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**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA**

**FACULTY OF MANAGEMENT SCIENCES**

**NOVEMBER 2018\_2 EXAMINATIONS**

**COURSE CODE: ACC426 CREDIT UNIT: 3**

**COURSE TITLE: INTERNATIONAL ACCOUNTING**

**INSTRUCTIONS: 1. Attempt Question 1 and any other three (3) Questions.**

**2. Question 1 is compulsory and carries 25 marks while the other 3 Questions carry 15 marks each.**

**3. Present all your points in a coherent and orderly manner**

**TIME ALLOWED: 21/2 Hours**

**QUESTION 1**

In the quest for high quality financial reports, International Financial Reporting Standards was

formulated to promote uniform financial reporting across the globe.

1. Differentiate between IAS and IFRS (8 Marks)
2. Explain the role of the International Financial Reporting Interpretation Committee (IFRIC)

(5 Marks)

1. Enumerate six reasons for the adoption of IFRS in Nigeria (12 Marks)

(Total= 25 Marks)

**QUESTION 2**

a. The development of International Accounting as a discipline can be attributed to some factors, mention and explain five of these factors. (5 Marks)

b. Briefly explain the term harmonisation (2.5 Marks)

c. Discuss five reasons for harmonization of accounting standards (7.5 Marks)

(Total= 15 Marks)

**QUESTION 3**

a. Discuss seven implications of the adoption of IFRS on taxation (7 Marks)

b. State eight roles of Financial Reporting Council of Nigeria (FRCN)(8 Marks)

(Total= 15 Marks)

**QUESTION 4**

a. Define a multinational corporation (2 Marks)

b. Itemise and discuss six dangers posed by Multi-National Corporations (MNCs) to host countries

(9 Marks)

c. State 4 accounting issues of MNCs. (4 Marks)

(Total= 15 Marks)

**QUESTION 5**

a. Define the concept performance evaluation (2 Marks)

b. List and explain three financial measures used by MNCs to evaluate domestic and foreignsubsidiaries (9 Marks)

c. Why consider transfer pricing an issue when developing MNC evaluation systems? (4 Marks)

(Total= 15 Marks)

**QUESTION 6**

IAS 21 lays down the circumstances in which a particular method of translation should be used.

1. Discuss three of these methods andthe translation rate used for items of assets, liabilities, expenses and income. (9 Marks)
2. List four factors that influence the adoption of transfer price in the external reporting of multinational companies. (6 Marks)