



CERTIFIED ACCOUNTING TECHNICIAN
STAGE 1 EXAMINATIONS
S1.3 EFFECTIVE WORKING IN ACCOUNTING AND
FINANCE

DATE: THURSDAY, 28 JULY 2022

MODEL ANSWERS AND MARKING GUIDE

MARKING GUIDE

1. C	26. B
2. D	27. D
3. B	28. A
4. A	29. D
5. A	30. A
6. D	31. C
7. A	32. B
8. B	33. C
9. D	34. B
10. D	35. C
11. A	36. D
12. D	37. B
13. B	38. C
14. D	39. D
15. A	40. D
16. D	41. A
17. D	42. D
18. D	43. B
19. B	44. D
20. C	45. A
21. D	46. D
22. C	47. B
23. C	48. C
24. D	49. B
25. D	50. D

2 Marks to each correct answer

2

Total marks

100

MODEL ANSWERS

1 The correct answer is C.

The correct answer is C because a consultancy company is a service company and it is not expected to research, design and development and logistics and distribution departments.

A procurement department can be a functional department in a consultancy firm and hence any option incorporating procurement department is not a correct answer.

2 The correct answer is D.

All of the statements support the purpose of having a strong IT department within an organization like banking institution.

3 The correct answer is B.

Option B is correct because production department is the primary/main department of a manufacturing company.

Option A is not correct because a procurement department is support department

Option C is not correct because accounts and finance department is support department.

Option D is not correct because there is a support/service department among the given options.

4 The correct answer is A.

The correct answer is A since the customers claims will be dealt with selling, distribution and marketing department to hear the clients' complaints and recommend management to sort out those customers claims.

Option B is not correct because Human Capital department is in charge of human resources management

Option C is not correct since Accounts and Finance department deals with recording and summarizing financial transactions into books of accounts and financial statements.

5 The correct answer is A.

The correct answer is A since a cost and management accounts is not responsible for preparation of financial statements in accordance with IFRSs.

Option B&C are incorrect since the stated roles are among the reasons to need a cost and management accountant.

Option D (All of the above) is not among the correct answer.

6 The correct answer is D

The correct answer is D since it is not the role of internal auditor to give an opinion whether the financial statements are prepared in accordance with IFRSs.

Option A, B, & C are not correct answer since the mentioned statements are the role of internal audit function.

7 The correct answer is A

The correct answer is A because an accountant helps in evaluating available course of actions after cost vis a vis benefit analysis and recommend management the appropriate course of action to undertake that would maximize the profitability of the company.

The option B is not correct since the preparation of cash flows helps in cash management (liquidity and solvency).

The option C is not correct because ensuring availability of funds is the contribution on solvency.

The option D is not correct because an accountant's contribution is not strategy setting instead, he/she is an implementer of top management's strategy.

8 The correct answer is B.

Option B is correct because a legal counsel is in charge of advising management what course of action to undertake and updating management on new legal requirements within the market.

Option A is not correct because having a legal counsel does not remove unethical and illegal acts.

Option C is not correct because having a legal counsel is not a legal/regulatory requirement

Option D is not correct because not all the stated options are correct answer.

9 The correct answer is D

All the stated option (A,B&C) are correct in regards to the contribution of human resources management within an organisation.

10 The correct answer is D

All the stated option (A, B&C) are correct in regards to the contributions towards healthy working capital management.

11 The correct answer is A

The correct answer is A because finance and accounts department prepare information that is used for assessing the working capital healthiness and solvency of an organisation. The option B is not correct since the internal audit department identifies weaknesses in the internal control system and advises management.

The option C is not correct because operations department is in charge of smooth operations of the company.

The option D is not correct because risk and compliance department are in charge of identifying risk and advising management how to comply to avoid those risks.

12 The correct answer is D

All the stated option (A, B and C) are correct in regards to the contributions towards strong solvency within an organization

13 The correct answer is B

The correct answer is B since the senior accounts has knowledge of the task, the accounts officer should seek coaching from the direct supervisor for future performance.

Option A is not correct because seeking assistance from a colleague in HR department is not advised. a staff should exhaust reporting lines available in his/her department before tackling other in other departments.

Option C is not correct because there is nothing wrong getting assigned a task from your supervisor unless it is a matter of workload.

Option D is not correct because every staff is expected to contribute within an organisation and every staff may learn on the job, in this case refusing to learn is not the best course of action the assistant accounts officer should undertake.

