

**UNIVERSITY OF SWAZILAND**  
**DEPARTMENT OF ACCOUNTING**  
**SUPPLEMENTARY PAPER JULY, 2006**

**DEGREE/DIPLOMA AND YEAR STUDY** : BCOMM V

**TITLE OF PAPER** : ACCOUNTING THEORY  
& INTERNATIONAL ACCOUNTING

**COURSE CODE** : AC 506 (S) 2006

**TIME ALLOWED** : THREE (3) HOURS

- INSTRUCTIONS**
1. TOTAL NUMBER OF QUESTIONS ON THIS PAPER: FIVE (5)
  2. ANSWER QUESTION 1 (IT IS COMPULSORY), AND ANY OTHER THREE QUESTIONS. THE QUESTIONS TO BE ANSWERED ARE 4 (FOUR).
  3. THE MARKS AWARDED FOR A QUESTION/PART ARE INDICATED AT THE END OF EACH QUESTION/PART OF QUESTION.
  4. WHERE APPLICABLE, SUBMIT ALL WORKINGS AND CALCULATIONS.
- TOTAL**

**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 THE LAYOUT AND PRESENTATION OF YOUR FINAL ANSWER.

**SPECIAL REQUIREMENTS:** NONE

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

**QUESTION 1:**

- A. What are the contributing factors that have recently made corporate treasurers around the world to innovate new financial instruments for hedging their exposures to financial environmental risks and raise in their funding costs? (5 marks)
- B. What are the accounting and reporting issues raised by these new financial instruments? (5 marks)
- C. Briefly what are interest rate swaps, what are their advantages? (5 marks)
- D. Briefly what are the currency swaps? (5 marks)
- E. Briefly what are the financial futures? (5 marks)

**QUESTION 2:**

- A. What is the efficient market hypothesis? (20 marks)
- B. What is the cost of increased disclosure (5 marks)

**QUESTION 3:**

- A. What are employee reports? (5 marks)
- B. What are advantages and disadvantages of employee reports? (5 marks)
- C. What are reports for collective bargaining? (5 marks)
- D. What are the advantages and disadvantages of disclosure in collective bargaining? (5 marks)
- E. What are employee non financial data disclosure? (5 marks)
- Total for the question (25 marks)

**QUESTION 4:**

- A. What is the global perspective of accounting practices? (10 marks)
- B. How do the diversity of accounting practices affect business decisions? (15 marks)
- Total for the question (25 marks)

**QUESTION 5:**

- A. What is corporate disclosure and how has corporate disclosure evolved internationally? (5 marks)
- B. What are regulatory disclosure requirements? (10 marks)
- C. What is voluntary disclosure? (10 marks)
- Total for the question (25 marks)