



People's Democratic Republic of Algeria
Ministry of Higher Education and Scientific Research
Chadli Bendjedid University - El Tarf
Faculty of Economics, Business and Management Sciences
Department of Financial and Accounting Sciences



Level: 3rd Year in Financial and Accounting Sciences.

Field: Accounting

Exam duration: 1 hour and half

**Correction of The First Semester Exam in
"Accounting Theory"**

Answer N°1: 13,5 pts

- 1. The American Accounting Association (AAA) explained that the Normative Accounting theory is:**
A Deductive theory that describes the experimental reality. 1,5pts
- 2. The going concern assumption means that:**
Business entity is created to operate for an indefinite period. 1,5pts
- 3. Luca Pacioli, the monk who authored first time on double entry system, states that:**
"Accounting Books should be closed each year". 1,5pts
- 4. According to FASB (The Financial Accounting Standards Board) in 1985, Gains are:**
Increases in equity (net assets) resulting from incidental or secondary operations or any other events affecting accounting entity ... 1,5pts
- 5. According to the APB (The Accounting Principles Board) in 1970, Revenue is:**
The total increase in assets or the total decrease in liabilities resulting from carrying out an activity directed at achieving profits. 1,5pts
- 6. According to the APB (The Accounting Principles Board) in 1970, Liabilities are:**
The company's economic obligations recognized and measured in accordance with generally accepted accounting principles US GAAP. 1,5pts
- 7. The definition of equity or net assets according to the AICPA (The American Institute of Certified Public Accountants) is:**
Not specified, because the institute's accounting terminology committee did not distinguish between equity and liabilities; it considered both of them as an obligation of the entity. 1,5pts
- 8. IASC (The International Accounting Standards Committee) was restructured and the name of the International Accounting Standards Board (IASB) was launched, which was considered, starting from 2001, responsible for issuing: IFRS (International financial reporting standards). 1,5pts**

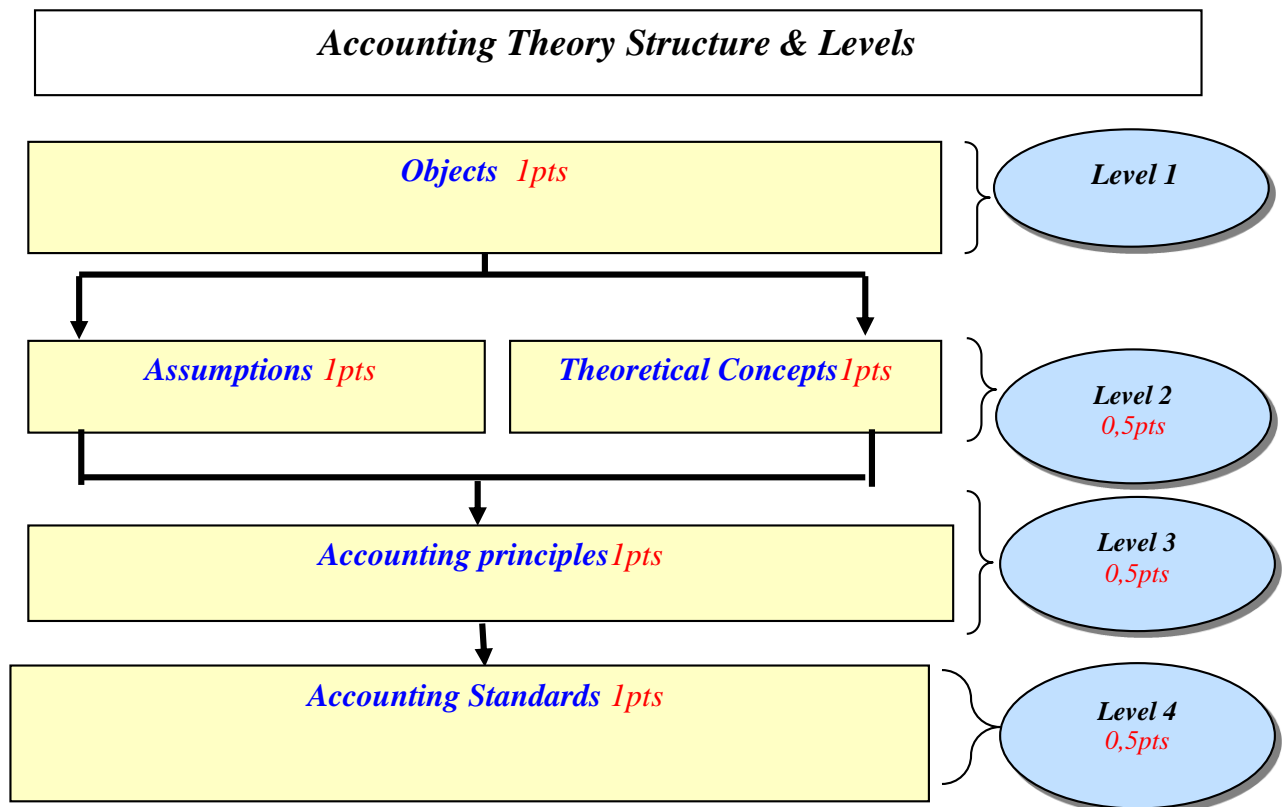
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9. According to the FASB conceptual framework in the USA, The statement of Financial accounting concept SFAC N°6 (elements of financial statements) replaces: SFAC N°3 and includes non-profit organizations. *1,5pts*

Answer N°2: **6,5 pts**



Feddaoui Amina