



8164617

# TENTAMEN / EXAMINATION

Fylls i av **student** / To be completed by the **student**

Skriv anonymiseringskoden på samtliga svarsblad / Write your anonymity code on each sheet		Anonymiseringskod / Anonymity code	
		F E A D 2 5 - 0 0 3 5 - T L J	
Provbenämning / Exam name			Oanmäld
Redovisning och styrning			
Kurskod / Course code	Provkod / Exam code	Tentamensdatum / Examination date	
F E A D 2 5	1 0 0 0	2 0 1 8 - 1 0 - 2 9	
Jag har tagit del av regler som gäller i tentamenssalen / I have read the current exam hall rules		Antal inlämnade blad / Number of sheets	
<input checked="" type="checkbox"/> Ja / Yes		1 1	

Fylls i av **skrivvakt** / To be completed by the **invigilator**

Kontroll av legitimation / Identification checked	<input checked="" type="checkbox"/> Ja / Yes	Härmed intygas att ovanstående kontroller utförts / This is to certify that the above mentioned checks have been carried out
Kontroll av inlämnade blad / Answer sheets checked	<input checked="" type="checkbox"/> Ja / Yes	
Inlämningstid / Time of submission	1 0 : 0 2	Tydlig sign. / Signature 

Fylls i av **lärare** / To be completed by the **examiner**

Bedömning av uppgifter / Questions attempted										
1	2	3	4	5	6	7	8	9	10	~
11	12	13	14	15	16	17	18	19	20	~
21	22	23	24	25	26	27	28	29	30	~
Totalt antal poäng / Total points					Examin. lärare / Kursansvarig signatur / Signature of the examiner					
Betyg / Grade					Namnförtydligande / Clarification of the signature					

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Försättsbladet ska alltid lämnas in även om ingen uppgift behandlats /  
Examination should always be submitted even if no questions are answered



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FEAD25-0035-TLJ

Löpande sidnr  
 Consecutive no:

1

Uppgift nr / Question no:

1-3

1-5

Poäng / Points awarded:

Lärares anteckning  
 Examiner's remarks:

# Answer

**Course: FEAD25 Accounting and Control**

**Unit 1 – 3**

**Question 1-5**

Skriv ej i detta område  
 Leave this area blank

**Unit 1-3****Question no 1 (8 p.)**

In his article *On the elusive nature of critical (accounting) research*, Gendron (2018) provides a critical research sense-making compass. This compass is shown in a table with two columns: (1) Dimension and (2) reference point. The following dimensions are given: (a) purpose, (b) characterization of the "opponent", (c) ontological beliefs, (d) methodological stance, (e) prescriptive stance, and (f) intervention setting. Choose one of these dimensions and describe the respective reference point.

Dimension:

Characterization of the opponent

Reference point:

The opponent is <sup>dominant</sup> strong institutions, norms and other values in the society that is against a critical way of thinking. They have an "old" way of thinking.

6

**Question no 2 (12 p.)**

In their article *Accounting and the construction of the governable person*, Miller and O'Leary (1987) describe different aspects related to budgeting and standard costing.

What perspective do they apply?

The historical perspective

Whose theory do they elaborate on?

Is there any problem with budgeting and standard costing according to the researchers?

It does not consider the employees and the social and soft values. Budgeting and standard costing sees employees more as a machine. That way of thinking would not work now or when the article was written. The employees have to be seen as humans.

8

## Question no 3 (24 p.)

In your assignments, you identified for whom the articles you read probably are important. Assign the following interest groups to the articles below and argue why the respective article is important for the interest group you selected.

Interest groups: (1) students, (2) stakeholder, (3) regulators

Getting comfortable with the numbers: auditing and the micro-production of macro-order  
by Pentland (1993)

Interest group (only one):

2 (Stakeholders)

Argument that supports your selection of interest group:

Due to the audit rituals and the sacred signature of the auditor, the stakeholders can feel comfort of what is produced in the microlevel. It is important for them to know what is happening and what the sign off means to be able to trust the financial information for their decision-making.

The Audit Reporting Debate: Seemingly Intractable Problems and Feasible Solutions  
by Vanstraelen et al. (2012)

Interest group (only one):

3 (Regulators)

Argument that supports your selection of interest group:

The regulator has to be aware of what the users of the financial information want according to its content and form. If the regulator does not know that, they maybe make "wrong" rules that make the information the auditors produce less useful for the users.

Learning the "Craft" of Auditing: A Dynamic View of Auditors' On-the Job Learning  
by Westermann et al. (2015)

Interest group (only one):

1 (Student)

Argument that supports your selection of interest group:

As a student you need to be aware of when you take your exam, you only have a small proportion of the needed knowledge for the work as an auditor. It will be a lot of training at work and maybe a stiff start. Senior auditors will teach you. But it is less practical and face to face training today.

24

Question no 4 (12 p.)

