

2022 年最新精选
USCPA 全科 30 题
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AUD 科目精选题库

题目 1.

Each of the following is a required characteristic of a review engagement of management's discussion and analysis (MD&A), except:

- A. It consists principally of applying tests of details through inspection, observation, and confirmation.
- B. The practitioner applies analytical procedures.
- C. An objective is to report if any information came to the practitioner's attention that the MD&A is not reasonably presented.
- D. The practitioner makes inquiries of individuals responsible for financial matters.

题目解析 1. (ANSWER)

Choice "A" is correct. During the review engagement, the accountant typically does not perform tests of details. Tests of details are typically performed in an audit.

Choice "B" is incorrect. During the review engagement, the accountant should perform analytical procedures.

Choice "C" is incorrect. This is one of objectives of the review engagement of MD&A.

Choice "D" is incorrect. During the review engagement, the accountant should inquire with members of management who have responsibility for accounting and operational matters.

题目 2.

Banister, a CPA, is approached by Wagner, a client. Wagner requests that Banister return the records provided to Banister by Wagner during an audit. Wagner still owes Banister the fees associated with the audit. According to the AICPA Code of Professional Conduct, what should Banister do?

- A. Banister should return the records to Wagner.
- B. Banister should return the records to Wagner only after the fee has been paid.
- C. Banister should not return the records to Wagner because the records now belong to Banister.
- D. Banister should not return the records to Wagner without a court order.

题目解析 2. (ANSWER)

Choice "A" is correct. Banister does not own the records provided by Wagner. According to the AICPA Code of Professional Conduct, the auditor should return client's records upon the client's request.

Choice "B" is incorrect. According to the AICPA Code of Professional Conduct, withholding the client's records after the client's request is an act discreditable.

Choice "C" is incorrect. Banister does not own the records provided by Wagner.

Choice "D" is incorrect. In this situation, a court order is not necessary. The auditor should return client's records upon the client's request.

题目 3.

An accountant's working papers for an engagement to review the financial statements of a nonpublic entity would be least likely to include which of the following forms of documentation?

- A. Study and evaluation of internal control.
- B. Explanation of analytical procedures performed.
- C. A copy of the engagement letter.
- D. Copies of representation letters from client management.

题目解析 3 (ANSWER)

Choice "A" is correct. During a review engagement, the accountant is required to understand the entity and its environment. However, the accountant is not required to obtain an understanding of the entity's internal control or to test relevant internal control.

Choice "B" is correct. During a review engagement, analytical procedures should be designed to provide a basis for inquiry about the relationships and individual items that appear to be unusual and may indicate material misstatement.

Choice "C" is incorrect. In order to reduce the likelihood of misunderstanding, the accountant should agree upon the terms of the engagement with management or those charged with governance, as appropriate. Thus, an engagement letter should be included.

Choice "D" is incorrect. Written representations are necessary information that the accountant requires in connection with a review of the entity's financial statements.

题目 4.

If differences of opinion arise between the engagement partner and the engagement quality control reviewer, then the engagement partner should:

- A. Follow the firm's policies and procedures for resolving differences of opinion.
- B. Issue a disclaimer of opinion and report the issue to the entity's audit committee.
- C. Discuss the differences of opinion with the entity's management and issue a modified auditor's report.
- D. Withdraw from the engagement when permissible under law or regulation.

题目解析 4. (ANSWER)

Choice "A" is correct. If the engagement partner and engagement quality control partner have different opinions, the engagement partner should follow the firm's policies and procedures to resolve the difference.

Choice "B" is incorrect. A disclaimer of opinion should be expressed when 1) the auditor is unable to obtain sufficient appropriate audit evidence on which to base an opinion, and 2) the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive. A difference of opinion between the engagement partner and engagement quality control reviewer may not be indicative of either of those issues.

Choice "C" is incorrect. When different opinions arise, the engagement team would first follow the firm's policies and procedures to resolve the difference. If differences still are unresolved, the accountant would likely discuss with the management and then with those charged with governance. The type of audit opinion would then depend on the materiality of the differences and pervasiveness of the issue.

Choice "D" is incorrect. When different opinions arise, the engagement team would first follow the firm's policies and procedures to resolve the difference. Withdrawing from the engagement would be the last step after the engagement team exhaust all other attempts to resolve the differences.

