

# Governmental Accounting Certification Practice Test Questions and Answers

## 1. Which accounting standards govern governmental entities in the United States?

- A) Generally Accepted Accounting Principles (GAAP)
- B) Governmental Accounting Standards Board (GASB) standards
- C) International Financial Reporting Standards (IFRS)
- D) Securities and Exchange Commission (SEC) rules

## 2. What is the primary focus of fund accounting in government?

- A) Maximizing profits
- B) Tracking resources and their designated purposes
- C) Minimizing tax obligations
- D) Increasing shareholder value

## 3. Which type of fund is used for day-to-day governmental operations?

- A) Enterprise fund
- B) Trust fund
- C) General fund
- D) Capital projects fund

## 4. What is the purpose of a Comprehensive Annual Financial Report (CAFR)?

- A) Internal budget planning only
- B) Public transparency and accountability reporting
- C) Tax collection optimization
- D) Employee performance evaluation

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

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