Федеральное государственное бюджетное образовательное

учреждение высшего образования

Московский государственный университет имени М.В. Ломоносова

Московская школа экономики

Учебная программа утверждена

решением Ученого совета МШЭ МГУ

Протокол №\_\_\_\_\_\_

**РАБОЧАЯ ПРОГРАММА ДИСЦИПЛИНЫ**

**Наименование дисциплины (модуля):**

**Финансовый учет и отчетность**

**Уровень высшего образования:**

*Магистратура*

**Направление подготовки / специальность:**

*38.04.01Экономика*

**Направленность (профиль)/специализация ОПОП:**

«Экономика и финансы»

Международная совместная программа с Университетом Приморска,Словения

Форма обучения:

*Очная*

Учебная программа утверждена

решением кафедры Экономическая и финансовая стратегия МШЭ МГУ

Протокол №\_\_\_\_\_\_

Москва

***II.*** *Шифр дисциплины В-ПД*

***III.*** *Цели и задачи дисциплины:*

- изучение студентами процесса подготовки основных показателей финансовой и деловой деятельности;

- Задачи дисциплины:

* изучение принципов финансового учета, формы финансовой отчетности, стандарты, механизмы обеспечения качества информации в процессе финансовой отчетности;
* знакомство с ролью финансовой отчетности в процессе принятия инвестиционных решений.
* изучение Международных стандартов бухгалтерского учета и отчетности, а также стандартов отчетности, принятых в России и в США.

***IV.*** *Место дисциплины в структуре ООП:*

**А.** Информация об образовательном стандарте и учебном плане:

- тип образовательного стандарта и вид учебного плана: ММ – магистр МГУ;

- направление подготовки (в соответствии с образовательным стандартом): 38.04.01 «Экономика» (магистратура);

- наименование учебного плана (в соответствии с утвержденным Перечнем ООП: ММ \_ Экономика \_ (международная экономика и финансы);

- профиль подготовки: магистерская программа.

**Б.** Информация о месте дисциплины в образовательном стандарте и учебном плане:

- вариативная часть;

- профессиональный блок дисциплин;

- тип: обязательный;

- курс: 1;

- семестр: 1.

**В.** Перечень дисциплин, которые должны быть освоены для начала освоения данной дисциплины:

**Г.** Общая трудоемкость: 144 академических часов (4 зачетные единицы);

**Д.** Форма промежуточной аттестации: экзамен.

***V.*** *Формы проведения:*

**А.** Для дисциплин:

- форма занятий с указанием суммарной трудоемкости по каждой форме:

* Лекции: 8 часов;
* Практические занятия (семинары): 46 часов;
* Самостоятельная работа: 90 часов.

- практическая реализация рабочей программы предусматривает проведение аудиторных занятий в виде лекций, семинаров (решение зада в аудиториях и компьютерных классах, мозговые штурмы), тренинги CFA и организации самостоятельной работы студентов;

- самостоятельная работапредусматривает изучение основной и дополнительной учебной литературы, сбор данных и анализ кейсов с использованием экономических и финансовых данных для анализа;

- формы текущего контроля (коллоквиумы; участие в деловых играх, ситуационных задачах, кейс методах; написание эссе, рефератов и др.):

* Контрольные работы – 1 за семестр (2 часа);
* Регулярные опросы в классе – 12 за семестр (4 часа);
* Контрольные работы – 1 за семестр (2 часа).

***VI.*** *Распределение трудоемкости по разделам и темам, а также формам проведения занятий с указанием текущего контроля и промежуточной аттестации*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| № п/п | Наименование разделов и тем дисциплины / Наименование разделов (этапов) практики | Трудоемкость (в ак. часах) по формам занятий (для дисциплин) и видам работ (для практик) | | | | Формы контроля |
| Аудиторная работа (с разбивкой по формам и видам) | | | Самостоятельная работа |
| Лекции | Практические занятия (семинары) | Лабораторная работа / контрольная работа / коллоквиум |
| 1. | Introduction to financial reporting and financial statements | 2 | 2 | - | 6 |  |
| 2. | Understanding Income Statement |  | 2 | - | 6 |  |
| 3. | Understanding Balance Sheet |  | 2 | - | 6 |  |
| 4. | Cash Flow Statement |  | 2 | - | 6 |  |
| 5. | Financial Reporting: Reporting Mechanics, Reporting Statements |  | 2 | - | 6 |  |
| 6. | Asset Management: Inventories, Long-Lived assets |  | 2 | - | 6 |  |
| 7. | Debt Management and Taxes: Income Taxes, Long-Term Liabilities and Leses |  | 4 | - | 6 |  |
| 8. | Financial Analysis: Analysis Techniques;  Financial Statements Analysis | 1 | 2 | - | 6 |  |
| 9. | КОНТРОЛЬНАЯ РАБОТА |  | 2 | - | 6 |  |
| 10. | Financial Reporting Quality: Accounting Warnings, Quality Evaluation | 1 | 2 | - | 6 |  |
| 11. | Financial Reporting Quality: Accounting Shenanigans, International Standards | 1 | 2 | - | 6 |  |
| 12. | Financial Reporting Quality: Earning Quality Issues | 1 | 2 | - | 6 |  |
| 13. | Special Topics in financial Reporting: Intercorporate Investments | 1 | 2 | - | 6 |  |
| 14. | Special Topics in financial Reporting: Post Employment Share Based compensations | 1 | 2 | - | 6 |  |
| 15. | CFA Trainings |  | 16 | **-** | 6 |  |
|  | **Итого:** | 8 | 46 | **-** | 90 |  |

***VII.*** *Содержание дисциплины по разделам и темам (этапам) – аудиторная и самостоятельная работа:*

**Тема 1.**

Понятие, философия и особенности инвестиционного маркетинга. Цель, концепции и задачи инвестиционного маркетинга. Предмет и основные принципы инвестиционного маркетинга. Основные положения теории и практики инвестиционного маркетинга. Функции инвестиционного маркетинга, его отдельные виды. Основные функции специалистов по связям с инвесторами в ходе реализации планов инвестиционного маркетинга. Тактика и основные направления тактики маркетинговых отношений с инвесторами.

***VIII.*** *Перечень компетенций, формируемых в результате освоения дисциплины – по видам компетенций:*

***общепрофессиональные компетенции:***

***профессиональные компетенции:***

*научно-исследовательская деятельность:*

*проектно-экономическая деятельность:*

* способность осуществлять разработку бюджетов и финансовых планов организаций, включая финансово-кредитные, а также расчетов к бюджетам бюджетной системы Российской Федерации (М-СПК-3);

*аналитическая деятельность:*

* способность провести консалтинговые исследования финансовых проблем по заказам хозяйствующих субъектов, включая финансово-кредитные организации, органов государственной власти и органов местного самоуправления (М-СПК-4);

*организационно-управленческая деятельность:*

- способность руководить финансовыми службами и подразделениями организаций различных организационно-правовых форм, в том числе финансово-кредитных, органов государственной власти и органов местного самоуправления, неправительственных и международных организаций, временными творческими коллективами, создаваемыми для разработки финансовых аспектов новых проектных решений (М-СПК-10).

