

WGU C213 Accounting For Decision Makers

Objective Assessment Exam

1. Which report summarizes cash collections and cash expenditures from operating, investing, and financing activities over a period of time

ANS Statement of cash flows

2. Which users would have a primary concern with an organization's ability to provide healthcare benefits **ANS** Employees

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3. Which benefit does a corporation gain by following Generally Accepted Accounting Principles (GAAP) **ANS** An increase in its comparability to other companies

4. Which body regulates a certified public accounting firm's audit practices when the firm is auditing a large publicly traded company

ANS The Public Company Accounting Oversight Board (PCAOB)

5. What has had the most significant impact on accounting practices

ANS Information technology

6. What two items of information are revealed on the balance sheet

ANS Owner-ship and Debt

7. Which term is defined as the residual interest in the net assets of a company
ANS Owner's equity

8. Which situation should result in revenue recognition on the income statement for the year ending 12/31/14 if the firm is using accrual-basis accounting
ANS In 2014, a company provides services to a customer for which cash will be collected the next year (2015).

9. Which category on the statement of cash flows summarizes cash receipts and payments to owners and creditors of the company

ANS Cash flows from financing activities

10. Where would an investor find a summary of a company's significant accounting policies
ANS In the notes to financial statements

11. Which assurance does an external audit report provide for its readers

ANS -

The company's financial statements fairly reflect its financial position

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12. **Reliable:** Information that can be verified

13. **Relevant:** Information having to do with the matter at hand

14. **Material:** Information that is important enough to make a difference

15. **Conservatism:** Information related to recognizing losses as they occur

16. **Decision Cycle steps:** Prepare financial statements

Analyze financial statements

Gather information

Make decision

Implement decision

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