

KIBABII UNIVERSITY COLLEGE

(A constituent College of Masinde Muliro of Science & Tehnology)

FACULTY OF EDUCATION AND SOCIAL SCIENCES

DEPARTMENT OF BUSINESS ADMINISTRATION

MBA 803: FINICIAL REPORTING AND CONTROL

FIRST SEMESTER EXAMS AUGUST 2013

TIME: 3 HOURS

INSTRUCTIONS

ANSWER ANY FOUR QUESTIONS

QUESTION ONE

- a) Identify five major users of accounting information and for each user briefly outline
- (i) The purpose for which they need the information
 - (ii) The type of information they need
 - (iii) The predominant characteristic of this information
 - (iv) The predominant source of this information
- b) How is the diversity of user information needs accommodated in accounting?

QUESTION TWO

- a) Briefly explain each of the following fundamental accounting concepts citing its relevance to financial accounting with examples where applicable and the effect on financial reports that contravene it.
- (i) Accrual concept
 - (ii) Prudence concept
 - (iii) Substance over form
 - (iv) Going concern
 - (v) Consistency
 - (vi) Materiality
 - (vii) Entity
 - (viii) Cost concept

QUESTION THREE

- a) Identify four components of internal control and for each briefly explain its relevance in preparation and presentation of financial reports that give a true and fair view of financial position and performance of the reporting entity.

b) In your view

c)