1

Question Type: **MultipleChoice**

The following information is extracted from OO's statement of financial position at 31 March:

	20X2	20X1
	$000	$000
Current assets		
Inventory	2,600	2,345
Trade receivables	2,104	2,222
Cash at bank	324	426
Non-current liabilities		
Provision for deferred tax	98	77
Current liabilities		
Trade and other payables	1,800	1,700
Corporate income tax payable	174	102

Included in other payables is interest payable of $80,000 at 31 March 20X2 and $73,000 at 31 March 20X1.

The following information if included within OO's statement of profit or loss for the year ended 31 March 20X2:

	$000
Finance cost	624
Corporate income tax expense	846

Included within finance cost is $124,000 which relates to interest paid on a finance lease. 00 includes finance lease interest within financing activities on its statement of cash flows.________________

Within OO's statement of cash flow for the year ended 31 March 20X2 which figures should be included to reflect the changes in working capital within the net cash flow from operating activities?

○

Inventory	Inflow of $255,000
Trade receivables	Outflow of $118,000
Trade payables	Outflow of $93,000

○

Inventory	Outflow of $255,000
Trade receivables	Inflow of $118,000
Trade payables	Inflow of $93,000

○

Inventory	Outflow of $255,000
Trade receivables	Inflow of $118,000
Trade payables	Inflow of $100,000

○

Inventory	Inflow of $255,000
Trade receivables	Outflow of $118,000
Trade payables	Outflow of $100,000

Options:

A- Option A

B- Option B

C- Option C

D- Option D

Answer:

C

Question 2

Question Type: MultipleChoice

The following information relates to AA.

Extract of Trial Balance at 31 December 20X4;

	Manufacturing plant and equipment $	Office equipment $	Distribution vehicles $
Depreciation for the year ended 31 December 20X4.	15	21	30
(Gain)/Loss on sale of assets during the year ended 31 December 20X4.	-	(5)	3

Notes

(i) Inventory at 31 December 20X4 was valued at cost at $30.

(ii) The loan which was received on 1 July 20X4 is repayable in 20X9.

(iii) Corporate income tax represents an over-provision of tax for the year ended 31 December 20X3. AA reported a loss for tax purposes for the year ended 31 December 20X4 and a tax refund is expected amounting to $20.

(iv) Cost of sales, administration and distribution costs need to be adjusted for the following:

What figures should be entered on the face of the Statement of profit or Loss for the year ended 31 December 20X4 in relation to Interest and Corporate income tax?

Options:

A- Interest $25 Corporate income tax $(37)

B- Interest $25 Corporate income tax $37

C- Interest $50 Corporate income tax $(3)

D- Interest $50 Corporate income tax $3

Answer:

A

Question 3

Question Type: **MultipleChoice**

The following information relates to AA.

Extract of Trial Balance at 31 December 20X4;

	Manufacturing plant and equipment $	Office equipment $	Distribution vehicles $
Depreciation for the year ended 31 December 20X4.	15	21	30
(Gain)/Loss on sale of assets during the year ended 31 December 20X4.	-	(5)	3

Notes

(i) Inventory at 31 December 20X4 was valued at cost at $30.

(ii) The loan which was received on 1 July 20X4 is repayable in 20X9.

(iii) Corporate income tax represents an over-provision of tax for the year ended 31 December 20X3. AA reported a loss for tax purposes for the year ended 31 December 20X4 and a tax refund is expected amounting to $20.

(iv) Cost of sales, administration and distribution costs need to be adjusted for the following:

What figures should be entered in the Statement of Profit or Loss for the year ended 31 December 20X4 in relation to Administration and Distribution costs?

Options:

A- Adminsitration $136 Distribution $120

B- Administration $120 Distribution $87

C- Administration $141 Distribution $117

D- Administration $146 Distribution $114

Answer:

A

Question 4

Question Type: **MultipleChoice**

The statement of profit or loss for PQ, ST and AB for the year ended 31 December 20X0 are shown below:

	PQ	ST	AB
	$000	$000	$000
Revenue	300	200	165
Cost of sales	(180)	(80)	(85)
Gross profit	120	120	80
Operating expenses	(30)	(40)	(25)
Operating profit	90	80	55
Investment income	10	-	5
Finance costs	(5)	(2)	(4)
Profit before tax	95	78	56
Income tax expense	(40)	(30)	(26)
Profit for the year	55	48	30

1. PQ acquired 80% of its subsidiary, ST, on 1 January 20X0 and 40% of its associate, AB, on 1 September 20X0.

2. Since acquistion PQ has sold goods to ST and AB for $20,000 and $30,000 respectively. At the year end both ST and AB have 50% of these goods remaining in inventory. PQ uses a mark-up of 20% on all of its sales.

