



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

**DATE: THURSDAY, 01 DECEMBER 2022
MAKING GUIDE AND MODEL ANSWERS**

Marking Guide

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Marks for each correct answer **2**

Total marks 100

Model answers:

1. The correct answer is C

C is correct because an organization can have a formal or informal procedures relating to a wide range of matters. However, A and B are wrong because they were given wrong definitions in the question. A **policy** is a statement of how an organization wants and expects activities to be carried out while a **procedure** a standard sequence of steps or operations necessary to perform an activity.

D is also not correct because it is a combination of a wrong and good statement.

2. The correct answer is B

Though one of the best reasons to put in place policies and procedures within an organization is to protect people, and staff of the organization are part of the people to be protected but they don't represent all stakeholders working with the organizations. Support efficiency and compliance as well as protecting finance, property, information and other assets of the organization are also among the reasons of putting in place policies and procedures.

3. The correct answer is D

None of the three information under A, B, and C should be provided to that doctor. A and C are confidential information and B is personal information.

4. The correct answer is C

C is the correct answer because working with regulatory bodies does not reflect how an organization will work efficiently.

5. The correct answer is A

A is correct because in an organization chart, the vertical lines link different tiers or levels, illustrating chains of command and reporting lines and it is where instructions, orders and work requests flow down the chain of command from people with more authority to those with less authority. B, C and D are not correct because they include item (ii) which refers to horizontal lines in an organization chart where they link units or positions at the same level of the organization, which are grouped together under of the next level up.

6. The correct answer is C

The first to be informed when your machine crash should be the IT department in order to get their support and fix the issue quickly and be able to meet the deadline. Informing your line manager, colleague or the ministry is fine but it will not resolve the issue. It is important for you to know to whom you should report to for specific matters.

7. The correct answer is D as a combination of A, B and C

Your line manager in an organization is your immediate superior, following the vertical line of command, and it is the person directly responsible for requesting work from you and to whom you report directly (A and C). However, reporting lines and procedures will differ from organization to organization where in a very small organization all employees may report directly to the owner of the business(B).

8. The correct answer is C

C is correct because a cross-functional team is a workgroup made up of employees from different functional areas within an organization who collaborate to reach a specific objective.

9. The correct answer is A

The role of accounting function generally is to support the organization's other functions by compiling, preparing and providing complete, accurate and timely information on all financial aspects of the business. This function is split into two sub- functions **financial accounting** and **management accounting**. So, A is the correct answer. B, C and D are not correct because they include business accounting which is not part of the two sub functions of accounting function.

10. The correct answer is A

A is correct because statutory financial statements for companies are required by law, specifically to be presented in compliance with specific regulations, to be audited and ensure they represent a true and fair picture of the financial position of the company, and to be submitted to the relevant authorities.

11. The correct answer is A

A is the correct because management accounting is not regulated by law. Managers can ask for whatever records and reports they think will be helpful to them.

B is not correct because financial accounting is regulated by law and statutory financial statements are required by law.

C is not correct since it is a combination of a correct and a wrong answer.

12. The correct answer is B

B is correct because for the finance information to be of maximum benefit to the organization it must be complete, accurate and timely.

13. The correct answer is B

B is correct because personal skills or interpersonal skills, also known as people skills, soft skills, or emotional intelligence, are related to the way you communicate and interact with others.

A and C are not correct because hard skills refer to a person's knowledge and technical skills.