***IX.*** *Используемые образовательные, научно-исследовательские и научно-производственные технологии:*

**А.** Образовательные технологии: проведение лекционных и семинарских занятий

**Б.** Научно-исследовательские технологии: тематические исследования кейсов с применением реальных данных

**В.** Научно-производственные технологии:

***X.*** *Учебно-методическое обеспечение самостоятельной работы студентов, оценочные средства контроля успеваемости и промежуточной аттестации:*

**А.** Учебно-методические рекомендации для обеспечения самостоятельной работы студентов:

- регулярная работа с рекомендуемой литературой, научными статьями по предложенной тематике исследования;

- изучение специфики стандартов МСФО и России и США;

- изучение финансовой отчетности различных организаций, в том числе занимающихся принятием инвестиционных решений.

**Б.** Фонд оценочных средств (*методы выставления оценки, критерии оценивания, требования, баллы, из чего формируется оценка*):

- участие в семинарах и опросы (10% и 10% соответственно);

- контрольные работы (20%);

- домашние задания (20%)

- промежуточная аттестация (экзамен) (40%).

Студентам за перечисленные работы засчитывается минимально возможный положительный балл. Каждое задание оценивается по 100-бальной системе.

По окончании семестра проводится промежуточная аттестация. Накопленные студентами баллы при подведении итогов (по итогу семестра и за финальный экзамен) по четырёх балльной шкале переводятся в традиционную оценку (неудовлетворительно, удовлетворительно, хорошо, отлично). Таблица соответствия баллов и оценок приведена ниже.

|  |  |
| --- | --- |
| **Баллы БРС** | **Традиционные оценки РФ** |
| 80-100 | 5 |
| 60-79 | 4 |
| 40-59 | 3 |
| 0-39 | 2 |
| 40 - 100 | Зачет |

**В.** Примерный список заданий для проведения текущей и промежуточной аттестации (темы для докладов, рефератов, эссе, презентаций и др. – по видам заданий):

**Вопросы и темы для экзаменов и других заданий**

1. Divide the objects of accounting into business means and sources.

2. How do business operations effect the balance equation?

3. Formulas for calculating final totals in asset and liability accounts.

4. Definition of synthetic and analytic accounts.

5. At what price are fixed assets evaluated in the balance sheet?

6. How is the original value of fixed assets determined?

7. Methods for depreciating fixed assets.

8. How is depreciation of fixed assets recorded in accounting?

9. Recording the financial results when disposing of fixed assets.

10. What costs are included in production costing?

11. Costing for goods sold.

12. How do production and full costing for goods sold differ?

13. When the object of calculation is the advertising department, how is the salary

of the head of this department classified?

14. Give examples of indirect production costs.

15. Give examples of direct production costs.

16. Give examples of periodic costs for a manufacturing company.

17. What components are included in production costing?

18. How is full costing performed?

19. What costs are included in production costing when using the full-cost (financial accounting) method and excluded when using “direct costing”?

20. How will profits from goods sold change when making the transition from the full-cost method to the “direct costing” method?

21. In what situations is it best not to use the “direct costing” system?

22. What are the advantages of the “direct costing” system?

23. What assumptions limit the use of CVP analysis?

24. How is CVP analysis used in planning the selling price?

25. What is the information (differentiated by alternative variants) on future costs and revenues called?

26. In what way are alternative costs taken into consideration when making management decisions?

27. What kind of profit and loss report should be used when making a decision on accepting a special order?

28. What methods exist for distributing costs of auxiliary units?

29. What is the gist of step-by-step attribution of auxiliary production costs?

30. How is the write-off coefficient for general production costs determined in the per-order calculation method?

31. In what case do redundant write-offs of general production costs take place?

32. What are added costs?

33. In what way is work in process taken into consideration when performing costing for mass production?

34. What is the advantage of using the activity-based costing method (the АВС method)?

35. What are cost drivers in the АВС method?

36. What steps are necessary when implementing the АВС method?

37. What is the difference between the concepts of planning and budgeting?

38. What are the basic functions of budgets?

39. What approaches to preparing budgets do you know?

40. Which current budget is the departure point in the process of developing a general budget?

41. What kind of current budget has to be prepared in order to evaluate the volume of materials that should be purchased?

42. What kind of budget can be prepared only after the monetary budget has been prepared?

43. What is the purpose of preparing a monetary budget?

44. Which the final budged when preparing and operating budget?

45. What is the best basis for evaluating the results of a company’s business activities?

46. What kinds of flexible budgets are used when analyzing budget fulfillment?

47. What is the basic goal of standard cost accounting?

48. What standards have to be developed for determining standard costs?

49. How is the coefficient for writing off variable general production costs determined?

50. How is the coefficient for writing of fixed general production expenses determined?

51. How is the deviation for direct materials price determined?

52. How is the deviation for direct materials usage determined?

53. How is the deviation for labor costs determined?

54. How is the deviation of direct labor productivity determined?

55. How is the controlled deviation for manufacturing overhead determined?

56. How is the deviation for manufacturing overhead by volume determined

**Задачи для экзаменов и других заданий**

Assignments: Income statement and Cash Flow

**Problem 1. (COGS)**

The Pudsett Company, and small manufacturer, is presenting its quarterly reports. As of 31 March, 19x8, we have the following information:

|  |  |
| --- | --- |
| **Accounts** | **$** |
| Expenses for Office Supplies | $ 4,870 |
| Expenses for Equipment Depreciation | 25,230 |
| Payroll for President | 36,000 |
| Taxes on Property, Office | 1,950 |
| Expenses for Equipment Repair | 4,290 |
| Payroll for Quality Control Department | 16,750 |
| Insurance, Equipment | 2,040 |
| Direct Labour Expense | 248,310 |
| Expenses for Utilities, Production | 6,420 |
| Indirect Labour Costs | 16,000 |
| Expenses for Production Supplies | 4,760 |
| Expenses for Tools | 2,900 |
| Materials Inventories as of Jan. 1, 19х8 | 397,950 |
| Materials Inventories as of March 31, 19х8 | 415,030 |
| Work in Process, January 1, 19х8 | 529,840 |
| Work in Process, March 31, 19х8 | 515,560 |
| Finished Goods, January 1, 19х8 | 375,010 |
| Finished Goods, March 31, 19х8 | 402,840 |
| Materials Purchased During Period | 1,225,330 |

**To be done:**

1. We should calculate the cost value of materials used during the quarter.
2. Calculate the value for manufacturing expenses for the quarter.
3. Calculate the cost value of goods manufactured during the quarter.
4. Calculate the cost value of goods sold for the quarter.

