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

DATE: THURSDAY, 29 APRIL 2021

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.**

SECTION A

- 1 Which among the following is an example of internal stakeholders of the Institute of Certified Public Accountants of Rwanda (ICPAR):
- i. Members of ICPAR
 - ii. Directors of departments within ICPAR
 - iii. Employees of University of Rwanda
 - iv. Employees of ICPAR
- A (i) and (ii)
B (i) and (iii)
C (iii) and (iv)
D (ii) and (iv)

(2Marks)

- 2 Which of the following is NOT an interest of creditors of Inyange Industry Ltd.?

- A Profitability
B Solvability
C Information about depreciations of machine and Equipment
D Liquidity

(2Marks)

- 3 Which of the following is NOT an example of activities that an organization can perform in pursuing its objectives?

- A Development of information technology
B Perform research and development of a new product
C Finding a new source of raw materials
D No correct answer.

(2Marks)

- 4 For whom are management accounts prepared?

- A Employees
B Internal Managers
C Shareholders
D Providers of finance

(2Marks)

- 5 Which of the following is a common feature of cost accounting but not financial accounting?

- A Control accounts
B Cost classification
C Marginal costing
D Periodic stock taking

(2Marks)

- 6 In a large business which of the following is most likely to be the responsibility of a trainee accountant?
- A Coding invoices
 - B Determining selling price strategy
 - C Interpreting cost variances
 - D Making capital investment decisions

(2Marks)

- 7 Management of Tekaneza Restaurant has drafted a manual of procedures and policies in the entity. Which of the following is not the role of procedures and policies in Tekaneza restaurant?
- A Protect people
 - B Support efficiency
 - C Exhaust employees
 - D Protect finance and property

(2Marks)

- 8 Which of the following will NOT be a function of the human resource department?
- A Hiring employees
 - B Dismissing employees
 - C Paying employees
 - D Arranging training of employees

(2Marks)

- 9 Which of the following statements relate to the policy manual of an organization?
- i. Policies should be in place to deal with the authorization of the purchase of fixed assets.
 - ii. Employees will need to know where to find the policy manual to refer to but need not have read it.
 - iii. Strict adherence to the manual can lead to inflexibility.
- A All three
 - B (i) and (ii) only
 - C (i) and (iii) only
 - D (ii) and (iii) only

(2Marks)

- 10 Which of the following personnel in an organization would not be involved in the sale of goods on credit?
- A Warehouse manager
 - B Purchase ledger controller
 - C Credit controller
 - D Accountant

(2Marks)

- 11 The managing director of your organization is asking you to prepare for human resource department an exam for candidates being recruited. The direction of the communication flow is:
- A Horizontal
 - B Diagonal
 - C Vertical
 - D Curvilinear

(2Marks)

- 12 The department of examination in ICPAR has provided the following marks for the papers S1.3 effective working in accountancy and finance:

Names of students	%
Mahoro Emile	68
Byishimo Didier	90
Kaliza Noella	50
Fagason John	78

The Arithmetic average mark of the paper is:

- A 80%
- B 71.5%
- C 50%
- D 90%

(2Marks)

- 13 You have been recruited as an assistant accountant of Kabuye secondary school and the Director of Finance and Administration has asked you to prepare a payroll for the month of April 2021. What measures can you take to minimize errors in the payroll?
- i. Checking again the payroll before submitting to the Director for signatures
 - ii. Using excel formulas in computation of statutory deductions
 - iii. Reconcile the payroll of April with that of March and analyzing changes
 - iv. Copying and paste the payroll of March and change only the period.

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

(2Marks)

- 14 Olivier is a trainee in Soico Factory Ltd. He has been asked by the production manager to prepare the quantity of materials needed for the next month's production. The cost accountant indicates that the purchase of materials for the next month will be 80% of this month's materials because of an expected decline in demand. The purchase price will increase by 5%. The purchase cost of this month is Frw 20 million and the purchasing price is Frw 1000. What will be the quantity of materials needed next month and its total purchasing costs?

- A Quantity = Kg 20,000 and Total Purchasing cost Frw 16,800,000
- B Quantity = Kg 16,000 and Total Purchasing cost Frw 20,000,000
- C Quantity = Kg 16,000 and Total Purchasing cost Frw 16,800,000
- D Quantity = Kg 21,000 and Total Purchasing cost Frw 22,050,000

(2Marks)

15 Which of the following statements about bar charts is correct?

- A Bar charts are used to identify trend lines
- B Bar charts are used to show data to compare the way in which two variables vary with each other.
- C Bar charts cannot be produced in excel
- D Bar charts are useful for demonstrating and comparing amounts or numbers of items

(2Marks)

16 Mahoro works in a bakery company. He has cost data that shows total costs for each of the four different pizzas produced by the company during the period. Which type of chart or graph is most suitable for the presentation of Mahoro's data.

