1. (3p) Calculate the value of equity, in accordance with IAS 1 Presentation of Financial Statements, based on the following data only: Share capital 70,000 CU; Provisions 20,000 CU; Reserves 40,000 CU; Long-term bank loan 30,000 CU; Result (loss) for the year 10,000 CU; Deferred income tax payable 10,000 CU. Choose the correct answer:
A. 120,000 CU.
B. 100,000 CU.
C. 130,000 CU.
D. 110,000 CU.

2. (3p) Calculate the value of current assets, in accordance with IAS 1 Presentation of Financial Statements, based on the following data only: Receivables 20,000 CU; Goodwill 50,000 CU; Cash equivalents 10,000 CU; Inventories 60,000 CU; Equipment 300,000 CU; Reserves 40,000; Deferred income 30,000 CU. Choose the correct answer:
A. 160,000 CU;
B. 130,000 CU;
C. 90,000 CU.
D. 120,000 CU;

3. (3p) An entity manufactures 5,000 pieces of a product during a month in the following conditions: unitary variable production cost 20 CU, fixed production costs 200,000 CU, normal capacity of production 10,000 pieces. According to IAS 2 Inventories, the unitary production cost is:
A. 60 CU/piece.
B. B 20 CU/piece.
C. 50 CU/piece.
D. 40 CU/piece.

4. (3p) Calculate the value of total comprehensive income, in accordance with IAS 1 Presentation of Financial Statements, based on the following data only: Revenues from sales 130,000 CU; Administrative expenses 20,000 CU; Share capital 200,000 CU; Financial expenses 10,000 CU; Gains from revaluation of property 90,000 CU. Choose the correct answer:
A. 490,000 CU.
B. 180,000 CU.
C. 190,000 CU.
D. 100,000 CU.

5. (3p) According to IAS 36 Impairment of Assets, an asset is impaired when:
A. Its recoverable amount is higher than its carrying amount.
B. Its recoverable amount is higher than its accumulated depreciation.
C. Its recoverable amount is less than its carrying amount.
D. Its recoverable amount is less than its net selling price.

6. (3p) In accordance with IAS 7 Statement of Cash Flows, when computing the Net cash flow from financing activities, an entity should:
A. Subtract the cash receipts from the issuance of shares.
B. Add the cash receipts from customers.
C. Add the cash receipts from a long-term bank loan.
D. Subtract the cash payments to employees.

7. (3p) The following information is known for merchandise sold during the year 20X1: cost 30,000 CU; selling price 53,000 CU; impairment recorded at the end of the previous year 18,000 CU According to IAS 2 Inventories, for the year 20X1, the company records:
A. An increase in revenues related to impairment of 23,000 CU.
B. An increase in revenues related to impairment of 18,000 CU.
C. An increase in revenues related to impairment of 48,000 CU.
D. An increase in expenses related to impairment of 18,000 CU.

8. (3p) A manufacturing entity has had a production equipment in use for 5 years. The estimated useful life of the asset is 15 years. As a result of technological innovations, a new and improved type of equipment was launched with impact on cost reduction. The entity's direct competitor uses this new type of equipment. Which of the following sentences is correct according to IAS 36 Impairment of Assets?
A. The entity should increase the depreciation amount for the equipment used.
B. The entity must replace the existing equipment with the new one.
C. The entity should sell the old equipment.
D. There is enough evidence that the equipment used by the entity may be impaired.

9. (3p) During the year 20X1, a manufacturing company paid 300,000 CU in cash as a loan to one of its subsidiaries, which was experiencing financial difficulties. In accordance with IAS 7 Statement of Cash Flows, the entity should disclose this information as:
A. Cash flows from financing activities.
B. Cash flows from investing activities.
C. Cash flows from operating activities.
D. Non-current liability in the Statement of financial position.

10. (3p) The following information is known at the end of the year 20X1 for an equipment used by a company in its operating activity: carrying amount 130,000 CU; impairment loss recorded at the end of 20X0 13,000 CU; fair value 77,000 CU; cost of disposal 4,000 CU; value in use 57,000 CU; accumulated depreciation 40,000 CU. According to IAS 36 Impairment of Assets, which of the following is true at the end of the year 20X1?
A. There is a value loss of 33,000 CU recorded as an expense related to impairment.
B. There is a value loss of 4,000 CU recorded as an expense related to impairment.
C. There is a value loss of 17,000 CU recorded as an expense related to impairment.
D. There is a value loss of 20,000 CU recorded as an expense related to impairment.

