

Choose the correct answer:

1. **The principle requiring that all relevant information be disclosed in financial statements is known as...:**
 - A) Principle of materiality
 - B) Full Disclosure Principle
 - C) Matching Principle
 - D) Principle of conservatism
2. **Which accounting assumption relates to the measurement of financial performance over a specified period?**
 - A) Going concern assumption
 - B) Time-period assumption
 - C) Separate entity assumption
 - D) Unit of measure assumption
3. **What is the monetary unit assumption?**
 - A) All transactions should be recorded in units of measure.
 - B) Only significant transactions should be measured.
 - C) Financial statements should be prepared in a consistent currency.
 - D) Currency fluctuations should be ignored
4. **What is meant by the term "materiality principle" in accounting?**
 - A) All information must be disclosed regardless of importance.
 - B) Only information that significantly influences decisions should be disclosed.
 - C) Profit must be materialized before recognition.
 - D) All financial statements should be material in format
5. **If a company values its assets purely based on their initial costs, it is using which method?**
 - A) Current replacement cost
 - B) Historical cost
 - C) Fair value
 - D) Inflation accounting
6. **GAAP standards are primarily used in which country?**
 - A) European Union
 - B) United Kingdom
 - C) United States
 - D) Russia
7. **The term "separate business entity" refers to:**
 - A) A joint venture
 - B) An individual practicing accounting
 - C) A distinct legal entity separate from its owners
 - D) A partnership agreement
8. **"Subsidiaries" are:**
 - A) Partnerships of accounting firms
 - B) Independent entities with no relation
 - C) Companies controlled by another company
 - D) Government agencies
9. **What is the full form of IFRS?**
 - A) International Financial Regulations Standards
 - B) International Finance and Reporting Systems
 - C) International Financial Reporting Standards
 - D) International Financial Resource Standards
10. **Which accounting principle requires entities to record revenue when it is earned?**
 - A) Materiality Principle
 - B) Revenue Recognition Principle
 - C) Matching Principle
 - D) Full Disclosure Principle