

ACCA

Applied Knowledge

Diploma in Accounting and Business

Financial Accounting (FA/FFA)

EXAM KIT

KAPLAN
PUBLISHING

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This document references IFRS® Standards and IAS® Standards, which are authored by the International Accounting Standards Board (the Board), and published in the 2023 IFRS® Standards Red Book.

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OBJECTIVE TEST QUESTIONS

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EXAM-SPECIFIC INFORMATION

THE EXAM

FORMAT OF THE COMPUTER-BASED EXAM

	<i>Number of marks</i>
35 compulsory objective test questions (2 marks each)	70
2 multi-task questions (15 marks each)	30

Total time allowed: 2 hours

- Two mark questions will usually comprise the following answer types:
 - (i) Multiple choice with four options (A, B, C or D)
 - (ii) Some MCQs may use a multiple response approach (e.g. identify which two of four available statements are correct, with four options to choose from, each option consisting of a combination of two of the available statements). Remember that only one of the four available options will be correct.
- The multi-task questions will test consolidations and preparation of financial statements. The consolidation question could include a small amount of interpretation.
- The examinations contain 100% compulsory questions and students must study across the breadth of the syllabus to prepare effectively for the examination
- The examination will be assessed by a two hour computer-based examination. You should refer to the ACCA web site for information regarding the availability of the computer-based examination.

PASS MARK

The pass mark for all ACCA Qualification examinations is 50%.

DETAILED SYLLABUS, STUDY GUIDE AND CBE SPECIMEN EXAM

The detailed syllabus and study guide written by the ACCA, along with the specimen exam, can be found at:

accaglobal.com/financial-accounting

ACCA SUPPORT

For additional support with your studies please also refer to the ACCA Global website.

Section 1

OBJECTIVE TEST QUESTIONS – SECTION A

INTRODUCTION TO FINANCIAL REPORTING

- 1 Which of the following statements best defines a statement of financial position?**
- A It is a summary of income and expenditure for an accounting period
 - B It is a summary of cash receipts and payments made during an accounting period
 - C It is a summary of assets, liabilities and equity at a specified date
 - D It is a summary of assets and expenses at a specified date
- 2 Which of the following statements best defines a statement of profit or loss?**
- A It is a summary of assets and expenses at a specified date
 - B It is a summary of cash receipts and payments made during an accounting period
 - C It is a summary of assets, liabilities and equity at a specified date
 - D It is a summary of income and expenditure for an accounting period
- 3 Which of the following user groups is likely to require the most detailed financial information?**
- A The management of the entity
 - B Investors and potential investors
 - C Government agencies
 - D Employees
- 4 Which of the following statements are true?**
- 1 Accounting can be described as the recording and summarising of transactions.
 - 2 Financial accounting describes the production of a statement of financial position and statement of profit or loss for internal use.
- A 1 only
 - B 2 only
 - C Both 1 and 2
 - D Neither 1 nor 2

- 5 What is the main purpose of financial accounting?**
- A To record all transactions in the books of account
 - B To provide management with detailed analyses of costs
 - C To enable preparation of financial statements that provides information about an entity's financial performance and position
 - D To calculate profit or loss for an accounting period
- 6 Which of the following statements does NOT explain the distinction between financial statements and management accounts?**
- A Financial statements are primarily for external users and management accounts are primarily for internal users.
 - B Financial statements are normally produced annually and management accounts are normally produced monthly.
 - C Financial statements are more accurate than management accounts.
 - D Financial statements are audited by an external auditor and management accounts do not normally have an external audit.
- 7 Which of the following statements best defines a liability?**
- A A liability is an obligation arising from a past transaction or event.
 - B A liability is a legally binding amount owed to a third party.
 - C A liability is a present obligation of the entity to transfer an economic resource as a result of past events.
 - D A liability is anything which results in an outflow of economic benefits from an entity.
- 8 Which of the following statements best defines an expense?**
- A An expense is any outflow of economic benefits in an accounting period.
 - B An expense is an outflow of economic benefits resulting from the purchase of resources in an accounting period.
 - C An expense is an outflow of economic benefits resulting from a claim by a third party.
 - D An expense is decrease in assets, or increase in liabilities, that result in decreases in equity other than those relating to distributions to holders of equity claims.
- 9 Which of the following statements is true in relation to a partnership?**
- A A partnership is a separate legal entity
 - B A partnership is jointly owned and managed by the partners
 - C A partnership can raise capital by issuing shares to members of the public
 - D A partnership is able to own property and other assets in its own name



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