- A Line graph
- B Scatter graph
- C Pie chart
- D Tablet

(2Marks)

17 A company produced 6,200 units of product in a period. The product uses 0.8 kg of materials per unit of output. The inventory of material is 10% of material required for production in the period. How much of the material was purchased in the period?

- A 5,456 kg
- B 4,960 kg
- C 6,820 kg
- D 620 kg

(2Marks)

18 The following is NOT part of a business letter:

- A The address of the sender
- B The signature
- C The date
- D The year of birth of the sender

(2Marks)

19 You have been asked to write a letter to the following people

- i. The accounting department of a company you are dealing with for the first time.
- ii. A female customer whose name you know to be Hope Faith, but whose marital status you do not know.
- iii. A sales representative called John Shema, whom you know well.
- iv. The Managing Director of your company whose name is Joel Trump.

The Public relations officer has told you that Dear Sir and yours faithfully can serve as a greeting and in closing a letter. These fit into:

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

(2Marks)

20 An Email is an important method of business communication. What is the advantage of an e-mail over other tools of communication?

- A Time consuming
- B Expensive
- C Inter office
- D Breaking distance barriers

(2 Marks)

21 Which of the following are key principles of time management?

- A Arrange carefully materials, formulate action plan, decision making, preparing agenda, task allocation, and organization.
- B Set goals, formulate action plan, set priorities, focus, urgency, and organization.
- C Set goals, formulate action plan, decision making, focus, task allocation, and organization.
- D Set goals, formulate action plan, decision making, focus, task allocation, and financing.

(2Marks)

22 Urgent and important tasks means;

- A Tasks that are not important but are immediately due
- B Tasks that must be done in the near future and are important to you and to other people in the organization
- C Tasks which are urgent but will not cause any problem if not finished on time
- D Tasks which are important but are not immediately due

(2Marks)

23 Which of the followings are important tasks?

- i. Preparing a credit note listing for your manager due by the end of the month
- ii. Producing the staff analysis for the personnel director for a meeting this afternoon
- iii. Producing product costing for the production manager for a meeting first thing tomorrow morning
- iv. Checking purchasing invoice to goods received note

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

(2Marks)

24 Which of the following are advantages of teamwork in an organization?

- A Wastage of resources, good time management and synergy
- B Motivation, wastage of resources and synergy
- C Motivation, communication and synergy
- D Communication, demotivation and synergy

(2Marks)

25 Which of the following elements are required for effective team working?

- i. A mix and balanced people in a team
- ii. Clear shared objective and performance feedback
- iii. Coordination, collaboration and feedback

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

(2Marks)

26 Which of the following are causes of conflicts at work?

- i. Lack of resources
- ii. Difference in working style
- iii. Competition between groups
- iv. Communication between the groups

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

(2Marks)

27 The following is NOT the effect of unresolved conflict?

- A Unresolved conflict can lead to reduced communication
- B Conflict between team can lead to dissolution into fractions
- C Conflict can cause people to take extreme point of view
- D Individual with unsolved conflict cannot feel demotivated

(2Marks)

28 Two people in your office are arguing over who can sit on the desk by the window. Which of the following options can lead to a “win-win” situation?

- A The team members get the window desk on alternate days
- B Find out why each one wants the window desk and look for solutions to meet their needs
- C One team member gets the window desk, the other doesn't
- D The team members take an option of tossing the coin to determine who is going to sit on the desk by the window

(2Marks)

29 If the grievance is against the line manager, or if it cannot be sorted out at that level, a senior manager can be consulted and the following can be involved:

- A Head of finance department
- B Head of your department
- C Head of Human resource department
- D Managing Director of a company

(2Marks)

30 You are due to complete the weekly supplier payment run, to give to your manager for review and authorization by today at 16 o'clock. However, due to unexpected fire drill you have been delayed by an hour. Which of the following course of action would be the best?

- A Carry on the work until it is completed.
- B Report the delay to your manager.
- C Go home early without completing the payment run.
- D Start on one of tomorrow's tasks and complete the payment run later.

(2Marks)

31 Members of the Institute of Certified Public Accountants of Rwanda are required to complete certain number of hours of continuous professional development program. Which of the following is not purpose of that program?

- A. Ensure the knowledge and skills are up to date and of good standard.
- B. Protect interest of members' clients and employees.
- C. Ensure credibility of accounting profession in general and of the institute in particular.
- D. Ensure collaboration of the institute with other professional bodies in the world.

