



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

DATE: THURSDAY 27, FEBRUARY 2025

INSTRUCTIONS:

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

SECTION A

QUESTION ONE

Which one of the following supporting business objectives refers to the day to day finance used to keep the business running?

- A Solvency
- B Working capital
- C Efficiency
- D All of the above

(2 Marks)

QUESTION TWO

TMP Ltd, is a company specialised in the production of cement in Rwanda. As an organisation that performs several different activities in the pursuit of its objectives, some of the companies' functions are line functions that are directly involved in the main service delivering or revenue earning activity of the business.

Which of the following is not among the line functions of TMP Ltd?

- A Sales and distribution functions
- B Accounting and finance functions
- C Marketing functions
- D Production functions

(2 Marks)

QUESTION THREE

Organisational policies and procedures are created with an intention of giving organisations control over their workforce and processes.

Which of the following is not the reason why organisations create standard operating policies and procedures?

- A Supporting efficiency
- B Protect people
- C Increase bureaucracy
- D Support compliance

(2 Marks)

QUESTION FOUR

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 different key areas like:

- i) Legal compliance
- ii) Working capital of the business
- iii) Solvency of the business
- iv) Smooth running and efficiency of the business

Which ones of the above are part of the three key areas benefiting from the financial information?

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

(2 Marks)

QUESTION FIVE

The accounting function provides important information to the organization about different aspects of the business.

Which of the following is not part of that information?

- A Receivables
- B Value for money
- C Cost of raising finance
- D Availability of cash to cover payables when they fall due

(2 Marks)

QUESTION SIX

Which of the following stakeholders is external?

- A Employees
- B Managers
- C Suppliers
- D None of the above

(2 Marks)

QUESTION SEVEN

Which one of the following is correct regarding working capital formula?

- A Inventory and receivables minus payables
- B Cash minus payables
- C Inventory, cash and receivables minus payables and overdrafts
- D None of the above

(2 Marks)

QUESTION EIGHT

It is important for an organization to maintain cash flow, so that it has sufficient day to day funds to maintain its operations.

Complete the above sentence with the best of the following:

- A Balanced
- B Minimum
- C Positive
- D Adequate

(2 Marks)

QUESTION NINE

Mugisha John has recently completed his Certified Accounting Technician (CAT) course and was employed as an Assistant Accountant at Keva Ltd. The Chief Accountant explained to him what the main aim of accounting function is.

Which of the following options is the correct aim of accounting?

- A To produce a trial balance
- B To record the payroll transactions
- C To provide financial information to users of such information
- D None of the above

(2 Marks)

QUESTION 10

In line with document and information flows, the organization structure affects the accounting system and the role of the accounting and payroll functions, in terms of:

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

Which one of the following is correct?

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

(2 Marks)

QUESTION 11

Management accounting is mainly concerned with the production of financial reports to assist managers in all business functions.

Which of the following statements is not among the reasons for which managers who are provided with management reports can use them for?

- A Measuring performance
- B Making decisions
- C Running the business
- D None of the above

(2 Marks)

QUESTION 12

Within an organization specific occupational health and safety policies may cover different issues.

Which one of the following is not covered by occupational health and safety policies?

- A Safe storage of flammable and combustible liquids.
- B Duty to provide first aid and welfare facilities
- C Appointing an occupational safety and health practitioner
- D Staff continuous professional development program

(2 Marks)

QUESTION 13

Which of the following roles have the responsibilities for the preparation of budgets and budgetary control in typical finance function?

- A The Accounting Assistant
- B The Finance Manager
- C The Management Accountant
- D The Financial Accountant

(2 Marks)

QUESTION 14

Which one of the following is not correct?

- A Hard skills refer to a person's knowledge and technical skills
- B Soft skills are more difficult to acquire and change
- C Hard skills are more difficult to acquire and change
- D Hard skills may be learned and perfected over time

(2 Marks)

QUESTION 15

Which one of the following statements is correct?

- A Persuading is asking for something and to get others to agree to, or do something
- B Persuading is getting others to agree to, or do something
- C Persuading is giving people data they require and get them agree to or do something
- D Persuading is checking whether the data is correct and that different parties have the same understanding

(2 Marks)

QUESTION 16

Accounting information supports managers in making sound decisions about resources available to them by equipping them for:

- i) Control
- ii) Planning
- iii) Organising
- iv) Leading

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

(2 Marks)

QUESTION 17

International Accounting Standards (IAS1) sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

Which of the following support activity does the company's accounting and finance function relates to when preparing financial statements in accordance with legal rules and accounting standards?

