

UNIVERSITY OF SWAZIALND

DEPARTMENT OF ACCOUNTING

SUPPLEMENTARY EXAMINATION PAPER 2005

DEGREE / DIPLOMA AND YEAR OF STUDY: B. COM. V

**TITLE OF THE PAPER : INTERNATIONAL ACCOUNTING AND
THEORY**

COURSE CODE : AC 506 (S) 2005

TIME ALLOWED : Three (3) Hours

- INSTRUCTIONS**
- 1 There are six (6) questions, answer all.**
 - 2 Begin the solution to each question on a
new page.**
 - 3 The marks awarded for a question are
indicated at the end of each question.**
 - 4 Show your workings.**

**NOTE: You are reminded that in assessing your work account will be taken
of accuracy of the language and the general quality of expression
together with layout and presentation of your answer.**

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN
GRANTED BY THE INVIGILATOR / SUPERVISOR.**

QUESTION 1:

- (A) What key rationales support the development and widespread application of International Accounting Standards? **(15 marks)**
- (B) What are the three benefits which John N. Turner expects to flow from International accounting standards? **(5 marks)**
(Total 20 marks)

QUESTION 2:

- (A) What does double – dipping mean in accounting for foreign inflation? **(5 marks)**
- (B) Briefly describe the nature of the historical cost-constant purchasing power and current cost models. How are they similar? How do they differ? **(5 marks)**
(Total 10 marks)

QUESTION 3:

In what respect did the proposals of the Dearing Report (1988) represent an improvement of the Accounting Standard setting process? **(20 marks)**

QUESTION 4:

Contrast the descriptive and normative approaches to the construction of accounting theory. **(20 marks)**

QUESTION 5:

What are the procedures of the development of an International Accounting Standard? **(15 marks)**

QUESTION 6:

Why did the traditional accounting theory development fail? **(15 marks)**

GOOD LUCK!