PEPERIKSAAN AKHIR
SEMESTER KEDUA SESI 2008/2009

KOD/NAMA KURSUS : KAF3083 / TEORI DAN AMALAN PERAKAUNAN
TARIKH : 30 APRIL 2009
MASA : 8.30 am – 11.30 am (3 JAM)
TEMPAT : DS B KOLEJ TRADEWINDS

ARAHAN:
2. Kertas soalan ini mengandungi EMPAT (4) soalan di dalam DUA BELAS (12) halaman bercetak tidak termasuk kuit hadapan.
3. Sila jawab SEMUA soalan di dalam kertas jawapan yang disediakan.

INSTRUCTION:
1. This examination paper is prepared in Bahasa Melayu and English.
2. This examination paper contains FOUR (4) questions on TWELVE (12) printed pages excluding the cover page.
3. Answer ALL the questions in the answer sheets provided.
4. In case of any discrepancies between English and Bahasa Melayu versions, the English version would prevail.

NO. MATRIK :

(dengan perkataan) (dengan angka)

NO. KAD PENGENALAN :

NAMA PENSYARAH :

KUMPULAN : NOMBOR MEJA :

JANGAN BUKA SOALAN INI
SEHINGGA DIBERI ARAHAN

SULIT
QUESTION 1 (28 MARKS: 50 MINUTES)

A. Read the report below and answer all the questions that follow:

Missouri set to fight for its Ford plant
Job losses are a disappointment to any region. But when the job losses are the result of the closure of a 54-year-old Ford assembly plant they can be even more emotive. St Louis, Missouri, is preparing to fight tooth and nail to save its Hazelwood assembly plant and the 2600 jobs it provides.

The state has received a $500 000 grant from the US Department of Commerce’s Economic Development Administration to help develop a strategy to convince Ford to reverse its devastating decision. The idea is to produce a report by the end of the year to convince the massive auto manufacturer that the Hazelwood plant is in fact viable. Failing that, the new task force will be charged with finding alternate uses for the new plant and retraining its workers.

Unfortunately, Ford has already indicated that it does not see much chance of being able to save the plant. Hazelwood is just one of the five plants facing closure and 35 000 jobs are to go across the US. These losses are part of an enormous restructuring plan that is designed to return Ford to profitability. The company lost $800 million in [the 2002] first quarter alone. That was the fourth-straight unprofitable quarter in a row.


REQUIRED:

(a) How do you distinguish between developing a theory by induction and developing a theory by deduction?

(4 Marks)

(b) From the report above, use a syllogism to develop a very brief inductive theory arguing why the Ford plant needs to close down. And, in developing a theory, there are syntactics, semantics and pragmatics roles of a theory to be considered. Which of the roles that you can explain best whether it supports or not the theory that you developed earlier? If you were trying to convince another party to support your theory about a particular facet of financial accounting, would you be inclined to use emotive or colourful language? Why, or why not? Explain your view.

(9 Marks)
(c) From the same report above, it discusses the grant of $500,000 received by Missouri from the US Department of Commerce’s Economic Development Administration to help develop a strategy to convince Ford to reverse its closure decision. A deductive theory in relation to the report can be formulated as follows:

Premise 1: The fundamental task of government is to protect jobs.
Premise 2: Ford’s decision to close its unprofitable Hazelwood operation will result in 2600 job losses.
Premise 3: Jobs can be protected by the government providing subsidies and grants to allow firms to continue unprofitable operations.
Conclusion: The government will provide a grant to Ford to enable the Hazelwood plant to continue operating so that jobs can be protected.

Explain the role of semantics and pragmatics in relation to this theory.

(6 Marks)

B. Read the following excerpt and answer the questions accordingly:

“Based on positive theory development and testing, it shows that the process of theory construction needs verification. Scientific theories have provided certain ‘expectations’ or ‘predictions’ about phenomena and, when these expectations occur, they are said to ‘confirm’ the theory. However, when unexpected results occur, they are considered to be anomalies which eventually required modification of the theory or the construction of a new theory. The purpose of the new theory or modified theory is to make the unexpected expected to convert the anomalous occurrence into an expected and explained occurrence.”