- A Record-Keeping and stewardship
- B External reporting
- C Planning and control
- D Internal reporting

(2 Marks)

QUESTION 18

Business people have limited time in which to peruse communications and that time is worth money to them and their organizations. This means the message should be kept short and simple.

Which one of the following does not confirm the above statement?

- A The key message is well structured
- B The key message is easy to read
- C The key message has detailed data
- D The key message is unambiguous

(2 Marks)

QUESTION 19

Information kept in files, records and computer needs to be protected from accidental or malicious damage.

Which of the following is not the potential threat to data security?

- A Computer Viruses
- B Use of weak password
- C Systems failure
- D None of the above

(2 Marks)

QUESTION 20

Styles of communication can range from extremely informal and friendly through to extremely formal and impersonal. Therefore, it is important that the right style is used in appropriate contexts.

Which one of the following styles of communication shows the appropriate language to use while delivering a message?

- A Direct, accessible, and factual
- B Direct, ambiguous and factual
- C Direct, factual and too emotional,
- D Direct, accessible, ambiguous and factual

(2 Marks)

QUESTION 21

Which of the following user groups of financial and accounting information are likely to need, and have access to, this information most?

- A Shareholders of the company
- B Financial analysis advisers
- C Managers of the company
- D Tax Authorities

(2 Marks)

QUESTION 22

You are doing an internship in Inzosi company producing maize flour, and you are requested to review all quality complaints received during the first semester of the year 2021. Below is a table consolidating all complaints received.

Complaints	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
Late delivery	5	4	4	7	2	2
Quality	0	6	2	5	4	1
Total complaints	5	10	6	12	6	3

After the review, which one of the following will be the average of complaints per month?

- A 7 complaints
- B 3 complaints
- C 4 complaints
- D None of the above

(2 Marks)

QUESTION 23

Which one of the following statements is correct?

- A Memos are used in business to convey larger amounts of information in a clear, structured, easy to use way
- B Emails are standardized, efficient way of sending messages within an organization.
- C Informal reports are used in business to convey larger amounts of information in a clear, structured, easy to use way
- D Emails are not versatile

(2 Marks)

QUESTION 24

In the context of the financial regulations in Rwanda, specifically on preservation of accounting and financial records, what is the legal provision on document retention?

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

(2 Marks)

QUESTION 25

You are working for a manufacturing company and at the end of the financial year you are requested to prepare a sustainability report to be shared with the company's stakeholders and other users.

Which one of the following would disqualify your report to be good for those users?

- A Use of appropriate headings
- B Use of tables or diagrams
- C Use of technical language
- D Include background and supporting details into appendices

(2 Marks)

QUESTION 26

You are working in finance department of Ubumwe company and one of your responsibilities is to respond to clients' letters.

What complementary close will you use in formal situations?

- A Kind regards
- B Yours faithfully
- C Yours sincerely
- D All of the above

(2 Marks)

QUESTION 27

In the context of improving organisational communication, which of the following would be an helpful measure in addressing the problem of information overload on managers?

- A Introducing reporting by exception
- B Holding regular staff meetings
- C Speed reading training for managers
- D Using email

(2 Marks)

QUESTION 28

The use of passwords helps in preventing unauthorised users from gaining access to computer systems or files.

Which of the following is not a recommended component for a strong password?

- A Password should contain special capital and small letters and numerical numbers
- B Password should contain special symbols
- C Password should contain characters that cannot be easily guessable
- D Password should at least contain 4 characters

(2 Marks)

QUESTION 29

The accountant of the KNP district hospital located in Huye, recently reported to the finance manager that there is a high probability of missing September 2022 tax declarations deadline due to the current workload.

Which one of the following is the best action to be taken by the finance manager?

- A Provide additional resources
- B Inform the tax authorities
- C Inform the executive management
- D All of the above

(2 Marks)

QUESTION 30

Which one of the following should be part of working practices and policies?

- A Communication with line manager or supervisor
- B Organization and maintenance of work area
- C Rules of disclosure and non-disclosure of information
- D All of the above

(2 Marks)

QUESTION 31

You have been recently hired by a construction company and during the induction you have heard the trainer using the term” Management by walking around”.

Which one of the following relates to that term?

- A Formal management style
- B Informal management style
- C A combination of formal and informal management styles
- D None of the above

(2 Marks)

QUESTION 32

Which items are not included in the key features of the CPD process?

- A Be a documented process
- B Focus on learning from experience, reflective learning, and review
- C Be self-directed: driven by you, not your employer
- D Be innovative in developing your professional career

(2 Marks)

QUESTION 33

Which one of the following is not an approach to learning and development?

- A Writing
- B Technical briefings and updates
- C Training courses and seminars
- D Research tools

(2 Marks)

QUESTION 34

Effective team work requires a number of elements.

