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CERTIFIED ACCOUNTING TECHNICIAN STAGE 1 EXAMINATIONS

S1.3 EFFECTIVE WORKING IN ACCOUNTING AND FINANCE

DATE: THURSDAY, 28 JULY 2022

INSTRUCTIONS:

- 1. Time allowed: 2 hours and 30 minutes**
- 2. This exam has one section only: Section A**
- 3. Section A has 50 Compulsory multiple choices questions
equal to 2 Marks each.**
- 4. Question papers should not be taken out of the
examination room.**

SECTION A

QUESTION ONE

Which of the following is not a functional department of a consultancy company?

- (i) Research, design and development department
- (ii) Logistics and distribution department
- (iii) Procurement department

- A Both (i) and (ii)
- B Both (i) and (iii)
- C Both (ii) and (iii)
- D All of the above

(2 Marks)

QUESTION TWO

Which of the following best describes the main reason why a banking organisation should have a robust and competent IT department?

- (i) Because a banking institution handles public money and IT risk is very high
- (ii) Because IT systems have become daily lives of every organisation
- (iii) Because IT risks evolves every day and adequate measures should be undertaken

- A Both (i) and (ii)
- B Both (i) and (iii)
- C Both (ii) and (iii)
- D All of the above

(2 Marks)

QUESTION THREE

Which of the following is not a service department within a manufacturing organisation?

- A Procurement department
- B Production department
- C Accounts and finance department
- D None of the above

(2 Marks)

QUESTION FOUR

As a CAT Candidate, which of the following departments within an organisation will deal with customers complaints?

- A Selling, distribution and marketing department
- B Human Capital department
- C Accounts and finance department
- D All of the above

(2 Marks)

QUESTION FIVE

You recently come across with a job advert from Bralirwa Plc, a brewery company in Rwanda seeking for a cost and management accountant.

Which of the following does not appropriately demonstrate the reason of having a cost and management accountant within a manufacturing company like Bralirwa Plc?

- A To help in presenting financial statements in accordance with international financial reporting standards (IFRS)
- B To measure, analyze and monitor the organizational performance and advise management
- C To prepare and monitor budget implementation within and organisation
- D All of the above

(2 Marks)

QUESTION SIX

Which of the following is not the role of internal audit function within an organisation?

- A To detect and prevent errors and fraud within an organisation
- B To diagnose the organisation's internal control system and advise management
- C To report malpractices to relevant authority within an organisation
- D To provide an opinion whether financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs)

(2 Marks)

QUESTION SEVEN

Which of the following best describes the contribution of an accountant within an organisation towards profit maximization?

- A An accountant prepares cost-benefit analysis and hence advising management the appropriate course of action
- B Accountant prepares statement of cash flows which shows the sources and uses of funds
- C An accountant determines and ensures the availability of funds to meet its maturing obligations
- D An accountant is mainly involved in winning strategy set up to maximize organisation's returns

(2 Marks)

QUESTION EIGHT

Jean Claude Limited (JCL) was recently registered with RDB in the sector of consumer goods supplies. The shareholders are wondering whether it is necessary to hire a legal counsel for the company.

Which of the following best demonstrates the role of a legal counsel for a company such as JCL?

- A Legal Counsel is needed to avoid unethical and illegal acts within JCL
- B Legal Counsel is needed to advise the shareholders on existing and new legal development in the industry
- C Legal Counsel is needed as a regulatory requirement by RDB (Rwanda Development Board)
- D All of the above

(2 Marks)

QUESTION NINE

Janet is a payroll officer of Bank of Nyagatare Plc. After payroll preparation, she shares it with the human resource manager for review. After that, the final payroll is shared with the finance department for salaries payment, upon the managing director's approval.

The following best indicate(s) the contribution of human resources department in the smooth running of Bank of Nyagatare PLC

- A Human resources management department brings right people in the right time and job for the right returns
 - B Human resources management department ensures seamless and effective implementation of Bank's policies and procedures
 - C Human resources management department ensures staff motivation towards Bank of Nyagatare Plc objectives
 - D All of the above
-
- (2 Marks)**

QUESTION 10

Which of the following routine tasks within an organisation best contributes to healthy working capital of an organisation?

