1. (3p) According to IAS 36 Impairment of Assets, the __________ of an item of property, plant and equipment is the amount at which an asset is recognized in the Statement of financial position, after deducting depreciation and impairment. Chose the correct answer to fill in the blanks:
A. Value in use.
B. Net realizable value.
C. Carrying amount.
D. Residual value.

2. (3p) In accordance with IAS 7 Statement of Cash Flows, when preparing the Cash flow from operating activities using the direct method, an entity should:
A. Subtract the cash receipts from royalties.
B. Add the cash payments to employees.
C. Add the cash receipts from selling the equipment.
D. Subtract the cash payments to suppliers.

3. (3p) In accordance with IAS 7 Statement of Cash Flows, an entity discloses the following information: Cash payments for loans granted to third parties 10,000 CU; Cash proceeds from issuing shares 87,000 CU; Cash receipts from long-term bank loans 120,000 CU; Cash receipts from sale of long-term financial investments 47,000 CU; Cash payments made for acquisition of land 280,000 CU; Cash reimbursement of long-term loans 38,000 CU; Cash receipts from sale of equipment 415,000 CU. Calculate the value of the Net cash flow from investing activities?
A. 182,000 CU.
B. 212,000 CU.
C. 172,000 CU.
D. 145,000 CU.

4. (3p) On May 4, 20X1, an entity purchased 600 units of merchandise from suppliers under the following conditions: negotiated unitary price 40 CU, trade discount for quality defects 5%, transportation cost 4,000 CU, handling cost 2,000. What is the acquisition cost of the merchandise according to IAS 2 Inventories?
A. 28,800 CU.
B. 34,272 CU.
C. 27,132 CU.
D. 22,800 CU.

5. (3p) An entity prepares the Statement of other comprehensive income, in accordance with IAS 1 Presentation of Financial Statements. Based on the following data only: Operating result (profit) 83,000 CU; Staff expenses 26,000 CU; Other operating revenues 9,000 CU; Other operating expenses 5,000 CU; Depreciation expenses 19,000 CU; Expenses with raw materials 32,000 CU, calculate the value of the Revenues from sales:
A. 115,000 CU.
B. 51,000 CU.
C. 156,000 CU.
D. 106,000 CU.

6. (3p) At the end of the year 20X1, a sporting goods retailer has in stock 60 bicycles valued at their acquisition cost of 350 CU/unit, and 120 bicycle helmets valued at their acquisition cost of 40 CU/unit. The company estimates the net realizable values for these assets at 340 CU/unit and 30 CU/unit, respectively. What is the impairment loss reported by the entity at the end of the year in the Statement of financial position in compliance with IAS 2 Inventories?
A. 1,200 CU.
B. 0 CU.
C. 1,800 CU.
D. 600 CU.

7. (3p) Calculate the value of non-current assets, in accordance with IAS 1 Presentation of Financial Statements, based on the following data only: Vehicles to be used in the distribution of goods 76,000 CU; Receivables 43,000 CU; Accounting software used in the accounting department 37,000 CU; Cash equivalents 18,000 CU; Investments in associated companies 95,000 CU. Choose the correct answer:
A. 132,000 CU.
B. 150,000 CU.
C. 137,000 CU.
D. 208,000 CU.

8. (3p) An entity has a contractual policy of providing warranties for the goods sold. Based on previous experience, 4% of the sold products were returned for repairs, while the average amount of repairing expenses was of 50 CU per unit. During the year 20X1, a quantity of 2,000 units was sold with a unit price of 600 CU. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the implication for the financial statements on December 31, 20X1 is that:
A. A contingent liability of 48,000 CU should be disclosed.
B. A provision of 4,000 CU should be recognized.
C. A constructive obligation of 100,000 CU should be recognized.
D. A contingent asset of 1,200,000 CU should be disclosed.

9. (3p) On January 1, 20X1, an entity sold an old printer for 700 CU. The printer was purchased for 4,500 CU and put to use 5 years ago, being depreciated on a straight-line basis to a 800 CU residual value. What is the gain/loss on the sale of the asset recorded by the company on January 1, 20X1 in compliance with IAS 16 Property, Plant and Equipment?
A. Gain 100 CU.
B. Loss 100 CU.
C. Gain 3,900 CU.
D. Loss 3,900 CU.

10. (3p) On January 1, 20X1, an entity put an office building to use with an initial cost of 600,000 CU. The asset has a useful life of 50 years and is depreciated on a straight-line basis to a zero residual value. The entity uses the revaluation model to value its buildings and the fair value of the asset at December 31, 20X1 is 700,000 CU. In compliance with IAS 16 Property, Plant and Equipment, what is the value of the revaluation reserve recorded by the entity when revaluing the building on December 31, 20X1:
A. 588,000 CU.
B. 12,000 CU.
C. 100,000 CU.
D. 112,000 CU.

