
**CERTIFIED ACCOUNTING TECHNICIAN
STAGE 1 EXAMINATION
S1.3 EFFECTIVE WORKING IN ACCOUNTANCY AND
FINANCE
DATE: THURSDAY 27, FEBRUARY 2025
MARKING GUIDE AND MODEL ANSWERS**

SECTION A

Marking Guide

Question Number	Response	Question Number	Response
1	B	26	B
2	B	27	A
3	C	28	D
4	C	29	A
5	B	30	D
6	C	31	B
7	C	32	D
8	C	33	A
9	C	34	A
10	A	35	B
11	D	36	B
12	D	37	C
13	C	38	B
14	C	39	A
15	B	40	A
16	A	41	D
17	B	42	A
18	C	43	D
19	B	44	A
20	A	45	B
21	C	46	C
22	B	47	D
23	C	48	B
24	C	49	D
25	C	50	B

Marks for each correct answer

2

Total marks

100

Model answers

1. **The correct answer is B**, because day to day funds necessary to maintain organizational activity refers to the working capital required by the business.

A is not correct because the organization's solvency refers to the ability of the organization to pay its debts when they fall due.

C is not correct because organizational efficiency concerned with the use of minimum/few resources, time and money to reach organization's goals/objectives.

D is not correct because it combines one correct answer B and two wrong answers A and C

2. **The correct answer is B**

The correct option is B, accounting and finance functions is not example of the line function. It provides support to the line functions in performing their duties.

The Option A, C and D are not the right option as they provide examples of line functions.

3. **The correct answer is C**

The correct option is C as increasing the bureaucracy is not among the purpose of establishing policies and procedures within an organization.

The option A, B, and D are not the right options as they are the reason that organization policies and procedures are created within an organization.

4. **The correct answer is C** because the financial information provided to all functions and departments within an organization, those in accounting, payroll and other financial roles make an important contribution in the following three key areas: **Legal compliance in business, Working capital and solvency of the business** and **Smooth running and efficiency of the business**

5. **The correct answer is B** because value for money is not part of the three important information provided by the accounting function to the organization.

These are: receivables i.e. debts that are owed to the organization and when they are due to be paid by customers, the cost of raising finance e.g. through share capital, loans etc. to keep the organization solvent, and the liquidity position i.e. availability to cover payables when they fall due.

6. **The correct answer is C**

The correct option is C as suppliers is an example of external stakeholders.

The option A and B are not the right options as they are an example of internal stakeholders and the option D which is none of above is not correct as right option is available

7. **The correct answer is C** because the working capital comprises of key five elements i.e. inventory, receivables, cash, payables and overdrafts and the working capital balance is the total of inventory, cash and receivables minus payables and overdrafts

8. **The correct answer is C** because it is important for an organization to maintain **positive** cash flow, so that it has sufficient day to day funds to maintain its operations and pay its debts when they fall due. A, B and D are not correct because balanced, minimum or adequate are not the appropriate terminologies to show the organization's liquidity position capable to sustain the organization's operations and repayment of its debts when they fall due.

9. **The correct answer is C**

The correct option is C as the main purpose of accounting is to provide financial information to users of such information.

The option A and B are not the right options as they are general aim that accounting function do in their daily operations and the option D which is none of above is not correct as right option is available

10. **The correct answer is A** because the organization structure affects the accounting system and the role of the accounting and payroll functions, in terms of:

- ✓ How information should be processed and presented to suit the needs of different users (i),
- ✓ How the information is collected and by whom (iii),
- ✓ How the information is sent up and down to the organization chain and across the boundaries between different functions(iv).

B is not correct because it misses one relevant option (i) and include one irrelevant option (ii) how reporting lines are identified

C is not correct because it misses two relevant options (iii) and (iv) and includes one irrelevant option(ii)

D is not correct because it combines the three relevant options (i), (iii) and (iv) with one irrelevant option(ii)

11. **The correct answer is D**

The right option is D, which is none of the above.

The option A, B and C are not the right options as they are the reasons for which the managers use the management reports for.

12. **The correct answer is D** because staff continuous professional development program can be covered by training policies rather than occupational health and safety policies

(A) safe storage of hazardous materials like flammable and combustible liquids, (B) Duty to provide first aid and welfare facilities and (C) appointing an occupational safety and health practitioner are covered by occupational health and safety policies

13. **The correct answer is C**

The right option is C, management accountant provides information for management which includes cost accounting, budgets and budgetary controls and financial management of projects and managers use this information to make decisions, measuring performance and running the business.

The option A is not the right option as the accounting assistant is a junior staff who assist the senior staff in finance function and cannot perform these tasks.