题目 5.

An accountant is reviewing the financial statements of a nonpublic entity in accordance with Statements on Standards for Accounting and Review Services (SSARS). The accountant most likely would perform which of the following procedures?

- A. Obtain an understanding of the internal control structure.
- B. Make inquiries about subsequent events.
- C. Send bank account confirmations.
- D. Perform limited tests of controls.

题目解析 5 (ANSWER)

Choice "B" is correct. During a SSARS review engagement, the accountant should inquiry with members of managements who have responsibility for accounting or operational matters. When the accountant becomes aware of information or evidence about subsequent events that require adjustment of, or disclosure in, the financial statements, the accountant should make inquires about subsequent events.

Choice "A" is incorrect. During a SSARS review engagement, the accountant is required to understand the entity and its environment. However, the accountant is not required to obtain an understanding of the entity's internal control or to test relevant internal control.

Choice "C" is incorrect. This is an example of substantive audit procedures. During a SSARS review engagement, the accountant is not expected to perform substantive procedures.

Choice "D" is incorrect. During a SSARS review engagement, the accountant is required to understand the entity and its environment. However, the accountant is not required to obtain an understanding of the entity's internal control or to test relevant internal control.

题目 6.

Which of the following factors would an auditor most likely consider in evaluating the control environment for an audit client?

- A. Monthly bank reconciliations with supervisor sign-offs.
- B. The ethical values demonstrated by management.
- C. Organizational structure used for tax purposes.
- D. The number of employees in each department.

题目解析 6. (ANSWER)

Choice "B" is correct. The control environment sets the tone of an organization. The auditor should consider the following five principles related to the control environment: a commitment to integrity and ethical values; an independent board of directors; the organizational structure; a commitment to competence; and accountability.

Choice "A" is incorrect. Monthly bank reconciliations with sign-offs is an example of a control activity. Control activities are not specifically part of the control environment.

Choice "C" is incorrect. An entity's organizational structure of the whole organization defines how authority and responsibility are delegated and monitored. However, the organizational structure for tax purposes may be different from the organizational structure of the whole organization.

Choice "D" is incorrect. The number of employees in each department may provide the auditor some helpful insight, however, it is not control environment.

题目 7.

Which of the following factors represents an inherent limitation of internal control?

- A. Absence of segregation of duties.
- B. Failure to perform required tasks.
- C. Mistakes resulting from human error.
- D. Inadequate provisions to safeguard assets.

题目解析 7. (ANSWER)

Choice "C" is correct. Internal control provides only reasonable (not absolute) assurance regarding the achievement of objectives due to the following inherent limitations: 1) collusion, 2) override by management, 3) competence (Human judgment in decision making can be faulty and subject to bias) and 4) obsolescence.

Choice "A" is incorrect. Segregation of duties is the concept of having more than one person required to complete a task. A lack of segregation of duties would mean that some controls may not be appropriately designed.

Choice "B" is incorrect. A failure to perform required tasks indicates that the control may be effectively designed, but the individual(s) are not performing the activities as designed.

Choice "D" is incorrect. This would mean that some controls over the assets are not appropriately designed.

题目 8.

When conducting a review engagement of a nonissuer, each of the following is considered an analytical procedure, except a comparison of the current-year's financial information to:

- A. Expectations developed by the accountant.
- B. Financial statements of a comparable prior period.
- C. Supporting documentation.
- D. Industry benchmarks.

题目解析 8. (ANSWER)

Choice "C" is correct. This is a substantive audit procedure.

Choice "A", "B" and "D" are incorrect. They are all examples of analytical procedures.

Analytical procedures are evaluations of financial information through analysis of plausible relationships among both financial and nonfinancial data.

BEC 科目精选题库

1. MCQ-14801

According to COSO, which of the following issues should lead to the greatest concern regarding the effectiveness of an entity's internal control?

- A. Monitoring internal control in areas that have *never* had a control failure.
- B. Errors from control failures that were *not* detected timely by the routine monitoring procedures.
- C. Unwarranted duplication of efforts when multiple people monitor the same control.
- D. Additional evaluations solely to meet regulatory requirements when elements of other procedures would be sufficient.

