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## CPE ARTICLE: ACCOUNTING FOR DE-SPAC TRANSACTIONS

By Josef Rashty

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1. **What is a SPAC?**
    - a. A private company with growth potential
    - b. A newly formed public company
    - c. A private company seeking acquisition deals
    - d. None of the above
  2. **Some analysts have argued that the SEC scrutiny:**
    - a. Has caused the SPAC market to collapse
    - b. Has expanded the SPAC market
    - c. Has already cooled down the SPACs hot market to some degree
    - d. None of the above
  3. **SPACs are subject to SEC reporting requirements subsequent to the effectiveness of their \_\_\_\_\_.**
    - a. Form 10-K
    - b. Form 10-Q
    - c. Form 8-K
    - d. Form S-1
  4. **The SEC requires that the target company provides \_\_\_\_\_ years audited financial statements.**
    - a. One
    - b. Two
    - c. Three
    - d. Four
  5. **The SEC has delayed external auditor's attestation under Section 404(b) for:**
    - a. SRCs
    - b. EGCs
    - c. Private companies
    - d. a and b
  6. **The target company \_\_\_\_\_ required to file interim financial statements.**
    - a. May be
    - b. Is always
    - c. Is never
    - d. None of the above
  7. **de-SPAC transactions are generally within the scope of \_\_\_\_\_.**
    - a. ASC 450, Contingencies
    - b. ASC 718, Compensation – Stock Compensation
    - c. ASC 805, Business Combinations
    - d. ASC 260, Earnings Per Share
  8. **Earn-outs are based on certain post-combination events and may include:**
    - a. Issuance of additional securities
    - b. Distribution of cash or other consideration
    - c. All of the above
    - d. None of the above
  9. **Companies usually condition their earn-outs based on the following:**
    - a. Service
    - b. Performance
    - c. Market conditions
    - d. All of the above
  10. **SPACs typically grant warrants to their:**
    - a. Creditors
    - b. Initial investors
    - c. Employees
    - d. Board members
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