14 The correct answer is D

The correct answer is D since it is better for your line supervisor to have consent for the work you are going to undertake coming from another department.

The option A is not correct since reporting any issue should follow internal levels of management.

Option B is not correct because it doesn't mean that you always perform a task falling within a department you are allocated in. Sometimes, department work together to deliver better at work.

Option C is not correct since accepting the task before acknowledgement of your supervisor can lead to negative results of your main responsibilities in accounts department.

15 The correct answer is A

The correct answer is A because a dotted line of reporting is a reporting relationship between a worker and his indirect supervisor.

Option B is not correct because dotted line of reporting is not direct reporting relationship.

Option C is not correct because dotted line of reporting is not a horizontal reporting line

Option D is not correct because there is a correct answer in the proposed statements.

16 The correct answer is D

All the stated option (A, B and C) are correct in regards to the reasons of adhering to organisation's policies and procedures.

17 The correct answer is D

The correct answer is D because business continuity policy covers a plan of how an organisation may continue operations in case of an emergency.

Option A is not correct because first aid procedure covers how to provide first assistance if a staff got an accident/sick at work before heading to the hospital.

Option B is not correct because whistleblowing policy covers procedures to undertake to report an unethical or illegal act.

Option C is not correct because property management policy covers procedures related to safeguarding company's assets.

18 The correct answer is D

The correct answer is D because none of the stated policies cover accounting treatment of bad debts recovery.

Option A is not correct because operations policy covers the company's main business procedures (product features and benefits), and procedures related to company processes and systems of operations.

Option B is not correct because risk management policy details risk a company may face and procedures to reduce or eliminate those risks and their outcomes.

Option C is not correct because IT policy covers management of IT processes and systems within an organisation.

19 The correct answer is B

The correct answer is B because word program does not help in numerical calculation.

Option A is not correct answer since word program can easily save or edit documents.
Option C is not correct answer because word program creates standard templates for future use.

Option D is not correct answer because word program can retrieve the information for future reference.

20 The correct answer is C

The correct answer is C because the proposed way forward should be depicted in recommendation section of a report.

Option A is not correct answer since introductory paragraph introduces the main problem and how it is going to be handled in the report.

Option B is not correct answer because the body details the findings arising from the problem under consideration.

Option D is not correct answer because concluding remarks deal with summary of approach used and the outcomes.

21 The correct answer is D

All the stated option (A,B and C) are correct in regards to the laws, regulations and policies in a manufacturing company.

22 The correct answer is C

The correct answer is C because a trend is measured in terms of percentages (150m-120m)/150m) =20% downturn.

Option A is not correct answer because a trend is measured in terms of percentage change

Option B is not correct answer because the recommended change is not an increase instead it is a decrease.

Option D is not correct answer since not all of the stated statements are correct

23 The correct answer is C

The correct answer is C as per the below calculations:

Weekdays = 50*10,000 = 500,000

Hourly rate during the weekend= (10,000+ 10% of 10,000) = 11,000 FRW

Weekend = 75 *11,000 = 825,000

Total pay =FRW500,000+FRW825,000= FRW 1,325,000

24 The correct answer is D

None of the stated options (A, B&C) are correct answer of net pay to Prof. Tsinda.
Gross pay is FRW 1,325,000
Less WHT of $(1,325,000 * 15\%) = \text{FRW}198,750$
Net pay is FRW1,126,250.

25 The correct answer is D

All the stated option (A, B&C) are correct in regard to noise to communication process. Basically, noise means any barrier to effective communication and hence include physical barriers, cultural barriers, and language barriers among others.

26 The correct answer is B

The correct answer is B because line graphs and histogram can easily visualize the monthly loan portfolio fluctuation of branches from January to March 2022.
Option A is not correct answer bar charts can present the branch-wise monthly performance, but pie charts are not appropriate to present branch-wise loan portfolio performance from January to March 2022.
Option C is not correct answer because reporting 3-month loan portfolio performance cannot be easily visualized.
Option D is not correct answer because not all of the stated options are correct

27 The correct answer is D

The correct answer is D because line graph helps to present relationship between 2 or more variables and hence line graph will assist in assessing the relationship between salespeople and sales revenue.
Option A is not correct because pie charts are useful to show composition of total value in percentages of 360 degrees of the circle.
Option B is not correct because Bar charts are used to show sizes of items.
Option C is not correct because diagrams show contents of items, they don't show relationship between 2 variables.