ANSWER:

Choice "B" is correct. Monitoring is one of the five components of the COSO *Internal Control—Integrated Framework*. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate. 这里的 effectiveness 重点关注的是 timely 采取措施解决问题。

选项 A，虽然这里需要 internal control，但不是 greatest concern for effectiveness。

选项 C，虽然这里有影响 effectiveness，但不是 greatest concern。

选项 D，虽然这里有影响 effectiveness，但不是 greatest concern。

2. MCQ-14802

A member of the audit committee is evaluating the following risk matrix for a company:

<u>Item Number</u>	<u>Likelihood</u>	<u>Severity</u>	<u>Risk</u>
1	8.3%	\$20,235	Cash register embezzlement
2	13.60%	\$169,477	Vendor kickbacks (collusion)
3	7.5%	\$522,531	Server outage
4	1.1%	\$2,937,632	Financial statement earning restatement

Using statistical risk ranking methodology, which of the following lists of risks is correct by prioritized?

- A. 2, 1, 3, 4.
- B. 2, 1, 4, 3.
- C. 3, 4, 2, 1.
- D. 4, 3, 2, 1

ANSWER:

Choice "C" is correct. 在 ERM 框架里，对于 severity 风险评估考虑两方面，likelihood of the risk occurring and impact if it does occur。根据题目给的数据，我们可以计算出的风险数据值是：

- Item 1: Cash register embezzlement: $8.3\% \times \$20,235 = \$1,679.51$
- Item 2: Vendor kickbacks (collusion): $13.60\% \times \$169,477 = \$23,048.87$
- Item 3: Server outage: $7.5\% \times \$522,531 = \$39,189.83$
- Item 4: Financial statement earning restatement: $1.1\% \times \$2,937,632 = \$32,313.95$

根据上面计算，风险从高到低是 3,4,2,1。

3.MCQ-14804

A manufacturer performed an analysis of its product's price point in an effort to meet its customers' demand without experiencing excess inventory.

<u>Price</u> <u>Point</u>	<u>Supply</u>	<u>Demand</u>
	20	10
\$4	15	15
\$3	10	20

The manufacturer uses just-in-time inventory processes, and demand for the product is elastic. Which of the following prices should management use in order to address the efforts above while maximizing profits?

- A. \$1
- B. \$2
- C. \$3
- D. \$4

ANSWER:

Choice "C" is correct. 如果只看利润最大化，那么价格肯定越高越好。但是当需要考虑存货的时候，就需要考虑市场需求量。这时候，如果 demand = supply，那么这就符合了题目的要求，也就达到了 equilibrium。题目中，价格为 3 的时候，demand= supply。

4.MCQ-14807

Gray Co. and Seas Co. have the following items on their balance sheet at the end of the current year:

	<u>Current Assets</u>	<u>Current Liabilities</u>
Gray Co.	\$2,500,000	\$1,000,000
Seas Co.	5,000,000	3,000,000

Which of the following statements best describes the liquidity position of the two companies in relation to each other?

- A. Seas is more liquid because it carries a larger amount of current assets than Gray.
- B. Seas is more liquid because it has working capital greater than Gray.
- C. Gray is more liquid because it carries a smaller amount of current liabilities than Seas.
- D. Gray is more liquid because it has a larger current ratio than Seas.

ANSWER:

Choice "D" is correct. 根据题目的信息，判断 liquidity 可以使用 $\text{current ratio} = \text{current assets} / \text{current liabilities}$, which reflects a firm's ability to generate cash to meet its short-term obligations。

Gray: the current ratio = $\$2,500,000 / \$1,000,000 = 2.5$.

Seas: the current ratio = $\$5,000,000 / \$3,000,000 = 1.67$.

根据计算，Gary 有比较好的 liquidity。

5.MCQ-14808

Based on the following data, what is the cost of goods sold for the company?

	<u>Beginning Inventory</u>	<u>Ending Inventory</u>
Work in process	\$500,000	\$400,000
Finished goods	100,000	500,000
Sales		\$1,000,000
Net purchases of raw materials		600,000
Cost of goods manufactured		800,000
Marketing and administrative expenses		250,000
Indirect manufacturing costs		500,000

- A. \$200,000
- B. \$400,000
- C. \$600,000
- D. \$90,000

ANSWER:

Choice "B" is correct. The cost of goods sold (COGS)= cost of goods manufactured + beginning finished goods inventory - ending finished goods inventory = \$800,000 + \$100,000 - \$500,000 = \$400,000.

