Professional Education Services, LP

Annual Accounting and Auditing Update & Review

#5410Q

EXAM MATERIAL

Professional Education Services, LP
The Professional's Choice for Quality CPE.
4208 Douglas Blvd. • Suite 50
Granite Bay, CA 95746 • www.mypescpe.com
1-800-998-5024 • Customer Service: 1-800-990-2731
Fax: 916-791-4099

ANNUAL ACCOUNTING AND AUDITING UPDATE & REVIEW (COURSE #5410Q)

COURSE DESCRIPTION

The purpose of this course is to inform the reader of the various changes affecting accounting, compilation and review, and auditing engagements as well as a review and recall of existing standards. Topics include a summary of newly issued FASB statements, new statements issued by the Auditing Standards Board, changes in compilation and review standards, current and pending developments, practice issues, and more. Course level: Overview. Course #5410Q - **24** CPE hours.

LEARNING ASSIGNMENTS AND OBJECTIVES

As a result of studying each assignment, you should be able to meet the objectives listed below each individual assignment.

ASSIGNMENT 1: SUBJECT

ASU 2015-11: Inventory (Topic 330) Simplifying the Measurement of Inventory

Study the course materials from pages 1 to 22

Complete the review questions throughout Chapter 1

Answer the exam questions 1 to 5

Objectives:

- To identify the measurement basis used to measure FIFO and LIFO inventories under ASU 2015-11
- To recognize how to account for a recovery of an inventory write-down in subsequent periods
- To recall the method to be used to implement ASU 2015-11 for inventory

ASSIGNMENT 2: SUBJECT

ASU 2015-17: Income Taxes (Topic 740) Balance Sheet Classification of Deferred Taxes

Study the course materials from pages 23 to 36

Complete the review questions throughout Chapter 2

Answer the exam questions 6 to 9

Objectives:

- To recall how to present a deferred tax asset on a balance sheet under ASU 2015-17
- To recognize how to present deferred tax assets and liabilities on an unclassified balance sheet per ASU 2015-17
- To identify the actions an entity should take to adopt ASU 2015-17 with respect to its deferred tax assets and liabilities

ASSIGNMENT 3: SUBJECT

FASB'S Simplification Initiative

Study the course materials for pages 37 to 82

Complete the review questions throughout Chapter 3

Answer the exam questions 10 to 20

Objectives:

- To recognize how to amortize debt issuance costs under ASU 2015-03
- To recall selected items that must be disclosed under ASU 2015-03
- To identify how to implement ASU 2015-03 with respect to debt issuance costs
- To recognize an example of a cloud computing arrangement
- To recall how to account for internal-use software
- To identify criteria that must be met to treat software as internal-use software

ASSIGNMENT 4: SUBJECT

ASU 2015-02: Consolidation (Topic 810) Amendments to the Consolidation Analysis

Study the course materials from pages 83 to 148

Complete the review questions throughout Chapter 4

Answer the exam questions 21 to 30

Objectives:

- To recognize a key aspect of a variable interest entity (VIE)
- To recall situations in which use of combined statements is useful and not useful
- To identify when a limited partner has a controlling financial interest in a limited partnership under the voting interest model per ASU 2015-02
- To recognize a key change to the consolidation model made by ASU 2015-02 with respect to a general partner of a limited partnership
- To identify some of the rights a noncontrolling limited partner might have in a limited partnership

ASSIGNMENT 5: SUBJECT

Changes to Discontinued Operations and Extraordinary Items

Study the course materials for pages 149 to 224

Complete the review questions throughout Chapter 5

Answer the exam questions 31 to 45

Objectives:

- To recognize at least one reason why companies are motivated to shift losses from continuing operations to discontinued operations
- To identify at least one reason why the existing definition of discontinued operations is criticized
- To recognize some of the criteria that must be met for a disposal to qualify as discontinued operations under ASU 2014-08
- To identify how discontinued operations should be presented on the income statement and balance sheet under the ASU 2014-08 rules
- To recognize a change made to the extraordinary item rules by ASU 2015-01

ASSIGNMENT 6: SUBJECT

ASU 2014-18: Business Combinations (Topic 805) Accounting for Identifiable Intangible Assets in a Business Combination

Study the course materials for pages 225 to 244

Complete the review questions throughout Chapter 6

Answer the exam questions 46 to 50

Objectives:

- To recognize some of the types of entities that are permitted to elect the accounting alternative for identifiable intangible assets under ASU 2014-18
- To identify how to apply the accounting alternative for goodwill amortization when electing the accounting alternative for identifiable intangibles in ASU 2014-18
- To recognize at least one criterion for an identifiable intangible asset
- To recall an example of a customer-related intangible asset

ASSIGNMENT 7: SUBJECT

ASU 2014-17: Business Combinations (Topic 805) Pushdown Accounting

Study the course materials from pages 245 to 272

Complete the review questions throughout Chapter 7

Answer the exam questions 51 to 55

Objectives:

- To recognize the date on which an entity may elect to use pushdown accounting
- To identify an element that an acquire should recognize in its separate financial statement
- To identify an advantage to using pushdown accounting

ASSIGNMENT 8: SUBJECT

Current Developments – Accounting and Financial Reporting

Study the course materials from pages 273 to 390

Complete the review questions throughout Chapter 8

Answer the exam questions 56 to 80

Objectives:

- To recognize some of the implications that might occur if there is a drastic change in the format of financial statements
- To identify a reason why U.S. convergence with international standards has not occurred
- To recognize a financial statement element that is eliminated by ASU 2016-01
- To identify a key change made by the lease standard
- To recall how to recognize a lease liability under the lease standard
- To identify how a lease asset is recognized under the lease standard
- To recognize how existing leases are accounted for under the lease standard
- To identify one of the challenges a company may have with using the AICPA's FRF for SMEs
- To recognize a key difference IFRS and IFRS for SMEs
- To identify the period of time for which an entity's management must perform its evaluation of going concern under ASU 2014-15
- To recognize how a nonpublic entity with no uncertain tax positions liability should handle the disclosure of the number of years open for examination

ASSIGNMENT 9: SUBJECT

Compilation and Review Update – SSARS No. 21

Study the course materials from pages 391 to 544

Complete the review questions throughout Chapter 9

Answer the exam questions 81 to 110

Objectives:

- To recognize a change made in SSARS No. 21 that is carried over from auditing standards
- To identify some of the engagements that are and are not authorized by SSARS No. 21
- To review some of the reporting options an accountant has under a preparation of financial statements engagement in AR-C 70
- To recognize some of the acceptable titles that may be used for financial statements prepared using a special purpose framework
- To review some of the reporting and disclosure requirements in a compilation engagement under SSARS No. 21
- To identify some of the reporting requirements in a review engagement under SSARS No. 21 including use of an acceptable report title, and the order in which certain report paragraphs are presented

ASSIGNMENT 10: SUBJECT

Auditing Developments including SAS Nos. 128-130

Study the course materials from pages 545 to 602

Complete the review questions throughout Chapter 10

Answer the exam questions 111 to 120

Objectives:

- To identify a result that can occur if a CPA firm has a problem with an audit of a DOL employee benefit plan
- To review some of the actions that might and might not be used to reduce cheating
- To identify a kind of fraudster that is typically susceptible to conditions found in the fraud triangle
- To review the rules for including an auditor's city and state on the audit report
- To recognize a procedure an external auditor should perform with respect to the work of an internal auditor

ASSIGNMENT 11:

- Complete the Answer Sheet and Course Evaluation and submit to PES

NOTICE

Program Publication Date 06/01/2016

THIS PAGE INTENTIONALLY LEFT BLANK.

