

WorldatWork.T7.v2019-03-23.q53

Exam Code:	T7
Exam Name:	International Financial Reporting Standards for Compensation Professionals Exam
Certification Provider:	WorldatWork
Free Question Number:	53
Version:	v2019-03-23
# of views:	886
# of Questions views:	16245
https://www.freecram.net/torrent/WorldatWork.T7.v2019-03-23.q53.html	

NEW QUESTION: 1

When a company provides information that is of sufficient importance to influence the judgment and decisions of an informed user, which principle of Level 3 of the conceptual framework is being represented?

- A. Going concern
- B. Faithful representation
- C. Measurement
- D. Full disclosure

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 2

Why is faithful representation important in accounting documentation?

- A. It is useful if information represents what it purports to represent
- B. It ensures neutrality on the part of the company's accounting department
- C. It indicates that accountants have confirmed all of the data
- D. It guarantees that all information is free from error

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 3

Level 2 of the conceptual framework of International Accounting Standards Board (IASB) identifies qualitative characteristics of accounting information. These characteristics distinguish more useful information from less useful information. To what end is this distinction useful?

- A. For reporting purposes
- B. For business strategy

- C. For decision-making purposes
- D. For organizational vision

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 4

IAS 19 classifies employee benefits into four main categories. Which of the following best represent those categories?

- A. Short-term benefits, post-employment benefits, long-term benefits, termination benefits
- B. Wages, short-term benefits, bonuses, termination benefits
- C. Wages, profit-sharing, bonuses, non-monetary bonuses
- D. Wages, short-term benefits, long-term benefits, termination benefits

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 5

What is the purpose of an income statement?

- 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: ([SHOW ANSWER](#))

NEW QUESTION: 6

Employee benefits that are payable after the completion of employment are considered what kind of benefits?

- A. Long-term benefits
- B. Post-employment benefits
- C. Short-term benefits
- D. Termination benefits

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 7

What is one of the primary purposes of the International Accounting Standards Board (IASB)?

- A. To appoint Standards Advisory Council (SAC) members
- B. To align US standards and International Accounting Standards Board (IASB) standards
- C. To develop a single set of high quality and enforceable global accounting standards
- D. To monitor International Accounting Standards Board (IASB) effectiveness

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 8

What are the expenses related to a company's financing and investing activities called?

- A. Noncurrent expenses

- B. Operating expenses
- C. Current liabilities
- D. Non operating expenses

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 9

Current assets comprise assets that can be converted to cash. They must be converted within what time period?

- A. Within a fiscal year
- B. Before the end of the fiscal year
- C. Within two years
- D. Within a year

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 10

The profit-sharing plan of Company ABC requires the company pay a specified proportion of its profit for the year to employees who serve throughout the year. If no employees leave during the year, the total profit-sharing payments for the year will be 3% of profit. The company estimates that staff turnover will reduce the payments to 2.5% of profit. What does Company ABC recognize as a liability and an expense?

- A. 0.5% of profit
- B. 2.5% of profit
- C. 3% of profit
- D. 5.5% of profit

Answer: ([SHOW ANSWER](#))

Explanation/Reference:

NEW QUESTION: 11

Why is accounting for short-term employee benefits generally a straightforward process?

- A. Because the employer is required to incorporate actuarial assumptions into measurement of the obligation and the expenses
- B. Because short-term employee benefits are not provided in exchange for the service of the employee
- C. Because no actuarial assumptions are required to measure the obligation or cost and there is no possibility of any actuarial gain or loss
- D. Because short-term employee benefit obligations are measured on a discounted basis

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 12

Which of the following are ingredients of the fundamental characteristic of relevance?

- A. Relevance and faithful representation
- B. Cost and materiality

- C. Predictive value and confirmatory value
- D. Timeliness and understandability

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 13

Which of the following is true of accrual accounting?

