



ICPAR
Unlimited possibilities

CERTIFIED ACCOUNTING TECHNICIAN
STAGE 1 EXAMINATIONS
S1.3: EFFECTIVE WORKING IN ACCOUNTANCY
AND FINANCE
DATE: THURSDAY, 31 MARCH 2022

INSTRUCTIONS:

- 1. Time allowed: 2 hours and 30 minutes.**
- 2. This examination has one section only: Section A**
- 3. Section A has 50 compulsory multiple-choice questions equal to 2 marks each.**
- 4. The question paper should not be taken out of the examination room.**

SECTION A

QUESTION ONE

Kalisa John, Chief Accountant of Umwembe Ltd, He has been working for Umwembe Ltd for the last 3 years. Which of the following are good examples to demonstrate Kalisa's interest in the financial information of Umwembe Ltd?

- (i) Profitability
- (ii) Liquidity
- (iii) Litigations over the company
- (iv) Solvency

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

(2 Marks)

QUESTION TWO

You are pursuing Certified Accounting Technician (CAT) course provided by Institute of Certified Public Accountant of Rwanda (ICPAR). Based on the business relationship you have with ICPAR, which type of stakeholder are you to ICPAR?

- (i) Student
- (ii) Internal stakeholder
- (iii) Customer
- (iv) Business partner

- A (i) only
- B (ii) only
- C (i) and (ii) only
- D (iii) only

(2 Marks)

QUESTION THREE

ABC Partners is an audit firm operating in Rwanda. It provides audit, advisory and tax consultancy services to different clients in Rwanda and East Africa markets. Which of the following organizational departments may NOT be found in ABC Partners?

- (i) Sales department
- (ii) Production department
- (iii) Finance and accounting department
- (iv) IT department

- A (i) only
- B (ii) only
- C (iii) only
- D None of the above

(2 Marks)

QUESTION FOUR

Kimonyo Jack and Kamaliza Yvette are Chili farmers and recently launched KK Farm Limited, a company registered in Rwanda producing Chili powder for exportation. Last week, the shareholders were discussing which departments they should put in place to operate KK Farm Limited smoothly. As a CAT Candidate, advise Kimonyo and Kamaliza which of the following is NOT correct in regard to introducing finance and accounts department in KK Farm Limited?

- A Because finance and accounts department provide information to assess and achieve company's objectives.
- B Because finance and accounts department promote efficiency within the company
- C Because finance and accounts department contribute to legal compliance
- D Because finance and accounts department are required by law regulating companies in Rwanda

(2 Marks)

QUESTION FIVE

Which of the following is NOT correct in regard to financial accounting and management accounting concepts?

- (i) Both financial and management accounting provide information for decision making
- (ii) Financial accounting provides information mainly to internal stakeholders
- (iii) Management accounting provides information for running the business and efficiency
- (iv) Management accounting reports assists in planning and controlling business activities

- A (i) only
- B (ii) only
- C (i) and (ii)
- D None of the above

(2 Marks)

QUESTION SIX

The Chief Finance Officer of Bank of Musanze PLC convened an internal meeting of finance and accounts team. He said 'I called upon this meeting to reemphasize our contribution to the organisation's objective. The Board of Directors and Senior Management rely on the information we compile and report to them. Therefore, the information should be complete, accurate and timely'. **As a CAT candidate why do you think that the information to be provided to them should be complete, accurate and timely?**

- (i) Because the information should present true and fair view of the company's affairs
- (ii) Because the information should be available whenever needed
- (iii) Because accounting information is critical for decision making and hence should be free from errors and fraud
- (iv) Because accounting information may attract legal risk to the company

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

(2 Marks)

QUESTION SEVEN

Patrick is a business owner who deals with distributing home utensils and appliances produced in China. Recently he attended a young entrepreneur's workshop and the facilitator said 'Amid COVID-19, business should conduct their business efficiently and effectively'. **As a CAT candidate what do you understand by the term efficiency?**

- (i) Running company operations with timely decision making
- (ii) Planning company objectives considering market risk.
- (iii) Removing unnecessary costs through company's value chain
- (iv) Achieving company objectives with least resources.

- A (i) only
- B (ii) only
- C (i) and (ii)
- D (iii) and (iv)

(2 Marks)

QUESTION EIGHT

Recently you were appointed as Chief Accountant of Iwacu Manufacturers, a known company producing potatoes chips in Musanze District. The Managing Director approached you on how to improve the company's solvency.

Which of the following would you advise the Managing Director?

