



UNIVERSITY
OF
JOHANNESBURG

UNIVERSITY OF JOHANNESBURG

DEPARTMENT OF ACCOUNTANCY

2014

B.COM HONOURS (ACCOUNTING WITH SPECIALISATION IN CHARTERED ACCOUNTANCY)

SESSION 4

LAST ASSESSMENT OPPORTUNITY
21 October 2014

This document consists of 3 pages including the cover page

MARKS: 100

TIME: 3 HOURS

ASSESSORS (A) AND MODERATOR (M):

Auditing:

Prof. Ben Marx (A)
Prof. Alex van der Watt (A)
Mr. Willem van der Post (M)

Financial Management:

Mr. Dewald Joubert (A)
Ms. Maria Weber (A)
Mr. Etienne Barnard (M)

Accounting:

Mr. Ahmed Mohammadali-Haji (A)
Mr. Jonathan Streng (A)
Prof. Kevin Maree (M)

Taxation:

Mr. Lyndsay Maseko (A)
Ms. Michelle van Heerden (A)
Ms. Lizelle Bruwer (UOFS) (M)

REQUIRED

SESSION 4 QUESTION 1
(70 MARKS)

Answer this question in the GREEN book.

REQUIRED

| | | |
|---|---|-------------------------|
| a) | <p>Having regard to working paper B1:</p> <p>i) Describe the risk of material misstatement at the overall financial statement level.</p> <p>ii) Describe the risk of material misstatement, at the assertion level, as well as your specific audit response to reduce the risks to an acceptable level, for:</p> <ul style="list-style-type: none"> • revenue: sales • trade receivables: debtors. <p>Detailed audit procedures are not required.</p> | <p>(18)</p> <p>(18)</p> |
| <i>Communication skills: Clarity of expression and structure and layout</i> | | (2) |
| b) | <p>Having regard to working paper B3, to:</p> <p>Discuss the risks relating to the implementation of the new Oracle system. (Do not deal with acquisition and development services).</p> | (14) |
| <i>Communication skills: Clarity of expression</i> | | (1) |
| c) | <p>Having regard to working paper K1:</p> <p>Describe the audit procedures which should be performed in order to verify the existence and valuation of the forward exchange contracts (FEC's) in the financial statements.</p> | (7) |
| <i>Communication skills: Clarity of expression</i> | | (1) |
| d) | <p>Discuss, with reference to working paper C101/1, any corporate governance concerns you might have.</p> | (8) |
| <i>Communication skills: Clarity of expression</i> | | (1) |

SESSION 4 QUESTION 2**(30 MARKS)****Answer this question in the YELLOW book.****REQUIRED**

| | | Sub- total | Total |
|----|---|-----------------------|--------------|
| a) | Critically evaluate management's performance against the objectives of the turnaround plan to the extent possible based on the information provided. Your answer should include both calculations and discussions. <i>Communication skills – clarity of expression</i> | (25) (1) | (26) |
| b) | Identify and describe ways in which the interest rate risk can be managed. | (4) | (4) |