



Free Questions for SOFA-CFE by dumpshq

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Question 1

Question Type: MultipleChoice

The evaluation of the realizability of _____ assets is made on a gross as opposed to a net basis

Options:

A- Tax rate

B- valuation tax

C- deferred tax

D- segregated

Answer:

C

Question 2

Question Type: MultipleChoice

A deferred tax asset for deductible temporary differences expected to be realized by carry-back would be measured using the tax law and rates for the year in which the refund is expected to be realized.

Options:

A- True

B- False

Answer:

A

Question 3

Question Type: MultipleChoice

Which of the following is NOT the step in determining deferred tax assets and liabilities?

Options:

- A- Identification
- B- Measurement
- C- Reduction
- D- Valuation

Answer:

D

Question 4

Question Type: MultipleChoice

Permanent differences affect current and deferred balances; temporary differences only affect tax expense.

Options:

- A- True
- B- False

Answer:

B

Question 5

Question Type: MultipleChoice

Events recognized in the financial statements that do not have tax consequences are commonly referred to as:

Options:

A- permanent differences

B- Taxed discount

C- paid differences

D- Unearned premium reserves

Answer:

A

Question 6

Question Type: MultipleChoice

Which payments are not deductible in the year of accrual and only taken as a tax deduction when paid, unless the payment is made within 2fi months following the year of accrual?

Options:

- A- Retained earning
- B- Accrued compensation
- C- Paid-In capital
- D- Bond compensation

Answer:

B

Question 7

Question Type: MultipleChoice

Gains and losses are recognized for tax purposes until they are realized.

Options:

A- True

B- False

Answer:

B

Question 8

Question Type: MultipleChoice

Financial statement carrying amount exceeds tax basis for liabilities in:

Options:

- A- Deferred liabilities
- B- Tax-basis balance sheet
- C- Future taxable amounts
- D- Future deductible amounts

Answer:

D

Question 9

Question Type: MultipleChoice

Financial statement carrying amount exceeds tax basis for assets in:

Options:

- A- Financial taxable amounts
- B- Tax-basis balance sheet
- C- Future taxable amounts

D- Loss reserves

Answer:

C

Question 10

Question Type: MultipleChoice

What is defined as the difference between the tax basis of an asset or liability and its reported amount in the financial statements that will result in taxable or deductible amounts in future years?

Options:

A- permanent difference

B- temporary difference

C- deferred tax difference

D- None of the above

Answer:

B

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