

## **CFA® SAMPLE QUESTION – LEVEL I**

## **Financial Reporting and Analysis**

**Q:** Concrete Limited has a contract to build a building for \$120,000 with an estimated time to completion of 5 years. A reliable 3rd party cost estimate for the project is \$70,000.

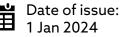
In the first year of the project, Concrete Limited incurred costs totaling \$28,000. How much profit should Concrete report at the end of the first year under the percentage-of-completion method and the completed-contract method?

	Percentage-of-Completion	<b>Completed-Contract</b>
<b>a</b>	\$20,000	0
b	\$50,000	0
C	\$20,000	\$50,000



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