The option B is not the right option as the finance managers approves information such as budgets that are prepared by the accountants.

The option D is not the right option as the financial accountant is responsible for routine accounting, accounting reports, preparation of bank reconciliation reports, cashier's duties, and cash control.

14. **The correct answer is C** because hard skills are not more difficult to acquire and change. They may be learned and perfected over time.

15. **The correct answer is B** because **persuading** is getting others to agree to, or do something

Asking for something refers to **requesting**, giving people data they require refers to **informing** then checking whether the data is correct and that different parties have the same understanding refers to **confirming**.

16. **The correct answer is A**

The correct option is A, Accounting information supports managers in making sound decisions about resources available to them by equipping them for control and planning

The option B and C are not correct as they have one condition which is right and another which is not right and the option D which is none of above is not correct as right option is available

17. The correct answer is B

The correct option is B, External reporting is the support activity that company's accounting and finance function relates to when preparing financial statements in accordance with legal rules and accounting standards

The option A, C and D are not the right option as they relate to information which does not require compliance to legal rules and accounting standards and the information that they portray are for internal use for decision making

18. The correct answer is C because keeping the message short and simple requires to place detailed data in appendices or attachments or summarize the data in tables or diagrams.

19. The correct answer is B

The correct option is B, use of weak password is not the potential threat to the data security.

The option A, C and D are not the right option as they are the potential threat to data security.

20. The correct answer is A because the language to use in a message should be direct or not ambiguous, accessible and factual (i.e. not too emotional or colorful). The message should also avoid the use of slang expressions. Therefore, B, C and D are not correct options.

21. The correct answer is C

The correct option is C, Managers of the company need most information, at significant level of detail, to enable them to make planning and control decisions.

The option A, B and D are not the right option as Tax Authorities, have special access to information, because they can arrange to obtain the information, they need through accounting system.

Shareholders are entitled to certain information, focused on area of interest and financial analysts may only have access to public information and reports.

22. The correct answer is B since the average of quality complaints per month is 3 (i.e. $(0+6+2+5+4+1)/6$)

A is not correct because 7 is the average of total complaints received in the first semester of the year 2021 (i.e. $(24 \text{ late delivery complaints} + 18 \text{ quality complaints})/6$)

C is also not correct because 4 relates to the average of late delivery complaints (i.e. $(5+4+4+7+2+2)/6$)

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

23. The correct answer is C because Informal reports are used in business to convey larger amounts of information in a clear, structured, easy to use way.

A is not correct because memos are standardized, efficient way of sending messages within an organization.

B and D are not correct because Emails are versatile, not standardized and can be used to send notes, memos, letters, reports, forms and all sorts of other message.

24. The correct answer is C

The correct option is C, all public entities shall maintain their accounting and financial records, with all their supporting attachments safely for a period of at least ten (10) years from the beginning of the first financial year in which the transaction was completed, unless otherwise prescribed by the Minister in charge of finance.

The option A, B and D are not the right option as documents must be kept for a period of 10 years from the date of document

25. The correct answer is C, because it is advised to avoid the use of technical language in a report due to non-technical users among the stakeholders who will need to comment on the report.

The use of appropriate headings, tables or diagrams. including background and supporting details into appendices helps the users of the report to follow the flow of information. Therefore, A, B and D are not correct answers.

26. The correct answer is B because the complementary close to be used in formal situations is yours faithfully.

A is not correct because kind regards is used in a context of more personal and informal relationships (e.g. with colleagues), yours sincerely can be used in this context as well.

C Yours sincerely is not correct because is used in a context of established relationships, friendly but respectful (i.e. with superiors, customers and suppliers)

27. The correct answer is A

The correct option is A, introducing reporting by exception, reporting by exception means only reporting to managers when there is deviation from plan.

The option B and D are not the right option as it would increase information flow. Option C would not address the problem. Information overload is about excessive complexity as well as volume.

28. The correct answer is D

The correct option is D, Password should at least contain 4 characters is not a recommended component of strong password. The rest of option A, B and C are recommended component for a strong password.

29. The correct answer is A because the best action to be taken by the manager to resolve the issue and help the accountant meet the tax declaration deadline is to provide her/him with additional resources (e.g. allocate other staff to support the accountant).

B and C are not the best actions because informing tax authorities and executive management will not give tangible results (i.e. help the accountant meet the tax declaration deadline)

30. The correct answer is D because communication with line manager or supervisor, organization and maintenance of work area as well as the rules of disclosure and non-disclosure of information should all (i.e. A,B and C) be part of working practices and policies.