11. (3p) The opening balance of merchandise on July 1 is 1,000 kg at 20 CU/kg. During July, the following transactions occurred: purchases on July 10 – 4,000 kg at 25 CU/kg and on July 20 – 3,000 kg at 30 CU/kg; sales on July 15 – 3,000 kg and on July 25– 4,000 kg. What is the cost of sales for the month of July measured according to the FIFO method, in compliance with IAS 2 Inventories?
A. 210,000 CU.
B. 180,000 CU.
C. 70,000 CU.
D. 110,000 CU.

12. (3p) In September 20X1, an entity signed a contract to deliver 300 units of their products to a customer by the end of 20X1. The contract included a clause that imposed penalties in amount of 200,000 CU for late or incomplete deliveries. Due to logistics problems, the entity failed to deliver the required 300 units on time. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the implication for the financial statements at 31.12.20X1 is that:
A. A provision of 200,000 CU should be recognized.
B. A contingent asset of 200,000 CU should be disclosed.
C. A contingent liability of 200,000 CU should be disclosed.
D. A constructive obligation of 200,000 CU should be recognized.

13. (3p) Which of the following factors can be taken into consideration to establish the useful life of an asset, according to IAS 16 Property, Plant and Equipment: (1) The expected level of usage estimated by the fiscal authorities; (2) The estimated physical use expressed in number of shifts in which the asset is expected to be used; (3) The estimated physical use based on the asset's maintenance and repair program; (4) The risk of closing the activity; (5) The technical obsolescence; (6) The reluctance of the employees to use the asset?
A. (1), (2), (3), (4) and (5).
B. (1), (2), (3) and (5).
C. (1), (2), (3), (4) and (5).
D. (2), (3) and (5).

14. (3p) A company owns a piece of land purchased at a cost of 490,000 CU 2 years ago. At the end of the current year, the fair value of the asset is 730,000 CU. What item changes and by what amount if the company applies the revaluation model according to IAS 16 Property, Plant and Equipment?
A. Impairment of assets increases by 240,000 CU.
B. Land decreases by 240,000 CU.
C. Revaluation reserves increase by 240,000 CU.
D. Profit for the year increases by 240,000 CU.

15. (3p) Which of the following items does NOT belong into an income statement with expenses classified by function, in accordance with IAS 1 Presentation of Financial Statements?
A. Distribution expenses.
B. Administrative expenses.
C. Staff expenses.
D. Gross margin.

16. (3p) An entity discloses the following information in the Statement of comprehensive income, prepared by function, in accordance with IAS 1 Presentation of Financial Statements: Income tax expense 10,000; Administrative costs 20,000 CU; Cost of goods sold 40,000 CU; Distribution costs 30,000 CU; Revenues from sales 150,000 CU. Based on the given information only, calculate the value of the Gross margin reported by the entity:
A. 110,000 CU.
B. 60,000 CU.
C. 50,000 CU.
D. 100,000 CU.

17. (3p) Which of the following items are current liabilities, in accordance with IAS 1 Presentation of Financial Statements: (1) Current income tax payable; (2) Commercial liabilities; (3) Portion of a long-term bank loan becoming due in 6 months after the reporting period; (4) Cash equivalents?
A. (1), (2) and (3).
B. (1), (3) and (4).
C. (2) and (3).
D. (1) and (3).

18. (3p) An equipment was bought to be used in production at an acquisition cost of 185,000 CU. Which of the following is one of the recognition criteria for this asset, according to IAS 16 Property, Plant and Equipment?
A. The future economic benefits associated with the asset that will flow to the entity can be measured reliably.
B. The depreciable amount can be distributed systematically over its useful life.
C. The cost of the asset can be measured reliably.
D. A residual value can be reliably estimated.

19. (3p) In accordance with IAS 7 Statement of Cash Flows, when computing the Net cash flow from operating activities using the indirect method, an entity should:
A. Subtract the depreciation expense.
B. Add the revenues from provisions.
C. Subtract the decrease in inventories.
D. Add the increase in suppliers.

20. (3p) An entity purchased and put to use, on January 1, 20X1, a plant with a cost of 300,000 CU, partly covered from an investment subsidy of 50,000 CU. The plant is depreciated over a period of 25 years. Considering that the depreciation method applied is straight-line and that the investment grant is deducted from the value of the asset, determine the net carrying amount of the plant at the end of the year 20X1 in accordance with IAS 16 Property, Plant and Equipment:
A. 300,000 CU.
B. 240,000 CU.
C. 250,000 CU.
D. 288,000 CU.

21. (3p) An entity offers a one-year warranty on all products it sells. Estimations based on previous activity of the entity show that 70% of the products sold are not defective, 20% have minor defects, and 10% have major defects. For the year 20X1 the quantity sold is of 10,000 units, and the estimations for the repairing expenses are 10 CU/unit for minor defects, and 100 CU/unit for major defects. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the entity should recognize:
A. Contingent assets of 70,000 CU.
B. Contingent liabilities of 120,000 CU.
C. Expenses with provisions for risks and charges of 70,000 CU.
D. Expenses with provisions for risks and charges of 120,000 CU.