- A Introduction of early payment discounts.
 - B Negotiate better terms and conditions with organisation's suppliers
 - C Determining the economic order quantity stock for efficiency and effectiveness
 - D All of the above
-
- (2 Marks)**

QUESTION 11

Which of the following organizational functions involves in working capital and solvency management?

- A Finance and accounts department
 - B Internal audit department
 - C Operations department
 - D Risk and compliance department
-
- (2 Marks)**

QUESTION 12

Which of the following routine tasks within an organisation best contributes to strong solvency position of an organisation?

- A Negotiate for loan restructuring to avoid penalties of late repayments
- B Perform a monthly assets-liabilities maturity analysis and follow up
- C Timely engage with lenders to negotiate favourable terms and conditions.
- D All of the above

(2 Marks)

QUESTION 13

You are an assistant accounts officer of PPP Ltd, a company in Masoro industrial zone that produces plastics pipes. The senior accounts officer of the company has assigned you to perform bank reconciliation of USD Bank account for the year ended 31 December 2021. It is your first time to perform such a task and you are wondering the appropriate steps to undertake.

Which of the following is the most appropriate course of action?

- A Be silent and seek assistance from your colleague in human resources management department to avoid negative feedback from your supervisor
- B Inform the senior accounts officer that it is your first time to perform the task and seek coaching from him/her
- C Report the senior accounts to his/her supervisor since he/she assigned you a difficult task that is not in your responsibilities
- D Inform the senior accounts officer that it is your first time to perform the task and advise him/her to perform it him/herself.

(2 Marks)

QUESTION 14

You are an assistant accounts officer of Iwacu Hotel Ltd (IHL), in last quarter you have received negative feedback from your chief accounts officer that you don't submit work assigned on time. Yesterday evening, the human resources manager approached you and requested you to assist him in preparation of employee leave days register since he/she is handling a recruitment plan to be submitted urgently to the managing director of IHL by end of this week.

Which of the following is best course of action would you undertake?

- A Report the issue to the managing director
- B Refuse the request and deny implementing the task since it is not falling within finance and accounts department responsibilities.
- C Accept the request and start from his/her request to avoid negative consequences that may arise
- D Inform human resources manager to seek consent from your supervisor

(2 Marks)

QUESTION 15

Which of the following best describe dotted line reporting?

- A Describes work relationship between a work and secondary level of reporting who provides additional oversight and guidance over the worker's job
 - B Describes direct line of reporting within a cross functional organisation chart
 - C Describes horizontal line of reporting among employees at the same level of hierarchies within an organisation
 - D None of the above
-
- (2 Marks)**

QUESTION 16

Which of the following best indicates the best reason to adhere to organisational policies and procedures?

- A To support the company's efficiency and effectiveness
 - B To reinforce compliance and minimize ethical and legal exposures
 - C To reduce wasteful resources and conflict management
 - D All of the above
-
- (2 Marks)**

QUESTION 17

You are a new accounts officer of Zaneza Hotel Ltd and you wish to know which procedures to follow when there is a fire incident in the hotel.

Which of the following best indicate the organizational policy would you refer to?

- A First aid policy
 - B Whistleblowing policy
 - C Property management policy
 - D Business continuity policy
-
- (2 Marks)**

QUESTION 18

You are a new accounts officer of Zaneza Hotel Ltd and you wish to know the treatment of bad debts recovery in the preparation of financial statements.

Which of the following best indicate the organizational policy you will refer to?

- A Operations policy
 - B Risk management policy
 - C IT policy
 - D None of the above
-
- (2 Marks)**

QUESTION 19

Which of the following is not an advantage of using computer word processing package in business reports writing and communications?

- A Documents can be saved and edited easily.
- B Word package assists in numerical arithmetical check and suggests corrections thereon.
- C Standard template or documents can be made for future usage.
- D Documents can be retrieved for future reference.

(2 Marks)

QUESTION 20

You are requested to develop a concept note on training needs within finance and accounts department of an organisation of which you are a chief accountant.

Which among the following sections best describes where you will summarize necessary actions to be undertaken by top management of the company?

- A Introductory paragraph
- B Body
- C Recommendations
- D Concluding remarks

(2 Marks)

QUESTION 21

Which of the following laws, regulations and policies are likely to be relevant in a manufacturing company like Skol Breweries Ltd?

