



CERTIFIED ACCOUNTING TECHNICIAN

STAGE 2 EXAMINATIONS

S2.3: PROFESSIONAL ETHICS IN ACCOUNTING AND
FINANCE

DATE: MONDAY 25, NOVEMBER 2024

MARKING GUIDE AND MODEL ANSWERS

SECTION A

Marking guide

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

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

2 Marks for each correct answer 2

Total marks 100

Model Answers

1. The correct answer is B

The correct answer is B, because threat to Mugisha Robert independence which is most likely to arise in this situation is advocacy threat. Advocacy threat is the threat that a professional accountant will promote a client's or employer's position to the extent that the accountant's objectivity is subsequently compromised (eg an auditor acting as a spokesman on behalf of an audit client in litigation).

The rest of the other options: A, C and D are not the correct answers since they are not the mostly likely threat to occur to Mugisha Robert independence because familiarity threats occur as a result of having a close relationship with a director or officer of the client or employer who is in position to exert significant influence over the engagement; whereas an intimidation threat occurs when a professional accountant is deterred from acting objectively by threats and pressure, whether they are actual or perceived. For example, the threat of an audit being replaced if they disagree with their client over the application of an accounting standard; and self-review threat is created where an accountant does not appropriately re-evaluate their own or a colleague's work, when relying on it to perform current service. (For example, an audit firm preparing original data used to generate financial statements, which it then audits).

2. The correct answer is C

The correct answer is C, because the twin forces of globalisation and digitalisation mean that any reported news about a company **does not** becomes instantly and widely available is not the correct statement in relation to company credibility while maintaining professional values rather the twin forces of globalisation and digitalisation mean that any reported news about a company becomes instantly and widely available.

The rest of the others options: A, B and D are not the correct answers since they are correct statements in relation to company credibility while maintaining professional.

3. The correct answer is B

The correct answer is B, because work should be completed on a timely basis, but it should not be rushed in order to meet deadlines which may be unrealistic. Therefore, on time is not required to complete the statement, in order to comply with the principle of professional competence and due care.

The rest of the other options: A, C and D are not correct answers since they are correct statements outlined by the principle of professional competence and due care. The principle of professional competence and due care means that having agreed to do a task you have an obligation to carry it out to the best of your ability, carefully and thoroughly, and in the client's best interests.

4. The correct answer is C

The correct answer is C, because objectivity principles states that a member shall not allow bias, conflict of interest or undue influence of others to override professional or business judgement.

The rest of the other options: A, B and D are not the correct answer since the principle of integrity requires all members to be straightforward and honest in business and professional relationships; whereas the principle of professional behaviour states that members must comply with relevant laws and regulations, and avoid any action that discredits the profession; and the option D, which None of the above is not the correct answer since the right option is available.

5. The correct answer is C

The correct answer is C, because balancing rights and neutrality states that an individual's right to freedom of expression has to be **balanced** against the public interest in having politically neutral and effective civil servants. Therefore; the correct statement to complete the sentence is balanced.

The rest of the others options: A, B and D are not the correct answers since they are not correct statements to complete the sentence with regards to the balancing rights and neutrality.

6. The correct answer is C

The correct answer is C, because it combines three possible general principles that apply to public sector accountants providing political neutral service. These general principles are:

- Balancing rights and neutrality
- Freedom of expression
- Fair and honest advice

The rest of the other options: A, B, and D are not the correct answers since Option A, list only 1 general principle yet they are 3, Option B, list 2 general principles and 1 item which is not among the general principles and option D, which is None of the above is not the correct answer since the right option is available.

7. The correct answer is D

The correct answer is D, which is all of the above since it combines all the possible reasons why Kimenyi Steven should introduce the code of the conduct in the practice which are: (i) Promoting stakeholder responsibilities; (ii) Conveying values to stakeholders and (iii) Promoting business objectives.

The rest of the other options: A, B and C are not the correct answers since they list only few examples of the correct answers.

8. The correct answer is C

The correct answer is C, because, Kabatesi Liliane discussing her behaviours with her and encourage Kayesu Winnie to change is the most appropriate action to take.

