Question #1 of 24

Which of the following statements regarding footnotes to the financial statements is *least* accurate? Financial statement footnotes:

A) provide information about assumptions and estimates used by management.

B) may contain information regarding contingent losses.

C) typically include a discussion of the firm's past performance and future outlook.

Question #2 of 24

Which of the following statements about financial statement analysis and reporting is *least* accurate?

A) Providing information about changes in a company's financial position is a role of financial reporting.

B) Financial statement analysis focuses on the way companies show their financial performance to investors by preparing and presenting financial statements.

C) Deciding whether to recommend a company's securities to investors is a role of financial statement analysis.

Question #3 of 24

Information about a company's financial position at a point in time is *most likely* found in the:

A) balance sheet.

B) cash flow statement.

C) income statement.

Question #4 of 24

The step in the financial statement analysis framework that includes making any appropriate adjustments to the financial statements and calculating ratios is *best* described as:

A) processing the data.

B) analyzing and interpreting the data.

C) gathering the data.

Question #5 of 24

The step in the financial statement analysis framework of "processing the data" is *least likely* to include which activity?

A) Acquiring the company's financial statements.

B) Making appropriate adjustments to the financial statements.

C) Preparing exhibits such as graphs.

Question #6 of 24

According to IFRS guidance for management's commentary, addressing the company's key relationships is:

A) neither recommended nor required.

B) recommended.

C) required.

Question #7 of 24

Which of the following would NOT require an explanatory paragraph added to the auditors' report?

A) Doubt regarding the "going concern" assumption.

B) Statements that the financial information was prepared according to GAAP.

C) Uncertainty due to litigation.

Question #8 of 24

Which of the following is the *best* description of the financial statement analysis framework?

A) Gather data, analyze and interpret the data, process the conclusions, assess the context, report the recommendations, update the analysis.

B) Gather data, analyze and interpret the data, determine the context, report the conclusions, update the analysis.

C) State the objective and context, gather data, process the data, analyze and interpret the data, report the conclusions or recommendations, update the analysis.

Question #9 of 24

Which of the following statements concerning the notes to the audited financial statements of a company is *least* accurate? Financial statement notes:

A) include management's assessment of the company's operating performance and financial results.

B) contain information about contingent losses that may occur.

C) are audited.

Question #10 of 24

In the financial statement analysis framework, using the data to address the objectives of the analysis and deciding what conclusions or recommendations the information supports is *best* described as:

A) reporting the conclusions.

B) processing the data.

C) analyzing and interpreting the data.

Question #11 of 24

Which of the following is *least likely* to be available on EDGAR (Electronic Data Gathering, Analysis, and Retrieval System)?

A) Corporate press releases.

B) Form 10Q.

C) SEC filings.

Question #12 of 24

Which of the following *best* describes financial reporting and financial statement analysis?

A) The objective of financial analysis is to provide information about the financial position of an entity that is useful to a wide range of users.

B) Financial reporting refers to how companies show their financial performance and financial analysis refers to using the information to make economic decisions.

C) Financial reports assess a company's past performance in order to draw conclusions about the company's ability to generate cash and profits in the future.

Question #13 of 24

Which of the following statements represents information at a specific point in time?

A) The income statement.

B) The income statement and the balance sheet.

C) The balance sheet.

Question #14 of 24

A company's operating revenues for a reporting period are *most likely* to be shown on its:

A) income statement.

B) cash flow statement.

C) balance sheet.

Question #15 of 24

An analyst who wants to examine a firm's financing transactions during the most recent period is *most likely* to evaluate the firm's statement of:

A) comprehensive income.

B) financial position.

C) cash flows.

Question #16 of 24

For publicly traded firms in the United States, the Management Discussion and Analysis (MD&A) portion of the financial disclosure is *least likely* required to discuss:

A) results of operations.

B) unusual or infrequent items.

C) capital resources and liquidity.

Question #17 of 24

Which of the following is an analyst *least likely* to rely on as objective information to include in a company analysis?

A) Proxy statements.

B) Corporate press releases.

C) Government agency statistical data on the economy and the company's industry.

Question #18 of 24

According to the IASB, which of the following *least* accurately describes financial reporting? Financial reporting:

A) provides information about changes in financial position of an entity.

B) uses the information in a company's financial statements to make economic decisions.

C) is useful to a wide range of users.

Question #19 of 24

A firm's internal controls are *most accurately* described as:

A) directly affecting the firm's financial reporting quality.

B) a responsibility of the firm's board of directors.

C) outside the scope of an audit report under IFRS and U.S. GAAP.

Question #20 of 24

The standard auditor's report is *most likely* required to:

A) provide an "unqualified" opinion if material uncertainties exist.

B) provide reasonable assurance that management is reliable.

C) provide reasonable assurance that the financial statements contain no material errors.

Question #21 of 24

Which of the following is an independent auditor *least likely* to do with respect to a company's financial statements?

A) Prepare and accept responsibility for them.

B) Confirm assets and liabilities contained in them.

C) Provide an opinion concerning their fairness and reliability.

Question #22 of 24

In addition to the audited financial statements included in a firm's annual report, which of the following sources of information is *most likely* to contain audited data?

A) Interim financial statements filed with the SEC.

B) Management's commentary.

C) Footnotes to the annual financial statements.

Question #23 of 24

Which of the following is *least likely* to be considered a role of financial statement analysis?

A) Assessing the management skill of the company's executives.

B) Determining whether to invest in the company's securities.

C) To make economic decisions.

Question #24 of 24

Which of the following statements about proxy statements is *least* accurate? Proxy statements are:

A) not filed with the SEC.

B) available on the EDGAR web site.

C) a good source of information about the qualifications of board members and management.