- (i) Avoiding idle inventory in the company
- (ii) Negotiating loan repayment moratorium with the lender
- (iii) Implementing strict credit policy to customers
- (iv) Postponing investments in fixed assets

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

(2 Marks)

QUESTION NINE

Ishema Ltd is a Rwandan regional company involved in importing cars from Dubai. Recently, RRA conducted tax audit and noted that the company has not been declaring and paying import duties and VAT correctly and hence were charged a fine of FRW100 Million. The managing Director approached you on how to improve the company's legal compliance. **Which of the following would you NOT advise the Director?**

- (i) Enhance legal compliance within the company
- (ii) Fire the Accountant in charge and hire another one with vast tax experience
- (iii) Boost up employees training on tax matters
- (iv) Hire a professional firm for tax review

- A (i) only
- B (ii) only
- C (i) and (ii)
- D None of the above

(2 Marks)

QUESTION 10

You are appointed as Treasury Accountant of ABC Bank PLC in Rwanda. **What reports would you avail to management to make informed decisions around solvency?**

- (i) Cash and cash equivalents reports
- (ii) Loans summary and lenders pipeline
- (iii) Receivables and payables aging and tracking
- (iv) Summary of actual and prospective Investments

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

(2 Marks)

QUESTION 11

Which of the following is NOT a consequence of legal noncompliance?

- (i) Sexual harassment among employees
- (ii) Fines and penalties
- (iii) Imprisonment
- (iv) Loss of reputation

- A (i) only
- B (ii) only
- C (i) and (ii)
- D (iii) and (iv)

(2 Marks)

QUESTION 12

Which of the following best describes organization chart within a company?

- A Organization chart shows chain of command and organization's human resources
- B Organization chart defines powers, and authority with the organization
- C Organization chart clarifies accountability among staff
- D All of the above

(2 Marks)

QUESTION 13

You are an Accounts Clerk in a BB hotel located in Kigali City and you are reporting to the Finance and Accounts Manager. One day you are sick, and you wish to know who to inform and request permission.

Which of the following is NOT correct in this situation?

- A Call the Finance and Accounts Manager and inform him that you are sick
- B Call the Human Resources Manager and inform him that you are sick
- C Call the Managing Director and inform him that you are sick
- D All of the above

(2 Marks)

QUESTION 14

You are an Accounts Officer in manufacturing company, you are responsible for bank reconciliations preparations. When preparing bank reconciliations for the month of June 2021 you meet a difficult transaction, and you are not sure of how to treat it in the bank reconciliations.

What is best course of action would you do?

- (i) Seek assistance from your friend who is an Accounts Clerk in another manufacturing company in Kigali
- (ii) Seek assistance from your buddy Senior Accounts Officer who is in charge in general ledgers and is experienced
- (iii) Seek assistance from your line manager
- (iv) Seek assistance from your peer who works in Human Resources

- A (i) only
- B (ii) only
- C (ii) and (iii)
- D None of the above

(2 Marks)

QUESTION 15

Your Supervisor, Finance and Accounts Manager has graded you ‘Poor performance’ in financial year ended 30 June 2021. You have a view that the performance evaluation was not fair and biased.

What is the appropriate course of action would you take?

- A To report the issue to the Human Resources Manager
- B To write a harsh letter and drop it to your supervisor’s workstation
- C To write a petition letter and drop it suggestion box
- D None of the above

(2 Marks)

QUESTION 16

Recently you were appointed as Chief Accountant of Isuku Industries, one of the leading industries in Kamonyi District. You report to the Chief Finance Officer of the company. The Head of production department approached you requesting to accomplish some of their responsibilities.

What would be the appropriate course of action?

- A Report the issue to your supervisor
- B Inform the Head of Production and respectfully deny the tasks
- C To write a petition letter and drop it suggestion box
- D To keep quiet about it to avoid any retaliation acts

(2 Marks)

QUESTION 17

Which of the following best describes the difference between policy and procedures?

- (i) Organizational policy provides wide range of standards within a company while procedures set out detailed sequences of company’s decision making.
- (ii) Policies are endorsed by top level management while procedures are put in place by middle level management
- (iii) Policies set out general guidelines while procedures provide detailed principles of course of action within a company
- (iv) Policies are enforced by laws while procedures are reinforced by internal rules and regulations.

- A (i) and (ii)
- B (ii) and (iii)
- C (i) and (iii)
- D (iii) and (iv)

(2 Marks)

QUESTION 18

You are an Accountant of Kanyana Milk Ltd, a company processing milk in Nyanza District. The Head of Finance convened a meeting last week and reemphasized clean desk policy.

Why do you think clean desk policy is important in the company?

