

TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

BAC 4403 : FINANCIAL ACCOUNTING THEORY

END OF SEMESTER EXAMINATIONS

SERIES : APRIL/MAY 2016

TIME : 2 HOURS

INSTRUCTIONS:

*Answer question **ONE** and any other*

- 1.a. What are the goals of accounting standard setting? (8Mks)
- b. Discuss the objectives of financial statements. (8Mks)
- c. Discuss the nature of an accounting theory. (6Mks)
- d. Identify and explain the arguments for general price level accounting. (8Mks)
2. Discuss the nature of accounting. (20Mks)
3. Accountant find themselves performing tasks daily in an environment governed by a complex of set rules, principles and practices. This assumes the existence of moral standards that affect our human well- being and they are not established or changed by decisions of the authoritative bodies and they are intended to override self interest and they are based on impartial considerations.

Required

Explain the various categories of ethical perspectives or modes of ethical thinking that are applicable to accounting. (20Mks)

4. Describe the development of double entry book keeping. (20Mks)

5a. Discuss the nature of harmonization of accounting standards and cite the merits of harmonization. (10Mks)

b. International accounting may be defined by using three major concepts that encompass different scopes. Briefly explain the three concepts. (10Mks)