Which one of the following that will not help the team to work effectively?

- A Unbalanced people in the team
- B Performance feedback
- C Coordination
- D Clear shared objectives

(2 Marks)

QUESTION 35

Why is it important to set and agree schedules and working methods within a team?

- A To ensure the work of all members is communicated
- B To ensure the work of all members is coordinated and integrated
- C To ensure the work of all members is understood
- D To ensure the work of all members is appreciated

(2 Marks)

QUESTION 36

Personal skills help to improve your personal and social life.

Which of the following is not an example of soft skills?

- A Public Speaking skills
- B Auditing skills
- C Listening skills
- D Problem solving skills

(2 Marks)

QUESTION 37

Which one of the following describe best the effects of unresolved conflict and dissatisfaction within a team?

- A Resentful and demotivated individuals
- B Demotivated and uncooperative individuals
- C Resentful, demotivated and uncooperative individuals
- D Resentful, demotivated and dissatisfied individuals

(2 Marks)

QUESTION 38

All the organizations should have a written which is communicated to all employees.

Complete the above sentence using the pick list below:

- A Grievance law
- B Grievance procedure
- C Grievance policy
- D Grievance regulation

(2 Marks)

QUESTION 39

In working environment, a grievance is a formal complaint by an individual who feels that they are being wrongly or unfairly treated by a colleague or manager at work.

Which one of the following may not be included in such complaints?

- A Conversation with the manager
- B Discriminatory treatment by the managers
- C Unfair workload
- D Bullying

(2 Marks)

QUESTION 40

Alpha and associates is a recruiting agency that has been hired by your organization to recruit different staff of your organization. The recruiting agency is now asking you to share the key documents used by your organization to define the requirements of a job and a job holder.

Which one of the following documents will be shared with the recruiting agency?

- A Job description and person specification
- B Job description and learning needs
- C Career goals and person specification
- D Learning and development plan

(2 Marks)

QUESTION 41

Which one of the following statements is correct?

- A The person specification sets out what a person in his/or her job should be able to do
- B Organizations cannot discuss learning needs as part of their annual performance appraisals
- C The job description for your role sets out what sort of personal qualities the organization is looking for in your role
- D None of the above

(2 Marks)

QUESTION 42

Which of the following is an important guideline for business communication?

- A Keep It Short and Simple
- B Know your Purpose and Audience
- C Win
- D Use right Structure and Style

(2 Marks)

QUESTION 43

Which one of the following statements is correct?

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

(2 Marks)

QUESTION 44

One of the methods of on job training is coaching.

Which one of the following should not be done by the coach?

- A Initiate job rotation
- B Establish learning target
- C Take into account the strengths and limitations of the trainee
- D Exchange feedback

(2 Marks)

QUESTION 45

Which one of the following is the most appropriate learning approach for a new staff who recently joined the organization?

- A On the job training
- B Induction training
- C External training course
- D Internal training course

(2 Marks)

QUESTION 46

Which of the following is not an aspect of time management?

- A Set goals
- B Focus
- C Relaxation
- D Urgency

(2 Marks)

QUESTION 47

You are attending a meeting to review the progress on a construction project being undertaken by your organization. The key note from that meeting is that “there is no point in setting objective, if you are not prepared to review your progress and achievements on a regular basis”.

Which one of the following can be used to monitor and review your progress?

- A Formal evaluation and review
- B Informal monitoring progress
- C Personal development plan
- D All of the above

(2 Marks)

QUESTION 48

It is important for an organization to do a regular monitoring and review.

Which one of the following statement is not correct about regular monitoring and review?

- A It allows you to measure your progress towards your goal
- B It helps identify where you are on track
- C It keeps you accountable to your supervisor
- D It enables your supervisor or line manager justify the costs of your training and development in terms of proven results and benefits

(2 Marks)

QUESTION 49

Personal Development Planning puts the responsibility on the individual to define development goals which are relevant to them, and seek out learning opportunities which suit their needs, preferences and opportunities.

Therefore, it is important to include the supervisor, line manager or designated coach in the personal development plan process because:

- A They can check if goals are SMART
- B They authorize and arrange the time off and expenditure that will be required for the training
- C They can cover for your absences where relevant
- D All of the above

(2 Marks)

QUESTION 50

You are a member of a professional body and recently you received an email reminding you to complete forty hours of Continuous Professional Development (CPD).

Which one of the following is not a reason why you should complete those CPD hours?

- A Maintaining your technical competence
- B Update your CV and get promotion within your organization
- C Update your knowledge
- D Prove that you have fulfilled the requirements and updated your knowledge and skills appropriately

(2 Marks)

End of question paper