

UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration Honours in Accounting (Semester VII) Examination –
September, 2021

ACT 4218 - Contemporary Issues in Accounting

Two (02) Hours

This Paper Consists of Four (04) Questions Printed on Two (02) Pages

This is an Open Book Examination

Answer All Questions

1. Small and Medium scale Enterprises (SMEs) play an important role in the Sri Lankan economy. Despite their importance and contribution to the economy, SMEs failure rate is increasing. Some scholars state that the issues in relation to accounting/financial reporting practices is one of the main causes for this failure.

Write a report (500-600 words) discussing the following under four (04) separate sections:

- i. Your views on the above statement made by scholars (i.e. ‘the issues in relation to accounting/financial reporting practices is one of the main causes for the SMEs failure’).
(06 Marks)
- ii. The current status of the accounting/financial reporting practices of SMEs in Sri Lanka.
(06 Marks)
- iii. Your views on the reasons for the use/non-use of accounting/financial reporting practices by SMEs in Sri Lanka.
(08 Marks)
- iv. Your views on how to improve the accounting or financial reporting practices of SMEs in Sri Lanka.
(10 Marks)

(Total 30 marks)

2. i. What benefits can an organization realize by practicing Environmental Management Accounting?

(03 Marks)

ii. Briefly explain the challenges an organization may face during its attempts for Environmental Management Accounting, and how they can mitigate those challenges.

(09 Marks)

ii. Discuss how the Environmental Management Accounting practices can be linked to other Environmental Management initiatives of organizations.

(08 Marks)

(Total 20 marks)

3. i. The accounting profession is evolving significantly with digitalization. Explain the impact digitalization is making on accounting and how it broadens the perspectives of the future accountants.

(10 Marks)

ii. Discuss the importance of Digital Quotient (DQ) for professional accountants and how DQ can be developed by them.

(15 Marks)

(Total 25 marks)

4. i. Discuss why Integrated Reporting (IR) evolved as a corporate reporting method?

(10 Marks)

ii. Explain why 'materiality matters' are important to be disclosed in corporate/integrated reporting.

(07 Marks)

iii. Explain why 'risks and opportunities' need to be disclosed in corporate/integrated reporting.

(08 Marks)

(Total 25 marks)