The rest of the other options: A, B and D are not the correct answers since they are not the most appropriate action to take in this circumstance because reporting Kayesu Winnie to the Human Resources Department for an immediate action or ignoring it, because using phone in normal working hours is not causing any harm or reporting Kayesu Winnie to the Director General for her unethical behaviour are not the right option to take since professional accountants are usually advised to follow internal procedures within organisation in first instance therefore Kabatesi Liliane should first discuss the issue with Kayesu Winnie before taking it to another step.

9. The correct answer is D

The correct answer is D, because to safeguard against the risk of being found liable to pay compensation, accountants may add a disclaimer of liability to their work. This is a statement that says the author of the work will not be responsible for any loss suffered by someone who acts upon the information contained in the work. The effectiveness of such disclaimers is open to question by a court and such a statement is unlikely to protect a member who has not acted with due care.

The rest of the other options: A, B and C are not correct answers since they are not safeguard against the risk of being found liable to pay compensation, accountants may add which of the following to their work.

10. The correct answer is C

The correct answer is C, because ethics are a set of moral principles that guide behaviour.

The rest of the other options: A, B and D are not correct answers since an assumptions and beliefs about what constitutes 'right' and 'wrong' behaviour is about ethical values; whereas an art of being morally responsible and accountable for our behaviour is all about the concept of business ethics and A commitment to upholding the law is not the accurate statements about ethics.

11. The correct answer is C

The correct answer is C, because one of the key threats to an accountant's independence and objectivity is accepting gifts, services, favours or hospitality from parties who may have an interest in the outcome of the accountant's work. In this case we are told that Kiza Geofry's gift is valuable, therefore accepting that gift is likely to result in a breach of independence.

The rest of other options: A, B and D are not the correct answers since they are not the professional quality of an accountant that will be breached in this since the quality of scepticism requires an accountant to question information given to them in order to form their own opinion regarding the quality and reliability of that information; whereas accountability means that you should recognise that you are accountable for your own judgements and decisions and the quality of social

responsibility means that accountants have a public duty as well as a duty to their employer or client. Audit work, accountancy work and investment decisions may all affect the public in some way.

12. The correct answer is A

The correct answer is A, because the Law n° 019/2023 of 30/03/2023 amending Law N° 007/2021 of 05/02/2021 governing companies regulating companies in Rwanda stipulates that where the company changes the place at which its records are kept, it must, within fifteen (15) days of the change, notify the Registrar General.

The rest of the other options: B, C and D are not correct answers since they not the correct days for which the registrar general should be notified of company changes the place at which its records are kept.

13. The correct answer is D

The correct answer is D, because the Law No 35/2012 states that a civil servant or an employee of a public or private entity must disclose any information they have about offences or illegal or unethical behaviours in the workplace. Therefore, the correct statement is D, which states that an accountant working in business in Rwanda must disclose any information they have about unethical behaviour in their workplace.

The rest of the other options: A, B and C are not correct answers since they are not indicating the correct statements which is correct in line with whistle blowing. However; the whistleblowing disclosure in Rwanda must be made to the appropriate authority like investigation unit if the whistle blowers/employee has concern over money laundering or financial crimes to which the solution could be provided by the Investigation Authority.

14. The correct answer is C

The correct answer is C, because as per the 2009 Companies Act of Rwanda; the company should keep all written communications to shareholders, including annual reports for a period of 10 years.

The rest of the other options: A, B and D are not correct answers since they are not the correct period for which the company should keep all written communications to shareholders, including annual reports.

15. The correct answer is B

The correct answer is B, because money laundering is a criminal offence (a behaviour prohibited by law and considered to violate the moral standards of a society).

The rest of the other options: A, C and D are not the correct answer since money laundering is not an example of civil law which indicates wrongs relating to conflicts between individuals within

the community and is not combination of both civil and criminal law and option D, which is none of the above is not the right option since the right answer is available.

16. The correct answer is C

The correct answer is C, because the organisation's strategic objectives is not typically outlined in an organisation's ethical code of conduct.