- (i) Health and safety regulation
- (ii) Money laundering law
- (iii) Income tax law
- (iv) Whistleblowing law

- A Both (i) and (ii)
- B (i), (ii) and (iii)
- C (i), (iii) and (iv)
- D All of the above

(2 Marks)

QUESTION 22

You are a chief accountant of University of Musanze. The master budget of the university is FRW 150 million for the year ending 31 December 2022. You presented the budget in the board of directors meeting, and it has advised to cut down the budgeted amount to FRW 120 million for to boost up efficiency.

Which of the following best indicate(s) the trend recommended by the board of directors for year ending 31 December 2022?

- A FRW 30 million decreases on the budgeted amount
 - B FRW 30 million increases on the budgeted amount
 - C 20% downturn
 - D All of the above
- (2 Marks)**

QUESTION 23

You are a chief Accountant of University of Congo Nil (UCN), an hourly lecturer's rate is FRW10,000 during weekdays and during the weekend and evening, the hourly rate increases by 10%. During the month of April 2022, Prof. Tsinda has lectured 50 hours during weekdays and 75 hours over the weekend. The Lecturer is a visiting lecturer, and he is subject to withholding tax of 15%.

Which of the following is the gross pay of Prof. Tsinda for the month of April 2022?

- A FRW 1,375,000
 - B FRW 1,250,000
 - C FRW 1,325,000
 - D None of the above
- (2 Marks)**

QUESTION 24

Considering the case scenario on question 23, **Which of the following will be net pay to Prof. Tsinda for the month of April 2022?**

- A FRW 1,168,750
 - B FRW 1,062,500
 - C FRW 198,750
 - D None of the above
- (2 Marks)**

QUESTION 25

Which of the following is not a noise in communication among staff

- A Physical disturbance like shouting by staff during the meeting
- B Semantic noise related to language barriers
- C Culture noise related to differences in cultures
- D All of the above

(2 Marks)

QUESTION 26

Which of the following is the most appropriate form of report to present monthly branch-wise performance in terms of loan portfolio from January 2022 to March 2022 in a microfinance organization?

- A Bar and pie charts
- B Line graphics and histograms
- C Table report
- D All of the above

(2 Marks)

QUESTION 27

Which of the following is the most appropriate form of report to assess the contribution of salesmen/women towards sales revenues as of 31 December 2021?

- A Pie charts
- B Bar Chart
- C Diagrams
- D Line graph

(2 Marks)

QUESTION 28

Which of the following is not the most appropriate form of to represent the contribution regions towards total sales revenues as of 31 December 2021?

- A Pie charts
- B Bar Chart
- C Diagrams
- D Line graph

(2 Marks)

QUESTION 29

You are requested to draft an application letter to an association of dealers in gas equipment, of which your employing organization wishes to join and as per the association guidelines, the application letter should be addressed to founder and president of that association.

Which of the following best demonstrates the greeting and close statements will you use?

- A Greetings: Dear Sir/Madam. Close: Yours sincerely
 - B Greetings: Dear Sirs/Madams. Close: Yours faithfully
 - C Greetings: Dear Mr. Founder and President. Close: Yours faithfully
 - D None of the above
-
- (2 Marks)**

QUESTION 30

Which of the following best demonstrates the formal form of closing paragraph when writing a formal letter?

- A Look forward to receiving your prompt feedback
 - B Look forward to receive your prompt feedback
 - C Your prompt feedback is highly waited for
 - D All of the above
-
- (2 Marks)**

QUESTION 31

Which of the following best demonstrates an important but not an urgent task

- A Writing a concept note to be presented in the board meeting happening in 7 days
 - B Sending an ad hoc report requested by a regulatory agency
 - C Finishing a course on hedging foreign exchange risks assigned to you by your supervisor as a result of performance evaluation
 - D Declaring and paying trading license taxes due tomorrow
-
- (2 Marks)**

QUESTION 32

Which of the following best demonstrates the most urgent and important task

- A Writing a concept note to be presented in the board meeting happening
 - B Sending an ad-hoc report requested by a regulatory agency
 - C Finishing a course on hedging foreign exchange risks assigned to supervisor as a result of performance evaluation
 - D Declaring and paying trading license taxes due tomorrow
-
- (2 Marks)**

QUESTION 33

Which of order of priority would you follow when completing assigned tasks?