31. The correct answer is B because the management by walking around is informal management style where managers spending some part of their time listening to problems and ideas of their staff, while wandering around an office or plant. Therefore, A, C and D are not correct.

32. The correct option is D, be innovative in developing your professional career is not included in the features of the CPD Process. Members of professional bodies are required to complete a certain amount of CPD as a condition of continuing membership. This ensures that their knowledge and skills are always up to date and of a good standard. This, in turn, protects the interests of their clients and employers, as well as the standing and credibility of the professional bodies and the accounting profession.

A key feature of the CPD approach is that the responsibility for development lies mainly with the individual, in collaboration with their employers, and other parties such as the professional bodies. The rest of option A, B and C are the key features of CPD process.

33. The correct answer is A

The correct option is A, writing is not considered as learning and development approaches.

The learning and development approaches include technical briefing and updates, training courses and seminars, publication, research tools, the internet, publication, other research tools and on the job training.

34. **The correct answer is A** because the key elements for effective team work are:

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

35. **The correct answer is B** 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. Therefore, A, C and D are not correct.

36. **The correct answer is B**

The correct option is B, Auditing skills is hard skills not soft skills. The option A, B & C are not right options as they are examples of soft skills.

37. **The correct answer is C** because individuals with unresolved conflicts become **resentful**, **demotivated** and **uncooperative**. They may end up withdrawing their contribution to the group or actively seek to sabotage the group. Therefore, A, B and D are not correct.

38. **The correct answer is B** because all the organizations should have a written grievance **procedure** which is communicated to all employees and it should state to whom an employee should go with a particular type of grievance. Therefore, A, C and D are not correct.

39. **The correct answer is A** because the conversation with the manager is not included in the formal complaint. The complaint may instead include the discriminatory treatment by the managers, unfair workload and bullying.

40. **The correct answer is A** because the two key documents used by the organizations to define the requirements of a job and a job holder are job description and person specification. Therefore, B, C and D are not correct.

41. **The correct answer is D** because the correct statements are as follow:

- ✓ The job description sets out what a person in his/or her job should be able to do
- ✓ Organizations can discuss learning needs as part of their annual performance appraisals
- ✓ The person specification for your role sets out what sort of personal qualities the organization is looking for in your role

Therefore, A, B and C are not correct.

42. The correct answer is A

The correct option is A, Keep It Short and Simple (KISS) is an important guideline for business communication

43. The correct answer is D because it includes A, B and C which are all correct statements.

- ✓ In job rotation, the trainee is given several jobs in succession, to gain experience of a wide range of activities
- ✓ For temporary promotion, a staff is given her/his superior's position while the superior is on leave
- ✓ Coaching is when the trainee is put under the guidance of an experienced employee who shows the trainee how to do the job.

44. The correct answer is A because job rotation and coaching are both methods of on the job training.

Establishing learning target, taking into account the strengths and limitations of the trainee and exchanging feedback are part of things to be done by the coach.

45. The correct answer is B because the most appropriate learning approach for a new staff who recently joined the organization is induction training

Those who are best qualified for on the job training, external training course and internal training course are staff who are familiar with the organization. Therefore, A, C and D are not correct.

46. The correct answer is C

The correct option is C, Relaxation. Adair mentioned aspects including set goals, formulate actions, set priorities, focus and urgency.

Thus, option A, B and D are not the right answers as they are among the aspects of time management.

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

This is because in monitoring and reviewing your progress all of the following can be used:

- ✓ Formal evaluation and review
- ✓ Informal monitoring progress
- ✓ Personal development plan

48. **The correct answer is B** (i.e. identify where you are **on track**) because among important reasons of carrying out regular monitoring and review we find the following:

- ✓ To allow you to measure your progress towards your goal
- ✓ To identify where you are **off track** or behind on your development plan in order to adjust your effort and activity as required
- ✓ To keep you accountable to your supervisor
- ✓ To enable your supervisor or line manager justify the costs of your training and development in terms of proven results and benefits

49. **The correct answer is D** as a combination of A, B and C because it is extremely important to include supervisor, line manager or designated coach in the personal development planning process so that they can:

- ✓ Check if goals are SMART
- ✓ Authorize and arrange the time off and expenditure that will be required for the training which include covering for the staff of person's absences where relevant, among others.

50. **The correct answer is B** because updating CV and getting a promotion in the organization is not a reason to complete and record the CPD hours

The valid reasons to complete and record CPD hours are as follows:

- ✓ Maintaining your technical competence
- ✓ Update your knowledge
- ✓ Prove that you have fulfilled the requirements and updated your knowledge and skills appropriately

End of Marking Guide and Model Answers