14. The correct answer is C

VAT is included in the total price. This means the sales price of goods supplied plus VAT is 450,000 FRW. The sales price represents 100% and the VAT is 18% of the sales price thus VAT is 18/118 of the total invoiced amount.

$$\text{VAT} = 450,000 \text{ FRW} \times 18/118 = 68,644.07 \text{ FRW rounded to } 68,644 \text{ FRW}$$

A is not correct because it did not consider that the amount was VAT inclusive (450,000 FRW * 18/100 = 81,000 FRW), B is not also correct because wrongly and with a wrong rate of 15% (450,000 FRW * 15% = 67,500 FRW)

15. The correct answer is B

Unit price VAT exclusive (in FRW)	650,000
Number of tables to be supplied	2
Total price VAT exclusive (in FRW)	1,300,000
Less Discount allowed 5% of the total price VAT exclusive (since the tables to supply are below 10), $1,300,000 \times 5\% = 65,000$	(65,000)
Net price (in FRW)	1,235,000
VAT 18% of the net price (in FRW)	222,300

A is not correct because the discount was calculated at 10% while two tables qualify for 5% (1,300,000 FRW - 130,000 FRW (discount 1,300,000 FRW * 10%) * 18/100 = 210,600 FRW

C is not corrected because the VAT was calculated on the gross amount before deducting the discount 1,300,000 FRW * 18/100 = 234,000 FRW

16. The correct answer is C

The average number of the IT equipment returned back during the period July-November 2021 is: $(12+3+5+20+0)/5 = 40/5 = 8$ per month

A is not correct because it was calculated on a different period from the question (July to December 2021 rather than July to November 2021 $(12+3+5+20+0+20)/6 = 60/6 = 10$ per month

B is not correct because the number of IT equipment considered was for July to November but over the period July to December 2021 $(12+3+5+20+0)/6 = 40/6 = 6.67$ per month rounded to 7 per month

17. The correct answer is D

If 3 out of 15 invoices contain errors, it means 1 invoice out of 5 has errors.

From a file of 200 invoices 40 contain errors

$$200 \times \frac{3}{15} = 40 \text{ or } 200 \times \frac{1}{5} = 40$$

A, B and C are not correct because they were calculated with a wrong fraction (different from $\frac{3}{15}$ or $\frac{1}{5}$ as stated in the scenario)

A $(200 \times \frac{1}{4}) = 50$, B $(200 \times \frac{1}{2}) = 100$ and C $(200 \times \frac{1}{3}) = 67$

18. The correct answer is D

Some means of communication are more appropriate and effective than others in different business contexts. You will need to consider factors such as speed, need for a written confirmation, the format which will best support you in getting your message across to the recipient and the most efficient method in terms of time and cost.

As the managing director of an organization, if you want to give a message to all staff, the most effective medium of communication is the notice board or intranet

A is not correct because it will not be effective and will take much time to call all the staff one on one

B is also not correct because face to face conversation will require to meet all staff one on one and this will not be effective.

C is also not effective considering the time and cost required to organize a meeting for all the staff if you need a prompt reach of message to every staff

19. The correct answer is B

B is correct because when you are planning communications, you should think about the purpose, audience, structure and style.

A and C are not correct because you should always avoid using technical terms that only your fellow technicians will know

20. The correct answer is D

D is correct because it has an extensive list of other purposes of communication while A, B and C do not have an extensive list.

- ✓ To inform or give people data they require
- ✓ To persuade or get others to agree to or do something
- ✓ To request or ask for something

- ✓ To confirm or check that data is correct and that different parties have the same understanding
- ✓ To build effective working relationships

21. The correct answer is B

B is correct because if you are planning for a discussion on complex subject within your organization, the best way to convey the message is to communicate the details in writing so that the recipient has time to consider the details and complexities and has a copy for reference or confirmation.

A and C is not correct because in face to face communication and telephone call you can give details your correspondent will not be able to get a reference in case of confirmation of some details.

22. The correct answer is C

C is the correct answer because opinion on findings is not part of the seven key sections of an informal business report, while appendices (A), detailed findings (B)and recommendations (D) are part of the key seven section.

The seven key sections of an informal business report:

- ✓ Title
- ✓ Executive summary
- ✓ Introduction
- ✓ Main body or detailed findings
- ✓ Conclusions
- ✓ Recommendations
- ✓ Appendices

23. The correct answer is B

B is correct because **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 cycle or pie.

