

# FINANCIAL ACCOUNTING I

2014/2015

GAi

Mid-term test- 5 November 2014

Time allowed: 1 hour

Name: \_\_\_\_\_

Class: \_\_\_\_GAi\_\_\_\_

Undergraduate: \_\_Management\_\_

Grade: \_\_\_\_\_

## Informations (general)

A - The test is individual. Any behaviour that infringes upon the individual assessment will be penalized and the test is nullified.

B – Students must carry only identification, pen and calculator with simple math or science.

C – Graphical or programmable calculators or any electronic and / or entertainment equipment such as, mobile phone, smartphone, MP3, tablet or similar are not allowed.

### informations about the test

- A. Select only one answer for each question and mark with an **X** the chosen answer in the specific answer sheet.
- B. Each correct answer is worth 1,0 point.
- C. Each wrong answer will be penalized by 0.25 points.
- D. Unanswered questions are not penalized.
- E. Several answers to the same question are considered as wrong answer.
- F. You are mandated to use the answer sheet. Answers in other places along the statement are not considered for assessment.
- G. The statement cannot be unstapled.

Questions	(a)	(b)	(c)	(d)
1				
2				
3				
4				
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7				
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10				

Questions	(a)	(b)	(c)	(d)
11				
12				
13				
14				
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16				
17				
18				
19				
20				

**1**

**A Portuguese company that does not have its shares listed in a stock exchange prepares its consolidated financial statements:**

- A - According to the IFRS, mandatory
- B - According to the US GAAP, by option
- C - According to the SNC or in accordance with IFRS
- D - According to the SNC, mandatory

**2**

**Which of the following financial statements need not be prepared by a company using IFRS?**

- A - Statement of financial position
- B - Statement of value added
- C - Statement of changes in shareholders' equity
- D - Statement of cash flows

**3**

**Financial statements must provide information:**

- A - That is consistent with the predictions of investors and creditors
- B - That is understandable, comparable, relevant and reliable
- C - That meets the precision of the results made by analysts
- D - That is useful for enterprise administrators

**4**

**Which one of the following financial statements provides information on the performance of an entity:**

- A - The balance sheet
- B - The income statement
- C - The notes
- D - The statement of cash flows

**5**

**Which of the following assets must be classified as a current asset:**

- A - Industrial equipment
- B - Brand purchased to a competitor
- C - Finished product held for sale
- D - Financial investment

**6** Which of the following elements must be recognized as an expense:

- A - Rendered services
- B - Rent of the store used to sell merchandises
- C - Payment to a supplier of raw materials
- D - Repayment of a loan

**7** The financial result of a company:

- A - Is computed according to cash basis
- B - Is computed according to accrual basis
- C - It is equal to the cash flows from financing activities
- D - It is equal to the cash flows from investing activities

**8**

**Compute the cash flows from operating activities of a company that made the following transactions: Sales immediately received Eur 900.000; Sales not received yet Eur 300.000; consumption of raw materials Eur 200.000; acquisition of merchandise at prompt payment Eur 250.000; payment of salaries Eur 100.000; payment of interest expenses Eur 50.000; receipt of dividends Eur 20.000.**

- A - Eur 850.000
- B - Eur 520.000
- C - Eur 550.000
- D - Eur 350.000

**9** A credit in a liability account always involves:

- A - The debit of one or more accounts from liabilities
- B - The debit of one or more accounts from assets or from shareholders' equity
- C - The debit of one or more accounts from the balance sheet
- D - The debit of one or more accounts from the balance sheet or from the income statement

**10** Which one of the following is a principle of analyzing transactions:

- A - Each transactions affects two accounts
- B - The fundamental equation of accounting changes after registering a transaction
- C - Each transactions affects at most two accounts
- D - The fundamental equation of accounting remains after registering a transaction

**11** Which of the following transactions can affect immediately the net

**income of a company:**

- A - Acquisition of merchandises on credit
- B - Repayment of a bank loan
- C - Payment of interest expenses
- D - Distribution of dividends

**12**

**In early 2014, Company X acquired a tangible fixed asset for Eur 200.000, which an expected useful life of 10 years. This company paid immediately Eur 150.000 and assumed the obligation to pay the remainder in early 2015. At the end of 2014 this tangible fixed asset should be presented in the Balance Sheet for:**

- A - Eur 200.000
- B - Eur 135.000
- C - Eur 150.000
- D - Eur 180.000

**13**

**The account “Cost of goods sold and consumed materials”:**

- A - Is debited when decreasing
- B - Exist only for commercial companies
- C - Has a debit balance
- D - Has a credit balance

**14**

**The account “Bank Loans”:**

- A - Is an Assets account
- B - Has interest only for creditors of the company
- C - Can be presented as a current liability and as a non-current liability
- D - Can be presented in the liabilities or in shareholder’s equity

**15**

**The sale of goods by Eur 200.000, whose cost was Eur 150.000 imply recognition of:**

- A - A revenue of Eur 50.000
- B - A gain of Eur 50.000
- C - A revenue of Eur 200.000 and na expense of Eur 150.000
- D - An expense of Eur 200.000 and a revenue of Eur 150.000

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**Answer to questions 16 and 17 based on the following information:**

**Assume that in the year 2013, company Alfa was held the following transactions:**

- a) Acquisition of raw material by Eur 100.000, to be paid just in 2014.**
- b) Consumption of these raw materials in the manufacture of finished products.**
- c) Personnel expenses in the amount of Eur 80.000, with immediate payment.**
- d) Consumption of electricity in the amount of Eur 10.000, with immediate payment.**
- e) Depreciation of fixed tangible assets in the amount of Eur 50.000.**
- f) Sale of finished goods amounting to Eur 240.000, with immediate receipt.**
- g) Payment of dividends amounting to Eur 50.000.**

**16**

**What is the amount of total expenses to be presented in the income statement of 2013?**

- A - Eur 100.000**
- B - Eur 200.000**
- C - Eur 210.000**
- D - Eur 240.000**

**17**

**What is the total of cash flows from operating activities for the year 2013?**

- A - Eur 110.000**
  - B - Eur 120.000**
  - C - Eur 150.000**
  - D - Eur 50.000**
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**Answer to questions 18, 19 and 20 based on the following informations:**

**The Balance sheet of Company X at the end of 2012 shows assets totaling Eur 1.000.000 million and liabilities totaling Eur 600.000. In 2013 were carried out the following transactions:**

- a) Acquisition for cash (immediate payment) of factories in the amount of Eur 150.000;**
- b) Obtaining a bank loan in the amount of Eur 250.000;**
- c) Acquisition of raw materials for Eur 60.000, with immediate payment;**
- d) Consumption of these raw materials in the manufacture of finished products;**
- e) Sale of finished products for Eur 100,000, with immediate receipt.**
- f) Payment of a debt to suppliers in the amount of Eur 50.000.**

**18      What is the total assets of this company after the registration of these transactions?**

- A -    Eur 1.130.000**
- B -    Eur 1.180.000**
- C -    Eur 1.240.000**
- D -    Eur 1.280.000**

**19      What is the total liabilities of the company after the registration of these transactions?**

- A -    Eur 530.000**
- B -    Eur 590.000**
- C -    Eur 800.000**
- D -    Eur 840.000**

**20      What is the total cash flows (or change in cash) of this company in the year 2013?**

- A -    Eur 90.000**
  - B -    Eur 130.000**
  - C -    Eur 190.000**
  - D -    Eur 340.000**
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