

Course No: ACNE 4222  
Course Title: Contemporary Accounting Issues  
Date: /04/ 2019  
No. of Questions: 2  
Time: 1 hour  
Using Calculator :(Yes)

University of Palestine



Second Midterm Exam  
Second Semester  
2018/2019  
Total Grade: 15

Instructor Name:Tareq Y. Abu Al-Ajeen  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: \_\_\_\_\_  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary (No)

• Answer all Questions

**First Question: Multiple Choice**      **No. of Branches (12)**      **( / 6) (10-15 Minutes)**

**1- IAS 34 Interim Reporting mandates:**

- a. The minimum contents of interim financial reports
  - b. Who must prepare interim financial reports
  - c. That interim financial reports should be prepared at least once per year
  - d. All of the above
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**2- To what does International Accounting refer?**

- a. Descriptions of accounting practices in different countries
  - b. Comparison of accounting practices between countries
  - c. Accounting for international transactions
  - d. All of the above
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**3- Manipulation of reported earnings:**

- a. Can be both legal and illegal
  - b. Includes income smoothing
  - c. Affects wealth transfers between the company and others
  - d. All of the above
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**4- Intangible assets are defined as**

- a. One-sided financial assets
  - b. Unidentifiable assets without physical
  - c. Identifiable non-monetary assets without physical substance
  - d. All of the above
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**Using Dictionary (No)**

**5- Pro forma reports**

- a. Are simply IFRS compliant reports
- b. Are GAAP compliant reports
- c. Usually show a lower profit figure than those prepares in accordance with accounting standards
- d. Usually show a higher profit figure than those prepares in accordance with accounting standards

**6- In countries where finance is mainly provided by banks we would expect:**

- a. More lenient bankruptcy laws
- b. Greater emphasis on the balance sheet
- c. More public disclosure
- d. All of the above

**7- Which of the following is specifically prohibited from recognition as an intangible asset according to IAS38?**

- a. Internally generated brands
- b. Research
- c. Training
- d. All of the above

**8- Annual report**

- a. May have significant additional voluntary disclosure in the financial statements
- b. Is used for impression management
- c. Is thought to have little influence on stakeholder perceptions
- d. Is not thought to be an important information avenue for organisations

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**Using Dictionary (No)**

**9- Extensible business reporting language (XBRL) is expected to**

- a. Benefit all businesses, large to small
- b. Ease the burden of reporting to governments
- c. Facilitate better corporate analysis
- d. All of the above

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**10-The accounting regulation is heavily influenced by the legal system in which it operates. In USA laws are based on which legal system?**

- a. Civil Law
- b. Common Law
- c. Codified Roman Law
- d. Case Law

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**11- Gray adapted Hofstede's categories for accounting, which of the following is not one of his four accounting values?**

- a. Uniformity versus Flexibility
- b. Secrecy versus Transparency
- c. Conservatism versus Optimism
- d. Short-term versus Long-term Orientation

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**12- One of Gray's accounting values is Professionalism versus Statutory Control. Which country would you expect to be closest to the Statutory Control?**

- a. Australia
- b. Germany
- c. UK
- d. USA

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Using Dictionary (No)

**Second Question: No. of Branches (6) ( / 9 ) (12-15 Minutes)**

**1- Consider the arguments for and against standardized reporting periods. Do you agree that accounting periods should be more flexible? Give reasons for your answer.**

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**2- Identify four environmental factors that lead to national differences in accounting.**

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**3- Financial reports have been criticised for their lack of completeness. In what ways do financial reports fail the completeness test?**

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**Using Dictionary (No)**

**4- What is the definition of annual report?**

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**5- Identify three theories that explain the motivation for voluntary disclosures in annual reports.**

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**6- What are the two main legal systems operating worldwide? How might these affect accounting?**

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**End of Questions**

*Good Luck*