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

**DATE: THURSDAY 27, APRIL 2023  
MARKING GUIDE AND MODEL ANSWERS**

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## Marking Guide

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

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

Marks for each correct answer

2

**Total marks**

**100**

## Model answers

### 1. The correct answer is C

The option C is correct because the primary objective of a finance function is to provide information to, or receive information from stakeholders (i.e. both internal and external).

Options A and D are not correct because suppliers, investors, customers and banks are external stakeholders only.

Option B is not correct because department managers are part of internal stakeholders only.

### 2. The correct answer is D

**The correct answer is D because line functions** are directly involved in the main service-delivery or revenue-earning/generating activity of the business and they directly fulfil the organization's primary purpose and objectives. On the other hand, **staff functions** are there to support the line functions in achieving their objectives by providing them with the resources, systems and information they need to perform their activities effectively and efficiently.

Examples of line functions include production, marketing, sales and distribution functions etc. and staff functions include IT, HR (personnel), administration, accounting and finance.

### 3. The correct answer is B

The correct answer is B because management accounting is **not** regulated by law because managers can ask for whatever records and reports they think will be helpful to them.

The options A, C and D are not correct responses since they turned out to be correct statements and the question was asking for incorrect statement.

### 4. The correct answer is D

The correct answer is D because statutory financial statements for companies are required by law, in particular to:

- i. be presented in compliance with specific regulations;
- ii. be audited, where necessary (to ensure that they represent a true and fair picture of the financial position of the company);
- iii. be submitted to the relevant authorities

A gives two options out of three correct options, while B and C provides one option only out of three correct options. Therefore, A, B and C are not the best answers.

### 5. The correct answer is B

The correct answer is B since the finance functions provide a service to all the other functions in the organization, by supporting them in the fulfilment of their objectives and the objectives of the organization as a whole, **clients** of the finance function include all of the other functions in the organization.

Except staff, directors or managers of the finance functions, the remaining staff, directors or managers of other functions within an organization are clients of the finance function.

Therefore, A, C and D are not correct answers.

**6. The correct answer is C as a combination of the three key areas (i), (ii) and (iii)**

The correct answer is C because by providing financial information to all functions and departments within an organization, those in accounting, payroll and other financial roles make an important contribution in three key areas.

- ✓ Legal compliance of the business,
- ✓ Smooth running and efficiency of the business,
- ✓ Working capital and solvency of the business

A and D missed out two key areas while B missed out one key area

Therefore, A, B and D are not correct answers.

**7. The correct answer is A**

This is because, the area of **the law that regulates data protection and confidentiality is how the organization does its business**. This provide regulations on what personal data organizations can legitimately hold and use to protect the privacy of individuals.

B is not correct because the area of law relating to how organizations treats its employees provides regulations on employment protection, health and safety, working conditions, pay and benefits, diversity and equal opportunity.

C is not correct because it combines a correct and a wrong answer.

D is not correct because among the proposed answers one is correct.

Therefore, B, C and D are not correct answers.

**8. The correct answer is D**

The correct answer is D because policies and procedures are put in place in an organization for different reasons. Some of them are:

✓ **To support efficiency**

Policies and procedures enable people to perform routine, repetitive or foreseeable tasks correctly, without having to waste time and resources analyzing and planning them afresh every time.

✓ **To support compliance**

Policies and procedures build in the requirements of law and regulation, ensuring minimum standards of practice and probably good practice.

✓ **To protect people**

Health, safety and security policies and procedures, for instance, are put in place to protect people working within an organization, others working around the organization and people visiting organization's workplace.

✓ **To protect finance, property, information and other assets of the organization**

Financial control procedures, for instance, are established to minimize temptations and opportunities for fraud and mismanagement of resources.