ANNUAL ACCOUNTING AND AUDITING UPDATE & REVIEW (COURSE #5410Q) – EXAM OUTLINE

COURSE EXPIRATION DATE: Per AICPA and NASBA standards, this course must be completed within **ONE YEAR** from the date of purchase.

TEST FORMAT: The following final exam, consisting of 120 multiple choice questions, is based specifically on the material included in this course. The answer sheet must be completed and returned to PES for CPE certification. You will find the answer sheet at the back of this exam packet so that you may easily remove it and use it while taking your test.

LICENSE RENEWAL INFORMATION: The Annual Accounting and Auditing Update & Review course (#5410Q) qualifies for **24** CPE hours.

PROCESSING: Your exam will be graded promptly. You must score 70% or better to pass. If you mail or fax your exam, when you pass, your certificate of completion will be mailed. If you do not pass, we will give you a courtesy call to inform you of this, and another answer sheet will be sent to you free of charge. If you complete your exam online, your certificate will be available automatically in your account if you achieve a passing grade.

GRADING OPTIONS – Please choose only <u>ONE</u> of the following:

GRADING OPTIONS: Please choose only **<u>ONE</u>** of the following. There is no additional charge for any of these grading options. Make sure to fill out your answer sheet completely prior to submitting it.

- **ONLINE GRADING** –Visit our website at http://www.mypescpe.com. Login to your account (if you are a first-time user, you **<u>must</u>** set up a new user account). Click on **"My CPE"** in the left-hand navigation menu pane, then choose **"My CPE in Progress,"** and then click on **"Exam Grading."** If your exam is not already located here, click on **"Add Exam Ordered by Phone, Fax, Mail, or Another Person"** and follow the instructions.

- **MAIL** – Your exam will be graded and your certificate of completion mailed to you the same day we receive it. Your certificate will be dated according to the **postmark date**; therefore, you do not need to overnight your exam. Please mail your answer sheet to:

  Professional Education Services, LP
  4208 Douglas Blvd., Ste 50
  Granite Bay, CA 95746

- **FAX** – Your exam will be graded and you will be contacted either via phone or fax with your results within 4 business hours of receipt. A copy of your graded exam and certificate of completion will be mailed to you the same day we receive it. Your certificate will be dated according to the fax date. If you choose to fax your exam, **<u>please do not mail it</u>**. Your fax will serve as the original. Please refer to the attached answer sheet for further instructions on fax grading. Fax number (916) 791-4099.

THANK YOU FOR USING PROFESSIONAL EDUCATION SERVICES.
WE APPRECIATE YOUR BUSINESS!!

THIS PAGE INTENTIONALLY
LEFT BLANK.

ANNUAL ACCOUNTING AND AUDITING UPDATE & REVIEW (COURSE #5410Q) – FINAL EXAM

The following questions are multiple choice. Please indicate your choice on the enclosed Answer Sheet.

1. **With respect to FIFO inventory, ASU 2015-11 replaces the concept of "market" with which of the following:**

   A. replacement cost
   B. fair value
   C. normal profit
   D. net realizable value

2. **Company K uses LIFO to value its inventory. At the end of the year, how should K measure its inventory under ASU 2015-11:**

   A. net realizable value
   B. lower of cost and net realizable value
   C. lower of cost or market
   D. cost

3. **Company L wrote down its inventory to lower of cost and net realizable value last year. This year, it appears that there is a recovery of the write-down. Which of the following is true with respect to U.S. GAAP:**

   A. L is permitted to reverse the previous year's write-down
   B. L cannot reverse the previous year's write-down under U.S. GAAP
   C. L is permitted to reverse the previous year's write-down above original cost
   D. if L were using international standards (IFRS), L would still not be permitted to reverse the prior year's write-down

4. **A company is performing a lower of cost and net realizable value test on its year-end inventory. The company's inventory has about 1,000 individual items and two major categories of products. Which of the following would <u>not</u> be an appropriate approach to perform the test:**

   A. directly on each of the 1,000 individual items
   B. to the total inventory in each of the two major categories
   C. to the total inventory
   D. on only 5 percent of the total inventory

5. **Company Q is implementing ASU 2015-11. How should Q apply the changes in the ASU:**

   A. retroactively
   B. retrospectively
   C. prospectively
   D. as a change in estimate

6. **Company Z has a deferred tax asset that relates to a temporary difference that is presented as current on the balance sheet. How should the deferred tax asset be presented on the balance sheet under new ASU 2015-17:**

   A. current
   B. long-term
   C. split current and long-term
   D. the asset is not recorded but is disclosed only

7. **Company C presents an unclassified balance sheet so that assets and liabilities are not classified as current and long-term. Which of the following is true:**
   - **A.** the changes made by ASU 2015-17 do not apply to C because it does not have a classified balance sheet
   - **B.** C must convert its unclassified balance sheet to a classified one to comply with the new ASU 2015-17 rules
   - **C.** ASU 2015-17 requires C to make changes to C's deferred tax asset and liability
   - **D.** ASU 2015-17 applies to unclassified balance sheets and not to classified balance sheets

8. **Company K is adopting ASU 2015-17 for deferred taxes effective in 2018 and will present a comparative balance sheet for 2017. If X adopts the ASU retrospectively, what should K do to the comparative 2017 balance sheet presentation of the deferred tax asset or liability:**
   - **A.** X should not restate the 2017 balance sheet
   - **B.** X should reverse off the 2017 liability
   - **C.** X must restate the 2017 balance sheet
   - **D.** X should gross up the asset and liability for 2017

9. **Company J is adopting ASU 2015-17 and applying it prospectively. Which of the following should J disclose in the first annual period of adoption:**
   - **A.** the computation of the deferred tax amount
   - **B.** a reconciliation of the effective tax rate to the statutory rate
   - **C.** the nature of and reason for the change in accounting principle
   - **D.** quantitative information about the effects of the accounting change on the three prior periods.

