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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR
FOURTH YEAR, FIRST SEMESTER EXAMINATION
FOR THE DEGREE BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 11th December, 2019

Time: 8.30 am – 10.30am

KAC 400 - ADVANCED FINANCIAL ACCOUNTING PRACTICE

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Define the following key terms as used in foreign currency transaction
- i) Exchange Rate (2 Marks)
 - ii) Foreign Currency (2 Marks)
 - iii) Exchange Difference (2 Marks)
 - iv) Closing Rate (2 Marks)
 - v) Monetary Items (2 Marks)
- b) Outline five type of borrowing costs. (5 Marks)
- c) Discuss factors to be considered in determining the useful life of goodwill. (8 Marks)
- d) Explain the indicators of information in impairment of assets. (7 Marks)

QUESTION TWO (20 MARKS)

- a) Identify and explain five areas of corporate social responsibility accounting. (10 Marks)
- b) Discuss reasons why companies may wish to keep financial liabilities off their statements of financial position. (10 Marks)

QUESTION THREE (20 MARKS)

- a) Discuss five activities involved in human resource accounting. (10 Marks)
- b) Explain users of financial statements and the need attributed to them. (10 Marks)

QUESTION FOUR (20 MARKS)

- a) Explain two methods of translating the financial statements of foreign operations into presentation currency of the reporting entity. (8 Marks)
- b) Explain the following terms as used in consolidated financial statements
- i) Subsidiary (2 Marks)
 - ii) Group (2 Marks)
 - iii) Parent or holding company (2 Marks)
 - iv) Non-controlling interest (2 Marks)
- c) Outline four advantage of cash flow accounting (4 Marks)

QUESTION FIVE (20 MARKS)

- a) Explain three approaches to human resource accounting. (8 Marks)
- b) Financial statements are prepared for the use of decision makers who base their economic decision on these financial records. Explain four limitations experienced by users from the use financial statements. (8 Marks)
- c) Explain two methods of consolidating subsidiary entities. (4 Marks)