KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2010/2011

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE (AGRICULTURAL MANAGEMENT AND TRADE)

KBT 200: AGRIBUSINESS ACCOUNTING

DATE: TUESDAY, 5TH APRIL 2011 TIME: 4.30 P.M – 6.30 P.M

INSTRUCTIONS

Answer Question ONE and any other TWO questions

1. a) Discuss how information technology has impacted on accounting systems in agriculture related businesses. [10 marks]

   b) Distinguish between management accounting and financial accounting. [5 marks]

   c) Identify and describe the functions of management accounting systems. [5 marks]

   d) Identify and describe the elements involved in the decision making process, planning and control process. [5 marks]

   e) Justify the view that a major objective of the commercial organization including agribusiness is to broadly seek to maximize the present value of cash flow. [5 marks]

   f) The international convergence of management accounting practices has positively impacted on trade in agricultural products. Discuss [5 marks]

g) Define the following terms as used as in management accounting.

i. Contribution [2.5 marks]

ii. Budget [2. 5 marks]

2. a) Explain purpose of a costing accounting information system in an organization. [5 marks]

   b) Discuss the techniques to assist in separating the fixed and variable elements of semi- fixed or semi- variable costs by management accountant. [10 marks]

3. a) Cost Volume Profit analysis CVP is based on a number of simplistic assumptions about cost behaviour which undermine the model's effectiveness. Discuss [10 marks]

4. a) Explain the rationale of budgetary control. [5 marks]

   b) Discuss the benefits of budgeting in an organization. [10 marks]