



**Bài tập ôn luyện DipIFR phần B.14. Chi phí thăm dò và đánh giá
(DipIFR material for syllabus B.14. Exploration and evaluation
expenditures)**

I. MULTIPLE CHOICE QUESTIONS

1. What is an entity required to consider when deciding on its accounting policies for exploration and evaluation activities?

- A. The requirements and guidance in IFRSs dealing with similar and related issues
- B. The definitions, recognition criteria, and measurement concepts set out in the Conceptual Framework
- C. Recent pronouncements of standard-setting bodies, and accepted industry practices
- D. Whether the accounting policy results in information that is relevant and reliable

2. Is an entity ever required or permitted to change its accounting policy for exploration and evaluation expenditure?

- A. Entities are required to change accounting policy for expenditure if the change results in more useful information
- B. Entities can change accounting policies as long as the new policy results in information that is relevant and reliable
- C. Only if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs
- D. An entity would not be permitted to change accounting policy unless there is a new or revised standard that replaces the existing requirements in IFRS 6

3. Which of the following facts or circumstances would not trigger a need to test an evaluation and exploration asset for impairment?

- A. Lack of sufficient data to determine whether the carrying amount of the exploration and evaluation asset is likely to be recovered in full from successful development or by sale
- B. The expiration of the period for which the entity has the right to explore in the specific area, unless the right is expected to be renewed
- C. The absence of budgeted or planned substantive expenditure on further exploration and evaluation activities in the specific area
- D. A decision to discontinue exploration and evaluation activities in the specific area



when those activities have not led to the discovery of commercially-viable quantities of mineral resources

II. Exercise

December 201- Question 4a

You are the financial controller of Omega, a listed company which prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Your managing director, who is not an accountant, has recently attended a seminar and has raised two questions for you concerning issues discussed at the seminar:

(a) One of the delegates at the seminar was a director of an entity which is involved in the exploration for, and evaluation of, mineral resources. This delegate told me that under IFRS rules it is possible for individual entities to develop their own policies for when to recognise the costs of exploration for and evaluation of mineral resources as assets. This seems very strange to me. Surely IFRS requires consistent treatment for all tangible and intangible assets so that financial statements are comparable. Please explain the position to me and outline the relevant requirements of IFRS regarding accounting for exploration and evaluation expenditures. (10 marks)

Required:

Provide answers to the questions raised by the managing director.



ANSWER

I. Multiple Choice Questions

1. C

2. A

3. B

II. Exercise

Expenditure on the exploration for, and evaluation of, mineral resources is excluded from the scope of standards which might be expected to provide guidance in this area. Specifically such expenditure is not covered by IAS 16 – Property, Plant and Equipment – or IAS 38 – Intangible Assets.	$\frac{1}{2} + \frac{1}{2} + \frac{1}{2}$
This has meant that, in the absence of any alternative pronouncements, entities would determine their accounting policies for exploration and evaluation expenditures in accordance with the general requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. This could lead to considerable divergence of practice given the diversity of relevant requirements of other standard setting bodies.	$\frac{1}{2} + \frac{1}{2} + \frac{1}{2}$
Given other pressures on its time and resources, the International Accounting Standards Board (IASB) decided in 2002 that it was not able to develop a comprehensive standard in the immediate future.	1
However, recognising the importance of accounting for extractive industries generally the IASB issued IFRS 6 – Exploration for and Evaluation of Mineral Resources – to achieve some level of standardisation of practice in this area.	1
IFRS 6 requires relevant entities to determine a policy specifying which expenditures are recognised as exploration and evaluation assets and apply the policy consistently.	$\frac{1}{2} + \frac{1}{2}$
When recognising exploration and evaluation assets, entities shall consistently classify them as tangible or intangible according to their nature.	1
Subsequent to initial recognition, entities should consistently apply the cost model or the revaluation model to exploration and evaluation assets.	1
If the revaluation model is used, it should be applied according to IAS 16 (for tangible assets) or IAS 38 (for intangible assets).	1



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Where circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, such assets should be reviewed for impairment. Any impairment loss should basically be measured, presented and disclosed in accordance with IAS 36 – Impairment of Assets.	1
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