



ICPAR  
Unlimited possibilities

---

**CERTIFIED ACCOUNTING TECHNICIAN  
STAGE 2 EXAMINATIONS  
S2.3 PROFESSIONAL ETHICS IN ACCOUNTING  
AND FINANCE**

---

**DATE: MONDAY 26, MAY 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**

Janvier Nteziryayo, a CPA candidate aspiring to be ICPAR member is unsure about the meaning of the principle of confidentiality.

**Which of the following best describes the principle of confidentiality?**

- A The duty of confidentiality can be overridden in the public interest.
- B The duty of confidentiality is an absolute ethical obligation.
- C The duty of confidentiality is a legal obligation.
- D None of the above

**(2 Marks)**

### **QUESTION TWO**

**Which of the following is not a general principle that applies to political neutrality?**

- A Accountants in public sector need to keep their personal political views separate from their jobs;
- B It is in public interest for Accountants, and other civil servants to be politically neutral;
- C An Accountant's professional duty is to provide fair and honest advice, regardless of their political views;
- D Public sector Accountants should not express their personal political views

**(2 Marks)**

### **QUESTION THREE**

One of the seven principles of public life whose aim is to improve standards of behaviour in public life is described as follows.

Decision should be taken in an open and transparent manner unless there are clear reasons for not doing so.

**Which one of the following principles of public life that is best described above?**

- A Leadership
- B Openness
- C Honesty
- D None of the above

**(2 Marks)**

#### QUESTION FOUR

Whistleblowing is the disclosure by an employee of illegal or unethical practices by their employer. Which of the following statements is correct?

- A External whistleblowing should be a last resort option;
- B External whistleblowing should not be a last resort option;
- C Internal whistleblowing should be a last resort option;
- D None of the above.

(2Marks)

#### QUESTION FIVE

Which of the following international body is responsible for developing the International Financial Reporting Standards (IFRSs), which listed companies in Rwanda have to use as the basis for their financial accounts?

- A Financial Reporting Council;
- B International Accounting Standards Board;
- C International Federation of Accountants;
- D International Ethics Standards Board for Accountants.

(2 Marks)

#### QUESTION SIX

Many resources are invested in the Continuing professional development (CPD) programs by the Institute for the members to uphold code of ethics in the accounting profession in Rwanda. Fulfilling the required CPD hours will mostly help ICPAR members to:

- A To uphold confidentiality and objectivity in the profession;
- B To demonstrate high level of integrity in their daily activities;
- C To get cutting-edge knowledge and skills and hence serve clients better;
- D None of the above.

(2 Marks)

#### QUESTION SEVEN

Many organisations have codes of ethics. These may set out general principles about an organisation's beliefs and ethical values and are often supported by a code of conduct for employees.

Which one of the following is not among the key business values associated with ethical behaviour?

- A Truth;
- B Transparency;
- C Sensitivity;
- D Responsibility.

(2 Marks)



### QUESTION EIGHT

The importance of business values in an organisation's culture is that they underpin both policy and behaviour throughout the company, from top to bottom.

**Which of the following best describes the main reason for introducing code of conduct in an organisation?**

- A To maximize company's returns and meet up stakeholders' expectations;
- B To create organisational value and spill-over organisational culture;
- C To promote business of objectives;
- D All of the above.

**(2 Marks)**

### QUESTION NINE

Holders of public office have a duty to declare any private interests relating to their duties and take steps to resolve any conflicts arising in a way that protects public interest.

**Which one of the following principles of public life is most appropriate to this situation?**

- A Accountability;
- B Openness;
- C Honesty;
- D None of the above.

**(2 Marks)**

### QUESTION 10

Law No 35/2012 (Parliament of the Republic of Rwanda,2012) provides protection to whistle-blowers.

**Which of the following statements in Law No 35/2012 is true?**

- A Before whistleblowing externally, the issue of concern should not be discussed internally with the management;
- B A whistleblower should make an external disclosure as a first line of recourse where illegal acts are suspected;
- C Whistleblowing may sometimes be necessary in order to protect the public interest;
- D None of the above.

**(2 Marks)**

### QUESTION 11

An ethical code of conduct contains a series of statements setting out an organisation's values, the behaviours it expects from its staff.

**Which of the following is not a reason why organisations introduce codes of ethics?**

- A Promoting business objectives;
- B Controlling individuals' behaviour;
- C Defining activities that are criminal in nature;
- D Establishing the organisation's values.

