



Free Questions for CMAPRA19-F01-1 by go4braindumps

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Question 1

Question Type: MultipleChoice

DEF is considering introducing a Pay-As-You-Earn (PAYE) system but unsure of the advantages of using it.

Which of the following statements are advantages from the employees perspective of an entity using a PAYE system for collecting taxes from employees.

Select ALL that apply.

Options:

- A- The employee will be able to deal with tax authority directly to make payments.
- B- The employee will avoid being charged penalties for paying late.
- C- The employee will calculate their own tax payment.
- D- The employee does not have to complete a self assessment tax return.
- E- The employee does not have to budget for their tax payments because the tax is deducted at source.

Answer:

B, D, E

Question 2

Question Type: CorrectText

On 1 January 20X2 an entity began work on constructing a factory. It purchased the land for \$14 million, built the factory buildings for \$11 million and installed plant and equipment for \$7 million. The project was completed on 31 December 20X3 when the factory was deemed ready to use, however, the factory did not start operations until 1 June 20X4.

To fund the project the entity borrowed \$25 million on 1 January 20X2, with interest at 10% per year.

The loan was repaid in full on 31 December 20X4.

Calculate the total amount to be added to the cost of property, plant and equipment in respect of the above development.

Give your answer to the nearest \$ million.

Answer:

Question 3

Question Type: MultipleChoice

An asset has the following values:

Carrying value	\$34,700
Fair value*	\$35,000
Economic value in use	\$32,700

If the asset was sold for its fair value, selling costs of \$1,500 would be incurred.

Which of the following is the value of the impairment loss to be recognised for this asset in accordance with IAS 36 Impairment of Assets?

Options:

A- \$0

B- \$300

C- \$1,200

D- \$2,000

Answer:

C

Question 4

Question Type: MultipleChoice

According to IAS 21 The Effects of Changes in Foreign Exchange Rates, an entity should determine its functional currency.

Which of the following is NOT a factor that should be considered by an entity when determining its functional currency?

Options:

- A-** The currency that mainly influences selling prices of the entity's goods and services.
- B-** The currency that mainly influences labour, material and other costs.
- C-** The currency used for published financial reports.
- D-** The currency of the country whose competitive forces determine prices of goods and services.

Answer:

C

Question 5

Question Type: MultipleChoice

Which of the following would be found under the heading "other comprehensive income" in the statement of total comprehensive income?

Options:

- A- Gain or loss on revaluation of a non-current asset
- B- Income from investments
- C- Dividends paid
- D- Increase or decrease in provision for irrecoverable debts

Answer:

A

Question 6

Question Type: CorrectText

Country Q has the following rules in respect of capital tax on the disposal of assets:

*Capital gains are subject to tax at 25%.

*Capital losses can only be carried forward and offset against future capital gains.

The following data relates to ABC:

	Capital gain/(loss)
	\$
20X1	(100,000)
20X2	50,000
20X3	300,000

How much capital tax will be payable on the capital gain recorded in 20X3?

Give your answer to the nearest \$.

Answer:

Question 7

Question Type: MultipleChoice

The International Accounting Standards Board's "The Conceptual Framework for Financial Reporting" identifies fundamental and enhancing qualitative characteristics of financial statements.

Which of the following is included within the fundamental characteristics?

Options:

A- Comparability

B- Verifiability

C- Understandability

D- Materiality

Answer:

D

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