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qualified audit report. *See* AUDIT OPINION.

qualitative characteristics of accounting information. Those characteristics that accounting information should have in order to be of maximum usefulness to readers of accounting reports. The FASB'S STATEMENT OF FINANCIAL ACCOUNTING CONCEPTS (SFAC) NO. 2 distinguishes the user-specific qualities of understandability and decision usefulness; the primary decision-specific qualities of relevance and reliability; and the ingredients of the primary qualities, i.e., predictive value, feedback value, timeliness, COMPARABILITY and CONSISTENCY, verifiability, NEUTRALITY and representational faithfulness. It will often be necessary for there to be trade-offs between the various characteristics.

quality control. Policies and procedures used to determine and maintain a desired quality of goods and services. Quality control has traditionally been applied to manufacturing operations but may also be

applied to the services (especially audit) provided by public accountants.

questionable payments. Bribes and other payments made to foreign governments or persons in order to obtain contracts. Such payments are forbidden to US companies by the FOREIGN CORRUPT PRACTICES ACT.

queueing theory. The mathematical analysis of problems in which items requiring or providing service are occasionally idle, and it is necessary to discover a solution which minimizes costs. Solutions can be arrived at analytically or by SIMULATION.

quick assets. Current assets less stocks (inventories) i.e. mainly bank balances, debtors and readily realizable investments. They are also referred to as liquid assets.

quick ratio. The relationship between quick assets and current liabilities. Also known as the acid test, or liquid ratio, it is widely regarded as the most useful single test of liquidity. It differs from the current ratio in the exclusion of stocks (inventories), which may not be readily realizable and which may be valued in different ways by different companies.