



**ELIZADE
UNIVERSITY,
ILARA-MOKIN,
ONDO STATE**

**FACULTY: SOCIAL & MANAGEMENT SCIENCES
DEPARTMENT: ACCOUNTING AND FINANCE
FIRST SEMESTER EXAMINATIONS
2014/2015 ACADEMIC SESSION**

COURSE CODE: ACC. 207
COURSE TITLE: ACCOUNTING THEORY
DURATION: 2HRS.

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HOD's SIGNATURE

INSTRUCTIONS:
ANSWER QUESTION ONE AND ANY OTHER THREE

MATRICULATION NUMBER:



1a. Accounting theory is that branch of accounting which consists of the systematic statement of principles and methodology. Accounting theory therefore should be the result of both a process of theory construction and process of theory verification. Discuss the above statement and highlight five (5) different approaches to the development of accounting theory. (15 marks)

1b. What are GAAP? List 5 sources of GAAP in Nigeria (10 marks)

2. Explain the following terms:

- Income Smoothing - 3 marks
 - Earnings Management - 3 marks
 - Theory - 3 marks
 - Proposition - 3 marks
 - Concepts - 3 marks
- (15 marks)

3a. Give a concise definition of Accounting Theory. (5 marks)

b. Of what benefits is Accounting Theory to Accounting Profession? List five (10 marks)

4a. State 5 procedures for the development of Accounting Standards (10 marks)

b. List 5 membership of the Nigerian Accounting Standard Board (NASB) (5 marks)

5. Explain the rationale for the setting up of IFRS and its adoption in Nigeria. (15 marks)