

# CIMA's CGMA<sup>®</sup> 2019 Professional Examinations

**Management Level**

**Subject F2**

---

**Advanced Financial Reporting**

---

**EXAM PRACTICE KIT**



### **British Library Cataloguing-in-Publication Data**

A catalogue record for this book is available from the British Library.

Published by:

Kaplan Publishing UK  
Unit 2 The Business Centre  
Molly Millar's Lane  
Wokingham  
Berkshire  
RG41 2QZ

ISBN: 978-1-83996-475-6

© Kaplan Financial Limited, 2023

The text in this material and any others made available by any Kaplan Group company does not amount to advice on a particular matter and should not be taken as such. No reliance should be placed on the content as the basis for any investment or other decision or in connection with any advice given to third parties. Please consult your appropriate professional adviser as necessary. Kaplan Publishing Limited, all other Kaplan group companies, the International Accounting Standards Board, and the IFRS Foundation expressly disclaim all liability to any person in respect of any losses or other claims, whether direct, indirect, incidental, consequential or otherwise arising in relation to the use of such materials. Printed and bound in Great Britain.

Kaplan Publishing's learning materials are designed to help students succeed in their examinations. In certain circumstances, CIMA can make post-exam adjustment to a student's mark or grade to reflect adverse circumstances which may have disadvantaged a student's ability to take an exam or demonstrate their normal level of attainment (see CIMA's Special Consideration policy). However, it should be noted that students will not be eligible for special consideration by CIMA if preparation for or performance in a CIMA CGMA® exam is affected by any failure by their tuition provider to prepare them properly for the exam for any reason including, but not limited to, staff shortages, building work or a lack of facilities etc.

Similarly, CIMA will not accept applications for special consideration on any of the following grounds:

- failure by a tuition provider to cover the whole syllabus
- failure by the student to cover the whole syllabus, for instance as a result of joining a course part way through
- failure by the student to prepare adequately for the exam, or to use the correct pre-seen material
- errors in the Kaplan Official Study Text, including sample (practice) questions or any other Kaplan content or
- errors in any other study materials (from any other tuition provider or publisher).

## **Acknowledgements**

*This product contains copyright material and trademarks of the IFRS Foundation®. All rights reserved. Used under licence from the IFRS Foundation®. Reproduction and use rights are strictly limited. For more information about the IFRS Foundation and rights to use its material please visit [www.ifrs.org](http://www.ifrs.org).*

**Disclaimer:** To the extent permitted by applicable law the Board and the IFRS Foundation expressly disclaims all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise (including, but not limited to, liability for any negligent act or omission) to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.

Information contained in this publication does not constitute advice and should not be substituted for the services of an appropriately qualified professional.



The IFRS Foundation logo, the IASB logo, the IFRS for SMEs logo, the 'Hexagon Device', 'IFRS Foundation', 'eIFRS', 'IAS', 'IASB', 'IFRS for SMEs', 'IASs', 'IFRS', 'IFRSs', 'International Accounting Standards' and 'International Financial Reporting Standards', 'IFRIC', NIIF® and 'SIC' are **Trade Marks** of the IFRS Foundation.



### **Trade Marks**

The Foundation has trade marks registered around the world (**'Trade Marks'**) including 'IAS®', 'IASB®', 'IFRIC®', 'IFRS®', the IFRS® logo, 'IFRS for SMEs®', IFRS for SMEs® logo, the 'Hexagon Device', 'International Financial Reporting Standards®', NIIF® and 'SIC®'.

Further details of the Foundation's Trade Marks are available from the Licensor on request.

# CONTENTS

	<b>Page</b>
Index to questions and answers	P.7
Exam techniques	P.9
Syllabus guidance, learning objectives and verbs	P.11
Approach to revision	P.15
Syllabus grids	P.17
Tables and formulae	P.23

## Section

1	Objective test questions	1
2	Answers to objective test questions	91
3	References	157

This document references IFRS® Standards and IAS® Standards, which are authored by the International Accounting Standards Board (the Board), and published in the 2022 IFRS Standards Red Book.

Quality and accuracy are of the utmost importance to us so if you spot an error in any of our products, please send an email to [mykaplanreporting@kaplan.com](mailto:mykaplanreporting@kaplan.com) with full details.

Our Quality Co-ordinator will work with our technical team to verify the error and take action to ensure it is corrected in future editions.

# INDEX TO QUESTIONS AND ANSWERS

## OBJECTIVE TEST QUESTIONS

	Page number	
	Question	Answer
<b>Financing capital projects (Questions 1 to 30)</b>	<b>1</b>	<b>91</b>
Long-term finance	1	91
Cost of capital and yield to maturity	3	92
<b>Financial reporting standards (Questions 31 to 94)</b>	<b>7</b>	<b>95</b>
IAS 32 & IFRS 9 <i>Financial instruments</i>	7	95
IAS 33 <i>Earnings per share</i>	13	101
IFRS 16 <i>Leases</i>	16	102
IFRS 15 <i>Revenue from contracts with customers</i>	17	104
IAS 37 <i>Provisions, contingent liabilities and contingent assets</i>	20	107
IAS 38 <i>Intangible assets</i>	21	107
IAS 12 <i>Taxation</i>	23	109
IAS 24 <i>Related parties</i>	24	110
IAS 21 <i>Foreign currency transactions</i>	25	110
<b>Group accounts (Questions 95 to 154)</b>	<b>27</b>	<b>111</b>
Subsidiaries	27	111
Associates and joint arrangements	38	120
Consolidated statement of cash flows and CSOCIE	41	123
Foreign currency consolidations	45	125
<b>Integrated reporting (Questions 155 to 159)</b>	<b>49</b>	<b>128</b>
<b>Analysing financial statements (Questions 160 to 208)</b>	<b>51</b>	<b>129</b>
<b>Random question tests</b>	<b>73</b>	<b>139</b>
Test 1	73	139
Test 2	76	142
Test 3	80	146
Test 4	83	149
Test 5	87	152