**Problem 2.(Income Statement)**

The company produces lighting equipment. All subassemblies and components are received from suppliers. The company only performs assembly. The balance of stocks on the books for 4th quarter is as follows:

|  |  |  |
| --- | --- | --- |
| **Accounts** | **31 December** | **1 October** |
| Materials: |  |  |
| Auxiliary Components | $42,020 | $36,810 |
| Lampshades | 13,020 | 12,660 |
| Electrical Components | 20,470 | 19,890 |
| Wires | 8,840 | 9,250 |
| Work in Process | 80,130 | 77,910 |
| Finished Goods | 81,260 | 86,520 |

During the fourth quarter the company purchased auxiliary components for $92,480; lampshades for $41,600; electrical components for $52,780; and wires for $11,460. Direct labour expended comprised 12,000 at the average wage of $9.50 an hour. General manufacturing expenses for the period under consideration were the following: indirect labour costs: $36,870; tools: $3,930; equipment rental expense: $2,500; insurance expense: $1,940; equipment repair expense: $4,880; and accrued equipment depreciation: $2,600. The volume of revenues for goods sold during the three months: $691,770; and sales and administration expense comprised: $296,820. Profit tax percentage value: 34%.

**To be done:**

1. Calculate the cost of each type of material used during the fourth quarter.
2. Prepare a report on the cost of goods manufactured for the fourth quarter.
3. Using the data calculated in subtask 2, prepare an income (profit and loss) statement for the fourth quarter.

**Assignment 3. Cash Flow**

We know the following information about the situation at a certain large company:

|  |  |  |
| --- | --- | --- |
| ***Assets as of 30 September*** | | |
|  | Cash | $12,000 | |
|  | A/R | 10,000 | |
|  | Inventories | $ 63,600 | |
|  | Fixed Assets |  | |
|  | (residual value) | 100,000 | |

|  |
| --- |
| ***Current liabilities as of 30 September*** |
| None |

|  |  |  |
| --- | --- | --- |
| ***Current and Planned Sales*** | | |
| September | $40,000 |
| October | $48,000 |
| November | $60,000 |
| December | $80,000 |
| January | $36,000 |

Credit Sales: credit sales represent 25% of the total sales volume (75% are either in case of paid through the bank). We shall assume that the entire credit sales debt will be paid off within 30 days from the date of sale. As of 30 September the receivables account will reflect the results of September credit sales (25% of $40,000).

On average, the gross profit is 30% of the sales volume. The company includes discounts on purchases in its P&L as miscellaneous profits.

Expenses: workers’ wages and employee salaries comprise on average 15% of monthly sales, facility rental is 5 %, and all other expenses, not including depreciation, are 4%. Let’s assume that payments against all expenses take place every monthly. Depreciation expense is $1,000 monthly.

Purchases: The company maintains inventories at a level of no less than $30,000. The company’s policy is to purchase additional goods inventories monthly in an amount sufficient to cover 70% of the sales volume for the following month. The conditions of purchase are 2/10, n/30. It is assumed that all payments for purchases are made within he month of purchase, and all discounts are taken advantage of.

Accessories: $600 will be spent in October on accessories, and in November $400 has been allocated for accessories. (They are considered fixed assets).

It is assumed that the minimum balance on the cash account maintained at no less than $8,000. It is also assumed that all loans are made at the beginning of the month, and all repayments are made at the end of the repayment month. Credits are returned hen sufficient funds have been raised. Interest is only paid at the time the loan principal is repaid. The interest rate is 18% per annum. The company management don’t want to borrow any more money than is necessary and indents to return it as soon as it can.

**Task:**

Based on the information given above, prepare the following budgets (fill in the tables):

1. Table A

**Monthly Cash Receipts Budget**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | September | October | November | December |
| Overall volume of sales | $40,000 | $48,000 | $60,000 | $80,000 |
| Sales on credit | 10,000 | 12,000 |  |  |
| Paid sales |  |  |  |  |
| Receipt of payment: |  |  |  |  |
| For sales for money |  | $36,000 |  |  |
| in A/R accounts |  | 10,000 |  |  |
| Total |  | $46,000 |  |  |

. Table B.

*The volume of purchases is 70% of the volume of sales for the following month.*

**Budget for monthly payments for purchases**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | October | November | December | Total |
| Purchases | $42,000 |  |  |  |
| minus 2% discounts | 840 |  |  |  |
| Payments | $41,160 |  |  |  |

3. Table C.

**Budget for monthly payments for operating (current) expenses**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | October | November | December | Total |
| Payroll | $7,200 |  |  |  |
| Facility Rental | 2,400 |  |  |  |
| Other expenses | 1,920 |  |  |  |
| Total | $11,520 |  |  |  |

4. Table D.

**Budget for total monthly payments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | October | November | December | Total |
| Purchases | $41,160 |  |  |  |
| Current expenses | 11,520 |  |  |  |
| Accessories | 600 |  |  |  |
| Total | $53,280 |  |  |  |

5. Table E.

**Budget for Cash Receipts and Payments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | October | November | December | Total |
| Receipts | $46,000 |  |  |  |
| Payments | 53,280 |  |  |  |
| Increase in Cash Funds |  |  |  |  |
| Decrease in Cash Funds | $ 7,280 |  |  |  |

1. Table F.

*It is assumed the loan amounts will be a multiple of $1,000*

**Required Financing**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | October | November | December | Total |
| Beginning Balance | $12,000 | $ 8,720 |  |  |
| Increase in Cash Funds | - |  |  |  |
| Decrease in Cash Funds | 7,280 |  |  |  |
| Situation before raising additional finances | 4,720 |  |  |  |
| Required Financing | 4,000 |  |  |  |
| Interest Payments |  |  |  |  |
| Loan Repayment |  |  |  |  |
| Ending Balance | $ 8,720 |  |  |  |

7. Prepare a forecast P&L statement for 4Q and a forecast balance sheet as of 31 December.

8. In this assignment certain simplifications have been made. What complicating factors may be encountered in real business?

