



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

DATE: THURSDAY 30, NOVEMBER 2023
MARKING GUIDE AND MODEL ANSWERS

Marking Guide

1. B
2. A
3. C
4. A
5. D
6. C
7. D
8. A
9. B
10. C
11. B
12. C
13. A
14. D
15. A
16. B
17. D
18. D
19. A
20. D
21. C
22. C
23. B
24. A
25. B

26. D
27. A
28. B
29. A
30. C
31. D
32. A
33. B
34. C
35. D
36. A
37. B
38. D
39. C
40. B
41. B
42. A
43. D
44. C
45. A
46. B
47. D
48. A
49. A
50. D

2 Marks to each correct answer

2

Total marks

100

Model Answers

1. The correct answer is B.

The correct answer is B since bookkeeping, payroll and management accounting are core finance's function. Options A, C and D are not correct because they include internal audit and logistics that are in element (ii), which are not primary finance functions or tasks.

2. The correct answer is A.

Non-compliance with tax and other laws due to inaccurate accounting records and shareholders not able to have accurate information about the performance of the business are disadvantage of an SME without an accounting/finance function.

Finance function assisting an SME to prepare its books of accounts is an advantage. This is the reason options B, C and D are wrong.

3. The correct answer is C.

In order to be of maximum benefit to the organisation, the information provided must be complete, accurate and timely. Financial information is not required to be summarized since financial reporting is done using international accounting standards. Therefore, the correct option is C.

4. The correct answer is A.

Cash and inventory are part of the working capital since they are current assets. Other options are not correct because they have motor vehicle and revenue and those items are not part of working capital. Working capital is only composed of current assets and current liabilities.

5. The correct answer is D.

Any organization must abide by the contract law, data protection, confidentiality and intellectual property laws, and health and safety. Options A, B and C are not exhaustive of all correct answers.

6. The correct answer is C.

Element (iii) and (iv): Planning and preparing budgets and appraisal of capital investment projects are typical responsibilities of the management accountant in a large organization. Processing sales invoices and reconciling cash balances with bank statements are core responsibilities of a financial accountant. Therefore, options A, B and D are not correct.

7. The correct answer is D.

This is because shareholders, employees and government, supporting financial institutions and even competitors are all users of an organisation's financial statements. Therefore, options A, B and C are not exhaustive of all users. Remember the question is asking about those who are NOT users therefore, none of the above is a correct option.

8. The correct answer is A.

Customer care, marketing and network operations are core services to any mobile or telecommunication company since they are customer oriented. Finance on the other hand is a support service like human resources etc. Finance services of a telecommunication company is not customer oriented. Therefore, options C and D are not correct and option B does not exhaust all correct answers.

9. The correct answer is B.

Recording all financial transactions carried out by an organisation and summarizing the transactions to present a financial picture in financial statements is an accounting business process for any organization. Recruitment of accountants like any other employees is a core business process for the human resource department. Option A is not exhaustive of all correct answers and Option C has a wrong business process.

10. The correct answer is C.

An organizational chart can show instructions, orders and work requests as they flow down the chain of command from people with more authority (superiors) to those with less authority (subordinates), reports flow back up the line, salary levels in an organization and your line manager is your immediate superior. Organizational chart does not show Salary levels in an organization since that is confidential information. Options B and D are not correct because they include (iii) salary levels explained above and option A does not consider all correct answers.

11. The correct answer is B.

Your reporting line should be well illustrated in your job description in your contract and organizational chart. Asking your colleague may not give you a true reporting line especially from a colleague that you don't work together with in the same unit. Option C is not correct since you are required to report to your contractual reporting lines whether you are comfortable working with them or not. Option D is not correct since this may lead to inefficiencies and breach of confidentiality by sharing information to those that you shouldn't. Option A is not exhaustive of all correct answers.

12. The correct answer is C.

In any organization, the Chairperson is the head of the board of directors that the chief executive officer reports to. Therefore, the reporting channel is expected to be vice versa as stated in Option C. Since the question is in negative, it renders options A, B and D incorrect since they are true about reporting channels.

