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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATIONS, 2024/2025 ACADEMIC YEAR
SECOND YEAR, FIRST SEMESTER EXAMINATION
FOR MASTER IN BUSINESS ADMINISTRATION (ACCOUNTING OPTION)

KAC 3204: ADVANCED ACCOUNTING SEMINAR

DATE: 5TH DECEMBER, 2024

TIME: 11:00 AM – 2:00 PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER THREE QUESTIONS

QUESTION ONE: COMPULSORY (40 MARKS)

An MBA accounting student at Kiriri Women's University of Science and Technology Department of Accounting and Finance is provided with the following article;

Abstract

Sustainability reporting encourages transparency, which can foster trust among stakeholders and mitigate reputational risks. By aligning business strategies with sustainable practices, companies can gain a competitive edge, access new markets, and innovate for long-term success, ultimately leading to improved financial performance. Sustainable initiatives such as energy efficiency measures and waste reduction can lead to cost savings and operational efficiencies. Skeptics, however, argue that short-term financial gains often take precedence over long-term sustainability objectives, and that investors may not consistently reward companies for their sustainability initiatives. This study sought to investigate how sustainability reporting influences the financial performance among firms listed at the NSE. The independent variables for the research was sustainability reporting as measured by using a sustainability index developed by Global Reporting Initiative. Liquidity and firm size were the control variables while the dependent variable was financial performance measured as ROA. The study was guided by institutional theory, stakeholder theory, and triple bottom line theory. Descriptive research design was utilized in this research. The 65 firms listed at the NSE as at December 2022 served as target population. The study collected secondary data for five years (2018-2022) on an annual basis from CMA and individual firms listed at the NSE annual reports. Descriptive, correlation as well as regression analysis were undertaken and outcomes offered in tables followed by pertinent interpretation and discussion. The research conclusions yielded a 0.244 R square value implying that 24.4% of changes in firms listed at the NSE ROA can be described by the five variables chosen for this research. The multivariate regression analysis further revealed that individually, environmental reporting has a positive and significant effect on ROA of firms listed at the NSE ($\beta=0.162$, $p=0.001$). Social reporting had a positive effect on ROA of firms listed at the NSE as shown by ($\beta=0.157$, $p=0.000$). Firm size also exhibited a positive and significant ROA influence as shown by ($\beta=0.293$, $p=0.000$). Liquidity and governance reporting exhibited a positive but not statistically significant influence on

ROA. The study concludes that sustainability reporting plays a significant role on financial performance of firms listed at the NSE. The study recommends the need for a strategic shift toward robust sustainability reporting practices, encompassing both social and environmental dimensions, as a means to enhance financial performance for firms listed at the NSE. Future research ought to focus on other firms in Kenya to corroborate or refute the conclusions of this research.

Required:

Review the article and assist the student in answering the following questions:

- a) What is the knowledge gap? (3 Marks)
- b) What are the objectives of this study? (3 Marks)
- c) What would be the research questions? (3 Marks)
- d) What would be the motivation of the study? (3 Marks)
- e) What would be problem statement? (3 Marks)
- f) What is the research design of this study? (3 Marks)
- g) Draw up a conceptual frame work for this study (5 Marks)
- h) What is the empirical model? (3 Marks)
- i) Are the recommendations in line with objectives? (3 Marks)
- j) What are the weaknesses of this study? (4 Marks)
- k) What can you say is the general message of this article? (4 Marks)
- l) Would you recommend it for publication? Explain (3 Marks)

QUESTION TWO: (20 MARKS)

- a) Describe two consequences publishing plagiarized work (4 Marks)
- b) Describe three optimal ways of avoiding plagiarism (6 Marks)
- c) State two difference between the APA and Harvard referencing style? (2 Marks)
- d) Explain three importance of observing ethical consideration when carrying out a research (6 Marks)
- e) Explain one method of observing ethics while carrying out a research (2 Marks)

QUESTION THREE: (20 MARKS)

- a) Describe the main differences between a seminar paper and a research paper? (10 Marks)
- b) Using a land mark paper in accounting of your own, discuss briefly the main issues propagated (10 Marks)

QUESTION FOUR: (20 MARKS)

- a) Explain how artificial intelligence (AI) and machine learning can transform financial analysis and reporting. What are some challenges that organizations might face when adopting these technologies? (10 Marks)
- b) Briefly discuss any thematic area of your choice in accounting. (10 Marks)

QUESTION FIVE: (20 MARKS)

- a) Describe agency theory and its application in accounting (10 Marks)
- b) Describe the concept behind CRS, supporting your argument for with a stakeholder's theory (10 Marks)