**Cash Flow Statement (IAS 7)**

**Cash Flow Statement for the year ended XX.XX.XXXX**

£’000

1. Cash flow from operating activities XX

2. Cash flow from investing activities XX

3. Cash flow from financing activities XX

Net cash flow for the year XX

Cash Flow Statement for the year ended XX.XX.XXXX

|  |  |  |
| --- | --- | --- |
| **Net cash flow from operations (Note 1)** | ‘000 | ‘000 |
| **Returns on investment and servicing of finance** |  | XX |
| Interest paid | (X) |  |
| Dividends on preference shares paid | (X) | (XX) |
| **Taxation paid** |  | (XX) |
| **Capital expenditure and financial investments** |  |  |
| Receipts from sale of fixed assets / long-term investments | X |  |
| Payments to acquire fixed assets / long-term investments | (X) | XX |
| **Acquisitions and disposals of subsidiaries** |  |  |
| **Management of liquid assets** |  |  |
| Receipts from sale of short-term investments | X |  |
| Payments to acquire short-term investments | (X) | XX |
| Receipts from disposal of subsidiaries | X |  |
| Payments to acquire subsidiaries | (X) | XX |
| **Equity dividends paid** |  | (XX) |
| **Financing** |  |  |
| Increase in long-term liabilities | X |  |
| Repayment of long-term liabilities | (X) |  |
| Proceeds from issue of shares (par + premium) | X |  |
| Repurchase of shares | (X) |  |
| Cash introduced into capital | X |  |
| Drawings | (X) | XX |
| **Net cash flow for the year** |  | XX |
| Cash balance at the end of the year | XX |  |
| Less: Cash balance at the beginning of the year | (XX) |  |
| **Net change in cash** |  | XX |

Calculation of net cash flow from operations

Indirect method

Note 1. Reconciliation of operating profit to net cash flow from operations

|  |  |
| --- | --- |
| £’000 | |
| 1. Operating profit (PBIT) | X |
| 2. Adjustments for non-cash revenues and expenses: | |
| Add: Depreciation / amortisation for the year | X |
| Add/less: Increase / decrease in provision for bad and  doubtful debts | X |
| Add/less: Loss / profit on disposal | X |
| 3. Current assets adjustments: | |
| Add/less: Decrease / increase in stock, debtors,  prepayments | X |
| 4. Current liabilities adjustments: | |
| Add/less: Increase / decrease in creditors, accrued  expenses | X |
| Net cash flow from operations | \_ XX \_ |

**Example: Theta Plc. Profit and Loss Accounts**

|  |  |  |
| --- | --- | --- |
|  | 1998 | 1999 |
|  | £’000 | £’000 |
| Sales revenues | 93,000 | 200,000 |
| **Profit before taxation** | 9,500 | 19,495 |
| Taxation | (3,200) \_ | (5,200) \_ |
| **Profit after taxation** | 6,300 | 14,295 |
| Dividends: | | |
| preference | (100) | (100) |
| ordinary: interim (paid) | (1,000) | (2,000) |
| final (proposed) | (3,000) \_ | (6,000) \_ |
| **Retained profit for the year** | 2,200 \_ | 6,195 \_ |

Balance Sheets as at December 31st

|  |  |  |
| --- | --- | --- |
|  | 1998 | 1999 |
|  | £’000 | £’000 |
| **Fixed assets** | | |
| Plant, machinery, equipment, at cost | 17,600 | 23,900 |
| Accumulated depreciation | 9,500 \_ | 10,750 \_ |
|  | 8,100 | 13,150 |
| **Current Assets** | | |
| Stocks | 5,000 | 15,000 |
| Trade debtors | 8,600 | 26,700 |
| *less:* Provision for doubtful debts | (430) | (1,335) |
| Prepayments | 300 | 400 |
| Cash at bank and in hand | \_ 600 \_ | – |
|  | 14,070 | 40,765 |
| **Creditors: amounts due within 1 year** | | |
| Bank overdraft | – | 16,200 |
| Trade creditors | 6,000 | 10,000 |
| Accruals | 800 | 1,000 |
| Taxation | 3,200 | 5,200 |
| Dividends | 3,000 \_ | 6,000 \_ |
|  | 13,000 | 38,400 |
| **Working capital** | 1,070 | 2,365 |
| **Total assets less current liabilities** | 9,170 | 15,515 |
| **Creditors: amounts due after more than**  **1 year** | | |
| 15% debentures | \_ 600 \_ | 750 \_ |
|  | 8,570 \_ | 14,765 \_ |
| **Share capital** | | |
| Ordinary shares of £l each | 5,000 | 5,000 |
| 10% preference shares of £l each | 1,000 | 1,000 |
| Profit and loss account | 2,570 \_ | 8,765 \_ |
|  | 8,570 \_ | 14,765 \_ |
|  |  |  |

Note:

During the year to December 31st, 1999, fixed assets originally costing

£5,500,000 were sold for £1,000,000. The accumulated depreciation on these assets as at December 31st, 1998 was £3,800,000.

Required:

Prepare a statement that helps to the directors to understand the liquidity position and overall financial performance of the company in 1999.

**Answer**

**Note 1. Reconciliation of operating profit to net cash flow from operations**

|  |  |
| --- | --- |
| £’000 | |
| 1. Operating profit (19,495 + 750 x 0.15)1 | 19,607.5 |
| 2. Adjustments for non-cash revenues and expenses: | |
| *Add*: Depreciation (10,750 – 9,500 + 3,800) | 5,050 |
| *Add*: Increase in provision for bad and doubtful  debts (1,335 – 430) | 905 |
| *Add*: Loss on disposal (5,500 – 3,800 – 1,000) | 700 |
| 3. Current assets adjustments: | |
| *Less*: Increase in stocks (15,000 – 5,000) | (10,000) |
| *Less*: Increase in trade debtors (26,700 – 8,600) | (18,100) |
| *Less*: Increase in prepayments (400 – 300) | (100) |
| 4. Current liabilities adjustments: | |
| *Add*: Increase in creditors (10,000 – 6,000) | 4,000 |
| *Add*: Increase in accruals (1,000 – 800) | \_ 200 \_ |
| Net cash flow from operations | 2,262.5 \_ |

**CFA TRAINING MATERIALS.QUESTIONS**

**Kaplan Schweser Printable Quizzes – 2016 CFA Level 1**

**Financial Statement Analysis**

**QUESTIONS: Test 1 –** Quiz ID#: 12430498

**Question 1 - #87615**

Which of the following sets of conditions make up the fraud triangle?

A) Pressure, greed, weakness in internal controls.

B) Opportunity, attitude, greed.

C) Incentive, opportunity, rationalization.

**Question 2 - #87576**

Joan Zeller, CFA, suspects Cornwall Carpets is overstating its profits. Which of the following is *least likely* to

motivate Cornwall to overreport?

A) Cornwall depends heavily on stock options to compensate its employees.

B) Cornwall is attempting to get lawmakers to institute a tariff.

C) Cornwall’s debt covenants are strict.

