Final state examination questions

Finance – Specialization Accounting

1. The auditing process: client acceptance - components of the process: types of clients, knowledge of client and its business, members of audit team and help from other experts, communication with predecessor, engagement letter.
2. Audit risk and materiality – types of risks, components of audit risk, relationship between components, materiality and its determinants, relationship between audit risk and materiality.
3. Internal control – understanding of entity and its system of internal controls, objectives and responsibilities of management and auditors in relation to internal control, tests of internal control.
4. Testing and evidence – substantive tests (design, types – test of transactions and test of details of balances, computer assistant auditing techniques), audit evidence (types, characteristics – appropriateness, sufficiency, cost of collection and processing).
5. Evaluation and reporting - evaluation of gathered audit evidence and going concern assessment, fraud detected (types, conditions, techniques how it can be discovered), audit report (elements of report, types of reports).
6. Personal income tax. Employment income – pro forma for calculation of personal income tax payable and health and social contributions, treatment of various employment benefits from tax perspective (give three examples), personal tax allowances and tax discounts, annual personal tax return.
7. Personal income tax. Self-employment income – pro forma for calculation of personal income tax payable and health and social contributions, tax eligible and non-eligible self-employment costs (ways to apply – documentary costs vs lump-sum costs, give three examples of tax eligible and non-eligible costs), personal tax allowances and tax discounts, annual personal tax return.
8. Corporate income tax. Trading income – pro forma for calculation of trading income tax payable, adjustments to accounting profit (adjustments to accounting incomes and adjustments to accounting costs – give several examples), tax allowances and tax discounts.
9. VAT. Part I – economic and territorial scope of VAT (origin-based principle and destination-based principle), taxable persons (conditions for registration and deregistration, administration), types of supply (taxable supplies, exempted supplies, supplies taxed with zero rate), connection between types of supply and recovery of input VAT.
10. VAT. Part II – chargeable events: time and place of supply for supply of goods and supply of services, connection between INCOTERMS and VAT.
11. Financial statements presentation - Overall principles, Statement of Financial position, Statement of Comprehensive Income and Income Statement, Statement of Change in Equity and Statement of Income and Retained Earnings, Statement of Cash Flow, Notes to Financial Statement, Consolidated financial statements.
12. Intangible assets, business combinations and goodwill - Recognition, Initial measurement and subsequent measurement, Amortization over useful life, Recoverability of the carrying amount, Business combinations, Purchase method/Acquisition method, Goodwill or bargain purchase)
13. Financial instruments – classification (basic and other financial instruments), recognition conditions, measurement of financial instruments (models and approaches).

14. Impairment of assets - Impairment of inventories, Impairment of assets other than inventories, Impairment loss, Impairment of goodwill)
15. Revenue - Measurement of revenue, Identification of the revenue transaction, Sale of goods, Rendering of services, Construction contracts, Percentage of completion method.
16. Managerial accounting (why the managerial accounting evolved and how it differs from financial accounting)
17. Cost classifications (direct cost and overheads). Cost behavior (variable, fixed, identification of fixed and variable elements). Cost Assignment Methods. Traditional Allocations versus Activity Based Costing (ABC).
18. Variable and full costing (methods for inventory evaluation, product v. period costs, budgeted overhead rates, over- or underrecovery of fixed costs).
19. Corporate finance (financial management function, financial objectives and relationship with corporate strategy, stakeholders and impact on corporate objectives, agency problem)
20. Working capital management (the nature, elements and importance of working capital, management of inventories, accounts receivable, accounts payable and cash, determining working capital needs and funding strategies)
21. Investment appraisal techniques (ROCE - Return On Capital Employed, Payback, time value of money, NPV – net present value, IRR – internal rate of return)
22. Basics of financial analysis (theoretical aspects, sources of information, users, financial statements used for financial analysis, methods and indicators of financial analysis)
23. Ratio indicators, profitability ratios and their use, DuPont, activity ratios, liquidity ratios
24. Debt management ratios, capital structure of the company, capital market ratios
25. Bankruptcy models, financial standing models, one-/multi-dimensional models; financial planning (SMART, SLEPT, 4/7P, BCG Matrix, SWOT)