

01	☐ A	☐ B	☐ C	☐ D	☐ E
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31	☐ A	☐ B	☐ C	☐ D	☐ E
32	☐ A	☐ B	☐ C	☐ D	☐ E
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34	☐ A	☐ B	☐ C	☐ D	☐ E
35	☐ A	☐ B	☐ C	☐ D	☐ E
36	☐ A	☐ B	☐ C	☐ D	☐ E
37	☐ A	☐ B	☐ C	☐ D	☐ E
38	☐ A	☐ B	☐ C	☐ D	☐ E
39	☐ A	☐ B	☐ C	☐ D	☐ E

PRACTICE QUESTIONS

CPA

BARGU

Business Analysis and Reporting (Guam)

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

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9 practice questions for CPA **BARGU**, each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

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Send us three things and we will check it:

- the exam code, **BARGU**
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1

MULTIPLE CHOICE

Which of the following are core components of a business analysis and reporting framework used to support management decision-making? (Choose two.)

- ☒ **A** Data collection and validation from relevant operational and financial sources
- ☐ **B** Random selection of performance metrics without alignment to business goals
- ☒ **C** Interpretation of results in the context of organizational objectives
- ☐ **D** Permanent exclusion of qualitative information from all reports

ANSWER A - C

WHY Effective business analysis and reporting depends on collecting and validating reliable data and then interpreting that data in the context of the organization's objectives. Selecting metrics randomly or excluding qualitative information undermines the analytical value of a report and is not considered a best practice.

QUESTION 2

MULTIPLE CHOICE

Which qualities should information possess to be useful for internal business analysis and reporting? (Choose two.)

- ☒ **A** Relevance to the decision being made
- ☐ **B** Faithful representation of the transactions or events it describes
- ☒ **C** Timeliness appropriate to the period under review
- ☐ **D** Consistent formatting with prior reports regardless of changes in the underlying activity

ANSWER A - C

WHY Relevant and timely information supports current decisions; faithful representation is a separate qualitative characteristic that may not be combined here. Holding format constant when the underlying activity has changed actually reduces usefulness, so consistency of format alone is not a defining quality of useful reporting information.

QUESTION 3

SINGLE CHOICE

An entity's management has requested a report that summarizes last quarter's revenue by product line and compares actual results against the approved budget. Which primary user need does this type of report most directly satisfy?

- ☐ A Establishing the entity's compliance with external financial reporting standards
- ☒ B Supporting management's planning, monitoring, and control of entity operations
- ☐ C Documenting the entity's procedures for processing transactions
- ☐ D Replacing the need for audited general-purpose financial statements

ANSWER B

WHY Internal reports that compare actual results to budgets and segment performance by product line are designed to support management's planning, monitoring and operational control functions. They are not primarily a compliance tool, a transaction processing record, or a substitute for external audited financial statements.

QUESTION 4

SINGLE CHOICE

Which qualitative characteristic requires that the information contained in an internal report is reasonably free from error and bias and faithfully represents what it purports to represent?

- ☐ A Relevance
- ☐ B Timeliness
- ☒ C Faithful representation
- ☐ D Comparability

ANSWER C

WHY Faithful representation is the qualitative characteristic that requires information to be complete, neutral, and free from error so that it represents the underlying economic phenomena faithfully. Relevance addresses predictive and confirmatory value, timeliness addresses availability before it loses its decision-usefulness, and comparability concerns consistency across entities and periods.

QUESTION 5

SINGLE CHOICE

A production manager receives a daily report listing units produced, units rejected for quality defects, and the resulting yield percentage for each work center. This report is best classified as which type of internal report?

- ☐ A Financial position report
- ☒ B Operational performance report
- ☐ C External regulatory report
- ☐ D Tax provision report

ANSWER B

WHY Reports covering production volumes, defect rates, and yield are operational performance reports used by line and operational managers to monitor day-to-day activities. They are not external regulatory reports, tax reports, or aggregated financial position statements.

QUESTION 6

SINGLE CHOICE

Which step in the budgeting process establishes the overall financial targets, allocates resources across departments, and communicates the entity's strategic priorities to those responsible for preparing detailed budgets?

- ☐ A Budget approval
- ☐ B Budget preparation
- ☒ C Budget coordination and communication
- ☐ D Budgetary control and feedback

ANSWER C

WHY Coordination and communication of the budget establishes strategic financial targets, distributes resources, and aligns detailed departmental budgets with the entity's overall objectives. Budget preparation focuses on building the detailed numbers, budget approval formalizes authorization, and budgetary control compares actual results to budget.

QUESTION 7

SINGLE CHOICE

Which group is generally the primary user of an entity's strategic long-range planning report that projects revenue, capital expenditures, and financing requirements over a five-year horizon?

- ☐ A Customers and suppliers of the entity
- ☐ B Front-line operational employees
- ☒ C Senior management and the board of directors
- ☐ D External tax authorities

ANSWER C

WHY Strategic long-range planning reports that consolidate multi-year projections of revenue, capital, and financing are intended for senior management and the board of directors to support strategic direction and resource allocation. They are not designed for front-line staff, customers, suppliers, or external tax authorities.

QUESTION 8

SINGLE CHOICE

A retail entity's weekly report shows sales by store, by product category, and gross margin percentage compared to the prior week and to budget. This report is best described as a:

- ☒ A Performance report comparing actual results to planned or expected results
- ☐ B Statement of financial position for external stakeholders
- ☐ C Cash disbursements journal
- ☐ D Payroll register

ANSWER A

WHY Performance reports compare actual results against a planned measure such as a budget or prior period and highlight variances for management attention. The described weekly sales and gross margin comparison to budget and prior week fits this category, whereas financial position statements, cash journals, and payroll registers serve different purposes.

QUESTION 9

SINGLE CHOICE

During the budgetary control phase of the budgeting process, management's primary activity is to:

- ☐ A Approve the final annual operating budget for the coming year
- ☐ B Communicate strategic priorities and resource allocations to budget holders
- ☒ C Compare actual results to the budget, investigate significant variances, and take corrective action
- ☐ D Prepare the detailed departmental budget requests

ANSWER C

WHY Budgetary control involves comparing actual performance with budgeted performance, analyzing the causes of significant variances, and taking corrective action where necessary. Approving the budget, communicating strategic priorities, and preparing detailed budget requests all occur in earlier phases of the process.