The rest of other options: A, B and D are not the correct answers since they are among the examples outlined by an organisation's ethical code of conduct. An ethical code of conduct typically sets out an organisation's values, the behaviours it expects from its staff, and explains how it sees its responsibilities towards stakeholders. As well as outlining behaviour which is required of staff (for example, treating clients with courtesy and respect), a code may outline behaviour which is forbidden (for example, sexual harassment).

Although having a code of conduct may help an organisation improve its strategic position or reputation, the code itself will not typically include the organisation's strategic objectives.

17. The correct answer is B

The correct answer is B, because the ethical fundamental principles that are most threatened here are professional competence and due, integrity and professional behaviour.

The principle of professional competence and due care means that an accountant must maintain their personal knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on the current developments, and in accordance with applicable professional standards. As such, an accountant should refrain from taking on work where they know they do not have the level or skills to provide the service required; whereas the principle of professional behaviour states that members must comply with relevant laws and regulations and avoid any action that discredits the profession and; the principle of integrity requires all members to be straight forward and honest in business and professional relationships. This implies fair dealing and truthfulness.

Therefore, Profession competence and due care is most at risk since Murara Peter has been reckless in preparing the financial statements without having the sufficient information, Integrity is also threatened since Murara Peter should have been honest to the clients about circumstance and professional behaviour is also threatened since Murara Peter has not acted in the manner that ensure compliance with relevant laws and avoiding actions that discredits the profession.

The rest of the other options: A, C and D are not correct since they are not mostly threatened ethical fundamental principles in this situation.

18. The correct answer is A

The correct answer is A, Separation safeguard requires that clients' money must be kept away from the money belonging to the accountant personally or to the accountancy practice. Accountancy practices typically do this by having separate bank account rather than having all monies on single account.

The rest of other options: B, C and D are not correct answers since they relate to use where the clients' monies must be used for intended purpose and accountability where the accountant must be ready at all times to account for clients' monies and the option D, which is none of the above is not correct as right option is available.

19. The correct answer is C

The correct answer is C, because the quality of scepticism requires an accountant to question information given to them in order to form their own opinion regarding the quality and reliability of that information.

The rest of other options: A, B and D are not the correct answers since they are not the professional quality that the accountant will demonstrate in this because independence means that you must be able to complete your work without bias or prejudice and you must also be seen to be independent. (this links directly into the principle of objectivity); whereas accountability means that you should recognise that you are accountable for your own judgements and decisions and; professional competence and due care means that an accountant must maintain their personal knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on the current developments, and in accordance with applicable professional standards. As such, an accountant should refrain from taking on work where they know they do not have the level or skills to provide the service required.

20. The correct answer is C

The correct answer is C, because an accountant in practice will provide services for a number of clients for example carrying out audit works or preparing tax returns for the clients.

The rest of the other options: A, B and D are not the correct answers since an accountant who works in the business is employed to perform the work for the organisation that employs them, for example producing financial accounts for external users or management accounts for the senior management team; whereas an accountant in the public sector performs similar roles to those employed in business; however, the difference is that their employer will be a public service organisation, and the option D, which is none of the above, is not the right option, as the right answer is available.

21. The correct answer is C

The correct answer is C, since precedent is not among the ethical test for evaluating a business decision even although you might consider any examples or legal precedents when thinking how to act in a given situation, hence therefore; precedent is not one of the three characteristics linked to the Institute of Business Ethics' tests.

The rest of the other options: A, B and D are not correct answers since they are the ethical test for evaluating a business decision. These are:

- Transparency – Is the decision characterised by integrity, openness and honesty?
- Effect – Who does the decision affect or hurt? Have the interests of all stakeholders been considered?
- Fairness – Will a decision be considered fair by those affected, or by an independent third party?

22. The correct answer is C

The correct answer is C, because respect is not the pairs of key business values associated with ethical behaviour.

The rest of other options: A, B and D are not the correct answers since they are examples of the pairs of key business values associated with ethical behaviour which includes; Responsibility and trust, fairness, truth and transparency.

23. The correct answer is C

The correct answer is C, since Rutikanga James is entitled and required to refuse the request of his line supervisor. If you are instructed to take a course of action which you believe to be illegal or unethical, then you are not only entitled but also required to refuse to do it.