- (i) To support efficiency
- (ii) To ensure compliance
- (iii) To achieve confidentiality
- (iv) To protect company's reputation

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

(2 Marks)

QUESTION 19

Which of the following is NOT a recommended component of strong password?

- A Password should contain special symbols
- B Password should contain capital and small letters, and numeric numbers
- C Password should at least contain 6 characters
- D Password should not easily guessable

(2 Marks)

QUESTION 20

In Rwanda, what is legal provision on document retention?

- A At least 10 Years from the date of the document
- B At least 7 Years from the archival date
- C At least 5 Years from the document date
- D Forever

(2 Marks)

QUESTION 21

Personal skills help to improve your social and professional life.

Which of the following is NOT example of soft skills?

- A Public speaking skills
- B Listening skills
- C Problem solving skills
- D Taxation skills

(2 Marks)

QUESTION 22

Inshabure Ltd is a garments manufacturing company in Rwanda. Recently, due to impact of COVID-19 on the company's operations the management decided to cut salary by 12% to minimize the effect of COVID-19 on the company's operations. You are the company's Accountant with gross salary of FRW300,000.

Which of the following shows your adjusted gross salary?

- A FRW336,000
- B FRW36,000
- C FRW246,000
- D None of the above

(2 Marks)

QUESTION 23

The following email relates to email composed by Gashugi Clement, an Assistant Accounts Officer in Kora Potatoes Plant to their Supervisor Jean Claude Habimana.

To : jchabimana@shumbusho.com
From : cgashugi@shumbusho.com
Date : 12-Jul-21

I would like to share with you draft bank reconciliations for your review. Please note that USD Bank account is not balancing and hence I would like to seek coaching from you. I am available whenever you give me time to work on it together.

Look forward to hearing from you.

Based on the email above which component is missing?

- (i) Body
- (ii) Subject
- (iii) Greetings
- (iv) Signature

- A (i) only
- B (ii) only
- C (i), (ii) and (iii)
- D (ii), (iii) and (iv)

(2 Marks)

QUESTION 24

Amani Ltd is a non-governmental organisation working in Kicukiro District, the organisation has harmonized its financial year to 31 March 2021 to its parent company registered in Mauritius. The annual depreciation of a motor vehicle amounts to FRW600,000. The company's policy is to charge equal depreciation amount on a monthly basis.

How much depreciation for the period ended 30 September 2021?

- A FRW300,000
- B FRW250,000
- C FRW450,000
- D FRW66,667

(2 marks)

QUESTION 25

You are preparing a report to the Chief Finance Officer summarizing the financial performance per product-wise compared to the budget. **Which form of communication is suitable for this kind of presentation?**

- (i) Pie chart
- (ii) Bar Chart
- (iii) Line Graph
- (iv) Email

- A (i) only
- B (ii) only
- C (ii) and (iii)
- D (iii) and (iv)

(2 Marks)

QUESTION 26

Anissa Iwacu is an Accountant in RB Commercial Bank. The Chief Finance Officer has requested you a list of overdue clients showing loan account, date of disbursement, overdue date, loan officer responsible, and client's residence for recovery strategy. **Which form of information presentation is suitable for this task?**

- A Word paragraphs
- B Pictograph
- C Bar Chart
- D None of the above

(2 Marks)

QUESTION 27

Which form of communication is most appropriate in recovering a bad debtor to pay off their debts?

- A Telephone calls
- B Letter
- C Email
- D Physical meeting

(2 Marks)

QUESTION 28

Which of the following is NOT advisable when composing a letter to your supervisor?

- A Keep It Short and Simple
- B Different ideas should be coupled in one paragraph to make it simple, short, and understandable
- C Message should be clear
- D Should be clear on the subject matter and precise action stated.

(2 Marks)

QUESTION 29

Yvonne Mutesi, Chief Accountant of Bank of Richness Plc. Recently, they were not able to address all the review comments raised by their supervisor, James Kimonyo, the Chief Finance Officer. The latter commented ‘Your weights don’t fit you in my department..... that’s why any task I allocate to you comes late’.

Which best describe this form of unethical act?

- (i) Bullying
- (ii) Discrimination
- (iii) Unfair treatment

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

(2 Marks)

QUESTION 30

Which of the following is NOT a tip for time management in your routine tasks?

- (i) Starting from the difficulty tasks to easy tasks
- (ii) Set priorities based on the urgency of the task
- (iii) Do different tasks simultaneously to avoid time wastage
- (iv) Pack all pending tasks on table to handle them at once to save sufficient time for rest

- A (i) only
- B (ii) only
- C (ii) and (iii)
- D (iii) and (iv)

(2 Marks)

QUESTION 31

Which of the following is NOT a routine task?