11. (3p) Choose the list that includes only current liabilities, in accordance with IAS 1 Presentation of financial statements:
A. Cash equivalents; Trade payables; Long-term bank loan becoming due in 6 months.
B. Commercial liabilities due to be settled in 10 months after the reporting period; Long-term bank loan; Deferred income tax payable.
C. Short-term bank loan; Receivables; Trade payables.
D. Current income tax payable; Short-term bank loan; Commercial liabilities due to be settled in 14 months after the reporting period.

12. (3p) An entity sued a competitor for illegal use of a licence and was entitled to compensation of 10.000 CU by a court decision. The decision was appealed and not yet resolved until the end of the year. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the entity should recognise/disclose:
A. A contingent liability.
B. A provision.
C. A contingent asset.
D. No item should be recognized/disclosed.

13. (3p) The following information is provided for an entity: Salaries and wages payables – beginning balance 12,000 CU; Salaries and wages payables – ending balance 10,000 CU; Expenses with raw materials and consumables 223,000 CU; Staff expenses 245,000 CU; Revenue from sales 620,000 CU. In accordance with the direct method presented in IAS 7 Statement of Cash Flows, the value of the Cash payments to employees to be disclosed by the entity is:
A. 243,000 CU.
B. 470,000 CU.
C. 466,000 CU.
D. 247,000 CU.

14. (3p) On January 1, 20X1, an electronics manufacturer put an assembly line to use with an initial cost of 1,500,000 CU. The useful life of the assembly line is estimated to 36,000 functioning hours. What is the depreciation of the asset registered by the company for the year 20X1, in compliance with IAS 16 Property, Plant and Equipment, knowing that in the first year the equipment was used for 3,000 hours?
A. 320,000 CU.
B. 125,000 CU.
C. 500,000 CU.
D. 325,000 CU.

15. (3p) Which of the following assets meet the definition of Property, Plant and Equipment according to IAS 16 Property, Plant and Equipment? (1) An aircraft owned by an airline company to provide transportation services to its customers. (2) An interior design software used by an architecture firm. (3) Hard drives used by a computer manufacturer as components for laptops produced.
A. (1) and (3).
B. (1), (2) and (3).
C. Only (1).
D. (1) and (2).

16. (3p) On March 3, 20X1, a waste management company buys a waste sorting system under the following conditions (VAT excluded from the values): negotiated price with the supplier 950,000 CU, costs of site preparation 100,000 CU, installation and verification costs 120,000, training of personnel operating the machine 30,000 CU, VAT 19%. In compliance with environmental regulations, it is compulsory for the entity to restore the site at the end of operations, the total costs related to the asset's removal and site restoration being estimated at 70,000 CU. Which of the following items are NOT included in the initial cost of the waste sorting system according to IAS 16 Property, Plant and Equipment?
A. Installation and verification expenses.
B. Costs related to the asset's removal and site restoration.
C. Costs of site preparation.
D. Training of personnel operating the machinery.

17. (3p) At the end of the year 20X1, an entity owns an office building with a carrying amount of 850,000 CU and a tax base of 700,000 CU. Which one of the following statements is TRUE, according to IAS 12 Income Taxes, knowing that the income tax rate is 16%?
A. The taxable temporary difference is 24,000 CU.
B. The company records a deferred tax asset of 24,000 CU.
C. The deductible temporary difference is 150,000 CU.
D. The company records a deferred tax liability of 24,000 CU.

18. (3p) At the end of the year 20X1, a holyday resort has a hotel in use with a carrying amount of 80,000,000 CU. The company uses the cost model to value the hotel, and, at the end of 20X1, there are indications that the asset may be impaired as the holyday resort is experiencing a significant decrease in customers' demand. Thus, the entity's management estimated at that time a fair value for the asset amounting to 70,000,000 CU, associated costs to sell the asset of 300,000 CU, and a value in use of 75,000,000 CU. What is the value of the hotel reported by the entity in the Statement of financial position at the end of the year 20X1, according to IAS 36 Impairment of Assets?
A. 69,700,000 CU.
B. 75,000,000 CU.
C. 70,000,000 CU.
D. 80,000,000 CU.

19. (3p) An entity discloses the following information in the Statement of other comprehensive income, prepared by function, in accordance with IAS 1 Presentation of Financial Statements: Administrative costs 18,000 CU; Cost of goods sold 42,000 CU; Distribution costs 3,000 CU; Revenues from sale 79,000 CU. Based on the given information only, calculate the value of the Gross margin reported by the entity:
A. 37,000 CU.
B. 61,000 CU.
C. 16,000 CU.
D. 58,000 CU.

