



FINANCIAL-ACCOUNTING-AND- REPORTING^{Q&As}

Certified Public Accountant (Financial Accounting & Reporting)

**Pass Test Prep FINANCIAL-ACCOUNTING-AND-
REPORTING Exam with 100% Guarantee**

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.geekcert.com/financial-accounting-and-reporting.html>

100% Passing Guarantee
100% Money Back Assurance

Following Questions and Answers are all new published by Test Prep
Official Exam Center



VCE & PDF

GeekCert.com

<https://www.geekcert.com/financial-accounting-and-reporting.html>
2024 Latest geekcert FINANCIAL-ACCOUNTING-AND-REPORTING PDF and
VCE dumps Download

- ⚙️ **Instant Download** After Purchase
- ⚙️ **100% Money Back** Guarantee
- ⚙️ **365 Days** Free Update
- ⚙️ **800,000+** Satisfied Customers





QUESTION 1

In the hierarchy of generally accepted accounting principles, APB Opinions have the same authority as AICPA:

- A. Statements of Position.
- B. Industry Audit and Accounting Guides.
- C. Issues Papers.
- D. Accounting Research Bulletins.

Correct Answer: D

Choice "d" is correct. AICPA Accounting Research Bulletins, FASB Standards, FASB Interpretations, FASB Staff Positions, FASB Statement 133 Implementation Issues, and APB Opinions and Interpretations are the most authoritative sources of generally accepted accounting principles. Choice "a" is incorrect. AICPA Statements of Position, AICPA Accounting and Auditing Guides, and FASB Technical Bulletins are secondary sources of generally accepted accounting principles. Choice "b" is incorrect. AICPA Statements of Position, AICPA Accounting and Auditing Guides, and FASB Technical Bulletins are secondary sources of generally accepted accounting principles. Choice "c" is incorrect. AICPA Issues Papers and Practice Bulletins, FASB Concepts Statements, and other authoritative pronouncements are tertiary sources for generally accepted accounting principles.

QUESTION 2

A planned volume variance in the first quarter, which is expected to be absorbed by the end of the fiscal period, ordinarily should be deferred at the end of the first quarter if it is:

	<u>Favorable</u>	<u>Unfavorable</u>
A.	Yes	No
B.	No	Yes
C.	No	No
D.	Yes	Yes

- A. Option A
- B. Option B
- C. Option C
- D. Option D

Correct Answer: D

Choice "d" is correct. Yes - Yes.

Rule: Volume variances that are planned or expected to be absorbed by the end of the year should be deferred at interim whether favorable or unfavorable.



QUESTION 3

On November 1, 20X2, Smith Co. contracted to dispose of an industry segment. Throughout 20X2 the segment had operating losses. These losses were expected to continue until the segment's disposition. If a loss is projected on final disposition, how much of the operating losses should be included in the loss from discontinued operations reported in Smith's 20X2 income statement?

- I. Operating losses for the period January 1 to October 31, 20X2.
 - II. Operating losses for the period November 1 to December 31, 20X2.
 - III. Estimated operating losses for the period January 1 to February 28, 20X3.
- A. II only.
 - B. II and III only.
 - C. I and III only.
 - D. I and II only.

Correct Answer: D

Choice "d" is correct. The operating losses to be included in Smith's 20X2 income statement would be the total 20X2 operating losses, regardless of whether those losses occurred before or after the date the decision to dispose of the component was made, and not any 20X3 operating losses. Projected operating losses are not anticipated and accrued. Choice "a" is incorrect. The operating losses to be included in Smith's 20X2 income statement would be the total 20X2 operating losses, regardless of whether those losses occurred before or after the date the decision to dispose of the component was made, and not any 20X3 operating losses. Choice "b" is incorrect. The operating losses to be included in Smith's 20X2 income statement would be the total 20X2 operating losses, regardless of whether those losses occurred before or after the date the decision to dispose of the component was made, and not any 20X3 operating losses. Choice "c" is incorrect. The operating losses to be included in Smith's 20X2 income statement would be the total 20X2 operating losses, regardless of whether those losses occurred before or after the date the decision to dispose of the component was made, and not any 20X3 operating losses.

QUESTION 4

Which of the following should be reported as a prior period adjustment?



	<u>Change in estimated lives of depreciable assets</u>	<u>Change from unaccepted principle to accepted principle</u>
A.	Yes	Yes
B.	No	Yes
C.	Yes	No
D.	No	No

- A. Option A
- B. Option B
- C. Option C
- D. Option D

Correct Answer: B

Choice "b" is correct. No - Yes Change in estimated lives of depreciable assets is a "change in estimate." They affect only current and future periods (not "prior periods," not retained earnings). Change from unaccepted principle to accepted principle is an example of an error of a prior period that should be reported as a "prior period adjustment."

QUESTION 5

During 20X5, Dale Corp. made the following accounting changes:

<u>Method used in 20X4</u>	<u>Method used in 20X5</u>	<u>After-tax effect</u>
Sum-of-the-years' digits depreciation	Straight-line depreciation	\$30,000
Last-in, first-out for inventory valuation	First-in, first-out for inventory valuation	98,000

What amount should be shown in the 20X5 retained earnings statement as an adjustment to the beginning balance?

- A. \$0
- B. \$30,000
- C. \$98,000
- D. \$128,000

Correct Answer: C

Choice "c" is correct. \$98,000. The cumulative effect of a change in accounting principle is now shown on the retained earnings statement as an adjustment to the beginning balance of retained earnings, assuming that the cumulative effect



can be calculated. A change from LIFO to FIFO for inventory valuation (costing) is a change in accounting principle. An exception is made however, for a change in depreciation method, since a change in depreciation method is no longer considered to be a change in accounting principle. A change in depreciation method is now considered to be both a change in principle and a change in estimate. These changes should now be accounted for as a change in estimate and handled prospectively. The new depreciation method should be used as of the beginning of the year of change and should start with the current book value of the underlying asset. No retroactive or retrospective calculations should be made, and no adjustment should be made to retained earnings. Choices "a", "b", and "d" are incorrect, per the above Explanation: .

[Latest FINANCIAL-ACCOUNTING-AND-REPORTING Dumps](#)

[FINANCIAL-ACCOUNTING-AND-REPORTING VCE Dumps](#)

[FINANCIAL-ACCOUNTING-AND-REPORTING Practice Test](#)