

TOPIC V: FINANCIAL STATEMENTS

- 1) The Financial Statements comprise:
  - a) The Balance Sheet, Income Statement, Notes, Statement of Changes in Equity and Statement of Cash-flow.
  - b) The Balance Sheet, Income Statement, Notes, Statement of Changes in Equity, Statement of Cash-flow and the Management Report.
  - c) The Balance Sheet, Income Statement, Notes, Statement of Changes in Equity, Statement of Cash-flow, the Management Report and the Auditor’s Report.
  - d) None of the above answers is correct.
  
- 2) Financial resources of a company are reported in:
  - a) The assets in Balance Sheet
  - b) The operating activities in cash-flow statement
  - c) The equity and liabilities in the Balance Sheet
  - d) The Income Statement
  
- 3) An adjustment in the operating activities in the cash-flow statement is:
  - a) The amortization of the period.
  - b) The dividends received during the period.
  - c) The payments for intangible assets
  - d) The issuing of bonds
  
- 4) The “Statement of recognized income and expense”
  - a) Only recognizes revenues and expenses that are reported directly in the company’s equity.
  - b) Only recognizes revenues and expenses that are reported in the income statement.
  - c) Only recognizes amounts transferred to the income statement.
  - d) None of the above answers is correct.
  
- 5) The “Statement of total changes in equity”
  - a) Recognizes the changes in all Equity items.
  - b) Only recognizes revenues and expenses that are reported directly in the company’s equity.
  - c) Does not recognize dividends paid.
  - d) None of the above answers is correct.
  
- 6) The “Statement of total changes in equity”
  - a) Does not recognize Increases in Capital totally covered by Reserves.
  - b) Does not recognize Increases in Capital partially covered by Reserves.
  - c) Only recognizes increases in capital covered by cash.
  - d) None of the above answers is correct.
  
- 7) In the “Statement of Cash-flow”
  - a) Amortizations of the period are not considered.
  - b) Impairments of the period are not considered.
  - c) Both amortizations and impairments of the period must be considered.
  - d) None of the above answers is correct.
  
- 8) In the “Statement of Cash-flow”

- a) The classification of debts from no-current to current is recognized as a cash inflow.
  - b) The payment of debts is recognized as an investment activity.
  - c) The payment of debts is recognized as a financial activity.
  - d) The payment of debts is recognized as an adjustment in operating activities.
- 9) The set of variables that determine if a company can prepare the financial statements in the abbreviated format are:
- a) The total amount in assets, the yearly turnover and the average headcount.
  - b) The total amount in equity, the yearly turnover and the average headcount.
  - c) The total amount in assets, the result of the period and the average headcount.
  - d) The total amount taxes payable, the yearly turnover and the average headcount.
- 10) The "Income Statement"
- a) Recognizes the payment of dividends as a financial expense.
  - b) Recognizes the income tax as an operating expense.
  - c) The payment of debts is recognized as a financial expense
  - d) The changes in inventories are recognized as operating expenses.
- 11) The Standard format of the "Income Statement":
- a) Provides information of an only period
  - b) Provides information of the Equity of the Company
  - c) Provides information of the changes in cash
  - d) Provides information of the economic situation of the company
- 12) The Standard format of the Balance Sheet:
- a) Provides information of the activity of the company
  - b) Provides predictive information of the Equity of the Company
  - c) Provides historic information of the investment in the Company
  - d) None of the above answers is correct
- 13) The Balance Sheet of a company at a particular date:
- a) Shows in a separate way the non-current and current assets
  - b) Shows the changes in the company's liabilities
  - c) Shows the changes in the company's Equity
  - d) Shows in a separate way the revenues and expenses of the period
- 14) In a Balance Sheet:
- a) Assets equal Liabilities
  - b) Current assets equal current liabilities
  - c) The total in liabilities is the addition of assets and equity
  - d) All the above answers are correct
- 15) The Notes:
- a) Do not form part of the Financial Statements
  - b) Is a document only big corporations must prepare
  - c) Comprises only non-quantitative information
  - d) None of the above answers is correct.
- 16) The Notes:
- a) Comprise only information concerning the last year

- b) Comprises historic and predictive information
- c) Comprises information about environmental activities achieved by the company.
- d) Answers b) & c) are correct.

17) The Notes:

- a) It's a document that allows inclusion of additional information to understand the company's situation
- b) It's a document that only allows inclusion of information explaining amounts of the Balance Sheet.
- c) It's a document that allows the company including whatever information in the desired manner.
- d) It's a document that only allows inclusion of information explaining amounts of the Income Statement.

18) When reporting Financial Statements:

- a) Companies that can report abbreviated format Notes, do not present information about taxation.
- b) Companies that can report abbreviated format Notes, do not need to present complete Income Statement
- c) Companies that can report abbreviated format Notes, must present information about Joint Ventures.
- d) Companies that can report abbreviated format Notes, cannot present other information considered necessary to understand the situation of the company.

19) The Management Report:

- a) Must be issued when the company presents complete Balance Sheet.
- b) Must be issued to complete the abbreviated Balance Sheet.
- c) Is issued only when the company prepares complete Income Statement
- d) Is only issued by publicly held companies.

20) The Management report:

- a) Presents information that interests only to the management of the company
- b) Presents whatever information the management of the company wants to show.
- c) Is one of the financial statements, but is not registered in the Mercantile Registry.
- d) Is a document reported and registered together the financial statements.