

Course No:
Course Title: Contemporary
Accounting Issues
Date: 3/6/2017
No. of Questions: (4)
Time: 1 hours
Using Calculator (NO)

University of Palestine



Final Exam
Second Semester
2016/2017

Instructor Name: _____
Student No.: _____
Student Name: _____
College Name: Business & Finance
Dep. / Specialist: Accounting
Using Dictionary (No)

Answer all the following questions

Question One: (15 Marks)

A- True or False

1	()	It would seem illogical to study financial accounting without also studying accounting theory
2	()	Theories might predict why managers will choose particular accounting methods
3	()	Normative theories seek to predict and explain particular phenomena
4	()	To be representative, accounting information must be capable of making a difference in a decision
5	()	Full disclosure means that all the information that is necessary for faithful representation is provided.
6	()	Revenue is Recognized when a company agrees to perform a service or sell a product to a customer, it has a performance obligation.
7	()	In all countries, corporate governance involves various combinations of both the rules and principles-based approaches.
8	()	The global financial crisis has provided an impetus for regulators, corporations themselves and other organisations to reconsider aspects of corporate governance
9	()	Managing earnings by managing operational an reduce entity value because actions taken in the current period to increase earnings can have negative effects on cash flows in later periods
10	()	Entities with less volatile patterns of earnings are likely to have a higher risk measure and therefore are likely to have a lower entity value
11	()	Earnings quality as a concept is easy to observe and measure
12	()	It has been observed that managers will manage earnings in such a way that they maximise their bonus
13	()	International accounting refers to a description or comparison of accounting in different countries and the accounting dimensions of international transactions
14	()	Harmonisation in accounting requirements can result in significant differences being recorded in company accounts when they are required to report under the rules of different jurisdictions
15	()	In all countries financial reports are used to directly determine an entity's tax liabilities

Question Two: (18 Marks)

1- According to IASB Conceptual framework, Fundamental qualities of accounting information are:

- 1-
- 2-

2- Elements of Corporate Governance

- 1-
- 2-
- 3-
- 4-

3- International accounting can be defined at three levels:

- 1-
- 2-
- 3-

4- Hofstede's identified five cultural dimensions that could be used to describe general characteristics of cultures around the world

- 1-
- 2-
- 3-
- 4-
- 5-

5- Gray adapted Hofstede's categories to identify four accounting values

- 1-
- 2-
- 3-
- 4-

Question Three: (10 Marks)

1- Conceptual Framework establishes

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2- Financial information has predictive value if:

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3- Expense Recognition when:

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4- Corporate governance is

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5- Fair value is:

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Question Four: (7 Marks) {ANSWER ONLY 2 FROM THE FOLLOWING}

1- Explain why firms need to manage earnings

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2- Explain the relation between Earnings management and CEO change

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3- Make a comparison between normative and positive theories in accounting

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******* GOOD LUCK*******