Source: Excerpt from Report of the Committee on Accounting Theory Construction and Verification, 1971, Supplementary to Vol. 46, p. 53

REQUIRED:

(a) Based on the excerpt above, what do you understand about theory construction and verification?

(5 Marks)

(b) Why is theory construction and verification important in the development of accounting theory?

(4 Marks)
SOALAN 1 (28 MARKAH: 50 MINIT)

A. Baca laporan di bawah dan jawab semua soalan-soalan berikut:

Missouri set to fight for its Ford plant
Job losses are a disappointment to any region. But when the job losses are the result of the closure of a 54-year-old Ford assembly plant they can be even more emotive. St Louis, Missouri, is preparing to fight tooth and nail to save its Hazelwood assembly plant and the 2600 jobs it provides.

The state has received a $500 000 grant from the US Department of Commerce’s Economic Development Administration to help develop a strategy to convince Ford to reverse its devastating decision. The idea is to produce a report by the end of the year to convince the massive auto manufacturer that the Hazelwood plant is in fact viable. Failing that, the new task force will be charged with finding alternate uses for the new plant and retraining its workers.

Unfortunately, Ford has already indicated that it does not see much chance of being able to save the plant. Hazelwood is just one of the five plants facing closure and 35 000 jobs are to go across the US. These losses are part of an enormous restructuring plan that is designed to return Ford to profitability. The company lost $800 million in [the 2002] first quarter alone. That was the fourth-straight unprofitable quarter in a row.


DIKEHENDAKI:

(a) Bagaimana anda membezakan di antara membentuk sesuatu teori melalui induksi dan membentuk sesuatu teori melalui deduksi?

(4 Markah)

(b) Daripada laporan di atas, guna suatu 'syllogism' untuk membentuk suatu teori inductif yang ringkas yang boleh membahaskan tentang kenapa kilang Ford perlu ditutup. Dan, apabila membangunkan sesuatu teori, terdapat peranan sintaktik, semantik dan prakmatik dalam teori tersebut yang perlu disambilkira. Peranan manakah yang anda boleh terangkan dengan baik samada ia menyokong atau tidak teori yang telah anda bentuk tadi? Jika anda sedang mencuba untuk meyakinkan sesuatu pihak untuk menyokong teori anda mengenai sesuatu perkara dalam perakaunan kewangan, adakah anda cenderung untuk menggunakan bahasa yang beremosi atau berbunga-bunga? Kenapa, atau kenapa tidak? Terangkan pandangan anda.

(9 Markah)
(c) Daripada laporan yang sama, ia telah membincangkan tentang geran bernilai US$300,000 yang diterima oleh Missouri daripada Pemibiran Jawatan Pembangunan Perdagangan Ekonomi. US untuk membantu membentuk strategi untuk meyakinkan Ford supaya membatalkan keputusan penutupan kilangnya. Satu teori deduktif berdasarkan laporan ini boleh dibentuk seperti berikut:

Premis 1: Tugas asas kerajaan ialah untuk menjamin pekerjaan.
Premis 2: Keputusan Ford untuk menutup operasi Hazelwood yang tidak menguntungkan akan melibatkan kehilangan 2600 pekerjaan.
Premis 3: Pekerjaan boleh dilindungi oleh kerajaan melalui pemberian subsidi dan geran untuk membolehkan firma meneruskan operasi tidak menguntungkan.
Kesimpulan: Kerajaan akan memberi geran kepada Ford untuk membolehkan kilang Hazelwood meneruskan operasi supaya pekerjaan dapat dilindungi.

Terangkan peranan semantik dan prakmatik berkaitan teori ini.