- A Start with urgent and important tasks, secondly urgent but not important tasks, then not urgent or important tasks and then finish with not urgent but important tasks.
- B Start with urgent and important tasks, secondly not urgent but important tasks, then not urgent or important tasks and then finish with urgent but not important tasks.
- C Start with urgent and important tasks, secondly urgent but not important tasks, then not urgent but important tasks and then finish with not urgent or important tasks.
- D Start with urgent but not important tasks, secondly then urgent and important tasks, then not urgent but important tasks and then finish with not urgent or important tasks.

(2 Marks)

QUESTION 34

The Time Management Matrix is a self-management tool, developed by Steven Covey in his infamous book, the 7 Habits of Highly Effective People., **which of the quadrants indicate “not urgent, but important tasks?”**

	Urgent	Not urgent
Important	A	B
Not important	C	D

(2 Marks)

QUESTION 35

Which of the following best demonstrates routine tasks

- (i) Submitting a monthly report to the central Bank by 10th of the following month
 - (ii) Sending an ad-hoc report requested by a regulatory agency
 - (iii) Preparation of monthly bank reconciliation of USD bank account
- A Both (i) and (ii)
 - B Both (ii) and (iii)
 - C Both (i) and (iii)
 - D (i) only

(2 Marks)

QUESTION 36

You are an accounts officer at one of the not-for-profit organisations in Rwanda. You were requested by head of IT to configure fingerprint system of the organisation since it will assist in staff productivity and hence efficiency at work.

Which of the following is the best course of action?

- A Do nothing and ignore the head of IT as it is not under your department
- B Request the head of IT to first seek acknowledgement and consent from your supervisor, chief accountant
- C Offer to help and configure the fingerprint system
- D None of the above

(2 Marks)

QUESTION 37

Azellah is a payroll officer of one of the largest NGO (Gubwaneza) and she is in charge of preparing payroll for both permanent and temporary staff. It is stipulated in the contracts that every staff of Gubwaneza gets his or her salary on 25th day of the month. However, recently Azellah availed payroll to her or his supervisor (human resources manager) on 27th day of the month for review, claiming heavy workload for that particular month.

Which of the following best demonstrates consequences to Azellah due to late completion of the tasks?

- A Litigation risk
- B Reputational damages
- C Employment contract termination
- D All of the above

(2 Marks)

QUESTION 38

Considering case scenario on question 37, **Which of the following best demonstrates consequences to Azellah's Supervisor due to her late completion of the tasks?**

- A Financial damages
- B Employment contract termination
- C Reputational damages
- D All of the above

(2 Marks)

QUESTION 39

Considering case scenario on question 37, **Which of the following best demonstrate consequences to Gubwaneza Organisation due to late completion of the tasks?**

- A Litigation risk
 - B Reputational damages
 - C Staff resentment
 - D All of the above
-
- (2 Marks)**

QUESTION 40

Which of the following is a benefit of teamwork towards timely completion of assigned tasks?

- A Effective communication
 - B Social cohesion and synergy
 - C Team members motivation and satisfaction
 - D All of the above
-
- (2 Marks)**

QUESTION 41

Jacqueline is a senior accountant for Cya Paint Ltd. She is in charge of preparation of financial statements and declaration of taxes. For the month of 31 December 2021, she has failed to declare and pay taxes on time due to workload of preparation of year end accounts.

Which of the following best demonstrates the consequences of late tax declaration by Jacqueline to Cya Paint Ltd?

- (i) Fines and penalties by tax authority
 - (ii) Reputational damages
 - (iii) Poor credit rating
- A Both (i) and (ii)
 - B Both (ii) and (iii)
 - C Both (i) and (iii)
 - D All of the above
-
- (2 Marks)**

QUESTION 42

Jacqueline is a loan officer of one of the leading microfinances in Rwanda. The internal audit department has detected that she has misappropriated 120 client's money amounting to FRW 30 million through collecting loan repayment and savings and not recording in the client's accounts in the core banking system of the microfinance.

Which of the following best demonstrate the consequences of Jacqueline's action to the microfinance?