- A. It rests on a primary guiding principle, which is recognition
- B. It entails recording income or expenditure only when money comes into or leaves the company
- C. Neither the recognition of revenue nor the recording of expense necessarily involves the receipt or payment of cash
- D. The recognition of revenue involves the receipt or payment of cash, while the recording of expense does not

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 14

Which of the following is true of liabilities?

- A. Noncurrent liabilities come due in less than a year
- B. Current liabilities come due in less than a year
- C. Current liabilities come due in less than 18 months
- D. Both current and noncurrent liabilities come due in less than a year

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 15

Which of the following best defines the term "liability"?

- A. Increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants
- B. Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants
- C. A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits
- D. A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 16

Which of the following describes the concerns of Level 3 of the conceptual framework for financial reporting?

- A. Recognition, measurement, and disclosure concepts
- B. Elements of financial statements

C. Fundamental concepts

D. Basic objective

Answer: ([SHOW ANSWER](#))

Valid T7 Dumps shared by ExamDiscuss.com for Helping Passing T7 Exam!

ExamDiscuss.com now offer the **newest T7 exam dumps**, the ExamDiscuss.com T7 exam **questions have been updated** and **answers have been corrected** get the **newest** ExamDiscuss.com T7 dumps with Test Engine here:

<https://www.examdiscuss.com/WorldatWork/exam/T7/premium/> (90 Q&As Dumps, **35%OFF**

Special Discount Code: [freecram](#))

NEW QUESTION: 17

What are the two guiding principles of accrual accounting?

A. Revenue recognition and matching

B. Expense recognition and matching

C. Cost and materiality

D. Revenue recognition and measurement

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 18

The following requirements are characteristic of which term below? Must be reported on the balance sheet; must be owned or controlled by the company; and must possess expected future benefits.

A. Owners' equity

B. Liabilities

C. Assets

D. Contributed capital

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 19

What is the sum of current and noncurrent liabilities called?

A. Total expenses

B. Current debt

C. Total cost

D. Total liabilities

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 20

When does a present obligation exist?

- A. When the employee renders service
- B. When the company has no realistic alternative but to make the payments
- C. When the company recognizes the expected cost of profit-sharing and bonus payments
- D. When a change in the company's informal practices would cause unacceptable damage to its relationship with employees

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 21

Which of the following should be used when discounting a benefit in order to determine the present value of the defined benefit obligation and the current service cost?

- A. Net present value
- B. Time value of money
- C. The corporate vision
- D. Fair value

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 22

Employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employee rendered the related service are considered what kind of benefits?

- A. Short-term benefits
- B. Termination benefits
- C. Long-term benefits
- D. Post-employment benefits

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 23

Which statement best describes the revalued amount of an asset?

- A. Its fair value at the date of revaluation less accumulated depreciation
- B. Its fair value, less retained earnings
- C. Its fair value at the date of revaluation less accumulated depreciation and accumulated impairment
- D. Its fair value at the date of revaluation less accumulated impairment

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 24

What is the reconciliation of the beginning and ending balances of stockholders' equity accounts called?

- A. Statement of Cash Flows
- B. Statement of Stockholders' Equity
- C. Statement of Financial Position

D. Statement of Income

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 25

Identify the characteristic being employed when companies in the same industry are using the same accounting principles.

- A. Verifiability
- B. Faithful representation
- C. Relevance
- D. Comparability

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 26

Which fundamental qualitative characteristics make accounting information useful for decision-making?

- A. Cost and materiality
- B. Income and expenses
- C. Relevance and faithful representation
- D. Assets and liability

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 27

Level 3 of the conceptual framework for financial reporting includes five basic assumptions. Which of the following describes the basic assumption of economic entity?

- A. The company lasts long enough to fulfill objectives and commitments
- B. Transactions are recorded in the periods in which the events occur
- C. The company can divide its economic activities into time periods
- D. The company keeps its activity separate from its owners and other business units

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 28

Issuance of interim reports is an example of what enhancing characteristic?