The rest of the other options: A, B and D are not correct answers since they are not the correct course of action to take in this situation since generally when a professional accountant is required to perform action for whom he/she believes to be illegal or unethical, then he/she is entitled and required to refuse.

24. The correct answer is B

The correct answer is B since it combines both correct factors that members should consider when attempting to resolve ethical conflicts which are (i) Established internal procedures and (ii) Alternative courses of action, considering the consequences of each.

The rest of the other options: A, C and D are not correct answers since they list correct and wrong answers. Note the first factor an accountant should consider is 'relevant facts' only, not 'all potential facts and rumours', so option (ii) in the question is incorrect.

The five factors which the IESBA Code of Ethics (IESBA, 2016) has outlined, that members should consider when attempting to resolve ethical conflicts are:

- Relevant facts
- Ethical issues involved
- Fundamental principles related to the matter in question
- Established internal procedures
- Alternative courses of action, considering the consequences of each

25. The correct answer is C

The correct answer is C, because self-review threat is created where an accountant does not appropriately re-evaluate their own or a colleague's work, when relying on it to perform current service. (For example, an audit firm preparing original data used to generate financial statements, which it then audits).

The rest of the other options: A, B and D are not correct answers since an intimidation threat occurs when a professional accountant is deterred from acting objectively by threats and pressure, whether they are actual or perceived. For example, the threat of an audit being replaced if they disagree with their client over the application of an accounting standard; whereas self-interest threat is a threat that a financial or other interest will inappropriately influence a member's judgement or behaviour (for example an auditor having direct financial interest in a client); and familiarity threats occur as a result of having a close relationship with a director or officer of the client or employer who is in position to exert significant influence over the engagement.

26. The correct answer is C

The correct answer is C, because selflessness means that holders of public office should act solely in terms of the public interest rather than – for example – gaining financial or other benefits for themselves or their families and friends.

The rest of the other options: A, B and D are not the correct answer since the integrity principle of public life states that individuals should not place themselves under any financial or other obligation to third parties that might seek to influence them in performance of their duties; whereas the leadership principle means that holders of public offices should challenge poor behaviour when it occurs and should promote and support the principle by setting a good example; and the option D, which None of the above is not the correct answer since the right option is available.

27. The correct answer is C

The correct answer is C, because it states the correct statement which is true since under the Code of Ethics, as a minimum, accountants are expected to comply with the laws and regulations of the country in which they live and work. The Code of Ethics for Professional Accountants is not legally binding in itself, but requires accountants to comply with relevant laws.

The rest of the other options: A, B and D are not the correct answers since option B, the Code of Ethics for Professional Accountants is not legally binding in itself; option A, which is neither of them is not a correct answer as the right option is available; and option C, which is both of them, is not the correct answer as it combines both wrong and right options.

28. The correct answer is D

The correct answer is D, because whilst a code of conduct may reduce the need to discipline staff for poor behaviour, it will not eradicate or avoid the need to have disciplinary procedures in the event that staff breach the code of conduct, or are guilty of some other form of misconduct. Therefore; to avoid the need for internal disciplinary procedures is not among a reason why it is important to adhere to an organisational code of conduct.

The rest of other options: A, B and C are not the correct answers since they are among a reason why it is important to adhere to an organisational code of conduct which are: (i) Ensure legal compliance; (ii) Maintain the organisation's credibility and (iii) Maintain a good image with clients.

29. The correct answer is B

The correct answer is B, because when unethical or illegal behaviour is uncovered, whistle blowing should be carried out 'as a last resort', External whistleblowing should take place 'following' internal discussion with management.

The rest of the other options: A, C and D are not correct answers since whistle blowing should not be carried out 'immediately and 'following' internal discussion with management, neither should not be carried out 'immediately' and 'prior' to the internal discussion with management nor should not be carried out 'as a last resort' and 'prior to' internal discussion with management.

30. The correct answer is B

The correct answer is B, because supplying information to the one of bidder will breach confidentiality thus the principle of confidentiality states that members must respect the confidentiality of information acquired through business relationships and must not disclose any such information without proper and specific authority unless there is a legal or professional right or duty to disclose.

