

1. Financial Accounting

You are holding some forward exchange contracts at year end to cover receivables and inventory. No payment was made to enter into the contracts. Under IFRS or FRS 102, how should these be valued for accounting purposes?

- a) Cost (ie nil)
- b) Mark to market
- c) Mark to market adjusted for the forward points in the contract
- d) At the expected forward rate when delivered
- e) At the expected forward rate when taken out.

2. Taxation

For Capital Allowance Purposes your business has brought forward WDV as at 1 April 2018 in its Main Pool of £1,250,000. Spending this year is £550,000. Any excess Annual Investment Allowance (AIA) goes to the Main Pool. What is the total Capital Allowances to claim for the year to 31 March 2019?

- a) £734,000
- b) £488,000
- c) £274,500
- d) £324,000
- e) £529,000

3. Accounting

In which order would you find these acronyms for profitability in a set of management reports presented to directors (first to last)?

- a) EBITDA / EBIT / NPBT / NPAT
- b) EBIT / EBITDA / NPBT / NPAT
- c) NPAT / NPBT / EBIT / EBITDA
- d) NPBT / EBITDA / EBIT / NPAT
- e) EBIT / EBITDA / NPAT / NPBT

4. Management

Your business working capital ratio has reduced to 1.4. To meet bank funding requirements it needs to be 1.5. Which of these actions should help to achieve this?

- a) Offer extended credit terms to customers to get more sales.
- b) Get the bank to extend the overdraft limit.
- c) Defer a capital project that was to be funded from term debt.
- d) Obtain additional credit from suppliers.
- e) Reduce inventories to repay bank overdraft.