



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

**UNIVERSITY EXAMINATIONS  
2021/2022 ACADEMIC YEAR**

**FIRST YEAR FIRST SEMESTER EXAMINATIONS  
SPECIAL/SUPPLEMENTARY EXAMINATIONS  
FOR THE DEGREE  
OF  
BACHELOR OF SCIENCE IN ACCOUNTING**

**COURSE CODE: BCA 111**

**COURSE TITLE: CRITICAL THINKING**

**DATE: MONDAY, 25<sup>TH</sup> JULY 2022**

**TIME: 8-10 AM**

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**INSTRUCTIONS TO CANDIDATES**

Answer question **ONE** and any other **TWO** questions

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 31 Printed Pages. Please Turn Over.

## QUESTION ONE – COMPULSORY QUESTION (30 MARKS)

*Read the text below and answer the questions that follow:*

### **How accountants can rise from good to great**

Businesses today want more from their accountants. Business strategy, growth planning and future vertical industry trends are all areas that accountants are being expected to input on with knowledge and confidence. That says a lot about how the accounting profession has evolved, from number-crunchers and tax-filers to drivers of business success. It's likely that many accountants are managing this evolution with a mix of anticipation and trepidation.

For years, accountancy teams have crunched numbers. But now, they are being asked to use these figures to help support new strategies and changes of business direction. Better still, before these strategies are developed they are in a position to give input on business direction based on what the numbers and insights are telling them.

Imagine a world where business strategy is driven by numbers, instead of just supported by them. That time, it seems, is now. Pushing into new markets, calculating the risk versus benefit of launching new products and services, and determining which parts of a company require investment are all areas of responsibility rarely associated with accountants. Today these are expected of accountants.

This will no doubt be an intimidating prospect for some, and an exciting one for others. So how can accountants keep up with the pace of change and become truly invaluable to their clients? The future of accounting lies in technology innovation and productivity improvement but also in being able to provide guidance and consultancy, beyond their traditional remit.

So, you run a small-to-medium sized business. Your accounts process is working well. However, there still are plenty of opportunities to improve and drive value – and technology innovation is often a good place to start. For example, wider use of cloud-based systems can dramatically improve processes and drive efficiency. As remote working becomes common practice, cloud accounting enables staff to work seamlessly and quickly, no matter their location. If someone is on the move, reports can be accessed on mobile devices to make instant updates, to which people back in the office can respond immediately.

With a master database in place you will also avoid duplication, making for seamless collaboration that will reduce time spent fixing problems and increase productivity. There is no one-size-fits-all approach, and the myriad of systems to choose from can be dizzying. But the right technology innovation in accountancy can significantly reduce admin and allow staff to use the time to carry out strategic tasks to bolster a business' bottom line. Such an approach is given credence when you consider that US businesses alone bleed nearly a billion dollars a day on lost productivity to basic administration tasks.

Many accountants have already significantly changed how they approach their work or service their clients, and the question they may be asking is, 'what next?' 'Technology with machine learning or 'smart' capabilities may well be the answer. Through the use of automation and the ability to work anywhere and anytime, some 66 per cent of accountants said they would invest in artificial intelligence. At first this may require some investment and learning of new skills for accountants and their firms, especially given only 39 per cent of accountants describe themselves as early technology adopters. Yet with an eye on the future, these outlays in money and time can yield much more valuable results further down the line. Newly skilled accountants, backed by the latest technology, will be better prepared to transition into a world beyond balancing books and filling out forms into one that offers the chance to help drive a business' future.

Mirroring the business world as a whole, accountancy is changing rapidly — and is a very different world from 10 years ago. For some, the evolution is swift and with others it is more of a gradual transition. But regardless, change is an opportunity.

Businesses will almost certainly gain more value from their accountants if they see them less as financial administrators and more as consultants with specialist knowledge and deep operational and strategic insights. Accountants and companies willing to embrace this shift will be at the forefront of future business leadership, while those that resist it risk being left behind.

**Source: *Business Daily* Wednesday August 22 2018**

*Required:*

- a) “ Accountants are expected to help support new firm strategies and change the business direction.” With reference to the case, Discuss. (15 marks)
- b) Critically examine how technology innovation and productivity improvement can be used to improve the accounting profession as expounded in the text (15 marks)

#### **QUESTION TWO**

- a) Critically examine any four branches of philosophy (10 marks)
- b) Accountants are expected to make decisions in the course of executing their duties. Examine 5 (five) phases of decision making, showing how they ease the process of problem solving. (10 marks)

#### **QUESTION THREE**

- a) Engaging in argumentation is good as long as one ensures that all essentials of good arguments are met. Discuss (10 marks)
- b) Discuss five roles of critical thinking to the accounting profession. (10 marks)

#### **QUESTION FOUR**

- a) “High order thinking skills are necessary is critical in decision making. Discuss (10 marks).
- b) Accounting professionals are expected to undertake research to find facts that support their arguments. Discuss the various sources of information that they may have to interact with in this endeavour(10 marks)

#### **QUESTION FIVE**

With suitable examples, critically examine any five fallacies that may render an argument inaccurate (20 marks)