The rest of the other options: A, C and D are not correct answers since objectivity is all about ensuring that decision should be taken impartially, fairly on merit, without discrimination or bias; whereas familiarity is all about having a close relationship with a director or officer of the client or employer who is in position to exert significant influence over the engagement and; the principle of integrity requires all members to be 'straightforward and honest in business and professional relationships.

31. The correct answer is D

The correct answer is D, because public sector accountants are not prevented from taking a personal interest in politics, but they must keep their jobs out of politics, and politics out of their jobs and accountants in the public sector need to keep their personal political views separate from their jobs.

Therefore, Mutoni Grace is allowed to join a political party and should separate personal political views from her accounting profession are correct answers.

The rest of other options: A, B and C are not the correct answers since option A list only one correct answer and the option B list wrong answer; and option C list correct and wrong answers.

32. The correct answer is A

The correct answer is A, since Accountants in the public sector have the same rights of political expression as other members of the public outside the workplace and in their own time. However, the key point about political neutrality for the accountants in public sector is that they keep their personal political views separate from their jobs. Therefore, the correct statement is A which that a public sector accountants should not express their personal political views

The rest of the other options: B, C and D are not correct answers since they are general principle that apply to political neutrality such as that it is in public interest for accountants, and other civil servants to be politically neutral; An accountant's professional duty is to provide fair and honest advice, regardless of their political views and; Accountants in public sector need to keep their personal political views separate from their jobs.

33. The correct answer is A

The correct answer is A because corporate hospitality is the entertainment that a company offers to its most valued clients, for example by inviting them to sporting events and providing them with food and drink hence corporate hospitality, this is neither a breach of professional ethics nor a criminal offence.

One of the key threats to an accountant's independence and objectivity is accepting gifts, services, favours or hospitality from parties who may have an interest in the outcome of the accountant's

work. In this case we are told that Kiza Geofry's gift is 'valuable', therefore accepting that gift is likely to result in a breach of independence.

The rest of other options: B, C and D are not the correct answers since they are they are not demonstrating the Mugisha Francis's to her guest who is existing client since bribery would imply that Mugisha Francis's has committed a potential criminal offence, whereas providing a gift, this would be a breach of professional ethics if the gifts is valuable and expensive since the threat to objectivity and independence will only arises where the gift is significant enough to be reasonably perceived by a third party to influence judgement; and inducing a client – this is a breach of national laws may be seen to be an attempt to influence the objectivity of an accountant's decisions.

34. The correct answer is B

The correct answer is B, because information will only be disclosed to family members who do not intend to use information for any person gain is not among the circumstance in which confidential information may be shared by an accountant.

The rest of the other options: A, C and D are not correct answers since among the circumstance in which confidential information may be shared by an accountant; which are (i) Disclosure is permitted by law and authorised by a client or employer (for example Voluntary disclosure to regulator); (ii) Disclosure is required by law and there is legal duty to disclose (for example where information is required by public authorities and; there is professional duty to disclose which is in public interest (for example compliance with professional body).

35. The correct answer is C

The correct answer is C, since the principle of professional competence and due care requires Mulisa Harriet to carry out her work carefully and thoroughly, and in the client's best interests. However, the time pressure which she is facing to finish the work may prevent her from doing this work effectively. Therefore, the fundamental ethical principles which is most likely to be threatened by Mulisa Harriet's situation is professional competence and due care. The principle of professional competence and due care means that an accountant must maintain their personal knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on the current developments, and in accordance with applicable professional standards. As such, an accountant should refrain from taking on work where they know they do not have the level or skills to provide the service required.

The rest of the other options: A, B and D are not the correct answers since the principle of professional behaviour states that members must comply with relevant laws and regulations and avoid any action that discredits the profession; whereas the principle of integrity requires all members to be straight forward and honest in business and professional relationships. This implies fair dealing and truthfulness and the principles of objectivity that a member shall not allow bias, conflict of interest or undue influence of others to override professional or business judgement.

36. The correct answer is D

The correct answer is D, since it combines both correct statements since an accountant is expected to exercise professional judgement when deciding who to discuss ethical matters with, and should refer to any internal policies and procedures for guidance about who to discuss unethical behaviour with. However, in general, an accountant should first discuss any issues within their employing organisation for disclosing the matter to third parties, so statement (i) is true.