10. **Under existing GAAP for debt issuance costs prior to the effective date of ASU 2015-03, how are such costs accounted for:**
    - **A.** expensed as incurred
    - **B.** capitalized as an asset and amortized
    - **C.** netted against debt
    - **D.** recorded as an asset and not amortized until the debt is repaid in full

11. **With respect to ASU 2015-03 and debt issuance costs, the ASU does <u>not</u> apply to which of the following:**
    - **A.** debt issuance costs of liabilities that are reported at cost
    - **B.** debt issuance costs of liabilities that are reported at fair value
    - **C.** debt issuance costs of liabilities that have maturity dates in excess of five years
    - **D.** the amortization of a premium and discount of assets reported at cost

12. **Facts: Brad Pitt CPA has to decide how to account for debt issuance costs under ASU 2015-03 for his client. Which of the following is the way in which such costs should be accounted for:**
    - **A.** amortized to amortization expense
    - **B.** amortized to interest expense
    - **C.** not amortized but capitalized while the debt is outstanding
    - **D.** amortized and presented in other expense, net of tax

13. **Which of the following must be disclosed regarding debt:**
    - **A.** effective interest rate
    - **B.** market interest rate
    - **C.** replacement interest rate
    - **D.** risk-free interest rate

14. Julia Roberts CPA is the accountant for Ashford Cosmetics. Ashford seeks to implement ASU 2015-03 for its debt issuance costs. How should Ashford apply the new ASU:

A. proactively

B. prospectively

C. retroactively

D. retrospectively

15. Big John's Fried Steak obtains a $5,000,000 line of credit from a local bank. The Company pays $100,000 for debt issuance costs related to the line of credit. How should the Company account for the costs under ASC 2015-15:

A. expense them as incurred

B. capitalize them and present them as an asset

C. capitalize them and net them against the line of credit liability balance

D. present them as a reduction of stockholder's equity

16. Which of the following does ASU 2015-04 apply to:

A. employers who sponsor 401k plans

B. employee benefit plans

C. employers who sponsor defined benefit pension plans

D. health insurance plans

17. Which of the following is an example of a cloud computing arrangements:

A. software as a service

B. hardware for business use

C. software to be installed on an individual's laptop

D. scanning services

18. Company L has internal-use software. How should L account for that software:

A. capitalize it but do not amortize it

B. amortize it on an accelerated basis

C. amortize it on a straight-line basis

D. expense it as incurred

19. Company X has signed a contract and obtains access to software in a hosting arrangement. In accordance with ASU 2015-05, which of the following is one of the criteria that must be met in order for X to treat it as internal-use software:

A. X is not permitted to run the software on its own hardware

B. X has the contractual right to take possession of the software without significant penalty

C. X is permitted to take possession of the software by paying a significant penalty

D. X is not permitted to have another party unrelated to the vendor to host the software

20. Company M has signed a contract and obtains access to software in a hosting arrangement. In accordance with ASU 2015-05, which of the following is one of the criteria that must be met in order for M to treat it as internal-use software:

A. M can run the software on its own hardware

B. M must develop the software internally

C. M must be able to sell the software to a third party

D. it is not feasible for M to run any software within its own hardware

21. If a physician practice management entity (PPME) has a controlling financial interest in a physician practice, how should the PPME account for the physician practice:

A. consolidate it

B. record it at equity method

C. record it at cost

D. make no entry

22. In accordance with ASC Subtopic 810-20 and the rules in effect prior to the changes made by ASU 2015-02, there is a presumption that a general partner ____________ a limited partnership regardless of the extent of the general partners' ownership interest in the limited partnership.

A. manages
B. controls
C. has significant influence in
D. materially participates in

23. What is a key aspect of a variable interest entity (VIE):

A. that it is not self-supportive
B. that it can finance its activities without additional financial support
C. that it is not required to be consolidated
D. that it controls a subsidiary

24. Which of the following is an example of where combined financial statements may be useful:

A. a group of unconsolidated subsidiaries
B. tax planning strategies
C. when one entity wishes to augment its balance sheet
D. where there is a group of unrelated parties that wish to join forces

25. If combined financial statements are presented, combining is treated essentially in the same manner as a consolidation including which of the following:

A. all intercompany transactions eliminated
B. no intercompany transactions eliminated
C. selected intercompany transactions eliminated
D. only equity accounts consolidated with eliminations made

26. In accordance with ASU 2015-02, under the voting interest entity model for limited partnerships, a limited partnership has a controlling financial interest in a limited partnership if it has more than 50 percent of which of the following of the limited partnership:

A. kick-out rights
B. participation rights
C. subscription rights
D. controlling rights

27. Which of the following does ASU 2015-02 change with respect to a general partner and a limited partnership:

A. eliminates the presumption that a general partner should consolidate a limited partnership
B. now requires that a general partner consolidate a limited partnership in all instances
C. now precludes a general partner from consolidating a limited partnership in all instances
D. adds a rule that a general partner consolidate a limited partnership if the general partner holds more than 80% of the voting interest in the limited partnership

28. Company X is a noncontrolling limited partner in a limited partnership. X has noncontrolling rights that allow it to block partnership actions. What are such rights called:

A. participation rights
B. kick-out rights
C. blocking rights
D. protective rights

29. Company J has several rights in an investee. J wants to determine whether they are noncontrolling. Which of the following rights of J is considered noncontrolling:

A. name of investee
B. selection of board members
C. selection of senior management
D. right to sell the entity

30. Which of the following is one key change made by ASU 2015-02 regarding some fees paid to a decision maker:

A. that they are excluded from the evaluation of whether the decision maker is the primary beneficiary of a VIE
B. that they are included in the test as to whether an entity is a VIE
C. that they are used in the computation of whether debt is nonrecourse under the VIE rules
D. that they are considered equity for purposes of determining if there is a controlling financial interest

31. Which of the following is defined as an underlying event or transaction that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the entity operates:

A. infrequency of occurrence
B. unusual nature
C. not likely to occur
D. not probable

32. Company X is trying to shift a loss to discontinued operations. By making the shift in loss, which of the following is a key measurement that X can increase that could drive X's stock price or value:

A. operating income
B. revenue
C. net income
D. cost of goods sold

33. What is one reason why a company might be motivated to shift a loss from continuing operations to discontinued operations:

A. there is no settling up in the future for past earnings management
B. the effect of the shift reverses in a future period
C. net income increases
D. disclosures are reduced

34. Which of the following is a reason noted by the author as to why there has been an expansion in classification shifting to discontinued operations:

A. the SEC and FASB have not been paying attention
B. FASB No. 144 (now ASC 360) broadened the definition of discontinued operations
C. the SEC issued a directive authorizing a large percentage of operating expenses to be allocated to discontinued operations
D. there have been numerous calamities in recent years that qualify for discontinued operations treatment

35. One of the criticisms of the current definition of discontinued operations noted by investors is that it has resulted in which of the following:

A. there has been a lack of disposals of small groups of assets classified as discontinued operations
B. not enough disposals of property transactions have been classified as continued operations
C. too many disposals of single transactions have been classified as discontinued operations
D. too many traditional revenue transactions have been classified as part of discontinued operations

36. Company X has numerous disposals and is trying to sort out which of them qualifies for discontinued operations classification under ASU 2014-08. Which of the following activities represents an activity that is excluded from discontinued operations under ASU 2014-08:

- **A.** goodwill
- **B.** servicing assets
- **C.** oil and gas properties accounted for using the full-cost method
- **D.** deferred tax assets

37. In order for a disposal to qualify as a discontinued operations under ASU 2014-08, what must be true regarding the disposal:

- **A.** it must be material to the operations of the entity
- **B.** it must have a major effect on an entity's operations
- **C.** it must be an integral part of the business
- **D.** it must be easily severable from the operations

38. Company Z has numerous operations all over the world. A disposal of which of the following would not likely be considered a strategic shift in Z's operations for purposes of meeting the discontinued operations definition:

- **A.** sale of a single building
- **B.** sale of a major group of retail stores in New England
- **C.** sale of a major retail product line
- **D.** sale of 85% of an equity method investment

39. How should the results of operations and any gain or loss related to discontinued operations be presented on the income statement:

- **A.** net of applicable income taxes, but not benefit
- **B.** net of applicable income taxes or benefit
- **C.** gross without allocation of income taxes or benefit
- **D.** with income taxes allocated to the results of operations but not any allocation of income taxes to the gain or loss

40. If an entity has a discontinued operation that is classified as held for sale, how should the assets and liabilities of that transaction be classified on the balance sheet:

- **A.** shall be combined with other assets and liabilities
- **B.** shall be presented separately in the asset and liability sections
- **C.** shall be commingled on the balance sheet with separate breakouts in the notes
- **D.** shall be netted into one single line item called "net held for sale assets"

41. Company X classifies certain assets and liabilities as held for sale. How should those assets and liabilities be measured once the classification to held for sale is made:

- **A.** amortized cost
- **B.** fair value
- **C.** lower of carrying amount or fair value less costs to sell
- **D.** net realizable value

42. Which of the following is an example of a transaction type that the FASB has eliminated from extraordinary treatment over the past decade:

- **A.** sale of fixed assets
- **B.** gain on sale of certain utility equipment
- **C.** tax benefit of a net operating loss carryforward
- **D.** recoveries from previous trade receivable writeoffs

43. Which of the following is a change made to the extraordinary item rules by ASU 2015-01:

- **A.** transactions are no longer classified as extraordinary on the income statement
- **B.** the rules to qualify a transaction for extraordinary treatment are more stringent
- **C.** FASB has liberalized the extraordinary item rules so that more transactions qualify for extraordinary item treatment
- **D.** ASU 2015-01 establishes a new sub-classification for extraordinary items

44. Company P has a material transaction that P considers to meet the infrequency of occurrence criterion. How should P present the transaction on the income statement under ASU 2015-01:

A. as part of extraordinary items, net of the applicable income tax or benefit

B. as part of cost of goods sold

C. as a separate item through retained earnings

D. as a separate component of income from continued operations

45. In implementing ASU 2015-01 for extraordinary items, which of the following are the choices an entity may use:

A. apply the ASU prospectively only

B. apply the ASU retrospectively only

C. apply the ASU either prospectively or retrospectively

D. neither prospective nor retrospective treatment would be appropriate

46. Which of the following entities is permitted to elect the accounting alternative under ASU 2014-18 with respect to identifiable intangible assets:

A. a private company

B. an SEC registrant

C. a non-profit entity

D. a pension plan

47. Company X elects the accounting alternative under ASU 2014-18. Which of the following is true:

A. X is permitted to apply it to selected provisions of ASU 2014-18

B. X is required to delay implementation for at least two years after making the election

C. X must apply it to all of the related recognition requirements upon election

D. X must apply it to three special provisions within ASU 2014-18 with the remainder being optional

48. Company Z is a private entity that wishes to elect the accounting alternative with respect to goodwill under ASU 2014-2. Under that alternative, how should Z account for goodwill:

A. amortize goodwill over a maximum of 10 years

B. not amortize it but test it annually for impairment

C. amortize goodwill over a maximum of 5 years and perform an annual impairment test

D. write off goodwill in the first year

49. Which of the following is a criterion of an identifiable intangible asset:

A. amortization criterion

B. separability criterion

C. impairment criterion

D. vendor-specific criterion

50. Which of the following is an example of a customer-related intangible asset:

A. noncompete agreement

B. customer list

C. patent

D. trademark

51. Company P acquires 100 percent of the voting shares of Company S in a business combination. As a result of the transaction, P obtains control of S. In this transaction, S is which of the following:

A. an acquirer

B. an acquiree

C. a seller

D. a buyer

52. Company X is an acquiree in a business combination in which the acquirer obtains control of the acquiree. In which of the following situations, are the pushdown accounting rules not available to X:

A. if X is an SEC entity

B. if X is a non-SEC entity

C. if X is not a business or non-profit activity

D. if X is a nonprofit entity

53. Company S is an acquiree in a business combination and wishes to elect to apply pushdown accounting. As of which of the following dates must S apply the pushdown accounting:

A. the acquisition date of the change-in-control event

B. the date on which the financial statements are issued

C. the date on which the financial statements are available to be issued

D. the first date on which the acquiree and acquirer engaged in any financial transaction

54. Which of the following should an acquiree recognize in its separate financial statements if the acquiree elects to use pushdown accounting:

A. acquisition costs of the acquirer

B. acquisition-related liability which represents an obligation of the acquiree

C. liability of the acquirer for which the acquiree has no obligation

D. the assets and liabilities of all related-party entities

55. Company S, an acquiree, is contemplating electing use of pushdown accounting for its separate financial statements. In making the decision, which of the following is an advantage that use of pushdown accounting might have to S:

A. net income is likely to be higher

B. EBITDA is likely to be higher

C. net assets are likely to be higher

D. operating cash flow is likely to be higher

56. Implications of a drastic change in the format of financial statements would include all of the following except:

A. tax return M-1 reconciliation would differ

B. contract formulas for bonuses would have to be rewritten

C. the cost would be significant

D. the use of the term cash equivalents would remain in tact

57. Which of the following is a reason why U.S. convergence with international standards has not occurred:

A. it would require issuing financial statements in more than one language

B. the cost to change would be significant

C. it would require all companies to adopt LIFO

D. international standards would be superior to U.S. standards thereby requiring more disclosures

58. Under the newly issued ASU 2016-01, which of the following is eliminated:

A. available-for-sale category for equity investments

B. held to maturity category for equity investments

C. trading category for equity investments

D. lower of cost or market category for all investments

59. What is one key change under the lease standard:

- **A.** a small portion of operating leases, but not capital leases, would be brought onto the balance sheet
- **B.** capital leases, but not operating leases, would be brought onto the balance sheet
- **C.** no leases would be capitalized
- **D.** most existing operating leases would be brought onto the balance sheet

60. Under the lease standard, the lessee recognizes the liability at the present value of the lease payments discounted at which of the following permitted rates:

- **A.** the lessor's borrowing rate
- **B.** the interest rate for similar obligations in the market
- **C.** the lessee's incremental borrowing rate
- **D.** 110% of the applicable federal rate

61. Under the lease standard, which of the following is true as it relates to the lessee:

- **A.** an asset is recognized representing the sum of the lease payments over the lease term
- **B.** an asset is recognized representing its right to use the leased asset for the lease term
- **C.** an asset is not recognized
- **D.** an asset is recognized only if four criteria are met

62. How does a lessee account for initial direct costs incurred in connection with a lease, under the lease standard:

- **A.** initial direct costs are included in the lease asset that is recorded at the commencement date
- **B.** initial direct costs are not part of the lease asset
- **C.** initial direct costs are expensed as period costs
- **D.** the lease standard is silent as to how to account for initial direct costs

63. Which of the following is <u>not</u> considered part of lease payments under the lease standard:

- **A.** fixed payments
- **B.** amortization on the underlying leased asset
- **C.** exercise price of a purchase option
- **D.** payments for penalties for terminating the lease

64. What happens to existing leases on the date of adoption of the lease standard:

- **A.** existing operating leases are grandfathered but capital leases are not
- **B.** existing capital leases are grandfathered but operating leases are not
- **C.** the lease standard does not grandfather any existing leases
- **D.** existing leases are phased into the new standard over a four-year period

65. Under the lease standard, which of the following is true:

- **A.** lease terms are likely to shorten to decrease the amount of the lease obligation
- **B.** lease terms are likely to get longer to reduce the amount of the lease obligation
- **C.** lease terms are likely to shorten to increase the amount of the lease asset recorded
- **D.** lease terms are likely to get longer to reduce the amount of the lease asset recorded

66. The lease standard will likely result in which of the following occurring for existing leases:

- **A.** total lease expense for tax purposes will be greater than total GAAP expense
- **B.** total GAAP expense will be greater than lease expense for tax purposes
- **C.** GAAP and tax expense will be identical
- **D.** there will be no change in the total expense for GAAP or tax purposes from current practice

67. Which of the following is correct under the lease standard :

A. deferred tax assets will likely be created

B. deferred tax assets will likely be reduced

C. deferred tax liabilities will likely be created

D. deferred tax liabilities will likely be reduced

68. What is one potential impact from the lease standard for finance (Type A) leases on EBITDA:

A. it will have a favorable impact because interest will decrease while rental expense will increase

B. it will have an unfavorable impact because depreciation will increase while rental expense will decrease

C. it will have a favorable impact because interest and amortization expense will increase while rental expense will decrease

D. it will have an unfavorable impact because interest, depreciation and rental expense will all increase

69. What is one potential impact from the lease standard on the debt-equity ratio:

A. it will be higher

B. it will be lower

C. it will be the same

D. it will be either higher or lower depending on several factors

70. With respect to the Big GAAP–Little GAAP issue, accountants and their clients have defaulted to several techniques to avoid the burdensome task of having to comply with recently issued difficult and irrelevant accounting standards. Such techniques include all of the following <u>except</u>:

A. ignore the new GAAP standards

B. include a GAAP exception in the accountant's/auditor's report

C. issue tax-basis financial statements

D. issue standard GAAP statements

71. If a company uses the AICPA's FRF for SMEs, what is a challenge the company may have:

A. the framework is too complex to follow

B. the framework is nonauthoritative

C. the framework lacks core disclosures required by third parties

D. the framework is too costly to implement

72. Which of the following is a key difference between IFRS for SMEs and IFRS:

A. IFRS for SMEs is more complex than full IFRS

B. IFRS for SMEs has simpler reporting needs

C. IFRS for SMEs applies to large companies while IFRS applies to small to medium-sized companies

D. IFRS for SMEs has more disclosures than IFRS

73. Which of the following is an example of an attribute found in the IFRS for SMEs:

A. topics that are not relevant to larger, public companies, have been omitted

B. revisions to the IFRS for SMEs are limited to once every decade

C. there are thousands of pages in the IFRS for SMEs

D. IFRS for SMEs is organized by topic within 35 sections

74. Which of the following is true as it relates to U.S. companies and their use of IFRS for SMEs:

A. U.S. private companies are not yet permitted to adopt IFRS for SMEs

B. U.S. private companies are required to adopt IFRS for SMEs

C. U.S. public companies may adopt IFRS for SMEs

D. U.S. private companies are permitted to adopt IFRS for SMEs

75. In accordance with the FASB's ASU 2014-15 related to going concern, management's evaluation of going concern runs for what period of time:

A. one year
B. six months
C. a reasonable period of time that is not quantified
D. eighteen months

76. Under GAAP, a disclosure is required if, among other requirements, a concentration makes the entity vulnerable to what type of risk:

A. of a short-term negative impact
B. of a near-term severe impact
C. of a long-term disruptive impact
D. of a prospective loss

77. Company X has various concentrations in its business. X wants to know which concentrations might require disclosure. Under ASC 275, which of the following is <u>not</u> likely to be a type of concentration to which a disclosure might be required:

A. concentration of trucks
B. concentration in the volume with a particular customer
C. concentration in the available sources of materials
D. concentration in available labor

78. Which of the following thresholds does ASC 740 use for evaluating a liability for a tax position under FIN 48:

A. more likely than not
B. probable
C. remote
D. reasonably possible

79. Company X is a nonpublic entity that has no uncertain tax positions liability. Which of the following is true:

A. X must disclose the number of tax years open for tax examination
B. X must include an abbreviated disclosure of the number of tax years open for examination
C. the exclusion of the disclosure only applies if X is SEC registered and not a nonpublic entity
D. X is not required to disclose the number of tax years open for examination