(2Marks)

32 Innocent has been asked to calculate weekly average of the students attending the class of CAT during the month of February 2021. The following information have been collected from attendance list of that month:

	Week 1	Week 2	Week 3	Week 4
Number of students attended	25	22	30	18

The weekly average is:

- A 24
- B 25
- C 18
- D 30

(2Marks)

33 Which of the following is the most useful in finding the fraction of a number?

- A Addition
- B Division
- C Multiplication
- D Subtraction

(2Marks)

34 Because the fractions are ratios or relationships, they stay the same as long as you multiply or divide the top and the bottom numbers by:

- A The decimal number
- B The odd number
- C The same amount
- D Any number

(2Marks)

35 Which of the following qualities of message presentation cannot convey professionalism?

- A If handwritten; the message should be readable
- B It should demonstrate some regard to the need of the user
- C It should demonstrate competence in word processing
- D Despite the fact that message can be understood, the correction of grammatical errors is not important

(2Marks)

36 In the finance department, the preparation of budget and budgetary control would usually be the responsibility of which of the following roles?

- A Management accountant
- B Financial accountant
- C Finance Director
- D Accounting trainee

(2Marks)

37 What is the main focus of an accounting function?

- A To pay employee salary
- B To decide how much to spend during the month.
- C To make research about new products.
- D To record the financial information

(2Marks)

38 Zaza Corporation sold minerals worth 120 million during the month of January and 132 million during February. What is the percentage of increase in sales of minerals?

- A 10%
- B 9.09%
- C 90%
- D 25%

(2Marks)

39 What would be the appropriate closing in a formal letter when the opening greeting is Dear Mrs Mahirwe?

- A Yours faithfully,
- B Yours sincerely,
- C All the Best
- D None of the above.

(2Marks)

40 Which of the following does NOT represent the barrier to communication?

- A The choice of words provokes an emotional response,
- B The filtering out of the elements that he or she does not want to deal with
- C Limiting the encoding/decoding capabilities of the sender/receiver.
- D Ensuring all elements of communication fit.

(2Marks)

41 A member of a team failed to an agreed deadline for project work. Which of the following statement is not explaining the impact of such a failure on the team?

- A The work will be transferred to other team members, their plans and schedule will have to be adjusted.
- B If there is a little slack time, a failure to meet deadline of a member of a team leads to failure of other members of a team.
- C The failure to meet deadline will have an impact on working relationship within the team leading to resentment, frustration, blame, etc.
- D The failure to meet the deadline will push the member of a team who have failed to learn better and push forward in the near future.

(2Marks)

42 Which of the following is NOT a work planning tool?

- A To do list
- B Meeting minute
- C Diary
- D Planning schedule

(2Marks)

43 Which of the following is grammatically correct sentence?

- A The company's presentation is full of great ideas and it gets right to the point of its strategy.
- B The company's presentation is full of great ideas and it gets right to the point of its strategy.
- C The company's presentation is full of great ideas and it gets right to the point of its strategy.
- D The company's presentation is full of great ideas and it gets right to the point of its strategy.

(2Marks)

44 Which of the following is NOT main part of the structured letter?

- A An opening paragraph
- B A middle paragraph
- C A closing Paragraph
- D A thankful paragraph

(2Marks)

45 Which of the following statement about a pie chart is correct?

- A It needs to be labelled to indicate what it shows.
- B It is useful to show relationship between two variables by plotting points and joining them up with straight or curved line.
- C It is useful to show what relative sizes of the component elements of total value or amount represented by 360 degrees of a circle.
- D It is useful to show or compare magnitudes or size of items.

(2Marks)

46 The following is the table about travel expenses of each employee of department of marketing of an organization during the month of December 2020. What is a percentage travel expenses of Nana to total costs?

	Frw
Epa	250,000
Mimi	420,000
Jojo	530,000
Nana	160,000
Kaka	310,000
Fifi	200,000
Total	1,870,000

- A 28%
- B 9%
- C 13%
- D 22%

(2Marks)

47 Which of the following statement best describes the fraction?

- A It is a proportion or rate per hundred parts.
- B It is used in calculating annual costs from monthly costs or calculating total costs from unit costs.
- C It is a ratio of two numbers.
- D It is used in subtotalling or totaling numbers.

(2Marks)

48 A Cost accountant has computed production cost per unit and found Frw 12.0025. How can this cost accountant round this cost per unit?

- A Frw 13
- B Frw 11
- C Frw 12
- D Frw 12.0025

(2Marks)

49 Which of the following laws, regulations and standards are likely to be most relevant to staff working in financial accounting department?

- i. Health and Safety regulation,
- ii. International Financial reporting standards
- iii. Law establishing value added tax
- iv. Pollution emission regulation.

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

(2Marks)

50 Which of the following stakeholders of organization likely have needs and access to financial and accounting information?

- A Shareholders
- B Banks
- C Rwanda Revenue Authority
- D Managers

(2Marks)