If, after discussing the conflict with all relevant parties (internal and external) the accountant is not satisfied with the way that the conflict is being resolved they should consider resigning their position to maintain their own integrity, so statement (ii) is true.

The rest of the other options: A, B and C are not correct answers since option B and C lists only one correct statements and option A which is neither of them did not consider any option to be true.

37. The correct answer is C

The correct answer is C, because this is a familiarity threat to Philomene's objectivity. Philomene has known the procurement manager of one of her employer's main suppliers for several years and they have been dealing which cause the threat of familiarity and then result into breach of Philomene's objectivity due to accepting gifts and hence Philomene will have bias, conflict of interest or undue influence of others to override professional or business judgement.

The rest of the other options: A, B and D are not the correct answer since this is not an intimidation threat to Philomene's objectivity neither an intimidation threat to Philomene's professional competence and due care and the option D, which None of the above is not the correct answer since the right option is available.

38. The correct answer is D

The correct answer is D, because the leadership principle means that holders of public offices should challenge poor behaviour when it occurs and should promote and support the principle by setting a good example.

The rest of the other options: A, B and C are not the correct answer since the accountability principles of public life states that holders of public office are accountable for decisions and actions and are subject to whatever scrutiny is appropriate to their office; whereas openness means that decisions should be taken in an open and transparent manner unless there are clear reasons for not doing so; and objectivity means that decisions should be taken impartially, fairly on merit, without discrimination or bias.

39. The correct answer is D

The correct answer is D, because tipping off refers to the action of informing the author of a transactions that has been reported to the authorities. This is also considered as an offence.

The rest of the other options: A, B and C are not correct answers since they are not the correct statement to complete the sentence since internal whistleblowing occurs when an employee reports something illegal or unethical within the organization they work for to someone more senior in that organization; whereas external whistleblowing refers to the situation where an employee reports something illegal or unethical to someone outside the organization e.g. legal authorities; and money laundering involves disguising financial assets so they can be used without detection of the illegal activity that produced them. If an accountant has reasonable motive to suspect that funds are associated with money laundering, they must report their suspicion immediately to the appropriate authorities. In Rwanda, any suspicions of money laundering must be reported to the Financial Investigation Unit (FIU).

40. The correct answer is D

The correct answer is D, which is All of the above because it combines all other laws and regulations that can mostly affect an accountant in performance of his/her work in the accountancy and finance sector. These other laws and regulations are (i) Employment law (employees' entitlement to sick pay or maternity pay) (ii) environmental legislation (for controlling pollution and promoting the sustainable use of natural resources) and (iii) Health and safety legislation (due to the need to provide a safe working environment for employees).

The rest of the other options: A, B and C are not the correct answers since they do not list all the correct answers.

41. The correct answer is A

The correct answer is A, because if an accountant receives a gift in the normal course of a company's public relations and marketing activities, and the gift is not significant in value, there is no specific intention to influence the accountant's decision making or professional judgement. Therefore, it would be appropriate for the accountant to accept the gift in such circumstances.

Normally receiving gifts and hospitality from parties who have an interest in the accountant's work could present a threat to the accountant's independence and objectivity. If the value of a gift is high, the gift could be seen as a bribe.

The rest of other options: B, C and D are not the correct answers since they present a threat to the accountant's independence and objectivity because when an auditor is given an expensive gift by a client at the completion of an audit, this would affect auditor's decision making and profession judgement and when gifts are significant in value this also present a threat to the accountant's independence and objectivity.

42. The correct answer is B

The correct answer is B, since discussing the ethical dilemma with his close colleague is the least appropriate action to take. Whilst the accountant might find it easier to talk to a close colleague than to somebody with greater authority in the organisation, this approach could lead to a breach of confidentiality.

In general, a professional accountant should first discuss the issues within the employing organisations before disclosing the issues to third parties.

The rest of the other options: B, C and D are not correct answers since in general, and unless there is a good reason not to, the accountant should consult with their line manager first, unless they are part of the problem. The Audit Committee or even the board of directors could be contacted in the event of major problems. The accountant could contact (Institute of Certified Public Accountants of Rwanda (ICPAR) if there were unable to resolve the dilemma internally.