13. The correct answer is A.

Marketing unit, heads of department and shareholders are part of the internal stakeholders since they are directly involved in internal projects and activities. Suppliers are external stakeholders since they don't work in an organization and are not directly affected by the company's activities. Therefore, option B is incorrect. Options C and D are also not correct as they include an incorrect element of suppliers.

14. The correct answer is D.

Communication skills, listening skills, image and body language, and personal qualities are all critical soft skills and interpersonal skills that you need to excel in the current modern professional world. Options A, B and C are not correct because they omit other critical skills.

15. The correct answer is A.

Casual interaction with your colleagues does not necessarily need to follow business communication but rather casual discussion. On the other hand, options B, C and D are not correct options since business communication is used to inform: people to give information they require, to persuade: to get others to agree to, or do, something and to build effective working relationships, and the question is in a negative format.

16. The correct answer is B.

Using a telephone when new stationery is urgently required from the office of the goods supplier and using a notice board/intranet when the Managing Director wants to give a message to all staff are all effective and efficient medium of communication under the circumstances. Other options A, C and D are not correct as they have element (iii), using an email when you have to explain a complicated procedure to a group of people. In this circumstance, you should use a meeting.

17. The correct answer is D.

The question is in the negative format. To communicate effectively, clearly and appropriately, one should use appropriate formats (letters, emails etc), observe format and conventions and an in-house approved style and be clearly understandable. Therefore, options A, B and C are not correct. Option D is correct because not every communication must be done in English. If you are communicating to non-english speakers, another language that they are comfortable with should be used.

18. The correct answer is D.

To ensure that the report is sent to the right audience – senior management; ensuring that it is in the approved structure and style; introduce the purpose of your communication – sharing the reconciliation report and using the right channel – for example an email are all the main elements to be checked before sharing the report. Options A, B and C are not correct as they omit other correct items.

19. The correct answer is A.

While preparing for your presentation, you should ensure that your objectives, factual statements, problems highlighted and potential solutions of e-payment systems are properly addressed in your presentation. Options B and C are not correct because you should not be covering rumors and unsubstantiated facts in your presentation and option D and B again are not correct because having many slides is not the right way to prepare, since it may make your presentation run overtime and attract less interest from your audience.

20. The correct answer is D.

All the options are correct. While drafting a business email, you should be concise, have a direct subject line, use a proper greeting, check for proper grammar, correct spellings and ensure that only essential information and a clear closing are included. Options A, B and C are not correct since they have not exhausted all correct answers.

21. The correct answer is C.

Being a good communicator, good listener and having good customer care are essential personal qualities one would be looking for in a receptionist. Options A and D are incorrect because they include element (i) aggressive which is not a necessary or essential personal quality. Option B omits other correct possibilities.

22. The correct answer is C.

Rounding up is NOT preferred than rounding down in accounting. There is no such rule and the roundup or rounding down financial figures, should respect the mathematical rules of rounding. For e.g. 7.9 could be rounded to 8 and 7.3 could be rounded to just 7. A, B and D are not correct (the statement is in negative) since they are all true when it comes to numeracy skills.

23. The correct answer is B.

Date and time of meeting, and names of the participants; purpose of the meeting, agenda items and topics to be discussed; and resolutions and decisions of the meeting should all be covered in the minutes of your accounting department's meeting. In a meeting, you should not record what the chair or head of the meeting said, a meeting takes place to ensure that everyone's opinion is considered, therefore, options A and D are not correct. Option C is not correct as it does not consider other relevant items of meeting minutes.

24. The correct answer is A.

"Hello dear boss" when writing to your supervisor is not appropriate and lacks formality. Boss is not an official name. Options B, C and D are appropriate greetings in the circumstances.

25. The correct answer is B.

A line graph connects individual data points that, typically displays quantitative values over a specified time interval. Bar chart is more appropriate in showing various categories, say of products. Pie chart is also appropriate to illustrate the contribution/portion of an item in a group. For example, product contribution on total revenue. Therefore, Options A, C and D are not correct.

26. The correct answer is D.

All the provided options should be part of your draft letter, inviting the media to the launch of a new product. Options A, B and C are not correct since they would be missing key information of the letter.

