

CFA® SAMPLE QUESTION – LEVEL I

Financial Reporting and Analysis

Q: Which of the following would most likely be classified in a current liability?

CORRECT ANSWER:

(b) Estimated income taxes for the current year

Estimated income taxes for the current year are likely reported as a current liability.

To recognize the warranty expense, it must be probable, not just possible.

Future operating lease payments are not reported on the balance sheet.



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