



**THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF NIGERIA**

INSIGHT

**MARCH 2024 ATSWA EXAMINATIONS
PART I**

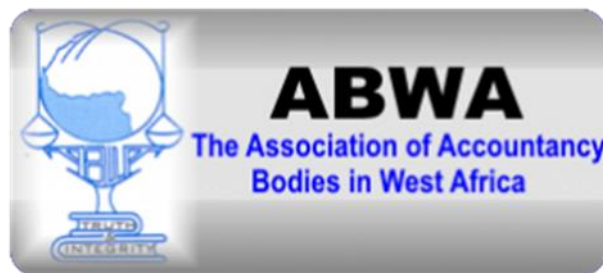
**Question Papers
Suggested Solutions
and
Examiners' Comments**

TABLE OF CONTENTS

COVER PAGE	i
TABLE OF CONTENTS	ii
TITLE PAGE	iii

PART I PAPERS

BASIC ACCOUNTING	1 – 24
ECONOMICS	25 – 43
BUSINESS LAW	44 – 62
COMMUNICATION SKILLS	63 – 77

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2024 EXAMINATIONS (PART 1)****BASIC ACCOUNTING**

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in ink. Any solution in pencil will not be marked.
2. Read all instructions on each part of the paper carefully before answering the questions.
3. Ensure that you do not answer more than the number of questions required for **Section B (The Essay Section)**.
4. Check your pockets, purse and mathematical sets, etc to ensure that you do not have prohibited items such as telephone handset, electronic storage device, wrist watches, programmable devices or any form of written material on you in the examination hall. You will be stopped from continuing with the examination and liable to further disciplinary actions including cancellation of examination result if caught.
5. Do not enter the hall with anything written on your docket.
6. Insert your examination number in the space provided above.

TUESDAY, MARCH 26, 2024

DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO

**ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART I EXAMINATIONS – MARCH 2024**

BASIC ACCOUNTING

Time Allowed: 3 hours

SECTION A: PART I MULTIPLE-CHOICE QUESTIONS (30 MARKS)

ATTEMPT ALL QUESTIONS IN THIS SECTION

Write ONLY the alphabet (A, B, C, D or E) that corresponds to the correct option in each of the following questions/statements.

1. The basic form of accounting started with
 - A. Financial Statements
 - B. Finance keeping
 - C. Book-keeping
 - D. Record keeping
 - E. Financial Analysis

2. The components of financial statements according to IAS 1 on Presentation of Financial Statements include the following, **EXCEPT**
 - A. Statement of Financial Position
 - B. Statement of Changes in Equity
 - C. Statement of Financial Reconciliation
 - D. Statement of Cash flow
 - E. Statement of Profit or Loss

3. Which of the following is **NOT** an enhancing qualitative characteristics of accounting information?
 - A. Acceptability
 - B. Comparability
 - C. Verifiability
 - D. Timeliness
 - E. Understandability

4. Which of the following is **NOT** a characteristic of Business?
 - A. It exists to make profits
 - B. Its main objective is to provide social benefits
 - C. It makes profit by supplying goods or services to others
 - D. Its reward for accepting risk is profit
 - E. It supplies goods that it either makes or buys from other parties

5. Mr. Koffi, in partnership with Mr. Nana, withdrew GH¢100,000 from the partnership account for his personal use.

The amount should be:

- A. Credited into his capital account
 - B. Debited into his current account
 - C. Credited into his current account
 - D. Debited into his capital account
 - E. Debited into his personal account
6. Which of the following is **NOT** a characteristic of a Public Sector entity?
- A. They have multiple objectives
 - B. Budget is very important
 - C. Profit maximisation is not a major objective
 - D. There is Equity ownership
 - E. Operating and financial framework are set by legislation
7. Which of the following is a **TRUE** characteristic of Prudence Concept?
- A. Accountant should not recognise income until it is earned
 - B. Accountant should recognise profit before it is earned
 - C. Accountant should recognise only cash income
 - D. Accountant needs not recognise net realisable value of Inventories
 - E. Accountant does not need to write foreseeable loss off
8. Objectivity/Fairness Concept is useful in accounting in the following ways, **EXCEPT**
- A. Accounting data are standardised
 - B. Auditing is made possible
 - C. Data is available for an independent party to cross-check
 - D. A change in value of an asset is not recognised
 - E. Fraud and falsification are minimised
9. Which of the following is **NOT** true of Realisation Concept?
- A. Revenue is capable of objective measurement
 - B. Value of asset received or receivable is reasonably certain
 - C. It is difficult to apply in Hire Purchase transactions
 - D. Revenue should be recognized when goods and services are rendered
 - E. It is easy to apply in Lease transactions
10. Identify the wrong item from the underlisted books of original entry.
- A. Purchases Day Book
 - B. Journal proper
 - C. Returns Outward Book
 - D. Returns Inward Book
 - E. Sales Account

