



International Financial Reporting Standards

FINAL EXAM

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Duration: 2 hours and 15 minutes

GROUP I

(5 points – 20 minutes)

Choose the correct answer and **justify** your choice.

1. Providing information about the performance and financial position of companies so that users can make economic decisions best describes the role of:
 - A. Auditing.
 - B. Financial reporting.
 - C. Financial statement analysis.

2. US Financial Accounting Standards are currently developed by which entity:
 - A. The United States Congress.
 - B. The Financial Services Authority.
 - C. The Financial Accounting Standards Board.

3. According to IAS 1, a complete set of financial statements, has the following components:
 - A. statement of financial position, income statement and statement of cash-flow.
 - B. statement of financial position, comprehensive income statement, statement cash-flow and statement of changes in equity.
 - C. None of the above alternatives.

4. How would the collection of accounts receivable (receiving the amount in accounts receivable) *most likely* affect the current and cash ratios?

	<u>Current ratio</u>	<u>Cash ratio</u>
A.	Increase	Increase
B.	Increase	No effect
C.	No effect	Increase
D.	No effect	No effect

5. Company A acquired company B. Determine Goodwill knowing that at the date of acquisition:

Cost of acquisition	1.000
Accounting value of assets and liabilities of B	300
Fair value of previously identifiable assets and liabilities of B	500
Fair value of newly identifiable assets and liabilities of B (Brands)	100

- A. 400.
- B. 500.
- C. 700.
- D. None of the above alternatives.

GROUP II

(12 points – 95 minutes)

Attached you'll find the Consolidated Financial Statements of **PRADA SGPS** as of 30 December 2011 and 30 December 2010.

"For Prada, fashion, luxury and style have always been core aspects of a project that goes beyond production of clothes, footwear and handbags. Careful observation and interest in the world, society, and culture are at the core of Prada's creativity and modernity. This has pushed Prada beyond the physical limitations of boutiques and showrooms, leading us to interact with diverse, seemingly distant worlds, and introducing, very naturally, a new way of creating fashion". Miuccia Prada and Patrizio Bertelli.

