

## YLEISEN TENTIN TENTTILOMAKE - GENERAL EXAM FORM

Opiskelija täyttää / Student fills in

<b>Opiskelijan nimi / Student name:</b> Click here to enter text.	<b>Opiskelijanumero / Student number:</b> Click here to enter text.
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Opettaja täyttää / Lecturer fills in

<b>Opintojakson koodi / The code of the course:</b> <b>721191S</b>	
<b>Opintojakson (tentin) nimi / The name of the course or exam:</b> <b>Financial Accounting Theory</b>	
<b>Opintopistemäärä / Credit units:</b> 3 op Mikäli kyseessä on välikoe, opintopistemääräksi täytetään 0 op. 0 ECTS Credits is used for mid-term exams.	
<b>Tiedekunta / Faculty:</b> OyKKK	
<b>Tentin pvm / Date of exam:</b> 31.10.2018	<b>Tentin kesto tunteina / Exam in hours:</b> 3 h
<b>Tentaattori(t) / Examiner(s):</b> Markku Vieru	<b>Sisäinen postiosoite / Internal address:</b> OyKKK
<b>Tentissä sallitut apuvälineet / The devices allowed in the exam:</b> <input checked="" type="checkbox"/> Funktiolaskin / Scientific calculator <input type="checkbox"/> Ohjelmoitava laskin / Programmable calculator <input type="checkbox"/> Muu tentissä sallittu materiaali tai apuvälineet. Tarkenna alla. / Other material or devices, allowed in the exam. Specify below. Click here to enter text. <input type="checkbox"/> Tentissä ei ole sallittua käyttää apuvälineitä / The devices are not allowed in the exam	
<b>Muut tenttiä koskevat ohjeet opiskelijalle (esimerkiksi kuinka moneen kysymyksen opiskelijan tulee vastata) / Other instructions for students e.g. how many questions he/she should answer:</b> Answer to all four questions using full sentences. Good luck. Vastaa kaikkiin neljään kysymykseen käyttämällä kokonaisia virkkeitä. Menestystä.	

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### Tentin kysymykset / Exam questions:

**Question 1:** Decision usefulness approach to financial accounting and reporting has information and measurement perspectives (Scott, lectures).

- a) Please describe the content of these perspectives.
- b) Compare the role of these to each other in efficient and inefficient securities market.

**Question 2:** What is meant by conditional and unconditional conservatism in accounting? Please explain which four predictions Basu (1997) made related to earnings timeliness and earnings persistence in reporting of bad and good news caused by conditional conservatism in earnings. What does Basu find out?

**Question 3:** How does Atiase and Bamber's (1994) study help us to understand the reasons for trading volume reactions to accounting earnings announcements? Please describe their research design. Provide also the limitations of the study.

**Question 4:** Please discuss

- a) what does it mean when accounting standard change have economic consequences. To clarify please give an example from the textbook or from the literature.
- b) does accounting standard change create economic consequences in efficient market? Why/why not?