During Unit 2 and 3, we discussed different gaps within the realm of auditing. Give a definition of the expectations gap in accordance with the one Dennis (2010) suggests in his article *What do you expect? A reconfiguration of the audit expectations gap*. Further, provide the definition of the audit information gap as used by Vanstraelen et al. (2012) in their article *The Audit Reporting Debate: Seemingly Intractable Problems and Feasible Solutions* and describe one additional gap.

Definition of the expectations gap:

The difference between what the users expect auditors to do and what auditors actually do. Instead of "what do you expect?" you can say "what do you want?" and "what do you believe?"

Definition of the information gap:

The difference between the information users need/want to make decisions and existing/provided information.

Definition of an additional gap:

Ignorance gap. What the users want auditors to do  
and what auditors do according to do by laws and rules  
Could be decreased by education.

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Question no 5 (4 p.)

In their article *From techniques to ideologies: an alternative perspective* Humphrey and Moizer (1990) discuss three different audit functions. One is the "techno-rational function". Which are the other two functions?

Marketing funktion , Ideological funktion

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Löpande sidnr  
 Consecutive no:

6

Uppgift nr / Question no:

1-9

Poäng / Points  
 awarded:

Lärarens  
 anteckning  
 Examiner's remarks:

# Answer

**Course: FEAD25 Accounting and Control**

**Unit 4 – 5**

**Question 1-9**

Skriv ej i detta område  
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## Unit 4-5

## Question no 1 (6 p.)

Why does it make sense for organizations to economize on scarce resources? Provide three reasons for your answer.

(i) To not use more than you really need is good for the environment and the sustainability perspective.

(ii) To be as profitable as possible if the company have low costs.

(iii) Longway - thinking. For example, some raw material is not infinity. If the organization work on scarce resources they will last longer.

6

## Question no 2 (3 p.)

Which is most important to an organization – efficiency or effectiveness?

efficiency

effectiveness

Provide one reason for your answer

Because the organization as a economic unit need to work towards the same goal in a effectiveness way. It is not enough for individuals to have good efficiency.

## Question no 3 (4 p.)

In their article "Accounting systems and systems of accountability" Roberts and Scapens (1985) found that managers at a distance from their subordinates rely

more

or

less

on accounting information (mark one alternative)?



Give one reason for your answer

They trust the information <sup>more</sup> because they don't know anything about the ones that have created the information. It is hard to question when you are far away in the organization.

4

**Question no 4 (4 p.)**

Should managers trust key performance indicators (KPIs) when evaluating the work of their subordinates?

Yes  No

Provide two reasons for your answer

1. As long as the KPIs are measured in the right way or that the managers handle the KPI flexible during incompleteness they should evaluate to see how well the employees perform.

2. By having KPI the employees know that they are measured and in most cases they perform better because they will be evaluated. Manager should trust KPI because it gives a better output.

4

**Question no 5 (2 p.)**

In their article "Management control systems as a package" Malmi and Brown (2008) focused on management control as a tool for (choose one alternative)

- making the organization successful
- making employees behave in line with organizational goals
- decision-making
- none of the above

2

**Question no 6 (4 p.)**

Do you agree that organizational ethics are different from ethics for individuals?

yes no

Give two reasons for your answer

1. The individual ethics is in self interest what is best for me.  
 The organization need to consider what the society think as ethical. If they behave against it, it could harm their business with a bad reputation for example.

2. The individuals consider ethics for human survival.  
 The organization consider ethics as a comparative advantage and to make profit for survival.

Question no 7 (8 p.)

Is there a 'business case' for elaborate sustainability reporting form business firms? Give two arguments in favor of yes and two arguments in favor of no.

In favor of yes

1. The company can with its sustainability report tell the society that they are taking responsibility of environment and equal pay for example. It sounds good and give a good reputation. The sales and income might increase.

2. Because the most of the big companies do it. If you don't have a sustainability report the society maybe think that you don't care or hide something. So they are forced to do it to not harm the company.

In favor of no

1. The management should work against profit maximation. Not to put money in to sustainability reporting and CSR. Most possible money should go to the share holders.

2. It is up to the government to set rules and law according to CSR. The companies should not have to take this responsibility and need to make sustainable reports.

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**Question no 8 (4 p.)**

In their article "Towards an understanding of the role of business intelligence systems in organizational knowing" Shollo and Galliers (2016) argue that a business intelligence system should help managers convert raw data to ..... what?

Information and information to knowledge for decision making.

How might managers use a business intelligence system? Provide two suggestions.

(i) As a support for decision making.

(ii) Tool for control

4

**Question no 9 (6 p.)**

In preparation for seminar 5 you studied one sustainability report – from which business firm?

Nordea

Who, besides you, do you believe is interested in that report? Provide two reasons to support your argument.

I think the report is interesting for

The shareholders and the employees.

.....Reasons:

(i) The employees because they want to see how the company is working towards equal pay and the gender balance.

(ii) The shareholders in a long way thinking. If the company don't write that they are working with environmental thinking it can lead to scandals and it could harm the value at the shares.

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