80. In considering whether to accept a client who grows and sells marijuana, which of the following is true:

A. most marijuana businesses have to work on a literal cash basis
B. credit card companies now accept payments for the purchases of marijuana
C. security is no longer an issue because banks will accept deposits from marijuana businesses
D. marijuana businesses are permitted to make payroll tax deposits by check instead of cash

81. Which of the following is a change made in SSARS No. 21 that is carried over from auditing standards:

A. engagement letter must be signed by the accountant and management
B. confirmations must be sent to third parties in a review engagement
C. the term "income tax basis" is retained
D. a management representation letter is optional for a review engagement similar to an audit engagement

82. Which of the following is <u>not</u> a type of engagement that is authorized under SSARS No. 21:

A. audit engagement
B. preparation of financial statements engagement
C. compilation engagement
D. review engagement

83. Rita is an accountant who is hired to perform a SSARS No. 21 engagement. In order for Rita to perform a SSARS No. 21 engagement, Rita must determine that the financial reporting framework selected by management is which of the following:

A. acceptable

B. feasible

C. understandable

D. possible

84. AR-C 70 treats the preparation of financial statements as which of the following:

A. a nonattest service in all cases

B. an attest service in all cases

C. an attest service if performed in conjunction with a review or audit engagement

D. a nonattest service only if performed as part of a compilation engagement

85. Ralph Crammer is an accountant. What must occur in order for Ralph to perform a preparation of financial statements engagement:

A. Ralph must be engaged (hired) to prepare financial statements

B. Ralph must be forced to prepare financial statements because he has submitted financial statements

C. Ralph must make journal entries to the general ledger

D. Ralph must link general ledger accounts to financial statement line items

86. Sally Fields is a CPA who is performing a preparation of financial statement engagement under AR-C 70 of SSARS No. 21. Which of the following is true with respect to peer review:

A. Sally is most likely not subject to peer review as long as the only engagements she performs are preparation of financial statements engagements

B. Sally is not subject to peer review as long as Sally only performs preparation of financial statement and compilation engagements, and avoids review and audit engagements

C. Sally is mostly likely subject to peer review even if the only engagements she performs are preparation of financial statement engagements

D. Sally has the option of participating in a peer review program if she performs both preparation of financial statement, compilation and review engagements

87. Joan Arch CPA is performing a preparation of financial statements engagement under AR-C 70. Which of the following is the type of report that must be issued for this type of engagement:

A. no report is issued in most cases

B. an abbreviated compilation report is issued

C. a special preparation report is issued

D. the accountant has an option to issue either a compilation or review report for the preparation engagement

88. Ralph Reagan is performing a preparation of financial statements engagement under AR-C 70 of SSARS No. 21. Management refuses to include a legend on each page of the financial statements. What are the accountant's options under AR-C 70:

A. accountant may type in his or her own legend on each page of the financial statements

B. accountant should issue a disclaimer report

C. accountant is not required to do anything as a preparation engagement is a plain-paper engagement

D. accountant must withdraw from the engagement

89. Emma Rockwell is an accountant who is performing a preparation of GAAP financial statements engagement under AR-C 70 of SSARS No. 21. The financial statements omit a statement of cash flows which is a GAAP departure. Which of the following is true:

- **A.** Emma is not required to do anything
- **B.** disclosure of the misstatement (GAAP departure) must be made in a note to financial statements or on the face of the financial statements
- **C.** a disclosure of the misstatement should not be disclosed on the face of the financial statements
- **D.** a disclosure of the misstatement should not be disclosed in the notes to the financial statements

90. Which of the following is true as to whether an accountant is permitted to include in a disclaimer report the disclosure about a GAAP departure and/or omission of disclosures:

- **A.** there is authority within AR-C 70 that permits an accountant to include in a disclaimer report a disclosure of a GAAP departure
- **B.** there is authority within AR-C 70 that permits an accountant to include in a disclaimer report a disclosure about the omission of disclosures
- **C.** there is no authority that permits an accountant to include in a disclaimer report a disclosure for either a GAAP departure or an omission of disclosures
- **D.** an accountant is required, rather than permitted, to include in a disclaimer report a disclosure of a GAAP departure or an omission of disclosures

91. Which of the following is an item that should be documented in a preparation of financial statements engagement under AR-C 70:

- **A.** analytical procedures performed
- **B.** inquiries made of management by the accountant
- **C.** engagement letter
- **D.** confirmations received from outside third parties

92. With respect to a preparation of financial statements engagement under AR-C 70, which of the following is correct regarding the engagement letter:

- **A.** it should be signed by the accountant but not by management or those charged with governance
- **B.** it should be signed by both the accountant and management or those charged with governance
- **C.** it does not have to be signed by either party
- **D.** it should be signed by management but not by the accountant

93. What is the objective of a compilation engagement:

- **A.** to prepare financial statements
- **B.** to apply accounting and financial reporting expertise
- **C.** to provide limited assurance on financial statements
- **D.** to opine on financial statements

94. What is one procedure that an accountant should perform in a compilation engagement:

- **A.** analytical procedures
- **B.** inquiries
- **C.** confirmation procedures
- **D.** read the financial statements

95. An accountant is performing a compilation engagement. She finds a material error that suggests the records are inaccurate. What should the accountant do:

- **A.** ignore it as only a compilation engagement is being performed
- **B.** bring it to the attention of management and request additional or corrected information
- **C.** withdraw from the engagement
- **D.** downgrade to a preparation of financial statements engagement

96. Susie Stone is performing a compilation engagement for a client under the AR-C 80, SSARS No. 21 compilation standards. Which of the following is true:

- **A.** the report no longer requires that the accountant's city and state where he or she practices be included
- **B.** the accountant's responsibility has been expanded in the compilation report
- **C.** the objective (definition) of a compilation engagement is not included in the report
- **D.** the report modification for lack of independence is no longer required

97. The new compilation report under AR-C 80 adds which of the following to the first paragraph of the report:

- **A.** "Related notes to the financial statements"
- **B.** "We have read the financial statements"
- **C.** "We have prepared the financial statements of ...."
- **D.** "We have gathered..."