27. The correct answer is A.

A memo should be brief, concise and easy to navigate. A memo does not necessarily need to be sent on email (for example when communicating to students of a school). Options A, B and C are not correct because they either have fewer attributes or include element (iv) which says that it should be sent on email.

28. The correct answer is B.

Elements (i), (iii) and (iv). The choice of words provokes an emotional response, the filtering out of elements that he or she does not want to deal with, limiting the encoding/decoding capabilities of the sender/receiver. Where the choice of words provoke an emotional response that may hinder the receiver from receiving the message clearly. The other two responses will aid communication. Options A, C and D are not correct as they include incorrect responses as explained.

29. The correct answer is A.

A job description or role description, sets out what a person in your job should be able to do. It describes the requirements of the job. B is not correct as it relates to personal specifications which set out what sort of personal qualities the organisation is looking for in your role. It describes the requirements of the job-holder. A job description is not a contract and does not include working hours. A job description is published before the recruitment process begins. Therefore, options C and D are incorrect.

30. The correct answer is C.

Your carrier objective being achievable is not true that you should aim to achieve at least 70%. You should aim to achieve them as they are set. Options A, B, D and E are not correct as they are true about SMART objectives.

31. The correct answer is D.

Efficient workload management, prioritisation and flexibility to help others; effective communication using emails and reports; good ability to work without supervision and under pressure when required; and being eager to learn and improve over time are all strengths of an

aspiring future professional accountant. Options A, B and C are not correct as they did not exhaust all the correct strengths.

32. The correct answer is A.

In line with ICPAR's Continuing Professional Development (CPD) policy, a member in good standing is required to have a CPD which should be evidenced by 40 CPD hours (20 structured and 20 unstructured hours). Options B, C and D are not correct since they are not in line with ICPAR's CPD policy.

33. The correct answer is B.

The expected sources of updates in professional standards and other relevant development in the profession that a professional accountant should use include: technical briefings and updates, training courses and seminars and publications by IFAC and other professional accountancy organisations. Social media and Netflix are not a reliable source of information that can be trusted and therefore ready to be used professionally. Therefore, options C & D are erroneous. Option A does not exhaust all possible sources.

34. The correct answer is C.

Note that although learning and development will improve performance and save time in the long term, the time taken to undertake proper learning and development will mean the employee has less time to undertake other tasks in the short term. Learning and development is also not expected to decrease an employee's job satisfaction. It is expected however, that it will enable improved job performance and increase an employee's value in the external job market. Therefore, options B and D have wrong answers. Option A does not exhaust all correct answers.

35. The correct answer is D.

Monitoring your action plans will enable you to: check whether your work is on track with your current schedule; review and keep track of original work requests, plans and priorities, as the situation changes; monitor the need for follow-up action and review your scheduling and workload management, perhaps with your supervisor or learning coach, to see how effectively you have translated work requests into plans and schedules. Options A, B and C are incorrect as they are not exhaustive of all the correct answers.

36. The correct answer is A.

In a bid to help the junior accountant to meet his/her reporting deadline, you should put pressure on the accountant in charge of receivables who is holding you the junior by not producing the information he/she requires; providing you with additional resources, such as a colleague's time to help the junior accountant or adjust plans, so that the junior accountant will have more time to complete the report. Options B does not consider all possible answers and options C and D are not correct since they include the action of assigning the task to someone else as the junior accountant is showing incompetence. So far, the junior accountant has not shown any sign of incompetence, he should therefore be assisted.

37. The correct answer is B.

When you anticipate a delay in meeting the deadline, you should address the situation as soon as possible; provide a brief explanation; apologize for the delay and lastly propose a new timeframe. Option A does not exhaust all correct answers and, option C and D are incorrect because they take into account communicating after the deadline, which is not advisable and can create conflicts.

38. The correct answer is D.

Consultation between team members may render decision making difficult and more time consuming is a disadvantage of working as a team. Options A, B and C represent advantages of working as a team.