A is not correct because bar **charts** are useful for showing or comparing magnitudes or sizes of items (for instance comparing monthly expenditures)

C is not correct too because **line graphs** are useful for showing the relationship between two variables represented by the horizontal and vertical axes of the graph, by plotting points and joining them up with straight or curved lines. The later are also useful for demonstrating trends.

24. The correct answer is A

A is correct because in the written style of communication, you should avoid:

- ✓ words or phrases that are **not formal** or literary and are used in ordinary or familiar conversation (**slang words**)
- ✓ words or names formed as an abbreviation from the initial components in a phrase or a word (**acronyms**)
- ✓ words that have alternative meanings (**double meanings**)

B, C and D are not the correct answer to the question because formal words are acceptable in a written style of communication

25. The correct answer is C

C is the correct response because management is not part of the six key principles of time management. Formulate actions plans(A), set priorities (B) and Urgency(D) are part of them. The six key principles of time management:

- ✓ **Set goals** 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, timescale, deadlines, tasks involved and resources required
- ✓ **Set priorities** by deciding which tasks are the most important and list them in the order in which you would tackle them
- ✓ **Focus** by giving attention to one thing at a time
- ✓ **Urgency**: work on any task you are doing as if it were urgent and do not put tasks off or on hold because they are difficult or large
- ✓ **Organization**: develop positive work habits which minimize the time and effort spent on tasks

26. The correct answer is D

An action plan normally contains the following:

- ✓ details of each task which is part of the project
- ✓ start date of each task
- ✓ completion date of each task
- ✓ Person responsible for each task
- ✓ expected and actual costs

A and B miss some content and C refers to details of each task within an organization rather than the project

27. The correct answer is A

A is correct because backward scheduling is useful for meeting deadlines and for complex tasks, where each stage depends on timely completion of the previous stage. It is applied by subtracting the estimated duration of each task from its deadline or completion date, to give you the latest start from which you will get the job done in time.

B is not correct because forward scheduling is useful for scheduling routine tasks. It is applied by adding the estimated duration of each task from its schedule starting time or date, to give you the target completion time or date.

C is not correct because it is a combination of a correct (backward scheduling) and wrong answer (forward scheduling)

28. The correct answer is D

D is the correct answer since inspiration (A), communication (B) and synergy (C) all part of the advantages to working as part of a team than working individually.

Some of the advantages are as follow:

- ✓ **Additional resources:** A team provides extra skills, information, ideas and work hours compared with working individually
- ✓ **Inspiration:** Teams are useful for generating ideas and solving problems because different people’s viewpoints and ideas can influence the work of and thinking of other team members
- ✓ **Motivation:** The shared efforts of the team and the support of its members can provide additional motivation and satisfaction to team members in their work
- ✓ **Communication:** Team work is a good way to get people talking about their tasks depend on each other and how they can work together to solve problems
- ✓ **Synergy:** This shows how teams can accomplish more than the same individuals working alone

29. The correct answer is C

Missing deadlines can have several reasons including unexpected demands (A), ineffective planning(B), too much workload(C), delays in getting information from colleagues(D), etc.

Given the scenario the best reason for missing the deadline is too much workload because of having a same deadline for the project deliverable and submitting statutory financial statements.

Therefore, C is the best answer.

30. The correct answer is D

In the scenario it is stated that some project deadlines coincide with monthly reporting deadlines. It was obvious that high chances deadlines can be missed and this should have been reported immediately to both project coordinator and line manager (finance manager) and ask for assistance. Therefore, D is the correct answer.

