

Question 1

Woods Company reports income before taxes in the amount of \$935,000. The current tax expense is \$365,375 and the effective tax rate is 37%. What is the conservatism ratio for Woods Company?

- A) 0.95
- B) 0.27
- C) 0.61
- D) 0.39

Answer: <https://biology-forums.com/index.php?topic=1859428>

Question 2

U.S. GAAP requires significant disclosures for goodwill, including all of the following except _____.

- A) goodwill acquired
- B) goodwill included in the disposal of a business unit
- C) goodwill amortization
- D) goodwill impaired

Answer: <https://biology-forums.com/index.php?topic=1858993>

Question 3

Freewheelers, Inc. has four potentially dilutive securities. Net income for the year is \$5,600,000 and the weighted average common shares outstanding is 1,000,000 shares. Computation of the antidilution sequencing recorded the following:

Security Increase in Income Increase in Common Shares

Convertible Preferred Stock \$50,000 20,000

Stock Warrants \$0 40,000

Stock Options \$0 10,000

Convertible Bonds \$200,000 100,000

Required: Write the basic equation for EPS and compute basic EPS. Determine the order of entry into the EPS computation. Compute final diluted EPS and show all computations to determine your final answer.

Answer: <https://biology-forums.com/index.php?topic=1859693>

Question 4

Discuss how standard setters use the conceptual framework in developing new standards.

Answer: <https://biology-forums.com/index.php?topic=1858053>

Question 5

A company has a probable loss that can only be reasonably estimated within a range of outcomes. No single amount within the range is a better estimate than any other amount. Under IFRS, what amount of loss contingency should be accrued?

- A) the maximum amount of the range
- B) the midpoint amount of the range
- C) the minimum amount of the range
- D) zero

Answer: <https://biology-forums.com/index.php?topic=1859096>

Question 6

What is the protocol to determine if multiple potentially dilutive securities are actually dilutive or antidilutive?

Answer: <https://biology-forums.com/index.php?topic=1859690>

Question 7

All of the following accounts are temporary accounts except _____.

- A) Gain on Sale of Equipment
- B) Sales Revenue
- C) Dividends Payable
- D) Interest Expense

Answer: <https://biology-forums.com/index.php?topic=1858350>

Question 8

What is the effective interest rate for an investment fund that pays 8% interest compounded monthly? (Use spreadsheet software or a financial calculator to calculate your answer. Do not round any intermediary calculations, and round your final answer two decimal places, X.XX%.)

- A) 8.67%

- B) 8.00%
C) 8.30%
D) 8.16%

Answer: <https://biology-forums.com/index.php?topic=1858554>

Question 9

Gordon Company has the following data available:

Transaction	Units Purchased	Unit Cost	Units Sold
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Beginning Inventory	300	\$20	
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March 1 Purchase	200	\$12	
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April 25 Sale			340
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June 10 Purchase	360	\$14	
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July 20 Sale			250
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October 30 Purchase	250	\$11	
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December 15 Sale			340
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If Gordon Company uses a perpetual FIFO inventory system, the cost of ending inventory on December 31 is _____.

- A) \$18,600
B) \$10,230
C) \$1980
D) \$3600

Answer: <https://biology-forums.com/index.php?topic=1858861>

Question 10

List the four possible sources of taxable income that a company should consider when assessing the realizability of a deferred tax asset under U. S. GAAP.

Answer: <https://biology-forums.com/index.php?topic=1859391>

Question 11

The following information is available for the month of June for a retail store:

Sales \$79,000

Sales Returns \$1,000

Markups \$10,000

Markup cancellations \$1,000

Markdowns \$9,300

Purchases (at cost) \$40,000

Purchases (at retail) \$107,000

Purchase returns (at cost) \$1,200

Purchase returns (at retail) \$2,000

Beginning inventory (at cost) \$30,000

Beginning inventory (at retail) \$46,000

Required:

Calculate the ending inventory at cost using the basic retail method. Round ratios to four decimal places. (For example, $0.40127 = 0.4013$)

Answer: <https://biology-forums.com/index.php?topic=1858894>

Question 12

When accounting for a convertible bond issue using IFRS, any equity component is _____.

- A) ignored
B) the present value of the future cash flows
C) measured the same as GAAP
D) the selling price minus the debt component

Answer: <https://biology-forums.com/index.php?topic=1859179>

Question 13

Under U.S. GAAP, bond issue costs are capitalized and amortized over the life of the bonds.

[b][True or False][/b]

Answer: <https://biology-forums.com/index.php?topic=1859158>

Question 14

Companies are required to disclose the intrinsic values of outstanding stock and options granted.

[b][True or False][/b]

Answer: <https://biology-forums.com/index.php?topic=1859596>

Question 15

What purpose does a carryback or carryforward serve to a company with a volatile earnings stream?

Answer: <https://biology-forums.com/index.php?topic=1859410>

Question 16

The reference number in the general ledger refers to _____.

- A) Chart of Account numerical listing
- B) chronological order of the entry
- C) general journal page number
- D) general ledger page number

Answer: <https://biology-forums.com/index.php?topic=1858284>

Question 17

Changes in the fair value of trading debt securities are reported in other comprehensive income.

[b][True or False][b]

Answer: <https://biology-forums.com/index.php?topic=1859275>

Question 18

The identified measurement bases are consistent with fair value reporting:

- A)
Current market value Net realizable value
YesNo
- B)
Current market value Net realizable value
NoNo
- C)
Current market value Net realizable value
YesYes
- D)
Current market value Net realizable value
NoYes

Answer: <https://biology-forums.com/index.php?topic=1858121>

Question 19

The first step in preparing a worksheet is to record the adjusting journal entries.

[b][True or False][b]

Answer: <https://biology-forums.com/index.php?topic=1858367>

Question 20

ABC Company enters into a contract with Edmond Library to help them streamline their purchasing process. The contract specifies that Edmond Library will pay ABC \$70,000 in the form of a fixed fee plus an additional \$10,000 if the library achieves \$200,000 in cost savings. ABC estimates a 55% chance that the library will achieve a \$200,000 savings. Assuming ABC estimates that the transaction price is the expected value transaction price. The transaction price is recorded as _____.

- A) \$70,000
- B) \$75,500
- C) \$80,000
- D) \$64,500

Answer: <https://biology-forums.com/index.php?topic=1858669>