**9. The correct answer is A**

The correct answer is A because some of the issues that may be covered by occupational safety and health (OSH) policies are:

- ✓ The provision on personal protective equipment,
- ✓ Duty to provide first-aid and welfare facilities,
- ✓ Prohibition of smoking,
- ✓ Appointing an OSH practitioner,
- ✓ Safe storage of hazardous materials

Options B, C&D are not correct because they form part of OSH within an organization.

**10. The correct answer is D**

The correct answer is D because the information which can be designated as confidential by law, organizational policy and professional codes of practice include:

- ✓ Details of customers and suppliers
- ✓ Personal data about employees, for instance payroll details
- ✓ Financial information which is highly sensitive

Therefore, options A, B&C are not correct.

**11. The correct answer is D**

The correct answer is D because the information which could be used for harmful purpose to the organization or its personnel in case it is disclosed, include new product plans, security procedures and codes, and details of legal proceedings among others.

Options A, B&C are not correct because each option alone excludes other correct answers.

**12. The correct answer is A**

The correct answer is A since the bookkeeping requires a person's knowledge and technical skills (i.e. hard skills).

Therefore, option B and C are not correct because interpersonal and soft skills refer to attributes that one person/human may use to interact with others which are not primarily needed for bookkeeping.

D is also not correct because we have one correct answer in the proposed list of answers.

**13. The correct answer is D**

The correct answer is D because personal qualities expected from an employee in the workplace include respect, trust, responsibility, reliability, co-operation, initiative, creativity and problem solving.

Therefore, option A, B&C are not correct because each option alone excludes other correct answers

**14. The correct answer is C**

The correct answer is C because neatness and legibility are the absolute minimum requirement in a professional context and they should not be compromised.

Therefore, A or B alone cannot be considered as the best answers to the question.

Option D is not correct because there are correct options given in the list of answers.

**15. The correct answer is B**

The correct answer is B because a person's appearance can be a part of conveying a **corporate image**, in line with the organization's objectives, as well as conveying the individual's image.

Therefore, A, C and D are not correct because they are just distractors.

**16. The correct answer is A**

If out of 20 invoices, 5 are rejected this means  $\frac{5}{20}$  or  $\frac{1}{4}$  (a quarter is rejected). Therefore, out of 1,500 invoices 375 invoices are rejected (i.e.  $1,500 * \frac{5}{20}$  or  $1,500 * \frac{1}{4}$ ).

The option B 357 is not correct because it is transposed figure of option A above.

The option C is not correct because 300 is  $1,500 * \frac{1}{5}$

The option D which is none of the above is not the right option as right answer is available

**17. The correct answer is A**

The correct answer is A because the total invoice amount includes 18% relating to VAT and VAT on total invoice FRW 9,897,050 is FRW 1,509,719 (i.e.  $9,897,050 \times 18/118$ ).

The option B FRW 1,507,919 is not correct because it is transposed figure of option A above.

The option C is not correct because FRW 1,781,469 is  $9,897,050 \times 18/100$

The option D which is none of the above is not the right option as right answer is available

**18. The correct answer is C**

The invoice amount excluding VAT is FRW 15,000,000. Therefore, VAT is 18% of the invoice amount FRW 2,700,000 (i.e.  $15,000,000 \times 18/100$ ).

The option A is not correct because FRW 2,288,136 is  $15,000,000 \times 18/118$ .

The option B FRW 2,281,836 is not correct because it is transposed figure of option A

The option D which is none of the above is not the right option as right answer is available

**19. The correct answer is B**

The VAT on a total invoice of FRW 28,583,100 taxes inclusive having one item worth FRW 5,000,000 exempted from VAT is FRW 3,597,422 i.e.  $(FRW 28,583,100 \text{ minus } FRW 5,000,000) \times 18/118$

The option A is not correct because FRW 4,360,134 is  $28,583,100 \times 18/118$ .

