



Free Questions for T7 by dumpsheet

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Question 1

Question Type: MultipleChoice

Company XYZ outsourced its printing services to a specialist printing firm. The specialist firm took responsibility for the staff, though the team remains on Company XYZ's premises. Which of the following is true?

Options:

- A- Because they remain on your premises, they are considered staff costs
- B- Due to the outsourcing of the staff, they are now considered service-supplier costs rather than staff costs

Answer:

B

Question 2

Question Type: MultipleChoice

The IAS 19 standard applies to which of the following groups of employees?

Options:

- A- Directors and management personnel
- B- All employees except casual employees
- C- All employees
- D- All full-time employees

Answer:

C

Question 3

Question Type: MultipleChoice

Defined benefit pension commitments often represent a company's largest single financial liability. IAS 19 was amended as of January, 2014. What does this amendment require?

Options:

- A- That surplus or deficit of a pension fund be detailed in the financial statement
- B- That any existing deficit of a pension fund be detailed in the financial statement
- C- That any projected deficit of a pension fund be detailed in the financial statement
- D- That companies state whether they have a defined benefit or defined contribution plan in the financial statement

Answer:

A

Question 4

Question Type: MultipleChoice

When an employee has provided service in exchange for benefits to be paid in the future, what is it considered in accounting terms?

Options:

- A- The employee value proposition
- B- A long term benefit
- C- A noncurrent expense

D- A liability

Answer:

D

Question 5

Question Type: MultipleChoice

When a company consumes the economic benefit arising from service provided by an employee in exchange for employee benefits, what is it considered in accounting terms?

Options:

A- The employee value proposition

B- An expense

C- A benefit

D- A cost

Answer:

B

Question 6

Question Type: MultipleChoice

What is the main objective of IAS 19?

Options:

- A-** To prescribe the accounting and disclosure for employee benefits
- B-** To prescribe the timing of payments
- C-** To draw a distinction between long and short term benefits
- D-** To draw a distinction between a defined contribution and defined benefit plan

Answer:

A

Question 7

Question Type: MultipleChoice

What are balanced sheets and income statements linked by?

Options:

- A- Investing activities
- B- Retained earnings
- C- Expenses
- D- Net income

Answer:

B

Question 8

Question Type: MultipleChoice

A statement of cash flows provides information on which of the following primary business activities of a company?

Options:

- A- Cash inflows, cash outflows, payment of dividends
- B- Operating activities, cash inflows, cash outflows
- C- Cash sales, investing activities, payment of dividends
- D- Operating, investing, and financing activities

Answer:

D

Question 9

Question Type: MultipleChoice

What is the purpose of an income statement?

Options:

- A- To show liability and equity and the manner in which those funds are employed
- B- To account for changes in cash during the accounting period
- C- To show details of the nature of a company's operating activities
- D- To reconcile the beginning and ending balances of stockholders' equity

Answer:

C

Question 10

Question Type: MultipleChoice

What is the purpose of a balance sheet?

Options:

- A- To show sources of funds and the manner in which those funds are employed
- B- To account for changes in cash during the accounting period
- C- To show details of the nature of a company's operating activities

D- To reconcile the beginning and ending balances of stockholders' equity

Answer:

A

Question 11

Question Type: MultipleChoice

What is the purpose of a statement of cash flow?

Options:

- A-** To show liability and equity and the manner in which those funds are employed in a manner which is useful for users of the statement
- B-** To account for changes in cash during the accounting period in a manner which is useful for users of the statement
- C-** To show details of the nature of a company's operating activities in a manner which is useful for users of the statement
- D-** To reconcile the beginning and ending balances of stockholders' equity in a manner which is useful for users of the statement

Answer:

B

Question 12

Question Type: MultipleChoice

What are the main equity categories in a statement of stockholders' equity?

Options:

- A- Retained earnings and treasury stock
- B- Investing activities and financing activities
- C- Operating revenues and noncurrent assets
- D- Revenue items and owners' equity

Answer:

A

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