

NATIONAL OPEN UNIVERSITY OF NIGERIA 14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS MARCH/APRIL 2016 EXAMINATION

SCHOOL OF MANAGEMENT SCIENCES

Course Code: ACC 426 Credit Unit: 3

Course Title: International Accounting

Time Allowed: 2hours 30 minutes

Instructions: 1. Attempt question Number one (1) and any other three (3)

2. Question number 1 is compulsory and carries 25 marks, while the other

questions carry 15 marks each

3. Present all your points in coherent and orderly manner

QUESTION ONE

a. Discuss five key factors that influence accounting development from an international perspective

b. Financial accounting in most countries is based in part on the historical cost principle however severe inflation is a potential force that can strain the historical cost principle and the reasonableness of the historical cost principle varies inversely with the severity of price changes.

In view of the above statement discuss the two basic approaches to accounting for changing prices. (25marks)

QUESTION TWO

- a. There are evidences available to conclude resolutely that GAAP differ from country to country. Whether this is good or bad depends on the points of view of a variety of interest groups, in view of the above statement, discuss the various opinions about accounting diversity with respect to the following; corporate management, investors, stock markets and regulators, and accounting professionals and standard setters
- b. Explain the relationship between accounting standards and auditing standards.

(15marks)

QUESTION THREE

- a. Having explored diversity in financial accounting practices across the globe, we can better appreciate the benefits that can be obtained from harmonization globally. With respect to this statement discuss the 5 benefits of accounting harmonization globally.
- b. The way a multinational company discloses its supplemental information varies as it depends on many areas. You are required to outline four key areas.
- c. Define Multinational Corporation (15marks)

QUESTION FOUR

- a. The process of exposure and comment is essential to the success of IASC. As well as providing preparers, auditors and users of financial statements with the opportunity to express their view on the accounting standards to be adopted. In view of the above statement mention and explain the first seven operating procedure of IASC
- b. Mention the two type of non -financial disclosure (15marks)

QUESTION FIVE

- a. Discuss four key steps multinational companies consider in building there capital budget.
- b. Mention two methods adopted in foreign currency translation. (15marks)

QUESTION SIX

State and discuss 5 steps taken in the translation of financial statements as contained in Financial Accounting Standard 52 from an international perspective. (15marks)