6.MCQ-14809

A company provides the following information about discount factors and yearly cash flows:

<i>Year</i>	<i>Discount Factor</i>	<i>Annual Cash Flow</i>
1	.9	\$200
2	.8	400
3	.7	500
4	.6	500

If the discounted payback method is used, an outlay of \$1,000 cash would most likely result in payback in which of the following months?

- A. Month 33.
- B. Month 36.
- C. Month 42.
- D. After month 48.

ANSWER:

Choice "C" is correct. 按照题目，使用 discounted payback method，每年都要折算成 present value。根据计算，要收回 1,000 的支出，需要在 Year 3 到 Year 4。\$850 和 \$1,150 的中间正好是 1,000，所以是 3.5 years = 42 months。

<i>Year</i>	<i>Discount Factor</i>	<i>Annual Cash Flow</i>	<i>PV of Cash Flow</i>	<i>Cumulative CF</i>
1	0.9	\$200	\$180	\$180
2	0.8	\$400	\$320	\$500
3	0.7	\$500	\$350	\$850
4	0.6	\$500	\$300	\$1,150

7.MCQ-14810

Which of the following individuals or groups within an organization reviews and approves long-range plans and oversees its information systems?

- A. Systems steering committee
- B. Project development team
- C. Systems analyst
- D. Database administrator

ANSWER:

Choice "A" is correct.

A steering committee is an advisory and supervisory body made up of executive-level employees and experts. The committee offers guidance on several issues that a project or a company may or is already encountering. It ensures that projects meet the desired quality and monitor any adjustment that may have been decided. It also monitors the project processes and plans, which is crucial for project success.

Project development teams are concerned with whether projects are performing aligned with businesses' strategic objectives, whether the IT governance is designed and operating effectively, whether there are change management in place.

System analysts are typically engaged in designing information systems to meet users' needs rather than overseeing an organization's information systems.

Database administrators are responsible for storing and organizing an organization's data within a database.

FAR 科目精选题库

1.MCQ-14828

A nongovernmental not-for-profit organization may report on which of the following basis and remain in compliance with generally accepted accounting principles (GAAP)?

- A. Cash
- B. Accrual
- C. Modified cash
- D. Modified accrual

ANSWER:

Choice "B" is correct. According to Generally accepted accounting principle, the not-for-profit organizations are required to use accrual basis of accounting.

Choice "A" is incorrect. Cash basis of accounting only presents the activity of the organization based solely on cash receipts and disbursements. The cash basis is not GAAP for not-for-profit reporting.

Choice "C" and "D" are incorrect. Modified cash basis of accounting and modified accrual basis combines elements of cash basis and accrual accounting. Certain transactions are reported on an accrual basis and others on a cash basis. Both methods are not GAAP for not-for-profit reporting.

2.MCQ-14829

LLA Inc. was capitalized through the issuance of 10,000 shares of \$30 par common stock that was sold at \$50 per share. LLA had net income as follows:

Year 1 \$100,000

Year 2 200,000

If, during Year 2, LLA paid dividends to its shareholders at \$25 per share, what amount was LLA's retained earnings balance and shareholders' equity balance at the end of Year 2?

	<u>Retained earnings</u>	<u>Shareholders' equity</u>
A.	\$50,000	\$550,000
B.	\$50,000	\$800,000
C.	\$300,000	\$550,000
D.	\$300,000	\$800,000

ANSWER:

Choice "A" is correct. One approach to calculate shareholder's equity is show as following equation:

Shareholder's equity= Capital stocks + Additional paid in capital + Retained earnings – Treasury stock + Accumulated Other Comprehensive Income

Retained earnings at end of Year 2= Year 1 net income + Year 2 net income – dividends= \$100,000+\$200,000-\$25 x10,000 shares= \$50,000

Shareholder's equity= Capital stocks 10,000 shares x \$30 + Additional paid in capital 10,000 shares x (\$50-\$30) + Retained earnings \$50,000– Treasury stocks (irrelevant to this question) + Accumulated Other Comprehensive Income (irrelevant to this question) = \$550,000

According to above calculation, at end of Year 2, LLA's retained earnings and shareholder's equity equal to \$50,000 and \$550,000 respectively.