The option C is not correct because FRW 4,244,958 is  $(FRW 28,583,100 \text{ minus } FRW 5,000,000) \times 18/100$

The option D which is none of the above is not the right option as right answer is available

**20. The correct answer is D**

The correct answer is D because business communication needs to be more planned, more formal and more efficient than everyday communication in order to:

- ✓ Avoid misunderstandings or communication failures.
- ✓ Make best use of the time of all parties involved.
- ✓ Establish and maintain positive relationships with all stakeholders (i.e. internal and external) in the business.

Therefore, option A, B & C individually is not correct because it excludes other valid answers.

## 21. The correct answer is B

The correct answer is B because “**House style**” is an expression of how the organization wants to present itself in its communications.

This may include aspects such as the use of standardized letterheads and memo pads; how letters and memos are laid out; what headings and formats are used for reports; and the logos, typefaces and colors used as part of the corporate identity. It may also include more delicate aspects such as a tendency towards informality or formality in the tone of writing, or creativity or traditionalism in the style of presentation.

This leads to the conclusion that A, C and D are just distractors and not the best responses.

## 22. The correct answer is D

The correct answer is D since in order to create clearer communications and foster more effective working relationships an organization should take into account the following:

- ✓ Your purpose in writing: what are your aims and objectives? What response or action do you want as a result of your message?
- ✓ The requirements of your target recipient or audience: their information needs and capacities (including their limited time, and familiarity/unfamiliarity with technical jargon).
- ✓ Structure your communication in such a way as to make it easy to read and understand.
- ✓ Present your material in a way that demonstrates professionalism and reflects the desired image of the organization.

Options A , B and C are not correct because each option alone excludes the other correct options.

## 23. The correct answer is A

The correct answer is A because Pie charts are **not** used for showing or comparing magnitudes or sizes of items.

**Option B is not correct answer because it is true that bar charts** are useful for showing or comparing magnitudes or sizes of items. For instance, sales revenue or expenditure on a month-by-month basis, or training costs per department.

**Option C is not correct answer because it is true that pie charts** are useful for showing the relative sizes of component elements of a total value or amount, represented by the 360 degrees of the circle or pie. This might be showing the breakdown of the time you spend on different tasks during a day, or the breakdown of monthly sales revenue by product or customer.

**Option D is not correct answer because it is true that tables** are a good way of organizing information. The use of columns and rows of a table allows the data to be classified under appropriate headings, clearly organized and labelled, totaled up in various ways (i.e. across rows, down columns, etc.)



**24. The correct answer is C**

The correct answer is C because tables are a good way of organizing information instead of line graphs.

Option A is not correct because it is true that line graphs are useful for showing the relationship between two variables represented by the horizontal and vertical axes of the graph

Option B is not correct because it is true that line graphs are useful for demonstrating trends

Option D is not correct because it is true that line graphs could be used to highlight variations in work throughput.

**25. The correct answer is C**

The correct answer is C because a memo or memorandum performs the same function internally as a letter does in external communication by an organization. It can be used for reports, brief messages or notes and any kind of internal communication that is most easily or clearly conveyed in writing.

Option A is not correct because emails can be used to send notes, memos, letters, reports, forms and all sorts of other messages

Option B is not correct because reports are used in business communication to convey larger amounts of information in a clear, structured, easy to use way

Option D is not correct because notes are good methods of passing on information and providing a reminder (e.g. asking someone to carry out a task) in informal settings (e.g. among colleagues)

**26. The correct answer is D**

The correct answer is D because the subject line is helpful in letting the recipient know whether the message:

- ✓ Is worth reading
- ✓ Is high or low priority
- ✓ Has been directed to the right person or needs to be forwarded.

Therefore, A, B and D are not the correct responses because each response individually excludes the other valid options.

**27. The correct answer is A.**

The correct answer is A because though team work is important within an organization, it is not part of the key principles of effective time management.