A, B and C are not correct because reporting the fact to one manager alone (finance manager, project coordinator or project team leader) will not provide assistance quickly

31. The correct answer is D

D is correct because attending annual charitable meeting of your basic community is not part of the situations requiring you to maintain communication with your supervisor

A, B, and C are not correct answers because seeking advice and assistance, providing information and reporting on work progress and reporting by exception are part of the situations requiring you to maintain communication with your supervisor

A range of situation requiring you to maintain communication with your supervisor or line manager and some of them includes:

- ✓ Seeking advice and assistance
- ✓ Providing information and reporting on work progress
- ✓ Reporting by exception: reporting deviation or variance from the plan or budget
- ✓ Seeking authorization for decisions or actions beyond the scope of your authority to deal with
- ✓ Receiving information and instructions as part of regular or occasional team briefings
- ✓ Seeking and receiving feedback on your work performance
- ✓ Seeking learning and development opportunities in your work

32. The correct answer is B

The correct answer is B because upon realizing that you will not be able to complete the assignment on time, the first thing to do is to admit or recognize that you are not going to be able to complete the assignment without help.

A, C and D are not correct because getting extra resources, extra time and some work being delegated to your colleagues come as a response to your concern after admitting that you will not be able to complete the assignment without support.

33. The correct answer is D

D is the correct answer as a combination of A, B and C. Protecting the security of the data(A), positioning your desk (B) and ensuring that you and others can move efficiently and safely around the work area without obstructions or hazards (C) are part of staff responsibility

Note that it is your responsibility as staff to organize your work area so that it helps and does not interfere with efficient and effective work habits. Some of those responsibilities are to:

- ✓ Protect the security of the data by ensuring that you tidy away all sensitive and confidential documents when you leave your desk unattended, especially when you leave work at the end of the day
- ✓ Position your desk
- ✓ Ensure that you and others can move efficiently and safely around the work area without obstructions or hazards
- ✓ Position chairs for visitors, printer tables and filing cabinets for efficient use
- ✓ Organize your desktop and shelving to ensure that items you use regularly are accessible and that your space is generally tidy so that you and others can easily find items when required

34. The correct answer is A

A is the correct answer because coordination, collaboration and communication are part of the key elements required for effective team work.

B, C, and D are not correct because they include some elements which are not part of the key elements stated above (inspiration and sensitization)

Key elements required for effective team work are:

- ✓ A mix and balance of people in the team
- ✓ Clear shared objectives and performance feedback
- ✓ Coordination, collaboration and communication

35. The correct answer is D

D is the correct answer as a combination of A, B and C. Differences in personality(A), hurtful treatment(B) and differences in status(C) are part of the reasons why conflicts may occur.

In any working relationship or team, conflicts may occur as a result of the following:

- ✓ Hurtful treatment (when a team member is bullying, offensive, sexist or racist)

- ✓ Differences in status (when team members feel powerless or micromanaged by their boss or unable to raise their problems because a manager is seen as unapproachable)
- ✓ Differences in personality
- ✓ Interdependency of work
- ✓ Competition between groups or departments for limited resources
- ✓ Unfair treatment
- ✓ Difference in working style (when one person likes to plan ahead and the other doesn't)

36. The correct answer is C

C is the correct answer because in a working environment, it is important to know that you can disagree with someone and still maintain good working relations. If you have an argument with your superior, and failed to convince her/him that your argument is the most efficient, the best thing to do is to accept your superior authority, forget about the argument and continue with your tasks.

A and B are not correct because stop working because your superior does not take into consideration your opinion or inform the line manager of your superior about the argument will not be the best option in that conflict or misunderstanding.

37. The correct answer is A

A is the correct answer because the option which will result in a win-win situation is to talk to them individually and find out why each wants to sit near the window. This will help you look for solutions that satisfy both of their needs.

B is not correct because in case one colleague gets the sit near the window at the expense of the other, it will result in resentment of the losing member.

C is not the correct answer too because in case the two colleagues alternate on days to sit near the window, neither party will get what they wanted and it will result in dissatisfaction on both sides

38. The correct answer is D

D is the correct answer because the employee's grievance is against the supervisor or line manager, it cannot be sorted out at that level. The best solution is to report the grievance to more senior manager with authority to resolve the matters or enforce the rules.

