



Course No:
Course title: Accounting Theory
Date: ___/04/2018
No. of Questions: (3)
Time: 1 hours
Using Calculator (No)

2nd Midterm Exam
Second Semester
2017/2018
Total Grade: 15

Instructor: Dr. Ahmed A. M. Al-Afifi
Student No.: _____
Student Name: _____
College Name: Business and Finance
Dep. / Specialist: Accounting-English
Using Dictionary (No)

Question One: Choose the best answer

(4 Marks)

1. Which of the following research approaches emphasizes going from the specific to the general?

- a) Deductive.
- b) Pragmatic.
- c) Behavioral.
- d) Inductive.

2. Which of the following outcomes of providing accounting information is based on the supply and demand model

- a) Agency theory.
- b) Efficient markets.
- c) Fundamental analysis.
- d) a +b.

3. _____ moves from basic proposition about the accounting environment to the particular accounting principles first and accounting techniques second.

- a) Deductive approach.
- b) Descriptive pragmatic.
- c) Inductive approach.
- d) None of them.

4. The efficient market hypothesis holds that financial markets price assets at their intrinsic worth, given all available information. Which of the following forms of the efficient market hypothesis defines all available information as all publicly available information including past stock prices?

- a) Weak.
- b) Semi-strong.
- c) Semi-weak.
- d) Strong.

5. Which of the following is not a use of international accounting standards?

- a) As standards to be violated to improve intercountry comparability.
- b) As national requirements.
- c) By regulatory authorities for domestic and foreign companies
- d) As an international benchmark for those countries that develop their own requirements.

6. The concept on income that does not take into consideration changes in the value is:

- a) Money income.
- b) Psychic income.
- c) Real income.
- d) All of them.

7. What is the current acronym for the body most responsible for issuing international accounting standards?

- a) IASB.
- b) IASC.
- c) FASB.
- d) SEC.



8. According to Economic approach:

- a) Income is the result of certain activities that have taken place during a period
- b) Income Statement is more important than balance sheet.
- c) Balance sheet is more importance than income statement
- d) All statements are wrong.

Question three:

(11 Marks)

1- Discuss the approaches a company might take when issuing financial reports to users in foreign countries:

2- Most accounting research found in academic journals uses the scientific method. The Scientific Method Involves the five steps. What are they?

University of Palestine



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3- What are the environmental factors that impact on the development of a country's accounting system. Explain 2 of them:

End of Questions ... *Good Luck*