(6 Markah)

B. Baca petikan di bawah dan jawab soalan-soalan berikut:

"Based on positive theory development and testing, it shows that the process of theory construction needs verification. Scientific theories have provided certain 'expectations' or 'predictions' about phenomena and, when these expectations occur, they are said to 'confirm' the theory. However, when unexpected results occur, they are considered to be anomalies which eventually required modification of the theory or the construction of a new theory. The purpose of the new theory or modified theory is to make the unexpected expected to convert the anomalous occurrence into an expected and explained occurrence."

Sumber: Petikan dari Report of the Committee on Accounting Theory Construction and Verification, 1971, Supplementary to Vol. 46, ms. 53

DIKEHENDAKI:

(a) Berdasarkan petikan di atas, apakah yang anda faham tentang pembangunan dan pengesahan teori?

(5 Markah)

(b) Kenapa teori pembangunan dan pengesahan penting dalam pembangunan teori perakaunan?

(4 Markah)
QUESTION 2 (28 MARKS: 50 MINUTES)

A. This question is based on the article given earlier:


REQUIRED:

(a) How can you relate the discussion in the article given to the development of a conceptual framework by the Malaysian Accounting Standard Board (MASB)?

(4 Marks)

(b) Discuss the importance of quarterly financial reports in relation to meeting the primary qualities of accounting information for investors. Your discussion should elaborate on the success of the qualities in achieving the objectives of financial statements.

(8 Marks)

(c) Explain significant roles of regulations in relation to the quality of financial information.

(4 Marks)

B. In relation to the current global financial crisis, an Islamic economics has been suggested as the best alternative to replace the conventional economics.

(a) How does Islamic economics (accounting) differ from conventional economics (accounting)?

(6 Marks)

(b) Differentiate the capital maintenance concept of Islamic accounting from the conventional accounting.

(6 Marks)
SOALAN 2 (28 MARKAH: 50 MINIT)

A. Soalan ini berdasarkan artikel yang telah diberikan terdahulu:


DIKEHENDAKI:

(a) Bagaimanakah anda boleh kaitkan perbincangan di dalam artikel yang diberi dengan pembangunan rangkakerja konseptual oleh Lembaga Piawaian Perakaunan Malaysia (MASB)?

(4 Markah)

(b) Bincangkan kepentingan laporan kewangan sukuan dalam memenuhi ciri-ciri kualiti utama maklumat perakaunan untuk para pelabur. Perbincangan anda perluah mengenengahkan kejayaan ciri-ciri kualiti tersebut dalam mencapai objektif penyata kewangan.

(8 Markah)

(c) Jelaskan peranan-peranan signifikan peraturan dalam menjamin kualiti maklumat perakaunan.

(4 Markah)

B. Merujuk kepada krisis kewangan global kini, ekonomi berasaskan Islam telah dicadangkan sebagai alternatif terbaik untuk menggantikan ekonomi konvensional.

(a) Bagaimanakah ekonomi (perakaunan) Islam berbeza daripada ekonomi (perakaunan) konvensional?

(6 Markah)

(b) Jelaskan perbezaan konsep pertahanan modal dalam perakaunan Islam daripada perakaunan konvensional.

(6 Markah)
QUESTION 3 (22 MARKS: 40 MINUTES)

(a) Use the efficient contracting form of positive accounting theory to explain why managers would prefer to have GAAP allowing a set of generally accepted accounting policies.

(6 Marks)

(b) In Lev (1979) article "The Impact of Accounting Regulation on the Stock Market: The Case of Oil and Gas Companies", he refers to the negative reaction to the oil and gas exposure draft by small oil and gas producers that were currently using the full-cost method. These small producers argued that successful-efforts accounting would reduce their ability to raise capital. Using efficient securities market theory and positive accounting theory, explain why the stock market reacted as it did to the exposure draft.

(6 Marks)

(c) "The current economic scenario is similar to 1929 depression caused by the expansion of liquidity in the 1920s that led to a credit-driven boom which was not sustainable. The root cause of the current crisis has a similar pattern. As we know, it all started a decade back with a booming housing market in America. This boom was later fuelled by expansion of liquidity in the system in the form of 'mortgage-backed securities' and 'collateralised debt obligations' (CDOs) invented by Wall Street. In the first few years of boom, there was just too much demand for all 'investment-grade' properties as the same were used as underlying assets for CDOs. When the 'Investment Grade' CDOs saturated, investors started looking for sub-prime (by now we all know what is sub-prime). Mortgage brokers and mortgage lenders were more than happy to look for 'anybody and everybody' who wanted a mortgage, (which, in simple terms, means a home loan)."