**(2 Marks)**

### QUESTION 12

One of the ways organisations can communicate to their employees the behaviour expected of them is through a code of practice. However, codes of practice or codes of conduct will only be effective if employees follow them.

**Which of the following will not be outlined in an organisation's ethical code of conduct?**

- A Behaviours that are required of staff as a condition of ongoing employment;
- B How the organisation sees its responsibilities to stakeholders;
- C The organisation's strategic objectives;
- D Behaviours that are prohibited.

**(2 Marks)**

### QUESTION 13

Ethical standards require companies to consider the rights of a range of groups inside and outside the organisation who have a legitimate interest or 'stake' in the organisation's activities.

**Which one of the following is not among the external stakeholders?**

- A Suppliers;
- B Investors;
- C Managers;
- D Customers.

**(2 Marks)**



#### QUESTION 14

Uwera Janet is currently under investigation by ICPAR for failing to comply with the Continuing Professional Development (CPD) requirements imposed on its members.

**Which of the following would Uwera Janet be found to have committed?**

- A Professional misconduct
- B Gross professional misconduct
- C Professional negligence
- D Breach of contract with the ICPAR

**(2 Marks)**

#### QUESTION 15

Accountants have a duty to always maintain an appropriate professional distance between their work and their personal life.

**Which of the following would constitute a breach of this duty?**

- A An auditor has been offered a gift which is significant in value of FRW 60,000,000 for having given client a clean audit opinion;
- B An auditor has, together with all of the client's other suppliers, been offered a gift of a free meal at the client's restaurant;
- C An ICPAR member working in business has been offered a gift of a calendar from a supplier for the next year;
- D They were given to auditor in the normal course of marketing.

**(2 Marks)**

#### QUESTION 16

The main constraint on the services that an accountant provide, is that they should not take on work they are not competent to perform.

**Which one of the following is a part of those services referred as “reserved areas” to accountant?**

- A External audit, or where the services of a registered auditor are required;
- B Investment business and the provision of corporate financial advice;
- C Insolvency practice (company liquidations and administration);
- D All of the above.

**(2 Marks)**

### QUESTION 17

Accountants often provide services for clients in return for fees, which are charged on a time basis. This means the actual charge to their client will be based on length of time spent on the engagement multiplied by charge-out rate.

**When determining the fee, which of the following is not required as part of the process?**

- i) Assign appropriate time and staff to the task;
- ii) Making the client aware of the terms of the engagement;
- iii) Ensure they do not compromise the quality of services provided;
- iv) Explain the basis on which fees are charged.

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

**(2 Marks)**

### QUESTION 18

**Which of the following personal qualities expected from an Accountant which means that, in the work place you should take ownership of your work when taking on work?**

- A Respect
- B Courtesy
- C Responsibility
- D None of the above

**(2 Marks)**

### QUESTION 19

Since members who work in an Accountancy practice are affected by different threats to those working in commercial business, most codes make recommendations for each situation.

**Which of the following is not among the examples of specific threats affecting self-interest threat category?**

- A Having a concern about losing a client;
- B Receiving a loan from a client or from its directors or officers;
- C Acting on behalf of the client that is in dispute with a third party;
- D Having a close personal relationship with a client.

**(2 Marks)**



### QUESTION 20

Tuyisabe Emmanuel, is an ICPAR student member working for TNB Ltd as a professional internee. Tuyisabe Emmanuel has recently passed his last exams for Certified Accounting Technician (CAT) and Julienne Mwiseneza, a Senior Accountant has resigned from TNB Ltd. Tuyisabe Emmanuel has been asked to take on the responsibility of preparing the Financial Statements and he has been given one day to produce the Financial Statements for TNB Ltd.

Tuyisabe Emmanuel is concerned that the Fundamental Principle of professional competence and due care is under threat.

**Which of the following could be appropriate safeguards in this situation?**

- i) Getting help from someone with the relevant knowledge;
- ii) Obtaining more time to complete the work;
- iii) Refusing to perform the requested task;
- iv) Obtaining additional advice or training.

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

**(2 Marks)**

### QUESTION 21

Grace Bahati is the Senior Procurement Specialist at Umurage Project. The project is planning to purchase the IT Equipment and she decided that the contract to supply IT Equipment should be subject to open a tender for national competitive advantage. The decisions should be taken 'in an open and transparent manner and the results and decision-making criteria are then to be made public.