98. An accountant is including a paragraph in her compilation report noting that she is not independent and wants to disclose the reasons for the lack of independence. Which of the following is true:

- **A.** she must disclose only the key reason why she lacks independence
- **B.** she must disclose all reasons for lack of independence
- **C.** she is not permitted to disclose the reasons for lack of independence
- **D.** she must quantify the impact that lack of independence might have on the financial statements

99. Elisa is an accountant who is performing a compilation engagement on Company Z's financial statements. U.S. GAAP is the financial reporting framework. Management elects to include disclosures only about a few matters in the notes. How should such disclosures be labeled:

- **A.** Notes to Financial Statements
- **B.** Selected Information-Substantially All Disclosures Required by Accounting Principles Generally Accepted in the United States of America Are Not Included
- **C.** See Accountant's Report on Partial Information
- **D.** The Selected Notes Are an Integral Part of the Financial Statements

100. How should an accountant disclaim supplementary information in a compilation engagement:

- **A.** include an other-matter paragraph in the accountant's compilation report
- **B.** include a disclosure in the notes to financial statements
- **C.** include a legend on each page of the supplementary information
- **D.** do nothing because a disclaimer on supplementary information is not authorized for a compilation engagement

101. Which one of the following types of engagements that was previously found in SSARS No. 19, does SSARS No. 21 eliminate:

- **A.** management-use only financial statements engagement
- **B.** assembled financial statements engagement
- **C.** plain-paper financial statements engagement
- **D.** examination of financial statements engagement

102. Jenny is an accountant who is performing a review engagement. Which of the following is not a requirement that Jenny must satisfy to perform her engagement under AR-C 90 of SSARS No. 21:

A. understand the industry

B. obtain knowledge of the entity

C. understand and document internal control

D. obtain a written representation from management

103. In a review engagement under AR-C 90 of SSARS No. 21, who should sign the engagement letter:

A. no one; the letter does not have to be signed

B. the accountant only

C. the accountant and management or those charged with governance

D. management only

104. In performing analytical procedures in a review engagement, one procedure is to compare ratios developed from recorded amounts to which of the following:

A. expectations developed by the accountant

B. moving average ratios over the past five years

C. forecasted amounts or ratios

D. pro forma amounts

105. Which of the following is an example of evidence an accountant would obtain that the financial statements reconcile with accounting records: Compare the financial statements to which of the following:

A. the general ledger or trial balance

B. forecasted financial statement

C. pro forma financial statement

D. industry information and ratios

106. In preparing a management representation letter for a review engagement, management representations are made as of which of the following dates:

A. financial statement date

B. date of the accountant's review report

C. date the financial statements are issued

D. date the representation letter is distributed to management

107. Which of the following would be an appropriate title for an accountant's review report:

A. Accountant's Report

B. Independent Accountant's Review Report

C. Report

D. Review Report

108. AR-C 90 of SSARS No. 21 adds which of the following new requirements to the review report that was not required under the SSARS No. 19 rules:

A. city and state where the accountant practices must be included on the report

B. addressee must be included

C. there must be a report title

D. the report should identify the entity whose financial statements have been reviewed

109. If there are both emphasis-of-matter and other-matter paragraphs in an accountant's report, in what order should the various paragraphs be presented:

A. FIRST: Accountant's conclusion paragraph, SECOND: Emphasis-of-matter paragraph, and THIRD: Other-matter paragraph

B. FIRST: Emphasis-of-matter paragraph, SECOND: Other-matter paragraph, and THIRD: Accountant's conclusion paragraph

C. FIRST: Emphasis-of-matter paragraph, SECOND: Accountant's conclusion paragraph, and THIRD: Other-matter paragraph

D. FIRST: Accountant's conclusion, SECOND: Other-matter paragraph, and THIRD: Emphasis-of matter paragraph

110. Steve is performing a review engagement. His review documentation should include all of the following <u>except</u>:

A. an engagement letter

B. a management representation letter

C. a copy of confirmation procedures performed

D. a copy of the reviewed financial statements

111. Which is an example of a result that can occur if a CPA firm has a problem with a DOL employee benefit plan audit:

A. the Form 5500 can be disqualified

B. the CPA firm can be asked to take additional CPE

C. nothing can occur; the DOL has no authority over the CPA firm

D. the CPA firm can be fined by the AICPA and state CPA society

112. Company X is trying to reduce cheating in the company. Which of the following is <u>not</u> an action that might reduce cheating:

A. reduce the lighting so that the lights are dimmer than usual

B. hang mirrors with eyes on it

C. install mock cameras

D. have an honor code

113. What kind of fraudster is typically susceptible to the conditions of the fraud triangle:

A. perpetual fraudster

B. isolated fraudster

C. remorseful fraudster

D. recurring fraudster

114. Harry Callahan is auditing the current year's 20X2 financial statements for X Corporation. The prior period 20X1 financial statements were audited by another auditor. In Harry's current year 20X2 audit report, Harry includes an other-matter paragraph separating his responsibility for the 20X1 prior year financial statements. In the current year 20X2 management representation letter, how should Harry handle 20X1 representations:

A. Harry is not required to obtain representations for 20X1 because he is not issuing an opinion on 20X1

B. Harry must obtain representations for 20X1

C. Harry is not allowed to obtain representations for 20X1

D. Harry must obtain representations for 20X1 but insert a disclaimer related to those representations

115. Ralph CPA is asked to perform an audit for year-end 2011, prior to the effective date of the new auditing standards (which was 2012). Which of the following is true:

A. Ralph is not permitted to use the new standards because they were not in effect back in 2011

B. Ralph is permitted to use the new standards because they are now effective at the time the audit is being performed (2015)

C. Ralph may use the new audit report, but may not follow the rest of the new standards for the 2011 audit

D. Ralph must follow the old auditing standards

116. Which of the following is true as it relates to the city and state where the auditor practices:

A. the city and state must be placed under the auditor's signature on the report in all cases

B. the auditor is not permitted to place the city and state under the auditor's signature if such information is presented in the firm's letterhead on which the report is issued

C. the SASs do not require the city and state to be named in the auditor's report

D. if the city and state is named in the firm's letterhead on which the report is issued, it does not have to be presented below the auditor's signature

117. Company Y has an internal audit function and is being audited by Jacques Cousteau CPA. The requirements in SAS No. 128 for Jacques using the work of Y's internal audit function to obtain audit evidence do <u>not</u> apply in which of the following situations:

A. Y is a not-for-profit entity

B. the activity is relevant to Jacque's audit

C. the responsibilities and activities of the function are not relevant to the external audit

D. Jacques performs confirmation procedures

118. Mary is a CPA and external auditor of Company X which has an internal audit function. In accordance with SAS No. 128, which of the following is a procedure an external auditor should perform with respect to the work of an internal auditor:

A. make sure the internal auditors are at least CPAs or have a similar financial degree

B. obtain a representation letter from the internal auditors

C. obtain an engagement letter from the internal auditors

D. assess the competence and objectivity of the internal auditors

119. Gwen Stefanie, CPA is performing an audit of ICFR under SAS No. 130. Which of the following must Gwen obtain from management:

A. written assessment about the effectiveness of the entity's ICFR

B. flowchart of the entity's ICFR

C. narrative of the entity's ICFR

D. verbal discussion of the shortfalls in the effectiveness of the entity's ICFR

120. Britney Spears, CPA is performing an ICFR audit. In performing her audit, Britney should use what type of approach to select the control test:

A. bottoms-up

B. top-down

C. lateral

D. substantial

Congratulations –

you've completed the exam!

