

CFA® SAMPLE QUESTION - LEVEL I

Financial Reporting and Analysis

Q: The write-off and sale of obsolete equipment would be classified as:

CORRECT ANSWER:

Write-off

(a) No cash flow impact

Sale

Investing Cash flow

Write-off of obsolete equipment has no cash flow impact, because it doesn't involve any real cash inflow and outflow.

Sales of obsolete equipment would be classified as investing cash flow.



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