3.MCQ-14830

A statement of activities prepared by a nongovernmental not-for-profit organization is most similar to which of the following financial statements prepared by a for-profit entity?

- A. Income statement
- B. Balance sheet
- C. Statement of cash flows
- D. Statement of changes in stockholders' equity

ANSWER:

Choice "A" is correct. A statement of activity is equivalent to a Commercial Income Statement and Statement of Changes in Retained Earnings of a for-profit entity.

Choice "B" is incorrect. The Balance Sheet of a for-profit entity is equivalent to a statement of Financial Position for a not-for-profit organization rather than Statement of Activities.

Choice "C" is incorrect. The Statement of Cash Flows of a for-profit entity is equivalent to a statement of Cash Flows for a not-for-profit organization rather than Statement of Activities.

Choice "D" is incorrect. Not-for-profit organizations do not have an equivalent to a statement of changes in stockholders' equity. The balance sheet of a for-profit entity is equivalent to a statement of Financial Position for a not-for-profit organization rather than statement of activities.

4.MCQ-14832

Alpha Co. has \$100 billion in assets, \$100 billion in revenues, and \$10 billion in profits for the current year. There are four operating segments that report directly to the chief operating officer. Which of the following segments is required to present key disclosures?

<i>Segment</i>	<i>Assets (in billions)</i>	<i>Revenues (in billions)</i>	<i>Profits (in billions)</i>
1	\$40	\$70	\$10.5
2	30	16	0.5
3	21	9	(1.5)
4	9	5	0.5

- A. Segment 1
- B. Segments 1 and 2
- C. Segments 1,2, and 3
- D. Segments 1,2, 3, and 4

ANSWER:

Choice "C" is correct. When a segment meets 10% "size" test, a segment is significant and therefore a disclosure is required. The size test is satisfied when any of following criteria is met:

1. Revenue: the segment's internal and external revenue is 10% or more of the combined revenue (internal and external) of all reporting segments.
2. Assets: the segment's asset is 10% or more of the combined assets of all reporting segments.
3. Profit and loss: The absolute value of the segment's reported profit or loss is 10 percent or more of the greater (absolute amount) of the combined profit of all segments that did not report a loss and the combined reported loss of all segments that did report a loss.

Since segment 1,2 and 3 have met the 10% assets test, segments 1, 2, and 3 are required to present a disclosure.

5.MCQ-14833

A company reports on the cash basis. During the company's first year of business, it had sales on account of \$1,000,000, inventory purchases on account of \$400,000, and other expenses of \$200,000. At the end of the year, the company had accounts receivable, inventory, and inventory-related accounts payable of \$100,000, \$10,000, and \$50,000, respectively. What is the company's cash basis income for its first year of operations?

- A. \$300,000
- B. \$350,000
- C. \$400,000
- D. \$450,000

ANSWER:

Choice "B" is correct. Under cash basis income, the net income only provides information about the sources of cash and the uses of cash. During the year, the net sale is \$1,000,000 and there is a \$100,000 account receivable balance, therefore, the cash inflow is \$900,000. The company purchased \$400,000 inventory and there is \$50,000 balance of inventory-related account payable, therefore there is a \$350,000 cash outflow. Besides, the company also incurred \$200,000 other expenses, there are cash outflows. The net cash basis income, thereby, equals to \$350,000(\$900,000 - \$350,000 - \$200,000)

6.MCQ-14834

A company uses a periodic inventory system and has its cost of ending inventory understated by \$4,000. Which of the following describes the effects of this error on the company's current year's cost of goods sold and net income, respectively?

	<u>Cost of goods sold</u>	<u>Net</u>
A.	Understated	Understated
B.	Understated	Overstated
C.	Overstated	Understated
D.	Overstated	Overstated

ANSWER:

Choice "C" is correct. Under a periodic inventory system, businesses physically count their products at the end of the period and use the information to balance their general ledger. The cost of goods sold equals to the difference between beginning inventory plus purchases less ending inventory.

Cost of goods sold (COGS) \uparrow = Beginning inventory + Purchases - Ending inventory
 \downarrow

According to above equation, when ending inventory is understated by \$4,000, the COGS is overstated by \$4,000, leading to understatement of net income.

