

Unit 4 Self-assessment test

*Required

1.

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Name and surname

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2.

When an entity raises finance by issuing bonds (debentures):

Mark only one oval.

(a) the entity that subscribes to the bonds (the lender) has a financial asset – an investment – while the issuer of the bonds (the borrower) who has raised the finance has to account for the bonds as a financial liability.

(b) the entity that subscribes to the bonds (the lender) has a financial liability while the issuer of the bonds (the borrower) who has raised the finance has to account for the bonds as a financial asset.

(c) the entity that subscribes to the bonds (the lender) has a financial asset – an investment – while the issuer of the bonds (the borrower) who has raised the finance has to account for the bonds as an Equity item.

(d) the entity that subscribes to the bonds (the lender) has a financial liability while the issuer of the bonds (the borrower) who has raised the finance has to account for the bonds as an Equity item.

3.

Which of the following is not a financial asset?

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(a) Cash and cash equivalents

(b) Trade and other receivables

(c) Loans and credits extended to third parties, including those relating to the sale of non-current assets

(d) Any financial instrument that represents a contractual right to exchange financial assets or financial liabilities with third parties under potentially unfavourable conditions

4.

On 5/10/2015 PI, inc. acquires 10 shares at a price of €60 per share, with the intention to obtain a profit in the short term. Directly attributable acquisition costs totaled 6 € per share. On 31/12/2015, the quoted price is €52 per share. Transaction costs to be incurred on disposal would amount to 10 € per share. On 13/01/2016, all the shares are sold, at a market value of 53 € per share. Transaction costs amount to €80. What is the amount of profit or loss obtained in this sale on 13/01/2016?

Mark only one oval.

- (a) A profit amounting to €10.
- (b) A profit amounting to €50.
- (c) A loss amounting to €10.
- (d) A loss amounting to €70.

5.

A inc. holds 4,000 shares of B inc. with the intention to obtain a profit in the short term. B inc. raises new equity, offering new shares at a par value of €10, in a 3-for-4 capital issue. Right before the increase, the market value of old shares is €20. A inc. sells 1.000 PERs at the subscription date at the market value of €4.5 per PER, in cash. Furthermore, A. inc. uses their remaining PERs to acquire new shares in the Public Offering. How are the new shares acquired by A inc. initially measured?

Mark only one oval.

- (a) €22,500.
- (b) €11,857.14.
- (c) €35,357.14.
- (d) €36,000.

6.

On December 5, 2015 100 shares of Nahuel inc. are acquired with the intention to sell them in the near term. Stock market value on this date was €12,80 per share, being its nominal value €4. Directly attributable transaction costs were also paid amounting to €1,2 per share. Prior to the acquisition date, the Shareholders Board approved a dividend distribution of €0,20 per share, to be paid on December 10. What is the initial measurement of these shares on 5/12/2015?

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- (a) €1,280.
- (b) €1,400.
- (c) €1,260.
- (d) €380.

7.

BL Inc. is granted a €20,000 loan, with the following accounting loan repayment table. What is the amount of the loan's initial expenses?

Mark only one oval.

- (a) €0
- (b) €19,770
- (c) €24.12
- (d) €230.

	Initial Balance	Installments	Effective interests	Bank interests	Interests difference	PRINCIPAL REDEMPTION	Amortised Cost
01/01/X1							19,770.00
31/12/X1	19,770.00	5,900.00	989.81	900.00	89.81	4,910.19	14,859.81
31/12/X2	14,859.81	5,675.00	743.97	675.00	68.97	4,931.03	9,928.78
31/12/X3	9,928.78	5,450.00	497.10	450.00	47.1	4,952.90	4,975.88
31/12/X4	4,975.88	5,225.00	249.12	225.00	24.12	4,975.88	0.00

8.

The entity where you work as an accountant received a loan from a bank on October, 1, 2016. The loan will be repaid in constant annual installments each October 1 during three years. A computer bug has caused some data to be lost. The recovered data are presented in the following accounting loan repayment table. What is the amount of the loan's initial expenses?

Mark only one oval.

- (a) €0
- (b) €827.50
- (c) €186.31
- (d) €1,553.22

Date	Initial Balance	INSTALLMENT	Effective interests	Bank interests	Interests difference	PRINCIPAL REDEMPTION	Amortised Cost
01/10/2016	101,994.78						101,994.78
31/12/2016	101,994.78		827.50	641.19	186.31		
01/10/2017		36,256.00	2,523.01	1,947.51			
31/12/2017				432.72	127.82		69,649.83
01/10/2018	69,649.83	36,256.00	1,709.04		394.74		35,102.87
31/12/2018	35,102.87		284.80	219.03	65.77		35,387.67
01/10/2019	35,387.67		868.33	665.25	203.08	35,102.87	0.00
Total			6,773.22	5,220.00			

9.

The entity where you work as an accountant received a loan from a bank on October, 1, 2016. The loan will be repaid in constant annual installments each October 1 during three years. A computer bug has caused some data to be lost. The recovered data are presented in the following accounting loan repayment table. Concerning this loan, what amount will be part of 2017 Income Statement?

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- (a) €2,5243.01
- (b) €1,947.51
- (c) €432.72
- (d) €3,083.55

Date	Initial Balance	INSTALLMENT	Effective interests	Bank interests	Interests difference	PRINCIPAL REDEMPTION	Amortised Cost
01/10/2016	101,994.78						101,994.78
31/12/2016	101,994.78		827.50	641.19	186.31		
01/10/2017		36,256.00	2,523.01	1,947.51			
31/12/2017				432.72	127.82		69,649.83
01/10/2018	69,649.83	36,256.00	1,709.04		394.74		35,102.87
31/12/2018	35,102.87		284.80	219.03	65.77		35,387.67
01/10/2019	35,387.67		868.33	665.25	203.08	35,102.87	0.00
Total			6,773.22	5,220.00			

10.

On 01/11/2010, the entity signs a line of credit with Bank BB, for an amount of €10,000. Maturity is set on 01/02/2011, interests being paid at that date. On 02/11/2010, formalisation fees are charged to the line of credit account, amounting to 1% of the loan amount. On the same 02/11/2010, the entity acquires computers and computer software for an amount of €1,500 and €600, respectively (plus VAT, €378), amount charged to the line of credit account. Advertising company invoice amounts to €4,000€ (plus €720, VAT), amount charged to the line of credit account on 15/11/2010. Revenues for the rendering of services in December 2010 amount to €12,000€ (plus €2,160€, VAT). 30% of that amount is credited to the line of credit account. Stationary expenses up to 31/12/2010 amount to €500, although the invoice has not been received yet. Interests accrued on the line of credit until 31/12/2010 amount to €90. What is the amount of the finance expenses accrued in 2010 concerning the line of credit?

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- (a) €100.
- (b) €90.
- (c) €45
- (d) €190.

11.

At the end of period 2016, BL inc. has a bank overdraft for €25,000. This amount would be shown in the Balance Sheet as:

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- (a) a current liability, with a credit balance.
- (b) a current asset, with a debit balance.
- (c) a current liability, with a debit balance.
- (d) a current asset, with a credit balance.