**Question 3 - #97850**

Jane Epworth, CFA, is preparing pro forma financial statements for Gavin Industries, a mature U.S.

manufacturing firm with three distinct geographic divisions in the Midwest, South and West. Epworth

prepares estimates of sales for each of Gavin’s divisions using economists’ estimates of next-period GDP

growth and sums the three estimates to forecast Gavin’s sales. Epworth’s approach to estimating Gavin’s sales is:

A) appropriate.

B) inappropriate, because sales should be forecast on a firm-wide basis and are unlikely to be

related to GDP growth.

C) inappropriate, because sales should be forecast on a firm-wide basis.

**Question 4 - #97429**

Falcon Financial Group is considering the purchase of Company A or Company B based on a low price-tobook

investment strategy that also considers differences in solvency. Selected financial data for both firms, as of December 31, 20X7, follows:

*in millions, except per-share data*

Company A Company B

Current assets $3,000 $5,500

Fixed assets $5,700 $5,500

Total debt $2,700 $3,500

Common equity $6,000 $7,500

Outstanding shares 500 750

Market price per share $26.00 $22.50

The firms’ financial statement footnotes contain the following:

· Company A values its inventory using the first in, first out (FIFO) method.

· Company B’s inventory is based on the last in, first out (LIFO) method. Had Company B used FIFO, its inventory would have been $700 million higher.

· Company A leases its manufacturing plant. The remaining operating lease payments total $1,600 million. Discounted at 10%, the present value of the remaining payments is $1,000 million.

· Company B owns its manufacturing plant.

To make the firms financials ratios comparable, calculate the adjusted price-to-book ratios for Company A and Company B.

Company A Company B

A) $2.17 $2.81

B) $1.63 $2.06

C) $2.17 $2.06

Q**uestion 5 - #87573**

Katharine Walls, CFA, works as an auditor for Pindale Accounting. She is concerned about Smith Fabrics, a company she audits. During her last visit to Smith Fabrics, the accounting director, Bob Fox, rudely ushered her into a tiny conference room with no telephone or computer, and gave her no key to the main accounting office. She was given only three days to finish what is normally a five-day job. Before he left Walls, Fox gave her a 150-page manual of Smith’s accounting policies for its various overseas divisions. After she finished her audit, Walls prepared a report for Pindale’s executive director, recommending that the firm drop Smith Fabrics as a client because she saw evidence of attitudes that could lead to fraudulent accounting. Walls

cited three of Fox’s actions in her report, *most likely* leaving out:

A) the policy manual.

B) her rude welcome.

C) her isolation from the accounting department.

**Question 6 - #87609**

Glenmark Blades and Propellers has set up special purpose entities to handle its manufacturing. The company does not consolidate those entities. Glenmark is *most likely* obeying:

A) neither the spirit of the law nor the letter of the law.

B) the spirit of the law but not the letter of the law.

C) the letter of the law but not the spirit of the law.

**Question 7 - #127275**

Patch Grove Nursery uses the LIFO inventory accounting method. Maria Huff, president, wants to determine the financial statement impact of changing to the FIFO accounting method. Selected company information follows:

· Year-end inventory: $22,000

· LIFO reserve: $4,000

· Change in LIFO reserve: $1,000

· LIFO cost of goods sold: $18,000

· After-tax income: $2,000

· Tax rate: 40%

Under FIFO, the nursery’s ending inventory and after-tax profit for the year would have been:

FIFO ending inventory FIFO after-tax profit

A) $18,000 $2,600

B) $26,000 $1,400

C) $26,000 $2,600

**Question 8 - #154484**

Analysis of the quality of the cash flow statement is:

A) unnecessary because cash is not an accrual accounting value.

B) necessary because accounting choices can increase operating cash flows unsustainably.

C) necessary because of the possibility of fraud.

**Question 9 - #150018**

To adjust for operating leases before calculating financial statement ratios, what value should an analyst add to a firm’s liabilities?

A) Present value of future operating lease payments.

B) Sum of future operating lease obligations.

C) Difference between present values of lease payments and the asset’s future earnings.

**Question 10 - #150017**

If management is manipulating financial reporting to avoid breaching an interest coverage ratio covenant on the firm’s debt, they are *most likely* to:

A) understate assets.

B) overstate earnings.

C) capitalize leases.

**Question 11 - #87599**

Earlier this year, Barracuda Company issued 5,000 employee stock options. Recently, 2,000 options were exercised at a price of $10 per share. To avoid dilution, Barracuda purchased 2,000 shares at an average price of $12 per share. Barracuda reported both transactions as financing activities in its cash flow statement. For analytical purposes, what adjustment is necessary to better reflect the substance of the stock repurchase?

Operating cash flow Financing cash flow

A) Decrease $4,000 No adjustment

B) Decrease $4,000 Increase $4,000

C) No adjustment Increase $4,000

**Question 12 - #87610**

Samson Therapeutics records all leases as operating leases. The company *most likely* wanted to reduce:

A) expenses.

B) leverage.

C) inventory.

**Question 13 - #97308**

Comet Corporation is a capital intensive, growing firm. Comet operates in an inflationary environment and its

inventory quantities are stable. Which of the following accounting methods will cause Comet to report a lower

price-to-book ratio, all else equal?

Inventory method Depreciation method

A) First-in, First-out Accelerated

B) First-in, First-out Straight-line

C) Last-in, First-out Accelerated

**Question 14 - #87627**

Karl Decker, CFA, is analyzing Keystone Semiconductor to determine if the stock would be a good investment. He has determined the following:

· Management owns 15 percent of the outstanding shares.

· Internal growth targets are aggressive.

· In recent quarters, profit growth has been exceptionally high.

· The company’s debt covenants are quite lax.

All of these characteristics are positives from the perspective of an investor looking for profit growth. But Decker is concerned about pressure on management to manipulate results. Which of the following should *least concern* Decker?

A) Recent operating results.

B) Debt covenants.

C) Management’s share holdings.

**Question 15 - #97725**

Cody Scott would like to screen potential equity investments to identify value stocks and selects firms that have low price-to-sales ratios. Unfortunately, screening stocks based only on this criterion may result in stocks that have poor profitability or high financial leverage, which are undesirable to Scott. Which of the following filters could be added to the stock screen to *best* control for poor profitability and high financial leverage?

Filter #1 – Include only stocks with a debt-to-equity ratio that is above a certain benchmark value.

Filter #2 – Include only dividend paying stocks.

Filter #3 – Include only stocks with an assets-to-equity ratio that is below a certain benchmark value.

Filter #4 – Include only stocks with a positive return-on-equity.

Poor profitability High financial leverage

A) Filter #4 Filter #1

B) Filter #2 Filter #3

C) Filter #4 Filter #3

**Question 16 - #93643**

A firm purchased a piece of equipment for $6,000 with the following information provided:

· Revenue will increase by $15,000 per year.

· The equipment has a 3-year life expectancy and no salvage value.