7. MCQ-14835

On January 1, Lyle Co. purchased a manufacturing facility. After remodeling was completed, the facility was ready for use on March 1. On April 1, production began. Interest costs were incurred as follows:

	<u>January 1 to March 1</u>	<u>March 1 to April 1</u>
Building	\$10,000	\$5,000
Remodeling	2,000	3,000

What amount of interest should Lyle capitalize during the current year?

- A. \$10,000
- B. \$12,000
- C. \$15,000
- D. \$20,000

ANSWER:

Choice "B" is correct. According to GAAP, the capitalization period shall begin when the following three conditions are present:

- a. Expenditures for the asset have been made.
- b. Activities that are necessary to get the asset ready for its intended use are in progress.
- c. Interest cost is being incurred.

Interest capitalization shall continue as long as those three conditions are present and end when property is ready for the intended use. In this case, the expenditures start from January 1 and the facility is ready for use on March 1. The capitalization period shall start from Jan. 1 to March 1. Both building related interest and remodeling related interest should be capitalized. Total amount of capitalized interest should be \$12,000 (10,000+2,000).

8.MCQ-14836

The equity method would be used if a company owned what percentage of its investee company's stock?

- A. 5%
- B. 15%
- C. 25%
- D. 75%

ANSWER:

Choice "C" is correct. The equity method is applied when a company's ownership interest in another company is valued at 20–50% (generally investor company can exercise significant influence over the operation and financial policies of the investee) of the stock in the investee. The equity method requires the investing company to record the investee's profits or losses in proportion to the percentage of ownership. In this case, the significant influence exists since there is 25% ownership of investee company's stock, thereby, equity method is required.

1.MCQ-14900

According to Treasury Circular 230, which of the following rules related to the prompt disposition of pending matters before the IRS applies to CPAs?

- A. Practitioners may request an extension of time of *not* more than five years related to the disposition of matters pending before the IRS to avoid any preparer penalties
- B. Practitioners will be held responsible for any of the clients interest and penalties related to the unreasonable delay of matters pending before the IRS.
- C. Practitioners may *not* unreasonably delay the prompt disposition of matters pending before the IRS.
- D. Practitioners must ensure that matters are concluded within three years of the date of formal notification concerning any matters pending before the IRS.

ANSWER:

Choice "C" is correct. Treasury Circular 230 Section 10.23 provides that a practitioner may not unreasonably delay the prompt disposition of any matter before the IRS. Practitioner means any individual including attorneys, CPAs, enrolled agents, enrolled actuaries, or registered tax return preparers.

2.MCQ-14901

Which of the following situations could result in a preparer penalty assessed by the IRS?

- A. Preparer does *not* sign the tax return.
- B. Preparer inadvertently transposes two digits on a return, and the error results in an understatement of income by \$90.
- C. Preparer takes an aggressive but realistic tax position that results in a decrease of tax.
- D. Taxpayer tells the preparer that the taxpayer's income is \$40,000, whereas it is actually \$60,000.

ANSWER:

Choice "A" is correct. IRC Section 6695 provides a penalty of \$50 for each failure to sign a tax return (maximum penalty of \$27,000 per calendar year).

选项 B：由于疏忽导致的少申报的小数额差异，不会造成 penalty。

选项 C：申报只要是合理且真实的，不会造成 penalty。

选项 D：根据 taxpayer 提供的信息做的申报，如果数据有误，责任人不在 preparer。但是如果 taxpayer 明显存在错误，preparer 需要去及时纠正。选项中的数额，是不易被发现的错误。

3. MCQ-14902

Under the Internal Revenue Code, a CPA who was engaged in the business of preparing tax returns could incur a penalty for disclosing taxpayer information without the taxpayer's formal consent in which of the following circumstances?

- A. The information was disclosed in the client's state and local tax returns that the CPA prepared.
- B. The information was disclosed in the client's electronically filed tax return.
- C. The information was disclosed pursuant to an attorney's solicitation request.
- D. The information was disclosed pursuant to a court order.