A is not correct because the grievance cannot be resolved by the concerned party (line manager)

The HR department may also become involved or be consulted but it cannot sort out the issue thus

B is not correct

C is also not correct because the grievance is escalated to legal authority in case all levels failed to come up with an agreement for both parties involved.

39. The correct answer is A

A is the correct answer because more competent job performance is not a benefit for learners but it is for employing organization.

B, C, and D are not correct because greater job security, increased prospects of promotion and satisfaction from greater contribution are benefits for the learners

40. The correct answer is C

The correct answer is C because the induction training is the first training a new staff joining the organization should have first in order to have an overview of the organization.

A and B are not correct because the new staff can start benefiting from on job training or organized internal trainings after the induction training,

41. The correct answer is D

D is correct because SMART objectives stand for Specific, Measurable, Agreed, Realistic and Time –bounded.

A, B and C are correct due to the use of wrong combination of characteristics of SMART objectives (Special, Manageable and Relevant)

42. The correct answer is C

C is the correct answer because **Development** is a broader process of growth in knowledge and capabilities. A, B and D are not correct because they have different definitions.

Training is a process of using learning experiences to achieve more effective performance in particular work activities or roles

Education is the process of facilitating learning, or the acquisition of knowledge, skills, values, morals, beliefs, habits, and personal development

Continuing Professional Development is a systematic process of planning for the future and of gaining experience and training relevant to the direction in which employees want to develop both within the current job role and in future career progression

43. The correct answer is D

D is the correct answer since it is a combination of all correct answers (A, B and C)

The two key documents used by the organizations to define the requirements of a job and a job holder are: Job description or role description and the person specification.

44. The correct answer is D

D is the correct answer since it is a combination of all correct answers (A, B and C)

Continuing Professional Development is important for members of professional bodies. This is to ensure their knowledge and skills are always up to date and of good standard, to protect the interest of their clients and employers, and to continue being member of professional bodies

45. The correct answer is D

D is the correct answer since A, B, C are all methods of on-job training.

Instruction/demonstration show the trainee how to do the job and let them get on with it. It combines telling a person what to do and showing them how

In **coaching**, the trainee is put under the guidance of an experienced employee who shows the trainee how to do the job

With **temporary promotion**, an individual is promoted into their superior's position while the superior is absent

46. The correct answer is C

C is the correct answer because the **person specification** for your role sets out what sort of personal qualities the organization is looking in your role.

A and D are not correct because the **job description** or **role description** sets out what a person in your job should be able to do.

B is also not correct because the **job specification** is a detailed description of the role, including all responsibilities, objectives and requirements.

47. The correct answer is D

D is the correct answer because A, B, C are all benefits of carrying out regular monitoring and review. (Identifying where your goals or plans were unrealistic and need adjustment, enabling you to celebrate improvements and accomplishments, allowing you to identify any mistakes or weaknesses in your current performance, among others)

48. The correct answer is B

B is correct because a **Personal Development Plan** is a clear developmental action plan which, once agreed with the individual's supervisor, acts as a learning contract between them.

A is not correct because **Continuing Professional Development** is a systematic process of planning for the future and of gaining experience and training relevant to the direction in which employees want to develop both within the current job role and in future career progression

C is not correct because a **career plan** is a list of steps you can take to accomplish goals in your professional future. It helps you identify what fields you want to pursue, develop long-term objectives and devise a strategy for career success.

49. The correct answer is A

A is the correct answer because the best reasons to use Personal Development Plan are to set specific criteria for measurement of your progress and achievement and, to 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....)

B and C and are not correct because getting membership of professional bodies is not part of those reasons

50. The correct answer is C

C is correct because Employers who invest in the ongoing training and development of employees should be able to decrease supervision of those employees in the long term as they become more skilled. Thus, leading A incorrect as an opposite statement.

B is also not correct because Employees are responsible for their CPD and should work with their employees to undertake suitable learning and development

END OF MARKING GUIDE AND MODEL ANSWERS