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Question: 1

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

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

Answer: A

Question: 2

Which of the following is a benefit of moving toward a single set of standards?

- A. Create equity across the economies of different countries
- B. Reduce the number of cross-border capital flows
- C. Greater comparability between companies equals lower cost to investors
- D. Less competition among exchanges

Answer: C

Question: 3

Who appoints International Accounting Standards Board (IASB) members?

- A. Standards Advisory Council (SAC)
- B. International Accounting Standards Committee (IASC) Foundation
- C. International Financial Reporting Interpretations Committee (IFRIC)
- D. International Accounting Standards Board (IASB) staff

Answer: B

Question: 4

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. Oversees standards set for the public sector
- C. Monitors International Accounting Standards Board (IASB)'s effectiveness, raise funds, approve budget, responsible for constitution
- D. Provides advice to International Accounting Standards Board (IASB) on priorities

Answer: C

Question: 5

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

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

Answer: A

Question: 6

Which body has the sole responsibility for setting standards?

- A. Standards Advisory Council (SAC)
- B. International Accounting Standards Board (IASB)
- C. International Financial Reporting Interpretations Committee (IFRIC)
- D. Accounting Principles Board (APB)

Answer: B

Question: 7

What is one of the main purposes of the International Financial Reporting Interpretations Committee (IFRIC)?

- A. Provide guidance on reporting issues not specifically addressed in International Accounting Standards Board (IASB)'s standards
- B. Provide advice to International Accounting Standards Board (IASB) on priorities
- C. Monitor International Accounting Standards Board (IASB)'s effectiveness, raise funds, and approve budget

D. Discuss the roles and responsibilities of the International Accounting Standards Board (IASB) and its advisory groups

Answer: A

Question: 8

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

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

Answer: A

Question: 9

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

Answer: C

Question: 10

One of the reasons preparers use the conceptual framework is to:

- A. Develop accounting policies in the absence of specific standards
- B. Document a historical record of all judgments
- C. Develop alternate interpretations of specific standards
- D. Encourage change to standards as Board members change

Answer: A