

# Chartered Certified Accountant Practice Test Questions and Answers

**1. Which accounting principle states that revenues should be recorded when earned, regardless of when cash is received?**

- A) Matching principle
- B) Revenue recognition principle
- C) Conservatism principle
- D) Materiality principle

**2. What is the primary purpose of an internal audit function?**

- A) Tax compliance only
- B) Independent assessment of risk management and internal controls
- C) External financial reporting
- D) Marketing strategy development

**3. Which ratio measures a company's ability to meet short-term obligations?**

- A) Debt-to-equity ratio
- B) Return on assets
- C) Current ratio
- D) Gross profit margin

**4. What is the purpose of Generally Accepted Accounting Principles (GAAP)?**

- A) To maximize company profits
- B) To provide standardized accounting methods and reporting
- C) To minimize tax obligations
- D) To eliminate the need for audits

Answers: 1-B 2-B 3-C 4-B

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