- (i) Dealing with Bank reconciliation for your colleague who is rotated in HR department
- (ii) Declare and pay quarterly income tax upon verification of your supervisor.
- (iii) Prepare monthly debtors reconciliation and get it reviewed by your supervisor by 15th next month
- (iv) Prepare daily cash summary end of day and send it next day by 10AM

- A (i) only
- B (ii) only
- C (i) and (ii)
- D (iii) and (iv)

(2 Marks)

QUESTION 32

Prioritizing tasks requires organizing them in order of urgency and importance. You are accounts Officer of Mahoro Bank PLC. On Monday 26 July 2021, you report to work at 8AM and have a very busy day. **Among the following tasks which one is not urgent but important.**

- A Prepare bank reconciliation for verification to the Chief accountant tomorrow at 10am
- B Prepare budgetary variances to Chief Finance Officer for Board of Directors presentation tomorrow morning
- C Attending lender's meeting at 11am on the new project financing
- D Assets tagging before the month end to prepare for external auditors.

(2 Marks)

QUESTION 33

Time is a core resource in our daily life. There are different tools that aid to be efficient and effective. **Which of the following is time planning tool?**

- (i) Calendar
- (ii) Diary
- (iii) To do list
- (iv) Bar chart

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

(2 Marks)

QUESTION 34

Accounting work requires to meet tight deadlines and missing deadlines can lead to many consequences including but not limited to fines and penalties or loss of reputation.

As a CAT candidate, **which of the following do NOT constitute effective tip to meet up deadlines?**

- (i) Jot down daily tasks on dairy with amount of time and date required
- (ii) Organize tasks by the order of urgency and importance and start from the easiest
- (iii) Seek assistance and coaching to every task before deadline
- (iv) Accept every task delegated to you by any superior to you to outperform your peer.

- A (i), (ii) and (iii)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iv)
- D (iii) and (iv)

(2 Marks)

QUESTION 35

You were assigned to compute the VAT for the month of June 2021 due for declaration and payment on 15th July 2021. During tax computation, you met many challenges and busy Month and on 15th July 2021 you approached your supervisor for assistance since it was the last day for declaration and payment of VAT due.

Which of the following prescribes consequences of not completing your tasks on time to you?

- (i) Loss of self confidence
- (ii) Dismissal
- (iii) High level of stress
- (iv) Transfer to other departments

A (i), (ii) and (iii)

B (ii), (iii) and (iv)

C (i), (ii) and (iv)

D (iii) and (iv)

(2 Marks)

QUESTION 36

You are in charge of computation of VAT for the month of June 2021 due for declaration and payment on 15th July 2021. During tax computation, you met many challenges and busy month and on 15th July 2021 you approached your supervisor for assistance since the deadline is approaching.

Which of the following prescribes consequences of not completing your tasks on time to your colleagues?

- (i) Mistrust among your colleagues
- (ii) Health and safety consequences
- (iii) Loss of team collaboration
- (iv) Team burnout

A (i), (ii) and (iii)

B (ii), (iii) and (iv)

C (i), (ii) and (iv)

D All of the above

(2 Marks)

QUESTION 37

Considering the scenario in the above Question 36.

Which of the following prescribe consequences of not completing your tasks on time to your company?

- (i) Poor customer service
- (ii) Loss of reputation
- (iii) Legal noncompliance
- (iv) Loss of resources

A (i) only

B (ii) only

- C (ii) and (iii)
D All of the above

(2 Marks)

QUESTION 38

Working together helps to achieve tasks on time. You were appointed as Accountant of Intsinzi Limited, a company providing CPA & CAT coaching services in Rwanda. The Head of Finance and Accounts department informed you that you will be in charge of suppliers and debtors general ledgers and their reconciliations.

Which of the following describes the importance of teamwork in a company?

- (i) Teamwork boosts up motivation among team members
(ii) Teamwork reduces one's independence through combined synergy and ideas
(iii) Teamwork improves company's performance and contributes to its success
(iv) Teamwork facilitates upward and downward feedbacks

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

(2 Marks)

QUESTION 39

Which of the following is NOT correct in regard to teamwork in an organization?

- (i) Teamwork does not entail conflicts among team members
(ii) Teamwork is evaluated based on individuals' contributions and achievements
(iii) Synergy is a blend of members contributions into team performance
(iv) Disciplinary committee is the first instance of conflict resolution among team members.