The key principles of effective time management include:

- ✓ **Set goals** for all aspects of your work, so that you know what you want to achieve and can tell when you have done so
- ✓ **Formulate action plans** that set out how you intend to achieve your goals: the timescale, deadlines, tasks involved, resources required etc.
- ✓ **Set priorities** by deciding which tasks are the most important, what is the most valuable use of your time at the moment and list them in the order in which you would work on them.
- ✓ **Focus:** Give your attention to one thing at a time if possible. Make sure that everything you need for the task is available, avoid interruptions if you can and then concentrate
- ✓ **Urgency:** Do not put off tasks because they are difficult or large. Work on any task you are doing as if it were urgent
- ✓ **Organization:** Develop positive work habits which minimize the time and effort spent on tasks

Therefore, options B, C and D are not correct because focus, organization and urgency are part of the key principles of effective time management stated above.

**28. The correct answer is D**

The correct answer is D because in case tasks are of equal urgency and importance, the following are possible criteria for determining the order in which tasks should be completed.

- ✓ **Arrival time:** performing tasks in the order in which they are requested
- ✓ **Most nearly finished:** starting with the task nearest completion
- ✓ **Shortest task first:** enabling you to get lots of tasks out of the way quickly
- ✓ **Longest/most difficult task first:** enabling you to get some momentum on tasks you might otherwise postpone
- ✓ **Difficulty of handover:** if you are about to go on leave/holiday, you should tackle the things that it will be most difficult for someone else to take over while you are away

**29. The correct answer is D**

The correct answer is D because once a list of priorities is established, you need to schedule tasks, by determining when you will tackle them. Time schedules can therefore be determined by different methods such as:

✓ **Forward scheduling:**

This refers to adding the estimated duration of each task from its scheduled starting time/date, to give you the target completion time/date. This is a useful method for scheduling routine tasks.

✓ **Backward scheduling:**

This refers to subtracting the estimated duration of each task from its deadline or completion time/date. This gives you the latest start from which you will get the job done in time and it helps schedule an earlier start where possible. This method is useful for meeting deadlines and for complex tasks, where each stage depends on the timely completion of the previous stage.

Option A, B&C are not correct answers alone since all the stated options are the correct answer combined.

**30. The correct answer is B**

The correct answer is B because an action plan is a more detailed planning tool which can be used for complex and usually long-term projects. It contains a considerable amount of detail and is monitored on a regular basis to ensure that things are going to plan and, if they are not, to plan how the situation can be corrected. An action plan generally contains the details of each task which is part of the project, start date of each task, completion date for each task and the person responsible for each task.

In some cases, expected and actual costs may also be included. Therefore, it is not a must to have expected and actual costs in an action plan.

Option A is not correct because it is a must to have details of each task which is part of the project in an action plan

Option C is not correct because it is a must to have start date of each task and completion date for each task in an action plan

Option D is not correct because it is a must to have person responsible for each tasks in an action plan

**31. The correct answer is D**

The correct answer is D because while monitoring the organization's action plan, keeping copies of work plans and schedules, and any work request forms or other communications in which you are asked to perform tasks is essential in order to:

- ✓ Check that 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 with your supervisor or learning coach, to see how effectively you have translated work requests into plans and schedules

The options A, B and C are not correct because each option alone excludes other valid and correct options.

**32. The correct answer is D**

The correct answer is D provided that an employee reported any anticipated difficulties in meeting a deadline early enough, the manager can:

- ✓ Lighten the employee's existing workload in order to free up time to meet the deadline
- ✓ Provide the employee with additional resources, such as a colleague's time
- ✓ Adjust plans, so that you will have more time

In addition to that, the manager can also put pressure on any other employees who are holding up that employee by not producing or providing the required information.

The options A, B and C are not correct because each option alone excludes other valid and correct options.

**33. The correct answer is C**

The correct answer is C because the exact meaning of reporting by exception is reporting when there has been some deviation or variance from the plan or budget.

