1 (a) One of the provisions of the Sarbane Oxley Act (SOX) was to “enhance corporate responsibility and usefulness of corporate financial reporting through corporate governance and disclosure requirements”. How did the Act intend to achieve this objective? (15 marks)

(b) The fundamental principles of International Federation of Accountants Code of Ethics are integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. Discuss each of these principles and why you believe that they are so important for Accountants? (10 marks)

2 (a) “Companies that adopt good Corporate Social Reporting (Responsibility) should not view the act as a social obligation to the community. It can also provide companies with a competitive advantage”. Discuss. (15 marks)

(b) To what extent do legitimacy, stakeholder and institutional theories provide competing mutually exclusive explanations of voluntary corporate reporting process? (10 marks)

3 (a) “The accounting profession is on the precipice of one of the biggest changes to face it since the 1930s. In the very near future, there is a strong possibility that United States generally accepted accounting principles (GAAP), as it is known today, will cease to exist. In its place will be a global standard encompassed by the International Financial Reporting Standards (IFRS)”
Discuss some of the significant advantages and disadvantages of converting from US GAAP to IFRS. (12 marks)
Question 3 (cont’d)

(b) The International Accounting Standards Board (IASB) is in the forefront by promoting that all countries worldwide should adopt International Financial Reporting Standards (IFRS) as it is the easier way of promoting harmonisation. Discuss arguments for and against this statement. (13 marks)

4(a) What do you understand regulation of financial reporting to be? (5 marks)
(b) Why is regulation of financial reporting important? (5 marks)
(c) Critically discuss the arguments for and against regulation of financial reporting. (10 marks)
(d) Do you believe that if the financial systems in the Caribbean were more regulated that the CLICO issue could have been prevented? (5 marks)

5 (a) What are some general strengths and limitations of behavioural research? (8 marks)
(b) What is a critical perspective of accounting? (5 marks)
(c) Explain the importance of critical accounting theory of assumptions regarding the distribution of power in society. (7 marks)
(d) How do these assumptions differ from those adopted in other theoretical perspectives. (5 marks)

END OF QUESTION PAPER.

TURN OVER