**Which Principle of Public Life does Grace 's decision most clearly demonstrate?**

- A Selflessness;
- B Openness;
- C Leadership;
- D None of the above.

**(2 Marks)**



### QUESTION 22

Which of the following pairs of principles of behaviour are included in the seven principles of public life?

- A Reliability and Leadership;
- B Openness and Confidentiality;
- C Accountability and objectivity;
- D None of the above.

(2 Marks)

### QUESTION 23

Accounting firms could issue confidentiality contracts and guidelines to all members of staff as a safeguard to protect client confidentiality.

Which one of the following best demonstrates why the confidential information needs to be protected?

- A The information is restricted;
- B The information is shared within professional relationships;
- C The information protected by data protection and personal privacy law;
- D All of the above.

(2 Marks)

### QUESTION 24

There are certain circumstances in which Accountants are permitted, or required, to disclose confidential information.

Which of the following is not among the circumstances in which Accountant is required by law and a legal duty to disclose confidential information?

- A Required by legal proceedings;
- B Actual or suspected money laundering;
- C Required by public authorities;
- D Voluntary disclosure to a regulator.

(2 Marks)

### QUESTION 25

Confidentiality is one of the fundamental ethical principles and employers have a responsibility to ensure their staff respect the principle. As a general rule, confidentiality means that Accountants must not:

- A Disclose information about their client's (or employer's) affairs;
- B Use confidential information acquired through their work to the accountant's or a third party's advantage;
- C Both A and B;
- D None of the above.

(2 Marks)



### QUESTION 26

Consollee Uwase is an ICPAR member in practice. One of her clients is being investigated by Rwanda Revenue Authority (RRA). RRA asks Consollee to provide it with certain information, to assist with its enquiry. Consollee refuses to co-operate, saying this would be a breach of his duty of confidentiality to his client.

**Is Consollee under an obligation to disclose information about his client?**

- A No, disclosure has not been authorised by the client;
- B Yes, disclosure is required by law;
- C Yes, disclosure is in the public interest;
- D No, disclosure has not been authorised by ICPAR.

**(2 Marks)**

### QUESTION 27

Accountants have duty to respect the confidentiality of information. Even if the information can legitimately be disclosed, the accountant still has to consider a number of points in deciding how to proceed.

**Which of the following are possible factors to consider in disclosing confidential information?**

- i) How can you protect the on-going confidentiality of the information as far as possible;
- ii) Who is the appropriate recipient of the information;
- iii) Will you incur legal liability by disclosing the information.

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

**(2 Marks)**

### QUESTION 28

**In which of the following situations is the duty of confidentiality most likely to be breached?**

- A When information is disclosed as evidence in legal proceedings;
- B When an Accountant obtains authorisation from their client before disclosing information;
- C When an Accountant discloses information about a former employer after resigning from their job;
- D When information is disclosed in response to a formal investigation by RRA.

**(2 Marks)**



### QUESTION 29

Although the initial focus of the principles of public life was politicians, they are also relevant to accountants, because accountants also have a public interest duty to society, as well as to their employers.

**Which of the following is not the among the seven principles of Public Life?**

- A Selflessness
- B Accountability
- C Honesty
- D Competency

**(2 Marks)**

### QUESTION 30

In Marketing Professional Services, to attract new clients, accountancy practices may advertise their services to the public and to businesses.

**Which of the following is a legitimate reason for advertisement by professional firms?**

- A Making exaggerated claims for the services offered
- B Making disparaging references or unsubstantiated comparisons to the work of others.
- C Being honest and truthful for the services offered
- D None of the above

**(2 Marks)**

### QUESTION 31

The Code of Ethics highlights that Accountants need to be aware of technical, professional, and business developments so that they can maintain the capabilities they need to demonstrate professional competence to a client or employer.

**Which of the following types of professional misconduct(s) could be faced by an Accountant who fails to act with professional competence by reason of not being up to date with legislation and regulations?**

- i) Fraud accusations
- ii) Professional negligence
- iii) Breach of contract

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

**(2 Marks)**



### QUESTION 32

An ICPAR member in business has been asked by their line manager to manipulate the management accounts to give a more favourable result.