· The firm's tax rate is 30%.

· Straight-line depreciation is used for financial reporting and double declining is used for tax

purposes.

What will the firm report for deferred taxes on the balance sheet for years 1 and 2?

Year 1 Year 2

A) $600 $400

B) $3,900 $3,900

C) $3,300 $4,100

**Question 17 - #95102**

Which of the following situations will *most likely* require a company to record a valuation allowance on its balance sheet?

1. To report depreciation, a firm uses the double-declining balance method for tax purposes and the straight-line method for financial reporting purposes.
2. A firm is unlikely to have future taxable income that would enable it to take advantage of deferred tax assets.

C) A firm has differences between taxable and pretax income that are never expected to reverse.

**Question 18 - #94018**

Assuming all else equal, if the coupon rate offered on a bond is less than the corresponding market rate of

interest, the bond will be issued at:

A) a discount.

B) a premium.

C) par.

**Question 19 - #94489**

When analyzing profitability ratios, which inventory accounting method is preferred?

A) Weighted average.

B) Last in, first out (LIFO).

C) First in, first out (FIFO).

**Question 20 - #95995**

A company purchased a new pizza oven directly from Italy for $12,676. It will work for 5 years and has no

salvage value. The tax rate is 41%, and annual revenues are constant at $7,192. For financial reporting, the

straight-line depreciation method is used, but for tax purposes depreciation is accelerated to 35% in years 1

and 2, and 30% in year 3. For purposes of this exercise ignore all expenses other than depreciation.

What is the net income and depreciation expense for year one for financial reporting purposes?

Net Income

Depreciation

Expense

A) $2,535 $3,169

B) $4,657 $2,748

C) $2,748 $2,535

**Question 21 - #127263**

An employer offers a defined benefit pension plan and a defined contribution pension plan. The employer’s

balance sheet is *most likely* to present an asset or liability related to:

A) both of these pension plans.

B) the defined contribution plan.

C) the defined benefit plan.

**Question 22 - #95018**

Given the following information and assuming beginning inventory was zero and a periodic inventory system

was used, what is the gross profit at the end of the period using the FIFO, LIFO, and average cost methods?

|  |  |
| --- | --- |
| *Purchases* | *Sales* |
| 20 units at $50 | 15 units at $60 |
| 35 units at $40 | 35 units at $45 |
| 85 units at $30 | 85 units at $35 |

|  |  |  |
| --- | --- | --- |
| FIFO | LIFO | COST AVERAGE |
| 650 | 750 | 990 |
| 650 | 750 | 677 |
| 677 | 650 | 677 |

**Question 23 - #127267**

Czernezyk Company buys a delivery vehicle for €60,000. Czernezyk expects to drive the vehicle 400,000

kilometers over 4 years, at the end of which the firm expects to be able to sell the vehicle for €10,000. At the

end of Year 2, the vehicle has been driven 250,000 kilometers. If Czernezyk depreciates the vehicle by the

units of production method, its carrying value at the end of Year 2 is:

A) €28,750.

B) €15,000.

C) €31,250.

**Question 24 - #127257**

If prices are decreasing, the *best* estimates of inventory and cost of goods sold from an analyst’s point of

view are provided by:

A) LIFO inventory and FIFO cost of goods sold.

B) FIFO inventory and LIFO cost of goods sold.

C) FIFO inventory and FIFO cost of goods sold.

**Question 25 - #97843**

During 2007, Big 4 Company’s warehouse was totally destroyed by a tornado. Tornados are very rare in the region where Big 4 is located. The book value of the warehouse at the time of the tornado was €10 million and Big 4 is self-insured. In addition, on June 30, 2007, Big 4 acquired one of its major suppliers. The fair value of the net assets acquired by Big 4 was greater than the purchase price. According to International Financial Reporting Standards, should Big 4 recognize an extraordinary item for tornado damage and should Big 4 recognize negative goodwill on its balance sheet due to the acquisition?

|  |  |
| --- | --- |
| Extraordinary loss | Negative goodwill |
| 1. YES | NO |
| 1. NO | NO |
| 1. NO | YES |

**Question 26 - #95667**

Compared to an operating lease, a lessee using a finance lease is *least likely* to have:

A) a lower current ratio.

B) lower net income in the earlier years of the lease.

C) higher cash flow from financing during the lease period.

**Question 27 - #94502**

On December 31, 20X3 Okay Company issued 10,000 $1000 face value 10-year, 9% bonds to yield 7%. The bonds pay interest semi-annually. On its financial statements (prepared under U.S. GAAP) for the year ended December 31, 20X4, the effect of this bond on Okay's cash flow from operations is:

A) -$700,000.

B) -$755,735.

C) -$900,000.

**Question 28 - #95419**

A U.S. company uses the LIFO method to value its inventory for their income tax return. For its financial statements prepared for shareholders, the company may:

A) use any other inventory method under generally accepted accounting principles (GAAP).

B) only use the LIFO method.

C) use the FIFO method, but must disclose a LIFO reserve.

**Question 34 - #97470**

Favor, Inc.’s capital and related transactions during 20X5 were as follows:

· On January 1, $1,000,000 of 5-year 10% annual interest bonds were issued to Cover Industries in exchange for old equipment owned by Cover.

· On June 30, Favor paid $50,000 of interest to Cover.

· On July 1, Cover returned the bonds to Favor in exchange for $1,500,000 par value 6% preferred stock.

· On December 31, Favor paid preferred stock dividends of $45,000 to Cover.

Favor, Inc.’s cash flow from financing (CFF) for 20X5 (assume U.S. GAAP) is:

A) −$45,000.

B) −$95,000.

C) −$1,045,000.

**Question 35 - #97802**

Orange Company’s net income for 2004 was $7,600,000 with 2,000,000 shares outstanding. The average

share price in 2004 was $55. Orange had 10,000 shares of eight percent $1,000 par value convertible

preferred stock outstanding since 2003. Each preferred share was convertible into 20 shares of common

stock. Orange Company’s diluted earnings per share (Diluted EPS) for 2004 is *closest* to:

A) $3.40.

B) $3.45.

C) $3.80.

**Question 36 - #97739**

Common size income statements express all income statement items as a percentage of:

A) net income.

B) assets.

C) sales.

**CFA TRAINING MATERIALS. ANSWERS**

**Kaplan Schweser Printable Quizzes – 2016 CFA Level 1**

**Financial Statement Analysis**

**SOLUTIONS: Test 1 –** Quiz ID#: 12430498

**Question 1 - #87615**

The correct answer was C.

The fraud triangle has three points: incentive/pressure, opportunity, and attitude/rationalization.

This question tested from Session 10, Reading 33, LOS c

**Question 2 - #87576**

The correct answer was B.