# EXAM TECHNIQUES

## COMPUTER-BASED ASSESSMENT

### Golden rules

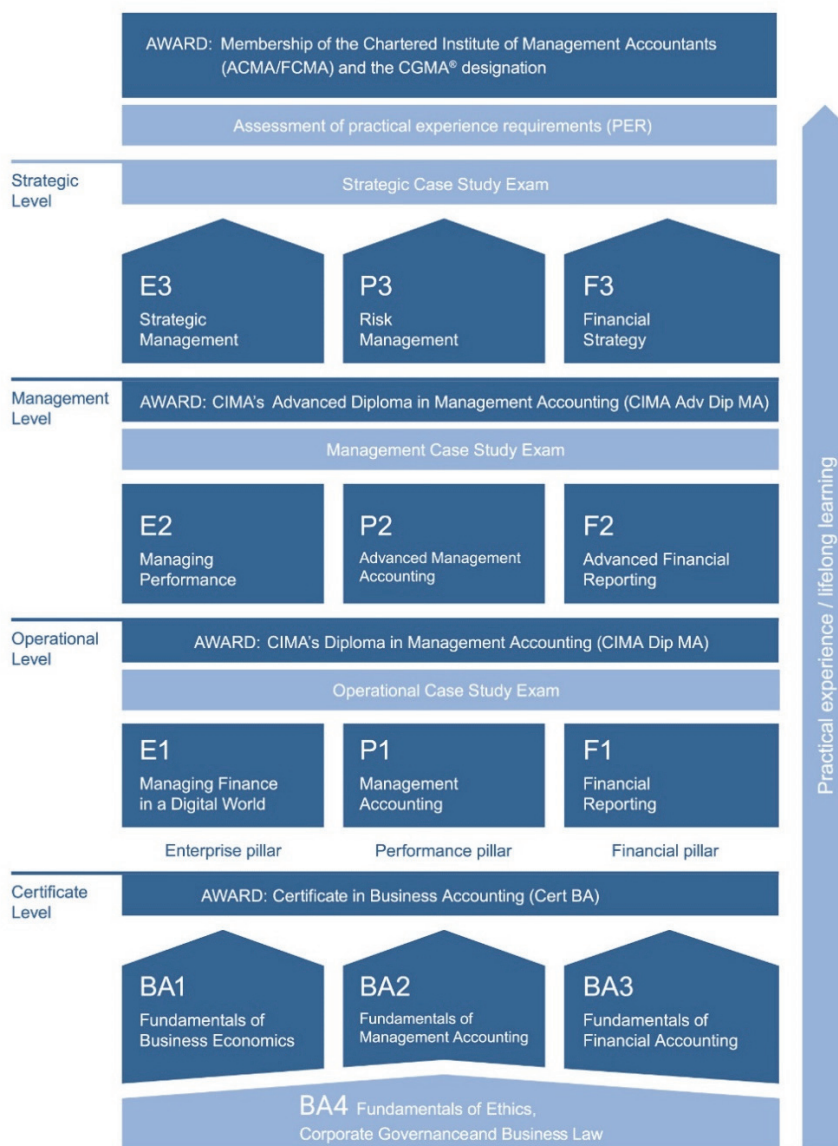
- 1 Make sure you have completed the compulsory 15-minute tutorial before you start the test. This tutorial is available through the CIMA website and focusses on the functionality of the exam. You cannot speak to the invigilator once you have started.
- 2 These exam practice kits give you plenty of exam style questions to practise so make sure you use them to fully prepare.
- 3 Attempt all questions, there is no negative marking.
- 4 Double check your answer before you put in the final answer although you can change your response as many times as you like.
- 5 Not all questions will be multiple choice questions (MCQs) – you may have to fill in missing words or figures.
- 6 Identify the easy questions first and get some points on the board to build up your confidence.
- 7 Attempt 'wordy' questions first as these may be quicker than the computation style questions. This will relieve some of the time pressure you will be under during the exam.
- 8 If you don't know the answer, flag the question and attempt it later. In your final review before the end of the exam try a process of elimination.
- 9 Work out your answer on the whiteboard provided first if it is easier for you. There is also an onscreen 'scratch pad' on which you can make notes. You are not allowed to take pens, pencils, rulers, pencil cases, phones, paper or notes into the testing room.

# SYLLABUS GUIDANCE, LEARNING OBJECTIVES AND VERBS

## A CIMA's CGMA<sup>®</sup> 2019 PROFESSIONAL QUALIFICATION

Details regarding the content of CIMA's CGMA 2019 professional qualification can be located within the CGMA 2019 professional qualification syllabus document.

You can use the following diagram showing the whole structure of your qualification to help you keep track of your progress. Make sure you seek appropriate advice if you are unsure about your progression through the qualification.



Reproduced with CIMA's permission



You are viewing a sample

**Interested in the full version?**