Source: http://www.merinews.com/

Meanwhile, in Malaysia, the impact of the crisis are seen through highlights of retrenchment of employees for business reasons such as the decision that certain positions are no longer necessary as a cost-cutting measure or for other reasons. "To soften the blow" in the process of firing and being fired, other terminologies such as redundancy, downsize, right size and workforce reduction has been used widely.

Based on the current economic scenario, which types of earning management strategies do you think, companies might have adopted. Why and what motivates them to do so?

(5 Marks)

(d) Explain why does fair value accounting gained significance prominence over the historical cost accounting today.

(5 Marks)
SOALAN 3 (22 MARKAH: 40 MINIT)

(a) Gunakan kecekapan kontrak daripada teori perakaunan positif untuk menjelaskan kenapa pengurus mahu GAAP membenarkan satu set polisi perakaunan yang diterima umum.

(6 Markah)


(6 Markah)

(c) "The current economic scenario is similar to 1929 depression caused by the expansion of liquidity in the 1920s that led to a credit-driven boom which was not sustainable. Today, the root cause of the current crisis has a similar pattern. As we know, it all started a decade back with a booming housing market in America. This boom was later fuelled by expansion of liquidity in the system in the form of 'mortgage-backed securities' and 'collateralised debt obligations' (CDOs) invented by Wall Street. In the first few years of boom, there was just too much demand for all 'investment-grade' properties as the same were used as underlying assets for CDOs. When the 'Investment Grade' CDOs saturated, investors started looking for sub-prime (by now we all know what is sub-prime). Mortgage brokers and mortgage lenders were more than happy to look for 'anybody and everybody' who wanted a mortgage, (which, in simple terms, means a home loan)."

Sumber: http://www.merinews.com/

Manakala di Malaysia, impak krisis boleh dilihat melalui berita-berita hangat mengenai pemberhentian pekerja atas alasan kepentingan perniagaan seperti keputusan dibuat kerana sesetengah jawatan tidak diperlukan lagi sebagai langkah mengurangkan kos atau sebab-sebab lain. Untuk menenangkan keadaan proses memecat dan dipecat, istilah-istilah lain seperti terlebih, pengecutan, pembetulan saiz dan pengurangan tenaga kerja telah digunakan dengan meluas. Berdasarkan keadaan ekonomi sekarang, pada pandangan anda, jenis strategi pengurusan pendapatan yang manakah yang mungkin telah diaplikasikan oleh syarikat. Kenapa dan apakah yang mendorong mereka berbuat demikian?

(5 Markah)

(d) Jelaskan kenapa kini perakaunan nilai saksama mendapat perhatian yang signifikan berbanding perakaunan kos sejarah.

(5 Markah)
QUESTION 4 (22 MARKS: 40 MINUTES)

A. Discuss TWO (2) deficiencies in corporate reporting that do not meet the information requirements of investors. Also, elaborate TWO (2) types of development around the world to address these deficiencies in this third wave of wealth creation.

(10 Marks)

B. Read parts of the Keynote Speech by Dato' Zarinah Anwar on Corporate Social Responsibility (CSR) below and answer the questions accordingly.

A Take on CSR
One way of appreciating the benefit of practicing good CSR is to view it from the risk management perspective. CSR allows companies to maintain their "license to operate". This tacit social contract between the company and its stakeholders requires the company to preserve the environment and to make the community a better place to live in by reducing its operational footprints through socially responsible practices. It also requires companies to keep abreast with society's views of their products and services, thus enabling companies to react more quickly to changes in the priorities of society and its norms. More often than not, when norms change, laws will also change. If companies ignore the dynamics of societal change and seek merely to comply with the minimum requirements of the law, they may put their "license to operate" at risk.

