Free Questions for AFE by certsinside

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Question 1

Question Type: MultipleChoice

What is made on an instrument-by-instrument basis, generally when an instrument is initially recognized in the financial statements?

Options:

A- Election

B- Disclosure

C- Eligibility

D- Discount

Answer:

A

Question 2

Question Type: MultipleChoice

Fair quoted techniques used to measure fair value should maximize the use of observable inputs and minimize the use of unobservable inputs.

Options:

A- True

B- False

Answer:

B

Question 3

Question Type: **MultipleChoice**

What technique uses a risk-adjusted discount rate and contractual, promised, or most likely cash flows?

Options:

A- Asset/Liability weighted

B- Fair value

C- Present value

D- Discount rate adjustment

Answer:

D

Question 4

Question Type: **MultipleChoice**

To avoid double counting or omitting the effects of risks factors what should reflect assumptions that are consistent with those inherent in the cash flows?

Options:

A- Economic flow

B- Nominal flows

C- Discount rates

D- Inflation effect

Answer:

C

Question 5

Question Type: MultipleChoice

A change in _ or its application is appropriate if the change results in a measurement that is equally or more representative of fair value in the circumstances.

Options:

A- Valuation technique

B- Value technique

C- Investment approach

D- Accounting corrections

Answer:

A

Question 6

Question Type: **MultipleChoice**

The amount that currently would be required to replace the service capacity of an asset is called:

Options:

A- Risk approach

B- Market approach

C- Income approach

D- Cost approach

Answer:

D

Question 7

Question Type: **MultipleChoice**

What uses valuation techniques to convert future amounts to a single present amount?

Options:

A- Risk approach

B- Market approach

C- Income approach

D- Cost approach

Answer:

C

Question 8

Question Type: **MultipleChoice**

Valuation technique should be used to measure fair value and is consistent with:

Options:

A- market, income and risk approach

B- market, performance and cost approach

C- security, income and risk approach

D- market, income and cost approach

Answer:

D

Question 9

Question Type: **MultipleChoice**

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date is called:

Options:

A- face value

B- fair value

C- market value

D- transaction value

Answer:

B

Question 10

Question Type: **MultipleChoice**

The evaluation and subsequent purchase or sale of investments is based on the judgment of the entity's investment and finance committees.

Options:

A- True

B- False

Answer:

A