BUCHAREST UNIVERSITY OF ECONOMIC STUDIES
Admission: **University Master Studies** – *2026*
Faculty: Accounting and Management Information Systems

1. (3p) At 31 December 20X1, an entity holds three items of merchandise inventory. Item A has an acquisition cost of 12,000 CU and a net realizable value of 11,500 CU. Item B has an acquisition cost of 8,000 CU and a net realizable value of 8,600 CU. Item C has an acquisition cost of 10,000 CU and a net realizable value of 9,200 CU. According to IAS 2 Inventories, what amount of inventory impairment allowance should the entity recognize at 31 December 20X1?
A. 1,900 CU.
B. 1,300 CU.
C. 2,100 CU.
D. 800 CU.

2. (3p) An entity purchases raw materials at a negotiated price of 80,000 CU. The supplier also invoices transport costs of 6,000 CU and handling costs of 4,000 CU. The entity receives a trade discount of 10,000 CU. According to IAS 2 Inventories, what is the purchase cost of the inventories?
A. 90,000 CU.
B. 70,000 CU.
C. 100,000 CU.
D. 80,000 CU.

3. (3p) An entity has an opening inventory of 100 units at a cost of 20 CU/unit. During the period, it purchases 150 units at 25 CU/unit. The entity then sells 180 units. Using the FIFO (first-in-first-out) method, in accordance with IAS 2 Inventories, what is the cost of inventories sold?
A. 4,500 CU.
B. 4,000 CU.
C. 3,600 CU.
D. 3,750 CU.

4. (3p) Which of the following items are classified as current assets in accordance with IAS 1 Presentation of Financial Statements? (1) Delivery vans used by the Sales Department of a computer manufacturer. (2) New cars held for sale by a car dealership?
A. Both (1) and (2).
B. Neither (1) nor (2).
C. Only (1).
D. Only (2).

5. (3p) According to IAS 36 Impairment of Assets, when may two production sections be considered together as one cash-generating unit?
A. When both sections use the same depreciation method.
B. When both sections have the same number of employees.
C. When the assets of both sections have the same useful life.
D. When the cash flows of one section depend on the activities of the other section and are not independently generated.

6. (3p) According to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, when estimating the costs of a provision, which of the following should be taken into account? (1) Previous experience with similar transactions. (2) Views of independent experts.
A. Only (2).
B. Neither (1) nor (2).
C. Only (1).
D. (1) and, in some cases, (2).

7. (3p) Calculate the value of current liabilities at the end of 20X1, in accordance with IAS 1 Presentation of Financial Statements, based on the following data only: Long-term bank loans 20,000 CU (of which 10,000 CU becoming due in 20X2); Inventories 20,000 CU; Reserves 40,000 CU; Suppliers 90,000 CU; Receivables 30,000 CU; Provisions 40,000 CU (expected compensation to be paid in 20X2). Choose the correct answer:
A. 140,000 CU.
B. 160,000 CU.
C. 150,000 CU.
D. 200,000 CU.

8. (3p) A smartphone manufacturer provides a one-year warranty covering manufacturing defects. Based on past experience, 4% of smartphones sold require repairs under warranty. During 20X1, the company sold 10,000 smartphones, and the average warranty repair cost is 20 CU per smartphone. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the company should recognize/disclose:
A. A contingent liability of 200,000 CU.
B. A contingent liability of 8,000 CU.
C. A provision of 8,000 CU.
D. A provision of 200,000 CU.

9. (3p) According to IAS 16 Property, Plant and Equipment, which of the following factors should be considered when determining the useful life of an item of property, plant and equipment?
A. The expected use of the asset and its estimated physical wear and tear.
B. The method used to finance the purchase of the asset.
C. The number of employees operating the asset during the year.
D. The entity's annual sales revenue and profit.

10. (3p) An item of property, plant and equipment was purchased for 120,000 CU and initially had a useful life of 10 years, with no residual value. After four years of use, the entity reviews the asset's useful life and estimates that it will be used for another eight years. The straight-line method is applied. According to IAS 16 Property, Plant and Equipment, what is the annual depreciation expense after the change in estimate?
A. 12,000 CU.
B. 15,000 CU.
C. 6,000 CU.
D. 9,000 CU.