3. Since acquisition the goodwill in respect of ST has been impaired by $8,000 and the investment in AB has been impaired by $2,000.

4. PQ uses the fair value method for non-controlling interest at acquisition.

Calculate the amount that will be shown as the share of profit of associate in PQ's consolidated statement of profit or loss for the year ended 31 December 20X0.

Options:

A- $10,000

B- $2,000

C- $4,000

D- $3,200

Answer:

B

Question 5

Question Type: **MultipleChoice**

The statement of profit or loss for PQ, ST and AB for the year ended 31 December 20X0 are shown below:

	PQ	ST	AB
	$000	$000	$000
Revenue	300	200	165
Cost of sales	(180)	(80)	(85)
Gross profit	120	120	80
Operating expenses	(30)	(40)	(25)
Operating profit	90	80	55
Investment income	10	-	5
Finance costs	(5)	(2)	(4)
Profit before tax	95	78	56
Income tax expense	(40)	(30)	(26)
Profit for the year	55	48	30

1. PQ acquired 80% of its subsidiary, ST, on 1 January 20X0 and 40% of its associate, AB, on 1 September 20X0.

2. Since acquistion PQ has sold goods to ST and AB for $20,000 and $30,000 respectively. At the year end both ST and AB have 50% of these goods remaining in inventory. PQ uses a mark-up of 20% on all of its sales.

3. Since acquisition the goodwill in respect of ST has been impaired by $8,000 and the investment in AB has been impaired by $2,000.

4. PQ uses the fair value method for non-controlling interest at acquisition.

What is the value of the unrealized profit in inventory adjustment required to inventory in PQ's consolidated statement of financial position at 31 December 20X0?

Options:

A- $3,333

B- $2,000

C- $4,000

D- $1,667

Answer:

D

Question 6

Question Type: **MultipleChoice**

The statement of profit or loss for PQ, ST and AB for the year ended 31 December 20X0 are shown below:

	PQ	ST	AB
	$000	$000	$000
Revenue	300	200	165
Cost of sales	(180)	(80)	(85)
Gross profit	120	120	80
Operating expenses	(30)	(40)	(25)
Operating profit	90	80	55
Investment income	10	-	5
Finance costs	(5)	(2)	(4)
Profit before tax	95	78	56
Income tax expense	(40)	(30)	(26)
Profit for the year	55	48	30

1. PQ acquired 80% of its subsidiary, ST, on 1 January 20X0 and 40% of its associate, AB, on 1 September 20X0.

2. Since acquistion PQ has sold goods to ST and AB for $20,000 and $30,000 respectively. At the year end both ST and AB have 50% of these goods remaining in inventory. PQ uses a mark-up of 20% on all of its sales.

3. Since acquisition the goodwill in respect of ST has been impaired by $8,000 and the investment in AB has been impaired by $2,000.

4. PQ uses the fair value method for non-controlling interest at acquisition.

What is the revenue figure to be included in PQ's consolidated statement of profit or loss for the year ended 31 December 20X0?

Options:

A- $450,000

B- $440,000

C- $480,000

D- $476,000

Answer:

C

Question 7

Question Type: **MultipleChoice**

The following information is extracted from the statement of financial position for ZZ at 31 March 20X3:

	20X3	**20X2**
	$millior	**$millior**
Non-current assets		
Property, plant and equipment	350	320
Equity		
Revaluation reserve	200	100
Non-current liabilities		
Deferred tax	10	7
Current liabilities		
Income tax	26	22

Included within cost of sales in the statement of profit or loss for the year ended 31 March 20X3 is $20 million relating to the loss on the sale of plant and equipment which had cost $100 million in June 20X1.

Depreciation is charged on all plant and equipment at 25% on a straight line basis with a full year's depreciation charged in the year of acquisition and none in the year of sale.

The revaluation reserve relates to the revaluation of ZZ's property.

The total depreciation charge for property, plant and equipment in ZZ's statement of profit of loss for the year ended 31 March 20X3 is $80 million.

The corporate income tax expense in ZZ's statement of profit or loss for year ended 31 March 20X3 is $28 million.

ZZ is preparing its statement of cash flows for the year ended 31 March 20X3.

What cash outflow figure should be included within cash flows from investing activities for the purchase of property, plant and equipment?

Options:

A- $85 million

B- $110 million

C- $185 million

D- $210 million

Answer:

A