- A. Relevance
- B. Verifiability
- C. Comparability
- D. Timeliness

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 29

Which of the following is a disadvantage of reporting assets at historical cost?

- A. Historical cost is subject interpretation, and therefore to bias

- B. Historical cost is not particularly relevant to most readers
- C. Historical cost is not objective
- D. Historical cost is not verifiable

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 30

In a defined contribution benefit plan, who assumes risk?

- A. Employers
- B. Employees
- C. Both employees and employers

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 31

Company XYZ does not disclose any information in the notes to their financial statements unless the value of the information to users exceeds the expense of gathering it. Which constraint of Level 3 of the conceptual framework does this represent?

- A. Expense
- B. Disclosure
- C. Materiality
- D. Cost

Answer: ([SHOW ANSWER](#))

Valid T7 Dumps shared by ExamDiscuss.com for Helping Passing T7 Exam!

ExamDiscuss.com now offer the **newest T7 exam dumps**, the ExamDiscuss.com T7 exam **questions have been updated** and **answers have been corrected** get the **newest** ExamDiscuss.com T7 dumps with Test Engine here:

<https://www.examdiscuss.com/WorldatWork/exam/T7/premium/> (90 Q&As Dumps, **35%OFF**

Special Discount Code: **freecram**)

NEW QUESTION: 32

What is the timing of revenue recognition?

- A. When economic benefits are received by the company and reliable measurement of the amount of revenue is possible
- B. When the company reports current and non-current classifications in its statement of financial position
- C. When users have sufficient reasonable knowledge of business and financial accounting matters to understand the information
- D. When it is probable that future economic benefits will flow to the company and reliable measurement of the amount of revenue is possible

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 33

Which of the following is the best description of liquidity?

- A. The ease of converting a noncash asset to cash
- B. The historical cost of an asset
- C. The fair value of an asset
- D. Liabilities, minus equity

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 34

The International Accounting Standards Board (IASB) has given companies the option to use fair value as the basis for measurement of financial assets and liabilities. Which of the following best defines fair value?

- A. A residual interest in the assets of the entity after deducting all its liabilities
- B. Quality of information that confirms users' earlier expectations
- C. Faithful representation of the amount paid for a given item
- D. Amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 35

Profit-sharing and bonuses are an example of which kind of employee benefits?

- A. Long-term benefits
- B. Short-term benefits
- C. Termination benefits
- D. Post-employment benefits

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 36

Which of the following are ingredients of the fundamental qualitative characteristics of faithful representation?

- A. Assets, liabilities, equity
- B. Complete, neutral, freedom from error
- C. Comparability, verifiability, timeliness
- D. Predictive value, confirmatory value, relevance

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 37

What are balanced sheets and income statements linked by?

- A. Expenses

- B. Investing activities
- C. Net income
- D. Retained earnings

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 38

Which of the following best defines the term "asset"?

- A. A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity
- B. Increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants
- C. A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits
- D. The residual interest in the assets of the entity after deducting all its liabilities.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 39

Which statement below most accurately describes a primary purpose of the International Accounting Standards Committee (IASC) Foundation?

- A. Approves principles-based standards and informs International Accounting Standards Board (IASB) of implications of proposed standards
- B. Provides advice to International Accounting Standards Board (IASB) on priorities
- C. Monitors International Accounting Standards Board (IASB)'s effectiveness, raise funds, approve budget, responsible for constitution
- D. Oversees standards set for the public sector

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 40

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?

- 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 ([LEAVE A REPLY](#))

NEW QUESTION: 41

To estimate how much the employees have earned for their work in the current and prior periods in order to attribute the benefit to the periods of service and to incorporate estimates about demographics and financial variables into calculations, a company must utilize what method?

- A. Re-measurement method
- B. Net present value method
- C. Fair value method
- D. Projected unit credit method

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 42

Predictive value is an ingredient of which of the following fundamental characteristics of information?

- A. Comparability
- B. Neutral
- C. Relevance
- D. Complete

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 43

What are the usual and customary costs that a company incurs to support its main business called?