39. The correct answer is C.

In line with a new clean desk policy, it is expected that all employees should ensure that all sensitive/confidential information in hardcopy or electronic form is secure in their work area at the end of the day and when they are expected to be gone for an extended period; any restricted or sensitive information should be removed from the desk and locked in a drawer when the desk is unoccupied and at the end of the work day; and passwords must not be left on sticky notes posted on or under a computer, nor may they be left written down in an accessible location per the Password Protection Standard. Option A is not exhaustive of all correct answers, options B & D have element (ii) of requesting a colleague to watch the documents on your desk on your behalf. This may breach the confidentiality agreement and an employee should file all documents once he/she leaves his desk.

40. The correct answer is B.

Preparing a report for a meeting tomorrow, is a task that should be urgent and important. Options A, C and D are well categorized in terms of tasks prioritization.

41. The correct answer is B.

The best ways/approach of resolving conflicts between co-workers include: talking with both co-workers, focus on behavior and events, not on personalities; listening carefully, identify points of agreement and disagreement and prioritizing the areas of conflict and develop a plan to work on each conflict. Option A is not exhaustive of all possible answers. Options C and D have element (iv): following through on your plan and ensure that whoever was the origin of the conflict is reprimanded. The ultimate goal of conflict resolution is not to punish or reprimand one side of the conflicted persons.

42. The correct answer is A.

The methods of resolving conflicts include: accommodation, avoidance, compromise and collaboration. However, in terms of conflict avoidance (ii) the conflict does not need to remain unresolved until they settle it with use of force/fighting. Therefore, options B and C don't consider all correct answers and Option D includes element (ii) which is erroneous as mentioned above.

43. The correct answer is D.

Qualities of good working team include: a mix and balance of people in the team; clear shared objectives and performance feedback; co-ordination, collaboration and communication and mutual respect. Options A, B and C are not the most appropriate as they omit other correct answers.

44. The correct answer is C.

In a bid for Anne to address her dissatisfaction, she should engage the supervisor and talk about the issue professionally; lay out facts about her dissatisfaction and show her aspirations on how it could be resolved and agree with your supervisor on the way forward and ensure that the agreed steps are implemented as agreed. Options B and D are not correct as they include element (i) leaving the organization as it may not have her future career there – as this would be the last step to take in terms of resolving a dissatisfaction. Option A does not address all the correct steps.

45. The correct answer is A.

An argument with a fellow employee over the tidiness of their work space is not a grievance in the workspace. Options B, C and D are not correct since they are genuine grievances that can be there at a workplace.

46. The correct answer is B.

Once you are expecting a delay, it's always commendable to report it early to your manager to ensure that he/she is in the know and to ensure that if alternatives are available to handle the delay, he/she could advise. Options A, C and D are not professionally recommended and can create a conflict between you and your manager.

47. The correct answer is D.

A performance evaluation system increases employee morale and employee retention; makes it easier to identify training needs; helps employees define career paths and have clearly defined goals and expectations; and increases self-motivation and reduces micro-management. Options A, B and C are not exhaustive of all possible answers.

48. The correct answer is A.

A personal development plan provides you with clear goals and helps you to identify your strengths and weaknesses; improves your employability; and improves your performance and it increases your motivation. Options C and D are not correct because of element (iii): once your peers have higher goals, you can change your goals to ensure that you also become a higher achiever – this is also known as peer pressure. It is not recommended to have a development plan based on the peer pressure since everyone has different strengths and weaknesses. This can also lead to burnout and dissatisfaction. Option B does not consider all correct answers.

49. The correct answer is A.

An effective performance appraisal system must have fairness, transparency, and accuracy; goal alignment and tracking; and developmental coaching and feedback followed by accountability and recognition. An effective appraisal system does not need to be computerized or digitized. Therefore, options B and D are incorrect since they have element (i). Option C does not consider all answers.

50. The correct answer is D.

On-the-job approaches support 'transfer of learning': skills are learned in the actual context in which they will be applied – so application is seamless. Options A and B are advantages of off the-job training: the learners don't have the distraction of other work duties, and errors while learning are less likely to have real consequences. You may have hesitated over option C, but there is a risk that by learning on the job, people will pick up 'bad habits' and shortcuts – rather than best practice.

END OF MARKING GUIDE AND MODEL ANSWERS