The satisfaction of debt covenants and profit estimates are strong incentives to overstate earnings. Since stock prices tend to follow earnings over time, the use of stock for compensation could drive executives to inflate profit numbers. However, a company attempting to get trade relief is more likely to underreport earnings.

This question tested from Session 10, Reading 33, LOS a

**Question 3 - #97850**

The correct answer was A.

Sales estimates can be more sophisticated than simply estimating a single growth rate. One common approach is to estimate the linear relationship between sales growth and economic growth and use this relationship to estimate sales growth based on economists’ forecasts of GDP growth. Segment-by-segment analysis can also be applied, summing segment or division sales forecasts to produce an overall sales forecast for the firm.

This question tested from Session 10, Reading 35, LOS b

**Question 4 - #97429**

The correct answer was C.

Company A should be adjusted for the operating lease liability and the related assets; however, adding the present value of the lease payments to both assets and liabilities does not change equity (book value). Thus, Company A’s adjusted P/B ratio is 2.17 = [$26 price / ($6,000 million equity / $500 million shares)]. Company B’s inventory should be adjusted back to FIFO by adding the LIFO reserve to both assets and equity. Thus, Company B’s P/B ratio is 2.06 = $22.50 / [($7,500 million equity + $700 million LIFO reserve) / 750 million shares].

**Question 5 - #87573**

The correct answer was A.

A strained relationship between the auditor and management is a sign of a company with an attitude that could lead to accounting fraud. Domineering behavior such as the rude welcome is a sign of that strained relationship, as is the unrealistic deadline and isolation from the accountants. But providing Walls with the policy manual was a good idea. The fact that the manual is 150 pages long bespeaks problems with the complexity of the company’s accounting, but that is not evidence of a bad attitude. As such, the manual is least relevant to Walls’ argument.

This question tested from Session 10, Reading 33, LOS c

**Question 6 - #87609**

The correct answer was C.

Rules regarding special purpose entities (SPE) are quite broad, leaving companies with substantial leeway in interpretation. Separating capital-intensive manufacturing operations from the parent company’s books could give Glenmark a more appealing debt or asset picture. While companies can often opt not to consolidate SPEs, the goal of such entities is not to allow a company to manipulate its financial ratios.

This question tested from Session 10, Reading 33, LOS b

**Question 7 - #127275**

The correct answer was C.

FIFO ending inventory = LIFO ending inventory + LIFO reserve = 22,000 + 4,000 = $26,000

FIFO after-tax profit = LIFO after-tax profit + (change in LIFO reserve)(1 − t) = $2,000 + ($1,000)(1 − 0.4) = $2,000 + $600 = $2,600

This question tested from Session 10, Reading 35, LOS e

**Question 8 - #154484**

The correct answer was B.

Accounting choices can increase reported operating cash flows artificially or in ways that are unsustainable. Quality concerns are separate from fraud concerns.

**Question 9 - #150018**

The correct answer was A.

Before calculating ratios involving liabilities, an analyst should estimate the present value of operating lease obligations and add this value to the firm’s liabilities.

This question tested from Session 10, Reading 35, LOS e

**Question 10 - #150017**

The correct answer was B.

Debt covenants may require a firm to maintain a minimum interest coverage ratio (EBIT / interest expense).

Manipulating the financial statements to increase the interest coverage ratio would most likely involve overstating earnings, or possibly understating liabilities (for example by using operating leases instead of capital leases) to decrease interest expense. Understating or overstating assets would not affect the interest coverage ratio.

This question tested from Session 10, Reading 33, LOS a

**Question 11 - #87599**

The correct answer was B.

Barracuda reported a $4,000 net outflow from financing activities [2,000 options × ($12 average market price – $10 exercise price)]. However, since the options are a form of compensation, the $4,000 outflow should be reclassified as an operating activity for analytical purposes. This is accomplished by increasing financing cash flow $4,000 and decreasing operating cash flow $4,000.

This question tested from Session 10, Reading 34, LOS b

**Question 12 - #87610**

The correct answer was B.

Finance (capital) leases are recorded on the balance sheet, and by recording all leases as operating leases, the company can reduce its leverage. Lease accounting has no effect on inventory. "Expenses" is not the best answer as operating leases will result in higher expenses in the later years relative to the finance (capital) lease.

**Question 13 - #97308**

The correct answer was B.

FIFO results in higher assets and higher equity in an inflationary environment as compared to LIFO. Equity is higher because COGS is lower (and inventory higher) under FIFO. Straight-line depreciation will result in greater assets and equity compared to accelerated depreciation for a stable or growing firm. Equity is greater because depreciation expense is less with straight-line depreciation. Greater equity will result in greater book value per common share, the denominator of the price-to-book ratio. Greater book value per share will result in a lower price-to-book ratio.

This question tested from Session 10, Reading 35, LOS e

**Question 14 - #87627**

The correct answer was B.

Aggressive growth targets and high management ownership represent incentives to manipulate earnings. Extremely high growth often goes hand in hand with financial instability. But while strict debt covenants could drive management to manipulate earnings, lax covenants give management less reason to manipulate earnings.

This question tested from Session 10, Reading 33, LOS c

**Question 15 - #97725**

The correct answer was B.

Firms that have poor profitability are more likely to be non-dividend paying. Selecting only dividend paying stocks can serve as a check on poor profitability. Using positive ROE to control for poor performance can result in bogus results without additional filters. For example, if both the numerator (net income) and the denominator (average equity) are negative, ROE will be positive. The higher the assets-to-equity ratio, the higher the leverage. Selecting only stocks with an assets-to-equity ratio below a certain cut-off point will eliminate stocks with high leverage. Debt-to-equity above a certain point would include firms with higher, not lower, financial leverage.

**Question 16 - #93643**

The correct answer was A.

Using DDB:

*Yr. 1 Yr. 2*

Revenue 15,000 15,000

Dep. 4,000 1,333

Taxable Inc 11,000 13,667

Taxes Pay 3,300 4,100

Using SL:

*Yr. 1 Yr. 2*

Revenue 15,000 15,000

Dep. 2,000 2,000

Pretax Inc 13,000 13,000

Tax Exp 3,900 3,900

Deferred taxes year 1 = 3,900 – 3,300 = 600

Deferred taxes year 2 = 3,900 – 4,100 + previously deferred taxes = -200 + 600 = 400

**Question 17 - #95102**

The correct answer was B.

A valuation allowance is a contra account (offset) against deferred tax assets that reflects the likelihood that the deferred tax assets will never be realized. If a firm is unlikely to have future taxable income, it would be unlikely to ever use its deferred tax assets, and therefore must record a valuation allowance.

This question tested from Session 9, Reading 31, LOS g

**Question 18 - #94018**

The correct answer was A.