43. The correct answer is C

The correct answer is C, since the principle of confidentiality states that members must respect the confidentiality of information acquired through business relationships and must not disclose any such information without proper and specific authority unless there is a legal or professional right or duty to disclose. Therefore, the correct statement is the duty of confidentiality is a legal obligation.

The rest of the other options: A, B and D are not correct answers since the duty of confidentiality is not an absolute ethical obligation and cannot be overridden in the public interest unless there is professional duty to disclose in public interest for example disclosure to protect the member's professional interest in legal proceedings and; option D which is none of the above is not the correct answer since the right option is available.

44. The correct answer is D

The correct answer is D, because the important reason for an accountant to attend seminar courses for continued professional development is to ensure the maintenance of the necessary knowledge and technical skills to produce work to the required standards.

The rest of other options: A, B and C are not the correct answers since they are not the important reasons for Mbabazi Phionah attend training on 13th Annual Tax Convention Edition II courses for continued professional development

45. The correct answer is B

The correct answer is B, since members who fail to comply with the Institute's CPD requirements may be deemed guilty of professional misconduct.

The rest of other options: A, C and D are not the correct answers since they are not the guilty that Tumusime Enock may be charged for not complying to the Institute of Certified Public Accountant of Rwanda (ICPAR) CPD requirements.

46. The correct answer is A

The correct answer is A, because company can keep records for a period of more than 10 years depending on the value of the documents.

The rest of the other options: B, C and D are not correct answers since correct statements in regard to maintaining proper books of accounts by accountants which are; (i) Company records to be kept should contain complete, accurate and valid information; (ii) Keeping company records is a legal or regulatory requirement and; Confidential records should be kept out of reach of the public.

47. The correct answer is D

The correct answer is D, which is all of the above because it combines all the possible factors to consider in disclosing confidential information. These factors are (i) How reliable is information; (ii) How can you protect the on-going confidentiality of the information as far as possible and; (iii) Will you incur legal liability by disclosing the information.

The rest of other options: A, B and C are not the correct answers since they list only few factors to consider in disclosing confidential information.

48. The correct answer is D

The correct answer is D, because all are correct circumstances in which confidential information may be disclosed by Uwimana Olivier. They are among circumstances in which an accountant is required or permitted to disclose confidential information are: (i) Disclosure is required by law and there is a legal duty to disclose, for example, actual or suspected money laundering/terrorist financing; (ii) Disclosure is permitted by law and authorised by the client or employer, for example, disclosure to potential buyers of the client company; and (iii) Professional duty or right to disclose is in the public interest and not prohibited by law, for example protection of a member's professional interests in legal proceedings.

The rest of the other options: A, B and C are not correct answers since they are few circumstances for which Uwimana Olivier can disclose the confidential information he has about his clients, Emmanuel Tuyisabe.

49. The correct answer is C

The correct answer is C, breach of trust Because the client has allowed the accountant (Muneza Fred) to access to their funds in trust, hence there will be a **breach of trust** if any money is misappropriated. Therefor; Muneza Fred is most at risk of having committed breach of trust to the clients who have trusted him to hold their monies on their behalf.

The rest of the other options: A, B and D are not the correct answers since they are not the most risk at Muneza Fred is to have committed. However; mishandling clients 'money may result in a breach of contract or taken as professional negligence if the appropriate standard of care was not followed. Finally, there is a risk of being accused of theft due to dishonestly appropriating property belonging to another (e.g. in case clients 'money was transferred to an accountant's own bank account).

50. The correct answer is C

The correct answer is C, because; International Federation of Accountants (IFAC) is the international body representing all major accountancy bodies across the world. Its mission is to develop the high standards of professional accountants.

The rest of the other options: A, B and D are not correct answers since International Accounting Standards Board (IASB) is professional body which is responsible for developing international financial reporting standards (IFRS's) which listed companies in Rwanda have to use as the basis for their financial account; International Ethics Standards Board for Accountants is responsible for publishing the code of ethics for professional accountants, IESBA 2016 and financial reporting council is responsible to monitor the development of international accounting and auditing standards.

End of marking guide and model answers