**What is the potential ethical dilemma here, and how should the member respond?**

- A Breach of objectivity, but the member must comply as they have an obligation to perform all duties as required by their employer;
- B Breach of objectivity, the member should refuse to comply;
- C Breach of integrity, but the member must comply due to their obligation to perform all duties as required by their employer;
- D Breach of integrity, the member should refuse to comply.

**(2 Marks)**

### QUESTION 33

As per “IESBA (International Ethics Standards Board for Accountants), 2016”, code of ethics is a guide of principles designed to help professionals conduct business honestly and with integrity.

**Which one of the following principles requires professional accountants to be straightforward and honest in all professional and business relationships?**

- A Professional Behavior
- B Integrity
- C Objectivity
- D Professional Competence and Due Care

**(2 Marks)**

### QUESTION 34

The principle of professional behaviour is vital in maintaining the reputation of the profession.

**Which of the following is not primarily included in the principle of professional behaviour?**

- A Perform the work in the client or employer’s best interest;
- B Behaving with courtesy and consideration towards anyone you come into contact with professionally and in your personal life;
- C Being honest when describing the services you can offer, or the experience you have gained in a particular area of business;
- D Complying with the law.

**(2 Marks)**



### QUESTION 35

Mugisha Edward, an ICPAR member in practice, has prepared a set of financial statements for a client despite knowing he has inadequate information to prepare the statements properly.

**Which of the following ethical principles are threatened in this situation?**

- (i) Professional competence and due care;
- (ii) Professional behaviour;
- (iii) Objectivity;

- A (i) only;
- B (i) and (iii);
- C Both A and B;
- D None of the above.

**(2 Marks)**

### QUESTION 36

Muneza Ronald, an ICPAR member in practice, he was hired by AB Insurance Broker Ltd, a firm in Kigali to prepare and certify its financial statements. He knows that if he prepares the financial statements with available information, the AB Insurance Broker Ltd would pay a high tax bill and he willingly opted to overstate the expenses for that period such that the AB Insurance Broker Ltd profit before tax would be lower and hence AB Insurance Broker Ltd pay less tax bill.

**Which of the following ethical behaviour did Ronald fail to demonstrate?**

- A Professional behaviour;
- B Honesty;
- C Objectivity;
- D None of the above.

**(2 Marks)**

### QUESTION 37

Rebecca Umurerwa, an ICPAR member in practice, is an Auditor at HNB Ltd and her line manager is always bullying her. He is treating her unfairly because she rejected having sex with him. The line manager intimidated her that, he will use his power to fire her, and she will eventually lose her job.

**Which of the following ethical behaviour(s) did Rebecca fail to demonstrate?**

- A Report the issue to the Managing Partner of the audit firm;
- B Report the issue to the Board of Audit Committee of the company;
- C Report the issue to his husband for taking action to his line manager;
- D Report the issue to ICPAR for follow up and action.

**(2 Marks)**



### QUESTION 38

Nkubito Emmanuel, is a partner in Accounting Firm and he has spent 50 hours working on a client's financial statements. Before an invoice is sent to the client, he notices that 100 hours have been used for the invoice calculation. The partner allows the invoice to be sent based on 100 hours instead of 50 hours.

**Which of the following ethical principles are threatened in this situation?**

- A Professional behaviour;
- B Objectivity;
- C Integrity;
- D None of the above.

**(2 Marks)**

### QUESTION 39

William Ndayisaba, an ICPAR member in practice, is an Audit manager at RWB Ltd and has been assigned an audit assignment at TZD Ltd, a company owned 100% by his uncle Peter Hakizimana. Ndayisaba celebrated a Certified Accounting Technician (CAT) achievement and his uncle transferred to him 20% of the shares of TZD Ltd.

**Which of the following threats could affect William's ability to comply with fundamental ethical principles?**

- A Intimidation threat;
- B Self-review threat;
- C Self-interest threat;
- D None of the above.

**(2 Marks)**

### QUESTION 40

There are many reasons why ICPAR members should follow ICPAR professional Code of Ethics.

**Which of the following is not one of them?**

- A The Code encourages best practice and is in the public interest;
- B The Code applies to members in practice and members in business;
- C All ICPAR members must follow the Code as a condition of their membership;
- D ICPAR members are legally bound by the Code.

**(2 Marks)**



### QUESTION 41

One of the seven principles of public life whose aim is to improve standards of behaviour in public life is described as follows: "Holders of public office should challenge poor behaviour, should promote and support the principles by setting a good example".

