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**UNIVERSITY OF SWAZILAND**  
**DEPARTMENT OF ACCOUNTING**  
**MAIN EXAMINATION PAPER MAY, 2008**

**DEGREE/DIPLOMA AND YEAR STUDY** : B COMM V

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

**COURSE CODE** : AC 506 (M) 2008/IDE AC506(M)2008

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

- INSTRUCTIONS**
1. TOTAL NUMBER OF QUESTIONS ON THIS PAPER: FIVE (5)
  2. ANSWER QUESTION ONE(1).IT IS COMPULSORY,AND AND ANY OTHER THREE QUESTIONS.THE TOTAL QUESTIONS TO BE ANSWERED ARE FOUR (4).
  3. THE MARKS AWARDED FOR A QUESTION/PART ARE INDICATED AT THE END OF EACH QUESTION/PART OF QUESTION.
  4. MAXIMUM MARKS 100.
  5. WHERE APPLICABLE, SUBMIT ALL WORKINGS AND CALCULATIONS.

**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. Why is the internationalization of the accounting standards termed as an endeavour of conflicts? (5 marks)
- B. What are advantages of International Accounting Standards? (10 marks)
- C. What are the disadvantages of International Accounting Standards? (10 marks)
- Total (25 marks)

**QUESTION 2:**

- A. In adopting a forward looking perspective and improving financial reporting it has been suggested that cash flows forecasts should be published. What are the contents of these cash flow statements especially those recommended by Macdonald, Bird, and Climo? (15 marks)
- B. What are the advantages and disadvantages of publishing company forecasts? (10 marks)
- Total (25 marks)

**QUESTION 3:**

With an illustrated diagram describe the qualitative characteristics of financial information?

Total (25 marks)

**QUESTION 4:**

**REQUIRED :**

Describe how the internal audit function in a multi national environment.

(25 marks)

**QUESTION 5:**

**REQUIRED :**

Describe the foreign investment system and its relationship to international capital budgeting.

(25 marks)

**TOTAL FOR THE PAPER**

**(100 marks)**