If the coupon rate is less than the market rate, the bond must be sold at a discount so the effective rate on the bond equals the market rate.

**Question 19 - #94489**

The correct answer was B.

Using LIFO cost of goods sold (COGS) gives a more accurate measure of future earnings because the LIFO COGS is more representative of the current cost of product sold as compared to using FIFO therefore net income will be more accurately represented.

This question tested from Session 9, Reading 29, LOS h

**Question 20 - #95995**

The correct answer was C.

Net income in year 1 for financial reporting purposes will be $2,748 = [($7,192 − $2,535)(1 − 0.41)]

The annual depreciation expense on financial statements will be $2,535 = ($12,676 / 5 years)

This question tested from Session 9, Reading 31, LOS d

**Question 21 - #127263**

The correct answer was C.

Only a defined benefit plan has a funded status that would appear on the balance sheet as an asset or liability. Employer payments into a defined contribution plan are recognized as expenses in the period incurred.

This question tested from Session 9, Reading 32, LOS k

**Question 22 - #95018**

The correct answer was B.

Sales = (15 \* 60) + (35 \* 45) + (85 \* 35) = 5,450

COGSFIFO = (20 \* 50) + (35 \* 40) + (80 \* 30) = 4,800

GMFIFO: $5,450 − 4,800 = $650

COGSLIFO = (15 \* 50) + (35 \* 40) + (85 \* 30) = 4,700

GMLIFO: $5,450 − $4,700 = $750

COGSAverage = (20 \* 50) + (35 \* 40) + (85 \* 30) = 4,950

4,950\*135 / 140 = 4,773.21

GMCost Average: $5,450 − $4,773.21 = $676.79

**Question 23 - #127267**

The correct answer was A.

Depreciation per unit of production = (€60,000 – €10,000) / 400,000 km = €0.125 per kilometer. Through year 2, depreciation expense = €0.125 × 250,000 = €31,250. Carrying value at the end of Year 2 = €60,000 – €31,250 = €28,750.

This question tested from Session 9, Reading 30, LOS d

**Question 24 - #127257**

The correct answer was B.

Whether prices are increasing or decreasing, LIFO cost of goods sold and FIFO inventory are preferred because they are the closest estimates of current costs.

This question tested from Session 9, Reading 29, LOS e

**Question 25 - #97843**

The correct answer was B.

IFRS does not permit income statement items to be recognized as “extraordinary” in the income statement. Negative goodwill is not reported on the balance sheet; rather, the excess of fair value over the price paid in an acquisition is recognized as a gain in the income statement.

This question tested from Session 9, Reading 30, LOS b

**Question 26 - #95667**

The correct answer was C.

Since a portion of the lease payment is treated as repayment of principal under a finance lease, cash flow from financing will be lower.

This question tested from Session 9, Reading 32, LOS h

**Question 27 - #94502**

The correct answer was C.

The coupon payment is a cash outflow from operations. ($10,000,000 × 0.09) = $900,000.

**Question 28 - #95419**

The correct answer was B.

The LIFO conformity rule in the U.S. requires firms to use LIFO for their financial statements if they use LIFO for income tax purposes. This question tested from Session 9, Reading 29, LOS b

**Question 29 - #94270**

The correct answer was C.

Permanent difference will not result in deferred taxes since they are not expected to reverse in the future.

This question tested from Session 9, Reading 31, LOS f

**Question 30 - #127253**

The correct answer was B.

The LIFO and weighted average cost methods can provide different values for inventory, cost of sales, and gross profit depending on whether the firm uses a periodic or perpetual inventory system. FIFO produces the same values from either a periodic or perpetual inventory system.

This question tested from Session 9, Reading 29, LOS d

**Question 31 - #97072**

The correct answer was A.

Average receivables collection period = 365 / receivables turnover, which is 22.81 days for the industry (=365 / 16). If Q-Tell’s receivables turnover is less than 16, its average days collection period must be greater that 22.81 days.

**Question 32 - #97502**

The correct answer was A.

Current ratio = (current assets / current liabilities) = [cash + marketable securities + receivables + inventory] /current liabilities Quick ratio = [cash + marketable securities + receivables] / current liabilities

**Question 33 - #97948**

The correct answer was B.

The January 1 balance of common shares outstanding is adjusted retroactively for both stock dividends and stock splits. The weighted average shares outstanding for the year = 100,000 × 2 × 1.1 = 220,000.

This question tested from Session 8, Reading 25, LOS g

**Question 34 - #97470**

The correct answer was A.

Only the preferred stock dividends paid would be considered CFF. Issuing bonds in exchange for equipment and exchanging bonds for stock are both noncash transactions that should be disclosed in a footnote to the Statement of Cash Flows. Interest paid is an operating cash flow under U.S. GAAP.

This question tested from Session 8, Reading 27, LOS f

**Question 35 - #97802**

The correct answer was A.

Orange’s basic EPS ((net income – preferred dividends) / weighted average common shares outstanding) is [($7,600,000 − (10,000 × $1,000 × 0.08)] / 2,000,000 = $3.40. To check for dilution, EPS is calculated under the assumption that the convertible preferred shares are converted into common shares at the beginning of the year. The preferred dividends paid are added back to the numerator of the Diluted EPS equation, and the additional common shares are added to the denominator of the equation.

Orange’s if-converted EPS is $7,600,000 / (2,000,000 + 200,000) = $3.45.

Because if-converted EPS is higher than basic EPS, thepreferred stock is antidilutive and no adjustment is made to basic EPS.

This question tested from Session 8, Reading 25, LOS h

**Question 36 - #97739**

The correct answer was C.

Common size income statements express all income statement items as a percentage of sales. Note that common size balance sheets express all balance sheet accounts as a percentage of total assets.

This question tested from Session 8, Reading 28, LOS a

***XI.*** *Учебно-методическое и информационное обеспечение дисциплины:*

**А.** Основная литература – с выделением подразделов:

1. CFA, Level 1, Book 3: FINANCIAL REPORTING AND ANALYSIS, Kaplan/Schweser
2. CFA, Level 2, Book 2: FINANCIAL REPORTING AND ANALYSIS, Kaplan/Schweser

**Б.** Дополнительная литература – с выделением подразделов:

**В.** Периодические издания (журналы):

**Г.** Программное обеспечение и Интернет-ресурсы – с выделением подразделов: презентации в формате Power Point, доступ к сети интернет, статистические данные по инвестициям.

***XII.*** *Материально-техническое обеспечение дисциплины:*

**А.** Помещения: лекционный зал, аудитории для проведения семинарских занятий;

**Б.** Оборудование: компьютер с подключением к сети Интернет, проектор для проведения презентаций; принтер для распечатки контрольных заданий

**В.** Иные материалы: писчая бумага, калькуляторы.