- (i) Financial damages
- (ii) Reputational damages
- (iii) Poor social rating

- A Both (i) and (ii)
- B Both (ii) and (iii)
- C Both (i) and (iii)
- D All of the above

(2 Marks)

QUESTION 43

Moses works in Cocoka Ltd as the Head of Operations, a textile manufacturing company in Rwanda. On 3 February 22, he requested the finance team to compile for him the financial and non-financial data by end of February 2022 since they have access to both sales and accounting software. Head of Finance department has allocated this request to Jovia, an Accounts Officer whose analytical skills are advanced within the team. Jovia was having other reports to be submitted by March 2022. On 29 February 2022, Jovia informed her supervisor, head of finance that she was not able to compile Head of Operations information due to work load and difficulty in analysing the requested data.

Which of the following best demonstrates the effects of Jovia's failure within Cocoka Ltd.

- A Conflict between Head of operations and Head of Finance departments and escalate the issue to the Managing Director
- B Negative feedback to Jovia on the performance appraisal for Q1 2022
- C Conflicts between Jovia and her Supervisor, Head of Finance and downgrade Jovia from Accounts Officer to Assistant Accounts Officer
- D All of the above

(2 Marks)

QUESTION 44

You are a finance officer of ABD Ltd, a leading consumer companies in Rwanda. Recently, you received a computer that is old and not working properly. The computer is a desktop while the rest of the team has laptops.

Which of the following is the most appropriate course of action would you undertake?

- A Report the issue to head of IT to give you a new laptop
- B Seek advice from your colleague, IT officer whom you are on the same level horizontally.
- C Resign from the position in ABD Ltd
- D None of the above

(2 Marks)

QUESTION 45

You are a head of finance at Ibirayi Ltd, a leading growing irish potatoes in Rwanda. You are consistently frustrated by your team member, accounts officer who always performs assigned tasks towards the deadline and hence lack of sufficient time to review his or her work. You have included this poor performance in performance appraisal of the staff and informed management, but no initiative taken by management.

Which of the following best demonstrate the cause of conflict between you and accounts officer within Ibirayi Ltd?

- A The interdependency of work
- B Differences in level of authority and command
- C Competition among team members
- D All of the above

(2 Marks)

QUESTION 46

Considering the case scenario on question 45, **Which of the following best demonstrates the effects of unresolved conflicts between you and the accounts officer within Ibirayi Ltd?**

- A Staff demotivation, resentment, and poor performance
- B Reduced communication, staff turnover, and un-cooperation
- C Stress, hostility among staff, and reduced staff commitment
- D All of the above

(2 Marks)

QUESTION 47

Which of the following best indicate formal way of addressing conflicts among staff?

- (i) Resolving an issue through Grievance and Mitigation Committee
- (ii) Resolving a conflict within peer group of officers (HR Officer, Accounts Officer and IT officer)
- (iii) Resolving an issue through disciplinary committee

- A Both (i) and (ii)
- B Both (i) and (iii)
- C Both (ii) and (iii)
- D All of the above

(2 Marks)

QUESTION 48

Yvette is an Assistant Auditor in AD Partners, a leading local audit firm in Rwanda. This is the fifth year serving as Assistant Auditor, and recently she approached Higiyo, an Audit Manager of the audit firm to understand why she is not promoted since her colleagues whom she joined together with are now at Senior Auditor role. The Audit Manager responded, "You are literally incompetent... despite your ugliness... please go back and change your mind....". Yvette was shocked and she is scarred to speak up the issue.

Which of the following best describe the cause of conflict between Yvette and Higiyo?

- A Lack of competences and skills
- B Sexual harassment
- C Bullying
- D All of the above

(2 Marks)

QUESTION 49

Referring to case scenario on question 48, **Which of the following is the most appropriate action should Yvette undertake?**

- A Resign from her post in AD Partners and look for another pleasant job
- B Escalate the issue to Managing Partner of the audit firm
- C Discuss the issue to her Senior Auditor whom they joined together
- D Subscribing to audit training center to improve her audit knowledge and skills

(2 Marks)

QUESTION 50

Which of the following best describes escalation in conflicts resolution procedures

- A Discussion with someone directly you have conflict with and attempt to resolve the conflict together
- B Seeking an Arbitrator outside of work place to reconcile you and the person you have disagreement with
- C Seeking advice from your peer group to peacefully resolve a conflict with your co-worker
- D None of the above

(2 Marks)

End of Question Paper

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