- A. Operating expenses
- B. Current debt
- C. Total expenses
- D. Current liabilities

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 44

What is one of the purposes of International Accounting Standards Board (IASB)'s conceptual framework, which establishes the concepts that underlie financial reporting?

- A. Provides benchmark for judgments
- B. Informs International Accounting Standards Board (IASB) of implications of proposed standards
- C. Provides guidance where conflicting interpretations have developed
- D. Provides information about economic entities that is useful in making economic decisions

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 45

What is the purpose of a statement of cash flow?

- A. To reconcile the beginning and ending balances of stockholders' equity in a manner which is useful for users of the statement
- B. To show details of the nature of a company's operating activities in a manner which is useful for users of the statement

C. To account for changes in cash during the accounting period in a manner which is useful for users of the statement

D. 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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 46

Neutral and complete are ingredients of which of the following fundamental characteristics of accounting information?

A. Faithful representation

B. Predictive value

C. Relevance

D. Comparability

Answer: ([SHOW ANSWER](#))

Valid T7 Dumps shared by ExamDiscuss.com for Helping Passing T7 Exam!

ExamDiscuss.com now offer the **newest T7 exam dumps**, the ExamDiscuss.com T7 exam

questions have been updated and **answers have been corrected** get the **newest**

ExamDiscuss.com T7 dumps with Test Engine here:

<https://www.examdiscuss.com/WorldatWork/exam/T7/premium/> (90 Q&As Dumps, **35%OFF**

Special Discount Code: **freecram**)

NEW QUESTION: 47

What is the difference between the present value of defined benefit obligation and fair value of plan assets at the end of the reporting period called?

A. The present fair value

B. The discount

C. The financial position

D. The deficit or surplus

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 48

Which of the following plans obliges an employer to pay a specified amount of benefits to the employee?

A. Bonus plan

B. Post-employment plan

C. Defined contribution plan

D. Defined benefit plan

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 49

Which characteristic requires a high degree of consensus among individuals on a given measurement?

- A. Comparability
- B. Faithful representation
- C. Verifiability
- D. Neutral

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 50

Which of the following most accurately describes the overall objective of financial reporting?

- A. Enhance and organization's financial consistency over time as Board members change
- B. Enable International Accounting Standards Board (IASB) to issue more useful and consistent pronouncements
- C. To classify an organization's stakeholders as either internal or external information users
- D. Provide information that is useful for decision making

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 51

Defined contribution plans are an example of which kind of employee benefits?

- A. Termination benefits
- B. Post-employment benefits
- C. Long-term benefits
- D. Short-term benefits

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 52

Which statement below most accurately describes a primary purpose of the Standards Advisory Council (SAC)?

- A. Has the sole responsibility for setting standards
- B. Appoints International Accounting Standards Board (IASB) members
- C. Approves principles-based standards but does not issue detailed application guidelines
- D. Informs International Accounting Standards Board (IASB) of implications of proposed standards

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 53

Why is accounting for defined benefits plans one of the most complex issues in International Financial Reporting Standards?

- A. Because it involves incorporating actuarial assumptions into measurement of the obligation and the expenses
- B. Because defined benefits plan obligations are not measured on a discounted basis
- C. Because the employer is not allowed to incorporate actuarial assumptions into measurement of the obligation and the expenses
- D. Because defined benefits plans must be settled within ten years after the employee renders the related service

Answer: ([SHOW ANSWER](#))

Valid T7 Dumps shared by ExamDiscuss.com for Helping Passing T7 Exam!

ExamDiscuss.com now offer the **newest T7 exam dumps**, the ExamDiscuss.com T7 exam **questions have been updated** and **answers have been corrected** get the **newest** ExamDiscuss.com T7 dumps with Test Engine here:

<https://www.examdiscuss.com/WorldatWork/exam/T7/premium/> (**90** Q&As Dumps, **35%OFF**

Special Discount Code: [freecram](#))