



CIMAPRA19-F02-1 Practice Questions

Shared by Phelps on 09-10-2026

For More Free Questions and Preparation Resources

Check the Links on Last Page



Question 1

Question Type: MultipleChoice

On 1 January 20X4 EF grants each of its 125 employees 500 share options on the condition that they remain in employment for 3 years. During the year to 31 December 20X4 10 employees left and it is expected that a further 25 will leave before the end of the vesting period.

The fair value of each share option is \$30 on 1 January 20X4 and \$45 on 31 December 20X4.

What is the journal entry in respect of these share options in EF's financial statements for the year ended 31 December 20X4?

Options:

A- Option

B- Option

C- Option

Answer:

A

Question 2

Question Type: CorrectText

LM acquired 15% of the equity share capital of ST on 1 January 20X6 for \$18 million. LM acquired a further 50% of the equity share capital of ST for \$50 million on 1 January 20X7 when the fair value of ST's net assets was \$82 million. The original 15% investment in ST had a fair value of \$20 million at 1 January 20X7. The non controlling interest in ST was measured at its fair value of \$30 million at the date control in ST was acquired.

Calculate the goodwill arising on the acquisition of ST that LM included in its consolidated financial statements at 31 December 20X7.

Give your answer to the nearest \$ million.

\$? million

Answer:

Question 3

Question Type: MultipleChoice

Following the impairment review of the investment in BC, what would be the carrying value of this associate in KL's consolidated statement of financial position at 31 December 20X9?

Options:

- A- \$1,050,000
- B- \$1,240,000
- C- \$1,800,000
- D- \$1,960,000

Answer:

A

Question 4

Question Type: CorrectText

LM acquired 15% of the equity share capital of ST on 1 January 20X6 for \$18 million. LM acquired a further 50% of the equity share capital of ST for \$50 million on 1 January 20X7 when the fair value of ST's net assets was \$82 million. The original 15% investment in ST had a fair value of \$20 million at 1 January 20X7. The non controlling interest in ST was measured at its fair value of \$30 million at the date control in ST was acquired.

Calculate the goodwill arising on the acquisition of ST that LM included in its consolidated financial statements at 31 December 20X7.

Give your answer to the nearest \$ million.

\$? million

Answer:

Question 5

Question Type: MultipleChoice

LM granted 100 share options to each of its 400 employees on 1 January 20X7. The options will only vest if employees remain with LM for 3 years from the grant date. The fair value of each share option was \$5 on 1 January 20X7.

20 employees left in the year to 31 December 20X7 and at that date it was estimated that a further 35 would leave over the following two years.

Which of the following journal entries did LM process to account for the share options in the year to 31 December 20X7, in accordance with IFRS2 Share-based Payments?

Options:

- A- Dr Profit or loss \$57,500 ; Cr Other reserves within equity \$57,500
- B- Dr Profit or loss \$57,500 ; Cr Liabilities \$57,500
- C- Dr Profit or loss \$172,500 ; Cr Other reserves within equity \$172,500
- D- Dr Profit or loss \$172,500 ; Cr Liabilities \$172,500

Answer:

A

Question 6

Question Type: CorrectText

MN had the following profit figures for the year ended 30 November 20X6:

MN's statement of financial position at 30 November 20X6 included the following:

	\$000
Share capital	25
Share premium	15
Retained earnings	140
Other reserves	16
Non-current liabilities:	
Bank loans	200

Calculate return on capital employed for MN for the year ended 30 November 20X6.

Give your answer to one decimal place.

? %

Answer:

Question 7

Question Type: MultipleChoice

RS is a listed entity that has no subsidiaries although its Finance Director is also a director of TU, an unconnected entity.

It is preparing its financial statements to 30 September 20X6.

Which of the following substantial transactions must be disclosed in these financial statements in accordance with IAS 24 Related Party Disclosures?

Options:

A- Pension payments made on behalf of the Managing Director of RS.

- B- Purchase of production materials from TU at a discounted price to the current market value.
- C- Sale of finished goods to TU at normal selling price.
- D- Performance related bonus payments made to the office staff for the year.

Answer:

A

Question 8

Question Type: CorrectText

Exhibit:

CD acquired 100% of the equity share capital of FG for cash consideration of Kr1,200,000 on 1 January 20X7.

Retained earnings of FG at the date of acquisition was Kr800,000. CD operates from Country A and its functional and presentation currency is \$. FG is located and trades throughout Country B and its functional currency is the Krona (Kr).

CD has no other subsidiaries. Goodwill had not suffered any impairment to date.

Summarised data from the statements of financial position for both entities at 31 December 20X7 is presented below:

	CD	FG
	\$'000	Kr'000
Property, plant & equipment	9,450	3,000
Investment in FG	600	-
Current assets	8,800	4,000
Total assets	18,850	7,000
Share capital	2,000	100
Retained earnings	9,650	3,300
Current liabilities	7,200	3,600
Total equity and liabilities	18,850	7,000

Relevant exchange rates were as follows:

1 January 20X7 \$1 = 2.0 Krona

31 December 20X7 \$1 = 2.2 Krona

Calculate the exchange difference arising on the retranslation of goodwill on the acquisition in the consolidated statement of financial position of CD at 31 December 20X7.

Give your answer to the nearest \$000.

\$? 000

Answer:

Question 9

Question Type: MultipleChoice

JKL measure gearing as debt:equity, based on book values. At 31 December 20X5 the ratio is 2:3 and JKL would like this to be 2:5.

Which of the following transactions individually would achieve this?

Options:

- A- Bonus issue from the share premium account.
- B- Revaluation of investment property to an increased fair value.
- C- Repayment of a 6 year term loan with the issue of 5 year redeemable debentures.
- D- Issue of redeemable preference shares at par.

Answer:

B

Question 10

Question Type: CorrectText

A convertible bond with a nominal value of \$100 can be redeemed at par in 5 years' time or be converted into 1 new equity share for every \$5 of bond held.

The current equity share price is \$3.50 and it is anticipated that this will grow at a rate of 7% per year.

What is the value of the conversion option of the bond in 5 years' time?

Give your answer to two decimal places.

\$?

Answer:

Question 11

Question Type: MultipleChoice

How would KL account for its investment in MN in its consolidated financial statements for the year to 31 December 20X9?

Options:

- A- Joint venture
- B- Joint arrangement
- C- Financial asset
- D- Subsidiary

P2P
exams

Answer:

A

Question 12

Question Type: CorrectText

In recent years EBITDA has been adopted by large entities as a key measure of performance.

The following figures have been extracted from the financial statements of UV for the year ended 30 November 20X9:

What is EBITDA for UV for the year ended 30 November 20X9?

Give your answer to the nearest \$'000.

\$? 000

P2P
exams

Answer:

Question 13

Question Type: MultipleChoice

The consolidated statement of profit or loss for VW for the year ended 30 September 20X7 includes the following:

	\$'000
Share of profit of associate	15
Finance cost	23
Taxation expense	20
Profit for the year	75

What is VW's interest cover for the year ended 30 September 20X7?

Options:

- A- 4.5
- B- 3.3
- C- 4.1
- D- 5.1

Answer:

A

To Get Premium Files for CIMAPRA19-F02-1
Visit

<https://www.p2pexams.com/products/cimapra19-f02-1>

For More Free Questions Visit

<https://www.p2pexams.com/cima/pdf/cimapra19-f02-1>

20%
DISCOUNT

P2P
exams