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

(2 Marks)

QUESTION 40

You work as Financial Accountant in University of Kumukenke, a renown Private University in Nyagatare District. Recently, the company purchased a server amounting to FRW50 Million. You have a view that the server should depreciate at 50% to match up with Rwanda Revenue Authority (RRA) guidelines on the wear and tear allowance since server is a form of a computer. You consulted your supervisor and informed you to depreciate the server at 10% due to the useful life of the server. You disagreed on this point and both of you are angry. **What is the most appropriate course of actions would you take?**

- A Turn back to your workstation angrily and stop recording the transaction
B Report the incident to whistleblowing committee
C Report the issue to Human Resources Manager
D None of the above

(2 Marks)

QUESTION 41

Joannah Ishema, Accounts Officer at Tambuka Fashion Shop. Recently saw the Finance Manager slapping the company's Senior Accountant because of poor report writing. Joannah Ishema was surprised and is afraid to speak up.

What is the most appropriate course of action that can be taken by Joannah Ishema?

- A To keep quiet to avoid conflicts with their supervisor
- B To escalate the issue to Managing Director
- C To report the issue to ICPAR of which the finance Manager is a member
- D To report the incident to the company's whistleblowing anonymous email

(2 Marks)

QUESTION 42

KCP CPAs is an auditing firm registered in Rwanda. It has gained reputation image for the last 5 years. The company has introduced code of conduct detailing acceptable course of action to its employees at work and outside the work environment.

As an Accounting technician what are the consequences of lack of code of conduct to its employees:

- (i) One employee misconduct can impact the flow of work to the company and hence affecting other employees
- (ii) Noncompliance can lead to legal risks and damages
- (iii) Reputational damages and poor service delivery

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

(2 Marks)

QUESTION 43

Jolly has been working in Bank of Kimironko PLC as the Chief Finance Officer for the last 3 years. She is a member of ICPAR and at the start of financial year she makes a plan to fulfill structured CPD hours requested by ICPAR.

According to you, why should Jolly attend CPD events?

- (i) To increase their job satisfaction
- (ii) To enhance their professional network
- (iii) To boost up their technical competence

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

(2 Marks)

QUESTION 44

Isaac Munyeshyaka, Human Resources Manager of Ishimwe Ltd. Recently, they presented training plan for 2022 and among the activities include paying staff's tuition fees for CPA and CAT candidates.

Which of the following is NOT a benefit of such plan to Ishimwe Ltd?

- (i) Employee satisfaction
- (ii) Good customer service delivery
- (iii) High employee turnover

- A (i) only
- B (ii) only
- C (iii) only
- D (i) and (ii)

(2 Marks)

QUESTION 45

Jack Kamanzi, Accounts officer at ABD Bank and their Supervisor has given them a developmental comment to improve their professional writing skills.

Which of the following is NOT among the activities Jack is supposed to do?

- (i) Attending public speaking shows
- (ii) Subscribing to an International journal of accounting
- (iii) Attending ICPAR soft skills CPD events

- A (i) only
- B (ii) only
- C (iii) only
- D (ii) and (iii)

(2 Marks)

QUESTION 46

Which of the following describe the training cost to the company?

- (i) Employee meals and refreshments during training
- (ii) Venue costs
- (iii) Time lost on training
- (iv) Delay in service delivery to clients

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

(2 Marks)

QUESTION 47

CAT candidates and CAT graduates may subscribe to ICPAR membership. Members of ICPAR are required to fulfill annual CPD hours for continuing membership.

Which of the following best demonstrate the reasons to complete ICPAR CPD hours for accountants into Practice?

- (i) To socialize with peer professional members
- (ii) To enhance professional competence at work
- (iii) To upskill yourself to an elevated role in your company
- (iv) To ensure regulatory compliance

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

(2 Marks)

QUESTION 48

Which of the following demonstrate job requirements for an Accountant?

- (i) Numerical assessment skills
- (ii) Public speaking skills
- (iii) Critical and skeptical assessment
- (iv) Environmental skills

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

(2 Marks)

QUESTION 49

Which of the following are current trends in knowledge and skills for accountants?

- (i) Blockchain
- (ii) Robotic Process Automation
- (iii) Internet of things
- (iv) Climate change

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

(2 Marks)

QUESTION 50

Your supervisor has graded you 'Performing below grade' in performance assessment for the Quarter ended 30 June 2021. He commented that your budgeting skills need to be enhanced for next grade. You have agreed on the performance evaluation despite busy quarter and unfamiliar budgeting exposure. You are writing down career plans in next quarter ending 30 September 2021.

Which of the following will you include in your development plan for the next quarter?

- (i) Data analytics and spreadsheet skills
- (ii) Numerical and presentation skills
- (iii) Writing skills
- (iv) Time management skills

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

(2 Marks)

End of question paper

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