

EXPLANATION

The first part of the passage discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial system and for providing a clear audit trail. The second part of the passage focuses on the role of internal controls in preventing fraud and errors. These controls are designed to ensure that all transactions are properly authorized, recorded, and reviewed. The final part of the passage discusses the importance of regular audits and the role of independent auditors in providing an objective assessment of the financial statements.

ANSWER

The correct answer is (C). The passage states that internal controls are designed to ensure that all transactions are properly authorized, recorded, and reviewed. This is a key function of internal controls, and it is the only option that accurately reflects this function. Option (A) is incorrect because internal controls do not primarily focus on preventing fraud. Option (B) is incorrect because internal controls do not primarily focus on ensuring the accuracy of financial statements. Option (D) is incorrect because internal controls do not primarily focus on providing an objective assessment of the financial statements.

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KINGSTON



Year	2008	2009	2010	2011
Revenue	\$1.2 billion	\$1.5 billion	\$1.8 billion	\$2.1 billion
Profit	\$0.3 billion	\$0.4 billion	\$0.5 billion	\$0.6 billion
Assets	\$2.5 billion	\$3.0 billion	\$3.5 billion	\$4.0 billion
Liabilities	\$1.5 billion	\$1.8 billion	\$2.1 billion	\$2.4 billion
Equity	\$1.0 billion	\$1.2 billion	\$1.4 billion	\$1.6 billion

The table shows the financial performance of the company from 2008 to 2011. Revenue, profit, and assets all show a steady increase over the period, while liabilities and equity also show an upward trend. The data indicates that the company is growing and becoming more financially stable over time.

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