28 The correct answer is A

The correct answer is A because pie charts are useful to show composition of total value in percentages of 360 degrees of the circle and the data is easily visualized.
Option B is not correct because Bar charts are used to show sizes of items.
Option C is not correct because diagrams show contents of items, they don't show relationship between 2 variables.
Option D is not correct because line graph helps to present relationship between 2 or more variables

29 The correct answer is D

The correct answer is D none of the statements is correct.
Option A is not correct because Dear Sir/Madam is closed with yours faithfully
Option B is not correct because Dear Sirs/Madams cannot be used since the letter is addressed to one person.
Option C is not correct because Dear Mr. should be followed by a formal name/surname instead of Title.

30 The correct answer is A

The correct answer is A because look forward is followed by verb in present continuous form and hence option B is not correct.
Option C is not correct because it is not a formal way of closing a form letter
Option D is not correct because not all of the stated options are correct.

31 The correct answer is C

The correct answer is C because finishing a course on development learning point during performance appraisal can be done later. The task is important but not urgent
Option A is not correct answer because writing up a concept note for board presentation is important and urgent.
Option B is not correct answer because sending a report to a regulator is an important and urgent task.
Option D is not correct answer because declaring and paying off taxes is an important and urgent task

32 The correct answer is B

The correct answer is B because an ad-hoc report is a report that is requested on a need basis and since it is required by a regulator, it poses a regulatory and compliance risk and hence it is urgent and important.
Option A is not correct answer because writing up a concept note for board presentation is important and urgent.
Option C is not correct answer because finishing a course on development learning point during performance appraisal can be done later. The task is important but not urgent
Option D is not correct answer because declaring and paying off taxes is due tomorrow and is not as important and urgent task as the regulatory report.

33 The correct answer is C

The correct answer is C because start with tasks which are urgent and end us with least urgent and important tasks.

Option A is not correct answer because you cannot do not urgent or important tasks before not urgent but important tasks.

Option B is not correct answer because you cannot do not urgent or important tasks before urgent but not important tasks.

Option D is not correct answer because you cannot start with urgent but not important tasks

34 The correct answer is B

The correct answer is B since that is the one that shows Not urgent but important tasks.

Option A is not correct because it shows urgent and important tasks.

Option C is not correct because it shows urgent but not important tasks.

Option D is not correct because it shows not urgent or important tasks.

35 The correct answer is C

The correct answer is C because a routine task is a task that is perform on a periodical basis.

The regulator's report and bank reconciliations are prepared on a monthly basis and hence are routine tasks.

Option A &B are not correct because ad-hoc reports are reports that are requested on a need basis and hence not routine.

Option D is not correct since it is not the only correct routine activity.

36 The correct answer is D

The correct answer is D, none of the stated options is the appropriate course of action. The best action could be to explain respectfully to the Head of IT that you don't have expertise in that field and deny the request.

Option A is not correct since it is not better to ignore your colleague's request within organisation.

Option B is not correct since the main concern here is expertise in that field, and hence it is better to directly respond to your colleague at work that you don't have knowledge in such help.

Option C is not correct you cannot help in something you have knowledge or skills in. It is better to deny it and advise the Head of IT to pass it over to his/her subordinate.

37 The correct answer is B

The correct answer is B because her supervisor will start looking confidence in her and hence her professional image in front of her supervisor will start declining. Option A is not correct because it is unlikely an organisation to bring Azellah into court of justice

Option C is not correct because it is unlikely that delay in payroll preparation will attract termination of her employment contract unless it is a consistent culture.

Option D is not correct since not all the statements are correct.

38 The correct answer is C

The correct answer is C because the HRM's Supervisor probably the Managing Director will start losing confidence in the capability of the HRM to coordinate work in his or her department. In this regard, the harm to HRM is professional image damage due to late deliverables

Option A is not correct because it is unlikely that HRM will face risk of financial damages due to late payroll.

Option B is not correct because it is unlikely that delay for payroll preparation and review will attract termination of his or her employment contract unless it is a consistent culture.

Option D is not correct since not all the statements are correct.

39 The correct answer is D

The correct answer is D because all the statements are benefits accruing to an organisation as a result of team work. Late payment of staff can lead financial damages since the staff contract stipulate that employee should get salary on 25th of the next month, they can file a civil case against the company to pay them damages incurred as a result of late payroll. of course, this delay will attract reputational damages toward the image of the NGO and also, this will affect the staff demotivation due to late salaries pay.

