

UNIVERSITY OF SWAZILAND
DEPARTMENT OF ACCOUNTING
FACULTY OF COMMERCE
MAIN FINAL EXAMINATION PAPER
December 2016

DEGREE / YEAR OF STUDY: BACHELOR OF COMMERCE YEAR IV /Level V & VI (PART -TIME)

Title of Paper : INTERNATIONAL ACCOUNTING
Course Code : AC421/ IDE AC 421 & 516 (Part- Time) December 2016
Total Marks : 100
Time Allowed : **THREE HOURS**

Instructions

- (i) There are **FOUR** Questions Answers to All
- (ii) Begin the solutions to each Question on a New page
- (iii) The marks awarded for each question are indicated at the end of the question
- (iv) Show all your workings
- (v) Calculations are to be made to zero decimal places of accuracy, unless otherwise Instructed.

RECOMMENDATION: Reading time should not exceed fifteen minutes

Note: You are reminded that in assessing your work, account will be taken of accuracy of the language and general quality of expression, together with layout and presentation of your answer.

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR
OR SUPERVISOR**

SPECIAL REQUIREMENTS : CALCULATOR

QUESTION No.1

- i. Explain the different key factors to determine the role in internationalization of discipline accounting. (Marks: 09)
- ii. What are the important factors that which are driving the field of accounting into the ever- growing international dimension? (Marks: 16)

QUESTION No. 2

- I. What are the environmental factors that have an effect on accounting development? (Marks: 12)
- II. What are the important points relating to Directors Report of Australia? (Marks: 13)

QUESTION No. 3

The following comparative balance sheets as on December 31st 2014 and 2015 and an income statement for the year ended December 31st 2015 relate to Ben company limited, which is a subsidiary of a united states corporation in Swaziland. Ben Company limited uses American terminology for naming its accounts. **REQUIRED.** Translate the 2015 financial statement of Ben Company limited from Emalangeni to US Dollars using the current rate method of translation (when Emalangeni is Functional currency) (Marks:25)

Balance sheets as on	31-12-2014	31-12-2015
	E	E
Cash	4,050	6,750
Accounts Receivable	17,550	13,500
Inventories at (FIFO)	16,200	20,250
Fixed Assets (Net)	1, 21,500	1, 08,000
Total Assets	1, 59,300	1, 48,500
Accounts Payable	29,700	32,400
Long- Term- debt	59,400	40,500

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Capital Stock	27,000	27,000
Retained Earnings	43,200	48,600
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Total Liabilities and Owners Equity	1, 59,300	1, 48,500
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Income Statement for the Year ended		31-12-2015.
	E	E
Sales		1, 00,000
Expenses		
Cost of Sales	58,550	
Depreciation (Straight line)	9,000	
Other Expenses	13,437	80,987
Operating Income		19,013
Income Taxes		7,203
		<hr/>
		11,810
		<hr/>

Capital stock was valued at the rate of E 1=US\$ 0.20 at the time of Issue. Inventories on January 1st 2015 were acquired during the Fourth Quarter of 2014. Purchases, Sales, other Expenses and dividends (E 6,210) occurred evenly during 2015. Retained earnings in U.S dollars under the temporal method were \$ 2,844

Exchange rates for the calendar Year 2015 were as follows.

January 1 st 2015	E1= US \$ 0.25
December 31 st 2015	E1=US \$ 0.22
Average during the year 2015	E1 =US \$ 0.24
Average during fourth quarter 2014	Ei= US \$ 0.25
Average during fourth quarter 2015	E1=US \$ 0.23

QUESTION No.4

- i. Explain the objectives of the International Accounting Standard Board (IASB). (Marks: 06)

- ii. What are the internal risk factors related to financial risk management? (Marks: 09)

- iii. What are the risks with the off balance sheet derivative innovations? (Marks: 10)