ANSWER:

Choice "C" is correct. If a tax return preparer discloses the information furnished to him, or uses any such information for purposes other than tax return preparation, then he shall pay a penalty under IRC Section 6713 of \$250 for each wrongful disclosure or use (maximum annual penalty of \$10,000). 关于 attorney's solicitation request 是需要客户同意的。Exceptions:

- a) Pursuant to any the provisions of IRC or to an court order;
- b) In the preparation of, or in connection with the preparation of, state and local tax returns and declarations of estimated tax of the person to whom the information relates;
- c) Pursuant to the government for quality or peer reviews.

4.MCQ-14906

During the current year, an individual taxpayer completed the following stock transactions related to Alpha Corp. stock:

<i>Date</i>	<i>Shares Traded</i>	<i>PncG/Shsr</i>
May 15	1,000 purchased	\$18
June 1	1,000 purchased	\$12
June 10	1,000 sold	\$10

The 1,000 shares sold on June 10 had been purchased on May 15. What is the maximum amount, if any, that the taxpayer can deduct in the current year?

- A. \$0
- B. \$2,000
- C. \$3,000
- D. \$8,000

ANSWER:

Choice "A" is correct. No loss should be recognized from sale of stock if the stock was repurchased within 30 days before or after the sale. The sale on June 10 is a wash sale. \$10 sales price - \$18 purchase price on May 15 是一个 loss, 同时在 June 1 前三十天内, 买入了同类股票。这个\$8,000 loss 是不被允许的。这 loss 需要被加到 June 1 买的股票的 basis 上, $\$12,000 + \$8,000 \text{ disallowed loss} = \$20,000$ basis of repurchased stock。

5. MCQ-14909

A real estate broker reported the following business income and expenses for the current year:

Commission income	\$100,000
Expenses:	
Auto rentals	2,000
Referral fees to other brokers (legal under state law)	20,000
Referral fees to non brokers (illegal under state law)	8,000
Parking fines	200

What amount should be reported as net profit on Schedule C *Profit or Loss from Business*?

- A \$69,800
- B \$70,000
- C \$77,800
- D \$78,000

ANSWER:

Choice "D" is correct. 这里的 illegal referral fees 和 parking fines 是 nondeductible。

Commission Income	\$ 100,000
Auto rentals	(2,000)
Referral fees to other brokers	<u>(20,000)</u>
Schedule C net profit	<u>78,000</u>

6.MCQ-14914

A C corporation has the following capital gains and capital losses for Years 1 and 2:

	<u>Capital Gains</u>	<u>Capital Losses</u>
Year 1	\$250,000	\$300,000
Year 2	425,000	350,000

If the C corporation had *no* capital gains or losses prior to Year 1. What is the minimum net capital gain that can be reported for Year 2?

- A. \$25,000
- B. \$50,000
- C. \$75,000
- D. \$425,000

ANSWER:

Choice "A" is correct. 对于 C corporate 而言, capital gains 只能 offset capital losses. A net capital loss can be carried back three years and forward five years.

Year 1 capital gains	\$250,000
Year 1 capital losses	<u>(300,000)</u>
Year 1 net capital loss	(50,000)
Year 2 capital gains	425,000
Year 2 capital losses	<u>(350,000)</u>
Year 2 net capital gain	75,000
Year 1 capital loss carry forward	<u>(50,000)</u>
Year 2 net capital gain	<u>25,000</u>

7.MCQ-14915

The following information relates to three corporations. Mauve, Teal, and Fuchsia:

	<u>Mauve</u>	<u>Teal</u>	<u>Fuchsia</u>
Adams			
Jefferson	40%	22%	0%
Washington	50%	0%	0%
Brook	0%	33%	70%
Smith	<u>0%</u>	<u>27%</u>	<u>8%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

None of the corporations has made a sub-chapter S election. Which of the following statements about the corporations is true?

- A. All three corporations must file a consolidated return.
- B. All three corporations can elect to file a consolidated return.
- C. Two of the three corporations can elect to file a consolidated return.
- D. None of the corporations can file a consolidated return

ANSWER:

Choice "D" is correct None of the corporations can file a consolidated return

The election to file a consolidated return is available only to an affiliated group. An affiliated group exists when a corporation directly owns at least 80 percent of the total voting power and stock value of another corporation. An affiliated group does not exist when an individual or group of individuals owns 80 percent or more of the stock of two or more corporations. In this case, none of the corporations qualifies to file consolidated returns because none of the corporations is 80 percent or more owned by another corporation.