11. (3p) During the year 20X1, a supermarket chain received cash from customers for the sale of groceries and household products. In accordance with IAS 7 Statement of Cash Flows, the entity should classify these cash receipts as:
A. Cash flows from investing activities.
B. Cash flows from financing activities.
C. Non-current assets in the Statement of financial position.
D. Cash flows from operating activities.

12. (3p) An entity manufactures equipment that is normally sold to customers. During the year, the entity decides to use one unit of equipment in its own production process. How should this equipment be accounted for?
A. It should continue to be recognized as inventory until it is sold.
B. It should be recognized as property, plant and equipment, rather than as inventory.
C. It should be recognized immediately as an expense.
D. It should be recognized as an intangible asset.

13. (3p) When testing a cash-generating unit (CGU) for impairment in accordance with IAS 36 Impairment of Assets, which carrying amount should be used if the CGU comprises technical equipment (80,000 CU), land (120,000 CU) and a building (100,000 CU), and a restoration provision of 20,000 CU is included in determining the carrying amount of the CGU?
A. 280,000 CU.
B. 200,000 CU.
C. 300,000 CU.
D. 320,000 CU.

14. (3p) In accordance with IAS 7 Statement of Cash Flows, when calculating net cash flows from operating activities, an entity should:
A. Add cash receipts from the sale of equipment.
B. Subtract payments made to suppliers of inventory.
C. Add cash receipts from issuing ordinary shares.
D. Add the cash payments to employees.

15. (3p) When preparing the Statement of profit or loss and other comprehensive income in accordance with IAS 1 Presentation of Financial Statements, which of the following should be presented as other comprehensive income?
A. Depreciation expenses.
B. Revenues from sales of property, plant or equipment.
C. Surplus from revaluations of property, plant or equipment.
D. Interest expenses.

16. (3p) According to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a liability, arising from past events, which is of uncertain timing or amount is recognized/disclosed as:
A. A contingent asset.
B. A provision.
C. A contingent liability.
D. A current liability.

17. (3p) According to IAS 36 Impairment of Assets, which of the following may indicate that an asset is impaired?
A. The asset's market value has decreased significantly more than would be expected due to normal use or due to aging.
B. The asset's useful life has been reassessed without any indication of a decline in its value.
C. The asset continues to generate cash flows in line with management's original expectations.
D. The asset's recoverable amount is higher than its carrying amount.

18. (3p) Which of the following costs is included in the initial cost of property, plant and equipment under IAS 16 Property, Plant and Equipment?
A. The costs of introducing a new product or service, including advertising and promotional activities.
B. The cost of staff training to operate the new asset.
C. The costs of opening a new facility in which the asset will be used.
D. The cost of installing the asset for its intended use.

19. (3p) Choose the list that contains only items that would appear in an Income statement with expenses classified by nature, in accordance with IAS 1 Presentation of Financial Statements:
A. Cost of goods sold, staff expenses, administrative expenses.
B. Revenues from selling merchandise, distribution expenses, income tax expense.
C. Depreciation expenses, staff expenses, raw materials expenses.
D. Depreciation expenses, gross margin, expenses with consumables.

20. (3p) Which of the following items are current assets, in accordance with IAS 1 Presentation of Financial Statements: (1) Receivables; (2) Short-term bank loan; (3) Inventories; (4) Property, plant and equipment?
A. (1) and (3).
B. (2) and (3).
C. (1), (2) and (3).
D. (1), (3) and (4).

21. (3p) How should an entity account for the cost of replacing a significant part of an item of property, plant and equipment when the recognition criteria are met under IAS 16 Property, Plant and Equipment?
A. The replacement cost is recognized as inventory.
B. The replacement cost is recognized as part of property, plant and equipment.
C. The replacement cost is always recognized as an expense.
D. The replacement cost is recognized as an intangible asset.