Though reporting on work progress and results, where this is routine or requested (option A) and seeking advice and assistance for decisions or actions beyond your competence to perform effectively (option B) are part of the situations where communications with supervisors or line managers should be maintained, they are not considered as reporting by exception. Therefore, A, and B are not correct.

Option D "none of the above" is not correct because among the suggested options there is a correct answer.

**34. The correct answer is D**

The correct answer is D because team work has several advantages including:

**Inspiration:** Teams are mainly useful for generating ideas and solving problems, because different people's ideas and viewpoints can influence the work and thinking of others.

**Motivation:** The shared or collective efforts of a team and the help and support of its members can often provide additional motivation and satisfaction to team members in their work.

**Communication:** Team work is a great way to get people talking about how their tasks depend on each other, and how they can work together to solve problems. Teams are a key tool for coordination in organizations, especially where team members of a project for instance are drawn from different functions, so that there is plenty of lateral or cross functional communication.

Therefore, options A, B and C are not correct because each option alone/ individually excludes other valid and correct answers.

**35. The correct answer is D**

The correct answer is D because effective team work requires a mix and balance of people in the team, clear shared objectives and performance feedback, coordination, collaboration and communication.

Therefore, A, B, and C are not the best responses because they miss some elements required for effective team work.

**36. The correct answer is A**

The correct answer is A because schedules and working methods must be set by the team leader or by **negotiation** among the group to ensure that the work of all members is coordinated and integrated.

Option B “Communication” is about exchange of information within a team

Option C “Collaboration” is about working together in a team

Option D “Coordination” is about making sure that each team member’s work fits with the work of others and contributes to the team’s objectives

Options B, C and D are just distractors. Therefore, they are not correct answers.

**37. The correct answer is B**

The correct answer is B because assertive communication means standing up for your own rights, needs and opinions (i.e. not being passive) without dismissing the rights, needs or opinions of others (i.e. not being aggressive).

Option A is not correct because being passive while communicating is not qualified for assertive communication

Option C is not correct because being aggressive while communicating is not qualified for assertive communication

Option D “none of the above” is not correct because among the suggested options there is a correct answer.

**38. The correct answer is D**

The correct answer is D because the key impacts on a team in case one member failed to meet an agreed deadline for project work include the following:

The work can be transferred to other team members, consequently their plans and schedules will have to be adjusted, and they will end up bearing a heavier share of the total workload.

One member's failure to meet a deadline may, if there is little slack time in a schedule, result in others failing to meet their deadlines. This can cause frustration and disruption among team members and may affect the team's ability to complete the whole task on time.

In addition to the above, failure to pull one's weight or meet agreed deadlines can have an impact on working relationships within the team. Therefore, resentment, frustration, blame and conflict may arise.

The options A, B and C are not correct because each option alone/individually excludes other valid and correct options.

**39. The correct answer is C**

The correct answer is C because negotiation is **not part** of the three basic ways in which a conflict or problem can be worked out as stated by the win- win model.

In a **win- lose**, one party gets what they want at the expense of the other.

For the **lose-lose**, a compromise solution is found so that neither party gets what they really wanted.

In a **win-win**, both parties work together to understand each other's needs and concerns, and generate options to try to get as close as possible to what each party really wants.

Option A “win-win” is part of the three basic ways in which a conflict or problem can be worked out as stated by the win- win model

Option B “lose-lose” is part of the three basic ways in which a conflict or problem can be worked out as stated by the win- win model

Option D “win-lose” is part of the three basic ways in which a conflict or problem can be worked out as stated by the win- win model

Therefore, A, B and D are not correct answers to the question.

**40. The correct answer is D**

The correct answer is D a grievance or formal complaint by an individual who feels that they are being wrongly or unfairly treated by a colleague or manager at work may include the following:

- ✓ Harassment or bullying
- ✓ Unfair or discriminatory treatment by managers due to race, gender or disability
- ✓ An employee being given an unfair workload or unfairly appraised for promotion

The options A, B and C are not correct because each option alone/individually excludes other valid and correct options.