40 The correct answer is D

The correct answer is D because all the statements are benefits accruing to an organisation as a result of team work.

41 The correct answer is A

The correct answer is A because late declaration and payment of taxes leads to penalties and fines by tax authority, and damages in the reputation of a company.

Option B, C&D are not correct because the combine an option of bad credit rating is around honoring financiers' obligations.

42 The correct answer is D

The correct answer is D because all the statements are consequences of unethical act by the Loan Officer to the microfinance.

Clients will claim their money together with interests (financial damages). Secondly, it will eventually affect negatively the reputational image of the microfinance if the information is leaked among the public or the existing clients of the microfinance. Lastly, the fraud by Jacqueline will lead to poor social rating to due poor service to customers and hence deceiving customers' expectations.

43 The correct answer is B

The correct answer is B because her supervisor will note the failure in her performance appraisal for the Q1 2022 and suggest corrective actions to prioritize urgent tasks and efficient deliverables.

Option A is not correct because the failure of a finance team member should not bring about conflicts between Heads of departments, instead both Heads should involve in covering up the gap so that the requested data get availed as soon as possible.

Option C is not correct because failure to deliver at work should not create conflicts among staff. The Head of finance should not take the failure personal unless the failure is repetitive without corrective efforts by Jovia and get accountable at work. Necessary steps should be undertaken to downgrade a staff to minimize ligation risks.

Option D is not correct since not all the statements are correct.

44 The correct answer is D

The correct answer is D because all the statements are not the appropriate course of action, the Finance officer should undertake.

Option A is not correct because it is not advised to report an issue to any other level of management without starting from your line supervisor.

Option B is not correct because informing the issue your colleague, IT Officer will not assist in solving the issue. There is not level of authority the IT Officer has over the issue.

Option C is not correct because resigning from the position is not the correct solution, it is better to report the issue to the right level of management for a suitable solution.

45 The correct answer is A

The correct answer is A because the work of Head of Finance depends on the work of the Accounts Officer.

Option B is not correct because differences in level of management/authority should not cause conflicts among team member. A component of respect should prevail among team members.

Option C is not correct because competition among team members is not the cause of the conflict between the Head of Finance and Accounts Officer.

Option D is not correct because not all statements are correct causes of conflict referred to in the case scenario.

46 The correct answer is D

The correct answer is D because all the statements are consequences of unresolved conflict between the Accounts Officer and Head of Finance. Unresolved conflicts cause Staff demotivation, resentment, poor performance, reduced communication, commitment and cooperation and hostility/unfriendliness among staff.

47 The correct answer is B

The correct answer is B because Grievance and mitigation committee and Disciplinary committee are formal ways of addressing conflicts among staff.

The rest of options are not correct since they incorporate peer group resolution of conflicts which is informal way of addressing conflicts within an organisation

48 The correct answer is C

The correct answer is C because Higiuro abused Yvette through bullying.

Option A is not correct because the cause referred to in the case scenario is bullying someone.

It seems the issue is not competences and skills but rather her personal beauty. Personal reasons should not be mixed up with work issues.

Option B is not correct since the cause of conflict between Yvette and Higiuro is not sexual harassment instead bullying.

Option D is not correct since not all the statements are correct.

49 The correct answer is B

The correct answer is B because the person involved in the conflict is an audit Manager, Yvette should consider escalating the issue to higher level of management for a suitable solution.

Option A is not correct since resigning from her position is not corrective solution for the injustice faced within the company. Yvette should rather escalate the issue, since the manager has taken things personal.

Option C is not correct because discussing the issue with her Audit Senior whom the joined together in the firm would eventually create misunderstandings among employees. It is rather to discuss the issue with appropriate level of management for a suitable and durable solution.

Option D is correct because the issue her is not competence and skills. If the issue is professional competence, the Audit Manager would have not gone beyond and attach personal issues like beauty and hence the issues is not competences.

50 The correct answer is D

The correct answer is D because none of the statements describes well the term escalation. The term escalation as form of address conflicts/disagreements within an organisation refers to reporting a conflict to a higher level of authority after discussing with your line supervisor so that a higher level of management provides suitable and durable solution to the presented conflict or disagreement.

END OF MARKING GUIDE AND MODEL ANSWERS