22. (3p) A company owns tangible assets, for which accounting depreciation, calculated based on the accelerated depreciation method, is 20,000 CU, while the fiscal depreciation, determined based on the straight-line method, amounts to 5,000 CU. The carrying amount of the asset is 40,000 CU and the income tax rate is 16%. According to IAS 12 Income Taxes:
A. There is a deductible temporary difference of 40,000 CU and a receivable regarding the deferred income tax of 6,400 CU needs to be registered, as the fiscal base is lower than the carrying amount.
B. There is a deductible temporary difference of 15,000 CU and a receivable regarding the deferred income tax of 2,400 CU needs to be registered, as the fiscal base is higher than the carrying amount.
C. There is a taxable temporary difference of 15,000 CU and a liability regarding the deferred income tax of 2,400 CU needs to be registered, as the fiscal base is higher than the carrying amount.
D. There is a taxable temporary difference of 15,000 CU and a receivable regarding the deferred income tax of 2,400 CU needs to be registered, as the fiscal base is higher than the carrying amount.

23. (3p) According to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a ________________ is a potential asset arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
A. Provision.
B. Non-current asset.
C. Contingent asset.
D. Long-term asset.

24. (3p) An entity was sued by a customer for supplying products that caused food poisoning to people attending an event. The entity's legal consultants are of the opinion that the court will rule in the customer's favor and that the entity will be required to pay compensations of approximately 120,000 CU. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the entity should recognize/disclose:
A. A provision.
B. No disclosure is required, as the court's ruling is not yet known.
C. A constructive obligation.
D. A contingent liability.

25. (3p) Which of the following does NOT describe inventories according to IAS 2 Inventories:
A. Work in progress intended for sale.
B. Materials to be consumed in the production of goods or services.
C. Assets held for rental to others or for administrative purposes.
D. Asset held for sale in the normal course of business.

26. (3p) According to IAS 16 Property, Plant and Equipment, the cost of imported production equipment should include: (1) The purchase price; (2) Costs of transport and handling (3) Operating losses incurred before the equipment achieved the planned performance (4) Import duties and other non-refundable taxes; (5) General administrative expenses?
A. (1), (2), (3) and (4).
B. (1) and (2).
C. (1), (2) and (4).
D. (1), (2), (4) and (5).

27. (3p) An entity purchases a piece of machinery for 32,000 CU with an economic useful life of 8 years. The asset is expected to be sold after 5 years of being used by the entity. A residual value of 8,000 CU is estimated. Which of the following sentences is true according to IAS 16 Property, Plant and Equipment?
A. The useful life is 5 years and the depreciable amount is 24,000 CU.
B. The useful life is 8 years and the depreciable amount is 24,000 CU.
C. The useful life is 5 years and the depreciable amount is 32,000 CU.
D. The useful life is 8 years and the depreciable amount is 32,000 CU.

28. (3p) Which of the following statements is true in compliance with IAS 7 Statement of Cash Flows? (1) Interest received can be classified as an operating cash flow or as an investing cash flow. (2) Cash flows arising from interest and dividends received must be presented separately from cash flows arising from interest and dividends paid.
A. Only (2).
B. Both (1) and (2).
C. Only (1).
D. Neither (1) nor (2).

29. (3p) In accordance with IAS 7 Statement of Cash Flows, an entity discloses the following information: Cash proceeds from issuing shares 90,000 CU; Cash payments made for purchasing long-term financial investments 50,000 CU; Cash receipts from long-term bank loans 70,000 CU; Cash payments made for the acquisition of land 100,000 CU; Cash reimbursement of long-term bank loans 30,000 CU; Cash receipts as reimbursement from loans granted to third parties 20,000 CU; Dividends received in cash 10,000 CU. Calculate the value of the Net cash flow from financing activities:
A. 150,000 CU.
B. 160,000 CU.
C. 140,000 CU.
D. 130,000 CU.

30. (3p) The following data relates to a piece of equipment: initial cost 50,000 CU, useful life 10 years, and the company uses the straight-line depreciation method. The first revaluation takes place after 3 years, the fair value being 42,000 CU. The second revaluation takes place 3 years after the first revaluation, the fair value being 36,000 CU. Considering that the entity applies the revaluation model, according to IAS 16 Property, Plant and Equipment, the second revaluation determines:
A. An increase in the revaluation reserve by 7,000 CU.
B. An increase in the revaluation reserve by 12,000 CU.
C. An increase in impairment by 5,000 CU.
D. An increase in impairment by 6,000 CU.