20. (3p) During the year 20X1, entity ALFA, that manufactures computers, receives 300,000 CU in cash, as a long-term loan from a bank. In accordance with IAS 7 Statement of Cash Flows, entity ALFA should disclose this information as:
A. Non-current asset in the Statement of Financial Position.
B. Cash flows from investing activities.
C. Cash flows from operating activities.
D. Cash flows from financing activities.

21. (3p) In accordance with IAS 1 Presentation of Financial Statements, an entity should disclose in the part related to other items of comprehensive income included in the Statement of other comprehensive income, the item:
A. Depreciation of plant and equipment.
B. Staff expenses.
C. Gains and losses from the conversion of foreign operations.
D. Gross margin.

22. (3p) In 20X1, an entity installed an equipment for which the contract states that at the end of the useful life period of 10 years, the entity has the obligation to restore the land. It is estimated that the restauration will require 80,000 CU. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the entity should:
A. Recognize a provision of 8,000 CU on December 31, 20X1.
B. Recognize a provision of 72,000 CU on December 31, 20X1.
C. Recognize a provision of 80,000 CU at the moment of initial recognition of the equipment.
D. Disclose a contingent liability of 72,000 CU on December 31, 20X1.

23. (3p) On May 26, 20X1, a hotel purchased an air conditioning system under the following conditions (VAT excluded from the values): purchase price 120,000 CU, 10% discount, transportation costs 1,000 CU, installation and verification costs 7,000 CU, VAT 19%. What is the initial cost of the air conditioning system under IAS 16 Property, Plant and Equipment?
A. 116,000 CU.
B. 108,000 CU.
C. 128,520 CU.
D. 142,800 CU.

24. (3p) In accordance with IAS 7 Statement of Cash Flows, when preparing the Cash flow from operating activities using the indirect method, an entity should:
A. Add the decrease in suppliers.
B. Subtract the interest expenses.
C. Subtract the increase in inventories.
D. Add the revenues from provisions.

25. (3p) An online electronics retailer buys 100 laptops and 200 mousepads to sale to its customers. Which of the following statements are TRUE in compliance with IAS 2 Inventories: (1) The mousepads are recorded in the company's books as merchandise as they are goods held for resale. (2) The laptops cannot be recorded as inventory as they are goods that can be used for more than one year.
A. Only (1).
B. Only (2).
C. Neither (1) nor (2).
D. Both (1) and (2).

26. (3p) In the month of July, 20X1, an entity produces 8,200 units of finished goods by incurring 30 CU as a unit variable cost and 50,000 CU as monthly fixed production overhead. Assuming that the normal capacity of the productive equipment is 10,000 units, the total cost of production for the finished goods produced in July, according to IAS 2 Inventories, is:
A. 287,000 CU.
B. 296,000 CU.
C. 582,000 CU.
D. 246,000 CU.

27. (3p) On August 1, 20X1, a furniture store shows the following opening balance for oak chairs: 100 units at 70 CU/unit. On August 7, 20X1, the company purchased another 400 units of the same chairs for 80 CU/unit. Starting on August 8 and by the end of the month, the company sold 200 units of oak chairs for 150 CU/unit (VAT excluded from the amounts). Determine the profit the store made on the chairs sold in August, knowing that the company is using WAC (weighted average cost) technique for exit valuation, in compliance with IAS 2 Inventories.
A. 14,400 CU.
B. 17,136 CU.
C. 15,000 CU.
D. 15,600 CU.

28. (3p) An entity offers a one-year warranty on all products it sells. Estimations based on previous activity of the entity show that 90% of the products sold are not defective, 8% have minor defects, and 2% have major defects. For the year 20X1 the quantity sold is of 100,000 units, and the estimations for the repairing expenses are 10 CU per unit for minor defects, and 120 CU per unit for major defects. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the entity should recognise:
A. Contingent assets of 320,000 CU.
B. Expenses with provisions for risks and charges of 320,000 CU.
C. Contingent liabilities of 240,000 CU.
D. Expenses with provisions for risks and charges of 240,000 CU.

29. (3p) In September 20X1, a wine manufacturer starts producing champagne, which has a production cycle of five years. According to IAS 2 Inventories, on December 31, 20X1, the company reports the stock of champagne as:
A. Work in progress.
B. Goods held for resale.
C. Raw materials.
D. Finished goods.

30. (3p) Calculate the value of equity, in accordance with IAS 1 Presentation of Financial Statements, based on the following data only: Cash 16,000 CU; Provisions 1,000 CU; Revaluation reserves 11,000 CU; Long-term loan 36,000 CU; Share capital 64,000 CU; Result (profit) for the year 26,000 CU; Income tax for the year 2,000 CU. Choose the correct answer:
A. 101,000 CU.
B. 99,000 CU.
C. 75,000 CU.
D. 102,000 CU.