But while CSR is often described in terms of managing risks and maintaining this "license to operate", there are real and tangible benefits for companies with good CSR practices. If integrated into its business strategy, CSR can become a potent tool for the company to realize enhanced reputation and brand value, increased operational efficiency, improved sales and customer loyalty as well as the ability to attract and retain quality workforce. But even more importantly, the behaviour of business has a major impact on efforts to achieve a better life for all, thus affecting the well being of the people in the communities in which they operate with consequential effects on national stability and prosperity.

Source: Part of a Keynote Speech on Corporate Social Responsibility in Asia Pacific: Malaysia’s Role in promoting CSR by Dato’ Zarinah Anwar, Deputy Chief Executive Securities Commission Lex Mundi Asia Pacific Regional Conference in Shangri-la Kuala Lumpur on 12 November 2005
REQUIRED:

(a) Dato' Zarina Anwar mentioned the phrase "license to operate" three times in the first two paragraphs of her keynote address. Also, in publicly released reports a number of organizations are referring to their "public license to operate". What do you think they mean by this, and are there a theoretical perspective that can explain what this term means?

(6 Marks)

(b) How would Positive Accounting Theory and Stakeholder Theory explain CSR reporting?

(6 Marks)
SOALAN 4 (22 MARKAH: 40 MINTIT)

A. Bincangkan DUA (2) kekurangan pelaporan korporat yang tidak memenuhi keperluan maklumat para pelabur. Juga, huraikan DUA (2) perkembangan dunia kini untuk menangani kekurangan ini di dalam penciptaan kekayaan arus ketiga.

(10 Markah)

B. Baca sebahagian Ucaputama oleh Dato' Zarinaah Anwar tentang Tanggungjawab Sosial Korporat (CSR) di bawah dan jawab soalan-soalan berikut.

A Take on CSR
One way of appreciating the benefit of practising good CSR is to view it from the risk management perspective. CSR allows companies to maintain their "licence to operate". This tacit social contract between the company and its stakeholders requires the company to preserve the environment and to make the community a better place to live in by reducing its operational footprints through socially responsible practices. It also requires companies to keep abreast with society's views of their products and services, thus enabling companies to react more quickly to changes in the priorities of society and its norms. More often than not, when norms change, laws will also change. If companies ignore the dynamics of societal change and seek merely to comply with the minimum requirements of the law, they may put their "licence to operate" at risk.

But while CSR is often described in terms of managing risks and maintaining this "licence to operate", there are real and tangible benefits for companies with good CSR practices. If integrated into its business strategy, CSR can become a potent tool for the company to realize enhanced reputation and brand value, increased operational efficiency, improved sales and customer loyalty as well as the ability to attract and retain quality workforce. But even more importantly, the behaviour of business has a major impact on efforts to achieve a better life for all, thus affecting the well being of the people in the communities in which they operate with consequential effects on national stability and prosperity.

Sumber: Sebahagian petikan Ucaputama Corporate Social Responsibility in Asia Pacific: Malaysia's Role in promoting CSR oleh Dato' Zarinaah Anwar, Timbalan Ketua Eksekutif Suruhanjaya Sekuriti Lex Mundi Asia Pacific Regional Conference di Shangri-la Kuala Lumpur pada 17 November 2005
DIKEHENDAKI:

(a) Dato’ Zarinah Anwar menyebut frasa "license to operate" sebanyak tiga kali di dalam dua perenggan pertama ucaputamanya. Malah dalam laporan awam beberapa organisasi juga merujuk kepada “public license to operate”. Apakah yang yang dimaksudkan oleh mereka, dan apakah perspektif teori yang boleh menjelaskan maksud rangkaikata istilah ini?

(6 Markah)

(b) Bagaimanakah Teori Perakaunan Positif dan Teori ‘Stakeholder’ menjelaskan pelaporan CSR?

(6 Markah)

END OF QUESTION PAPER / KERTAS SOALAN TAMAT