22. (3p) In accordance with IAS 7 Statement of Cash Flows, when computing the net cash flow from operating activities using the indirect method, an entity should:
A. Add an increase in customers.
B. Add a decrease in inventories.
C. Subtract depreciation expense.
D. Subtract an increase in suppliers.

23. (3p) Which of the following assets qualifies as property, plant and equipment under IAS 16 Property, Plant and Equipment?
A. Trucks held for sale to customers and expected to be sold within the current accounting period.
B. A machine acquired for production purposes but expected to be used only during the current accounting period.
C. A building bought by the entity exclusively for resale in the ordinary course of business.
D. A luxury car used exclusively by the CEO for administrative purposes and expected to be used for more than one accounting period.

24. (3p) At the reporting date, an entity has a dividend receivable of 10,000 CU. For tax purposes, dividend income is not taxable. According to IAS 12 Income Taxes, what is the temporary difference related to the receivable?
A. 10,000 CU taxable temporary difference.
B. 10,000 CU deductible temporary difference.
C. 0 CU.
D. 5,000 CU deductible temporary difference.

25. (3p) An entity presents its financial performance using the classification by function method, in accordance with IAS 1 Presentation of Financial Statements. For the year ended December 31, 20X1, the following information is available: Revenue from the sale of merchandise 140,000 CU; Cost of goods sold 80,000 CU; Staff expenses 10,000 CU; Selling and distribution expenses 20,000 CU; Revaluation surplus 30,000 CU. Based on this information, what is the gross margin for the year?
A. 50,000 CU.
B. 60,000 CU.
C. 30,000 CU.
D. 70,000 CU.

26. (3p) On 1 January 20X1, an entity purchases equipment for 60,000 CU and receives a government grant of 12,000 CU related to the asset. The entity deducts the grant from the cost of the equipment according to IAS 20 Accounting for Government Grants and Assistance. The equipment has a useful life of six years, no residual value, and is depreciated using the straight-line method. According to IAS 16 Property, Plant and Equipment, what is the annual depreciation expense?
A. 8,000 CU.
B. 2,000 CU.
C. 12,000 CU.
D. 10,000 CU.

27. (3p) An entity decides to revalue an item of property, plant and equipment by revaluing its net carrying amount. The asset has a cost of 800,000 CU and accumulated depreciation of 200,000 CU. Its fair value at the revaluation date is 950,000 CU. According to IAS 16 Property, Plant and Equipment, what is the revaluation increase?
A. 750,000 CU.
B. 350,000 CU.
C. 200,000 CU.
D. 150,000 CU.

28. (3p) Which of the following statements is true in accordance with IAS 7 Statement of Cash Flows? (1) Investing activities include cash receipts and payments arising from the entity's principal revenue-producing activities. (2) Financing activities include transactions that change the size and composition of the entity's contributed equity and borrowings.
A. Only (1).
B. Both (1) and (2).
C. Only (2).
D. Neither (1) nor (2).

29. (3p) On 1 March 20X1, a manufacturing company guaranteed a 120,000 CU bank loan for a key supplier. At 31 December 20X1, the supplier was experiencing financial difficulties, but any payment under the guarantee was considered possible rather than probable. The estimated payment under the guarantee is 90,000 CU. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the company should:
A. Recognize a provision of 90,000 CU.
B. Recognize a provision of 120,000 CU.
C. Disclose a contingent liability of 120,000 CU.
D. Disclose a contingent liability of 90,000 CU.

30. (3p) In accordance with IAS 7 Statement of Cash Flows, an entity discloses the following information for the year ended 31 December 20X1: Cash repayments of long-term bank loans 45,000 CU; Cash paid to acquire land 35,000 CU; Cash proceeds from issuing ordinary shares 80,000 CU; Cash received from customers 250,000 CU; Dividends paid 120,000 CU; Cash proceeds from the sale of equipment 15,000 CU. Calculate the net cash flow from investing activities.
A. (20,000) CU.
B. (35,000) CU.
C. 15,000 CU.
D. 0 CU.