**Which one of the following principles of public life is best described above?**

- A Leadership;
- B Selflessness;
- C Honesty;
- D None of the above.

**(2 Marks)**

### QUESTION 42

Muhoza Henry is a Chief Finance Officer of one of the Leading Insurance Companies in Rwanda. He is required to submit reviewed Accounts to the regulator on a quarterly basis in accordance with International Financial Reporting Standards (IFRSs).

Recently, he submitted quarterly Financial Statements to the regulator, National Bank of Rwanda (BNR). BNR discovered that the submitted Financial Statements do not have additional information on disclosures, solvency margin and liquidity ratio computation. He had not included new Accounting Developments on Insurance Contracts (IFRS 17).

**Which of the following principles of professional ethics for Accountants is at breach by Muhoza?**

- A Confidentiality;
- B Integrity;
- C Professional competence and due care;
- D All of the above.

**(2 Marks)**

### QUESTION 43

The increasing diversity at modern workplace requires fairness, mutual respect, and open communication, as the basis for constructive working relationships.

**Which example of qualities of ethical behaviour is best demonstrated above?**

- A Integrity;
- B Honesty;
- C Fairness;
- D None of the above.

**(2 Marks)**



#### **QUESTION 44**

Robert Mugabe is an Accountant specialising in tax dispute cases. As a marketing initiative, Robert has posted details of successful cases on his Accountancy practice website. To help with authenticity, Robert has used the real names of past and present clients without their permission.

**Which of the following ethical principles are threatened in this situation?**

- A Professional competence and due care;
- B Confidentiality;
- C Integrity;
- D None of the above.

**(2 Marks)**

#### **QUESTION 45**

Mutoni Uwase works for BNP Ltd, a big telecommunication company in Kigali. A potential customer of the BNP Ltd has asked Mutoni to reveal confidential information about the company's cost structure and pricing strategy. The potential customer has offered to pay for this information and the requestor claims he wants it so urgently. .

**What type of threat is Mutoni facing in relation to her compliance with the fundamental ethical principles?**

- A Confidentiality;
- B Familiarity;
- C Intimidation;
- D Self-interest.

**(2 Marks)**

#### **QUESTION 46**

**Which of the following would not be included in a corporate code of ethics for a company that buys products and raw materials from a large number of suppliers, including from some foreign countries?**

- A Details of the standards of behaviour the company expects of its suppliers;
- B A summary of the company's quality promises to its customers;
- C A statement detailing the standards of behaviour the company expects of its employees;
- D A list of the laws and regulations that apply to the company.

**(2 Marks)**



### QUESTION 47

Pierre Nshuti, an Accountant in a large mining company in Rulindo District, is facing an ethical dilemma at work.

**Which of the following would be least appropriate for him to consult for advice?**

- A Her supervisor;
- B Family members;
- C ICPAR;
- D Management;

**(2 Marks)**

### QUESTION 48

An Accountant has been told by his/her manager that he/she will be subject to disciplinary action unless they interpret an accounting standard in a particular way.

**What of the following threats is most relevant here?**

- A Advocacy;
- B Familiarity;
- C Intimidation;
- D Self-review.

**(2 Marks)**

### QUESTION 49

T&G Ltd is a tax Consultancy Company authorized by RRA and ICPAR. Recently the company employed a new tax advisor Edson Muhire, An ICPAR member in practise. Edson was assigned to carry out assurance engagement of HJK Ltd. During the engagement Edson analysed the financial information of HJK Ltd and leaked some information to his friend Paul Mugisha to buy the shares with HJK Ltd due to its high profitability trend.

**Which of the following qualities of ethical behaviours has Edson failed to demonstrate?**

- A Honesty;
- B Sensitivity;
- C Fairness;
- D Integrity.

**(2 Marks)**



### QUESTION 50

Claver Hirwa is an ICPAR member working in business and has been instructed by his line manager to take a course of action which he feels it is unethical.

**Which of the following best describes how Hirwa should respond to the instructions from his line manager?**

- A Claver should obey an instruction from the line manager and should take the course of action requested;
- B Claver is requested to refuse the request;
- C Claver should seek advice from colleagues before responding to her line supervisor;
- D Claver is entitled and required to refuse the request.

**(2 Marks)**

**End of Question Paper**



**BLANK PAGE**

**BLANK PAGE**