



PIONEER INTERNATIONAL UNIVERSITY

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UNIVERSITY EXAMINATIONS

BACHELOR OF COMMERCE 3.1 AND 4.1

UNIT CODE: ACCT 3112

UNIT NAME: FINANCIAL ACCOUNTING THEORY

SEMESTER: MAY - AUGUST 2022

ACADEMIC YEAR: 2022/2023

DATE: JULY 2022

TIME: 2:00 HOURS

INSTRUCTIONS: Answer question one (30 marks) and any other two

QUESTION ONE [COMPULSORY [30 MARKS]

- (a) Basic objective of developing structure of accounting theory has been to codify the accounting postulates and principles which helps develop coherent accounting theory to improve the quality of financial reporting. Explain the following terms and give one examples for each from accounting perspective:

Postulates (4marks)

Concepts (4marks)

Principles (4marks)

- (b) Briefly explain constraining principles of Accounting (8 marks)

- (c) Highlight output oriented principles (2 marks)

- (d) Environmental accounting has been one of the debates in modern accounting.

(i) What do you understand by environmental accounting? (3 marks)

(ii) Do you think social accounting is necessary? Give reasons. (5 marks)

QUESTION TWO (20 MARKS)

- (a) Discuss the enhancing qualitative characteristics of accounting information and their applications (10 marks)

- (b) Elaborate the measurement bases that can be used in accounting (5 marks)

- (c) Explain the objective of financial reporting and how the users can rely on it in making decisions (5 marks)

QUESTION THREE (20 MARKS)

- (a) Distinguish between mandatory disclosures and voluntary disclosures (4 marks)
- (b) Outline the factors management should consider in determining what is relevant disclosure (8 marks)
- (c) Explain the content of management commentary (8 marks)

QUESTION FOUR (20 MARKS)

- (a) Discuss the various issues in Human resource accounting (10 marks)
- (b) Explain the major issues discussed in IAS 29 –Price level changes and accounting (10 marks)