THIS PAGE INTENTIONALLY
LEFT BLANK.

ANNUAL ACCOUNTING AND AUDITING UPDATE & REVIEW #5410Q (24 CPE HOURS) ANSWER SHEET (6/16)

IMPORTANT NOTE: For certification, this answer sheet must be completed and submitted to PES for grading within ONE YEAR from the date of purchase. Please use BLACK INK and PRINT for quicker processing – thank you.

Full Name *(as it appears on your license)* ______________________________

Address (☐ Home ☐ Work) ______________________________

City ______________________________ State ______________ Zip __________

Daytime Phone (   )______________________________ E-mail ______________________________

License Number ____________________ State _______ Exp Date: ____/____ Are you a: ☐ CPA ☐ CFP ☐ EA *(check all that apply)*

PTIN Number *(if applicable)* ______________________________

If course was ordered by another party, please indicate their name here: ______________________________

GRADING OPTIONS – Please choose only ONE of the following:

ONLINE GRADING – Visit our website at www.mypescpe.com. Login to your account (if you are a first-time user, you **must** set up a new user account). Click **"MY CPE,"** and then choose **"My CPE in Progress"** and click on **"Exam Grading."** (If your exam is not already located here, click **"Add Exam Ordered by Phone, Fax, Mail, or Another Person"** and follow the instructions

MAIL – Mail your exam to: PES, 4208 Douglas Blvd., Ste 50, Granite Bay, CA 95746

FAX – Fax your exam to (916) 791-4099 and choose **one** of the following options:

☐ mail my results only or ☐ fax (_____)__________________ ☐ phone my results to: (_____)__________________

PLEASE INDICATE YOUR ANSWER BY FILLING IN THE APPROPRIATE CIRCLE

	A	B	C	D		A	B	C	D		A	B	C	D		A	B	C	D		A	B	C	D
1.	O	O	O	O	25.	O	O	O	O	49.	O	O	O	O	73.	O	O	O	O	97.	O	O	O	O
2.	O	O	O	O	26.	O	O	O	O	50.	O	O	O	O	74.	O	O	O	O	98.	O	O	O	O
3.	O	O	O	O	27.	O	O	O	O	51.	O	O	O	O	75.	O	O	O	O	99.	O	O	O	O
4.	O	O	O	O	28.	O	O	O	O	52.	O	O	O	O	76.	O	O	O	O	100.	O	O	O	O
5.	O	O	O	O	29.	O	O	O	O	53.	O	O	O	O	77.	O	O	O	O	101.	O	O	O	O
6.	O	O	O	O	30.	O	O	O	O	54.	O	O	O	O	78.	O	O	O	O	102.	O	O	O	O
7.	O	O	O	O	31.	O	O	O	O	55.	O	O	O	O	79.	O	O	O	O	103.	O	O	O	O
8.	O	O	O	O	32.	O	O	O	O	56.	O	O	O	O	80.	O	O	O	O	104.	O	O	O	O
9.	O	O	O	O	33.	O	O	O	O	57.	O	O	O	O	81.	O	O	O	O	105.	O	O	O	O
10.	O	O	O	O	34.	O	O	O	O	58.	O	O	O	O	82.	O	O	O	O	106.	O	O	O	O
11.	O	O	O	O	35.	O	O	O	O	59.	O	O	O	O	83.	O	O	O	O	107.	O	O	O	O
12.	O	O	O	O	36.	O	O	O	O	60.	O	O	O	O	84.	O	O	O	O	108.	O	O	O	O
13.	O	O	O	O	37.	O	O	O	O	61.	O	O	O	O	85.	O	O	O	O	109.	O	O	O	O
14.	O	O	O	O	38.	O	O	O	O	62.	O	O	O	O	86.	O	O	O	O	110.	O	O	O	O
15.	O	O	O	O	39.	O	O	O	O	63.	O	O	O	O	87.	O	O	O	O	111.	O	O	O	O
16.	O	O	O	O	40.	O	O	O	O	64.	O	O	O	O	88.	O	O	O	O	112.	O	O	O	O
17.	O	O	O	O	41.	O	O	O	O	65.	O	O	O	O	89.	O	O	O	O	113.	O	O	O	O
18.	O	O	O	O	42.	O	O	O	O	66.	O	O	O	O	90.	O	O	O	O	114.	O	O	O	O
19.	O	O	O	O	43.	O	O	O	O	67.	O	O	O	O	91.	O	O	O	O	115.	O	O	O	O
20.	O	O	O	O	44.	O	O	O	O	68.	O	O	O	O	92.	O	O	O	O	116.	O	O	O	O
21.	O	O	O	O	45.	O	O	O	O	69.	O	O	O	O	93.	O	O	O	O	117.	O	O	O	O
22.	O	O	O	O	46.	O	O	O	O	70.	O	O	O	O	94.	O	O	O	O	118.	O	O	O	O
23.	O	O	O	O	47.	O	O	O	O	71.	O	O	O	O	95.	O	O	O	O	119.	O	O	O	O
24.	O	O	O	O	48.	O	O	O	O	72.	O	O	O	O	96.	O	O	O	O	120.	O	O	O	O

Please complete the attached course evaluation - your opinion is extremely valuable!

ANNUAL ACCOUNTING AND AUDITING UPDATE & REVIEW #5410Q
COURSE EVALUATION

Rate on a scale of 1-10 with 1 being poor and 10 being excellent.

1. The course met the course objectives described in the promotional material. ______
2. The course was up to date, held my interest, was timely, and effective. ______
3. The course materials were understandable, valuable, and suitable for a correspondence course. ______
4. The amount of advance knowledge and stated prerequisites were appropriate. ______
5. The completion time was appropriate for the number of credits allowe
6. The course met my professional education needs. ______

Please answer the following questions – mark/rate any and all that may apply

1. How would you rate PES's
   - ☐ order desk ______
   - ☐ customer service ______
2. What can PES do to keep you as a valued customer? ______________________________

   ____
   ____
   ____
   ____
3. Any other comments regarding this course or our company would be appreciate

   ____
   ____
   ____
   ____
4. What other courses/subjects would you like to see PES offer in the future?______________

   ____
   ____
   ____
   ____

PLEASE MAIL YOUR EVALUATION TO:

Professional Education Services, LP

4208 Douglas Blvd., Ste 50 • Granite Bay, CA 95746

THIS PAGE INTENTIONALLY
LEFT BLANK.