

Certified Valuation Analyst Practice Test Questions and Answers

1. Under ASC 350, goodwill is subject to:

- A) Annual impairment testing rather than systematic amortization
- B) Straight-line amortization over 40 years
- C) Component depreciation matching the underlying asset lives
- D) Amortization only when triggering events occur

2. What is the adjusted net asset method?

- A) Restating all assets and liabilities to fair market value, then calculating the difference
- B) Using the book values from the balance sheet without changes
- C) Adjusting only cash and receivables
- D) A method that ignores intangible assets entirely

3. A customer backlog intangible represents:

- A) Existing signed contracts or purchase orders that have not yet been fulfilled
- B) Future expected orders based on historical customer behavior
- C) Recurring revenue from long-term maintenance agreements
- D) The goodwill associated with the acquired sales force

4. What is the guideline public company method?

- A) Valuing a subject company using pricing multiples derived from publicly traded comparable companies
- B) A method requiring the company to go public
- C) A government guideline for minimum company value
- D) A technique using only private company transactions

Answers: 1-A 2-A 3-A 4-A

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