**41. The correct answer is B**

The correct answer is B because development is a broader process of growth in knowledge and capabilities instead of training.

Option A: “Training is a process of using learning experiences to achieve more effective performance in particular work activities or roles”.

Option C: “Continuing Professional Development is a systematic process of planning for the future and of gaining experience and training relevant to the directions in which employees want to develop both within the current job role and in future career progression”.

Option D: “Development is a broader process of growth in knowledge and capabilities”.

Options A, C and D are not correct responses to the question because they stand out to be correct statements yet the question was to provide an incorrect statement.

**42. The correct answer is A**

The correct answer is A because greater confidence and flexibility is a benefit for individual undertaking training and development program within an organization instead of employing organization.

Therefore, options B, C and D are not the best responses since they fall under the benefit of the employing organization.

**43. The correct answer is C**

The correct answer is option C since learning needs and **career** goals are highly specific to each individual and to particular work contexts and roles.

Options A, B and D are not the best answers because learning, training and development are just distractors. Learning, training and development goals may help grow professionally but they may not be highly specific to each individual and to particular work contexts and roles.

**44. The correct answer is B**

The correct answer is B because person specification describes the requirements of the job holder.

A is not correct because job description describes the requirements of the job

C is not correct because it combines a correct and a wrong answer

D as none of the above is not correct because one of the proposed option is correct

**45. The correct answer is D**

The correct answer is D as a combination of A, B and C because the criteria to consider in person specification include: Qualifications, experience, communication, team work and personal skills or attributes.

Option A, B and C are not correct since each option alone form part of the correct answer and hence option D is the best answer.

**46. The correct answer is C**

The correct answer is C because a competence framework sets out what an employee should be able to do and must know. Therefore, it is the first thing to do before an employee undergoes a personal training or development program

Option A is not correct because learning targets are established once the competence framework is in place.

Option B is not correct because employee’s knowledge and experience are broadened as per the competence framework set by the organization

Option C is not correct because a systematic learning and development programme are planned in accordance with the existing competence framework.

**47. The correct answer is A**

The correct answer is A because by action learning, a group of managers are brought together to solve a real problem with the help of an adviser who explains the management process that actually happens.

Option B is not correct because assistant to positions refers to a case where a junior manager with good potential may be appointed as assistant to the managing director or another executive director.

Option C is not correct since it combines the correct option A with the incorrect option B

Option D “None of the above” is not correct because there is a correct answer in the proposed options

**48. The correct answer is D**

The correct answer is D because regular monitoring and review is important due to several reasons such as:

- ✓ To measure your progress towards your goal
- ✓ To identify any mistakes or weaknesses in your current performance
- ✓ To identify where your goals or plans were unrealistic and need adjustment

Option A, B & C individually are not correct answers since all of the stated are reasons for monitoring and review.



**49. The correct answer is D**

It is extremely important to include your supervisor, line manager or designated coach in the Personal development plan process, so that they can:

- ✓ check if the learning activities selected are suitable and cost effective for the organization
- ✓ Suggest learning methods and opportunities that you might not be aware of
- ✓ recommend you for a training course, or provide access to publications, or appoint a coach or mentor

Option A, B & C individually are not correct answers since all of the stated are reasons why you should include your line supervisors for personal development plan.

**50. The correct answer is C**

The correct answer is C because Personal development plan can be used to:

- ✓ set specific criteria for measurement of your progress and attainment, and
- ✓ gain the co-operation of your supervisor or coach in reviewing your progress at defined intervals or times, and giving you helpful feedback on your progress and performance.

Option A is not correct because it leaves out another correct option B

Option B is not correct because it leaves out another correct option A

Option D “None of the above” is not correct because there is a correct answer in the proposed options

**END OF MARKING GUIDE AND MODEL ANSWERS**