11. Which of the following is **NOT** a reason for issuing Credit Note?

- A. Damage to the goods before delivery
- B. Wrongful specification from the one ordered by the customer
- C. To inform the buyer that his indebtedness has been reduced
- D. To increase the amount due from a debtor
- E. It represents returns on purchases

Use the following to answer Questions 12 and 13

The following transactions relate to Timilehin Enterprises.

Sold goods on credit to Adeola amounting to ₦500,000 on March 1, 2022 and return goods worth ₦50,000 due to damages.

12. Which of the following is the correct ledger entry for the sales?

- | DR | CR |
|--------------------------|---------------------|
| A. Adeola's Account | Sales Account |
| B. Sales Account | Adeola's Account |
| C. Timilehin's Account | Sales Account |
| D. Sales Account | Timilehin's Account |
| E. Sales Returns Account | Sales Account |

13. Which of the following is the correct ledger entry for the goods returned?

- | DR | CR |
|---------------------------|-------------------------|
| A. Sales Account | Returns Inward Account |
| B. Returns Inward Account | Sales Account |
| C. Sales Account | Returns Outward Account |
| D. Returns Inward Account | Adeola's Account |
| E. Adeola's Account | Returns Inward Account |

14. What is the accounting equation formula where Revenue is not known?

- A. $R = \text{Revenue} + \text{Expenses}$
- B. $R = \text{Assets} + \text{Expenses}$
- C. $R = \text{Assets} - \text{Losses}$
- D. $R = \text{Profits} + \text{Expenses}$
- E. $R = \text{Profits} + \text{Losses}$

15. Which of the following is **NOT** an account used in movement of inventories?

- A. Sales Account
- B. Purchases Account
- C. Returns Inward Account
- D. Returns Outward Account
- E. Inventories Returns Account

16. Which of the following is **NOT** an item recorded on the debit side of the Trade Receivables Ledger Control Accounts?
- A. Cash paid to the Customers from the cash book.
 - B. Debit notes issued
 - C. Credit Sales from sales day book
 - D. Transfers and other items (contra)
 - E. Interest charged on customer balance
17. Which of the following functions of Automated Teller Machine is **FALSE**?
- A. It is a cash dispenser
 - B. It is user-friendly
 - C. It issues receipt
 - D. It does not allow payment of bills
 - E. It display promotional messages
18. Which of the following will be added to Adjusted balance as per cashbook when Bank reconciliation statement is being prepared?
- A. Uncredited Cheques
 - B. Unpresented Cheques
 - C. Bank Charges
 - D. Interest on Loan
 - E. Interest on Investment
19. Electronic bank reconciliation statement can be prepared using the Software Packages, which of the following is **NOT** usable?
- A. Microsoft Excel
 - B. Sage
 - C. Tally
 - D. Quick Books
 - E. Microsoft Word
20. Payroll is used to record employee's pay for the following reasons, **EXCEPT**
- A. Cost control purpose
 - B. Basis for processing Tax clearance certificate
 - C. Salaries or wages for work done
 - D. To know the Deductions
 - E. Not used for incentive payment

Use the following to answer Questions 21 and 22:

The following data which relate to a worker's wages, was provided by Mensa enterprises that is using Hasley Premium Plan for bonus scheme:

Standard time or Time allowed is 250 hours

Wage Rate per hour is GH¢15

Actual time taken is 220 hours

21. Which of the following is the Bonus pay for this worker?

- A. GH¢ 225
- B. GH¢ 230
- C. GH¢ 337
- D. GH¢ 450
- E. GH¢ 500

22. The Total earnings for this worker is

- A. GH¢ 3,125
- B. GH¢ 3,375
- C. GH¢ 3,525
- D. GH¢ 3,750
- E. GH¢ 4,250

23. What is the accounting entries for an increase in provision for bad debt with an amount of ₵250,000?

- | DR | CR |
|------------------------------------|--------------------------------|
| A. Statement of Profit or Loss | Provision for Bad Debt Account |
| B. Provision for Bad Debt Account | Statement of Profit or Loss |
| C. Trade Receivables Account | Provision for Bad Debt Account |
| D. Provision for Bad Debt Account | Trade Receivables account |
| E. Statement of Financial Position | Provision for Bad Debt Account |

24. A customer with outstanding of GH¢80,000 was declared bankrupt by a competent court of jurisdiction. The debt was declared as Bad Debt out of provision for Bad Debt balance. What is the ledger entries to record this event?

- | DR | CR |
|-----------------------------------|-------------------------------------|
| A. Trade Receivables | Provision for Bad Debt Account |
| B. Provision for Bad Debt Account | Trade Receivables Account |
| C. Statement of Profit or Loss | Provision for Bad Debt Account |
| D. Provision for Bad Debt Account | Statement of Profit or Loss Account |
| E. Bad Debt | Statement of Profit or Loss Account |

25. Which of the following is **NOT** an element of prime cost?

- A. Raw Material Cost
- B. Manufacturing Wages
- C. Royalties paid
- D. Carriage Inward
- E. Factory overhead cost

Use the information below to answer Questions 26, 27 and 28:

Kumadie Limited has the following information as at December 31, 2021

	₺
Cost of raw materials	4,500,000
Manufacturing overheads	2,300,000
Productive wages	2,600,000
Work in progress Dec 1, 2021	800,000
Work in progress Dec 31, 2021	300,000
Payment of royalties	800,000
Closing inventories of finished goods	450,000
Manufactured goods transferred to Sales Department at cost plus 25%	

26. Prime cost is
- A. ₺2,675,500
 - B. ₺6,650,000
 - C. ₺7,600,000
 - D. ₺7,900,000
 - E. ₺9,750,000
27. The manufacturing profit is
- A. ₺1,862,500
 - B. ₺2,000,000
 - C. ₺2,050,000
 - D. ₺2,562,500
 - E. ₺2,675,000
28. Total Cost transferred to Sales Department is
- A. ₺7,900,000
 - B. ₺10,200,000
 - C. ₺10,700,000
 - D. ₺13,375,000
 - E. ₺15,225,000
29. Which of the following is **NOT** a module/form in a computerised system?
- A. Sales ledger sub-system
 - B. Purchases ledger sub-system
 - C. Inventory sub-system
 - D. Bank reconciliation sub-system
 - E. Balance Sheet sub-system
30. Input data into Non-current Assets sub-system in a computerised system include the following, **EXCEPT**
- A. Capitalisation policy
 - B. Inventory policy
 - C. Depreciation policy
 - D. Purchase invoices
 - E. Cash payments

ATTEMPT ALL QUESTIONS

Write the correct answer that best completes each of the following questions/statements

1. Accounting has been described as the language of
2. The recording stage of accounting process is known as
3. Two major fundamental qualitative characteristics of financial statement are and
4. Two major documents required for the registration of limited liability companies in your country are and
5. Public Sector entities are also called.....
6. The IASBs conceptual framework prescribes that financial statements required by entities are Financial Statements.
7. Financial statements are presented using financial substance and realities of a business transaction and not by their legal form. This is known as
8. The relationship between existing elements of basic financial statements are calculated using
9. An estimated invoice sent by a vendor to a purchaser ahead of shipment is called.....
10. An authorising document for payment of a particular expense or service is known as
11. The net differences in Trial balance totals is recorded pending the location and correction of the errors causing the difference in
12. A cost in which its earning potential is exhausted within one accounting period is called.....

Use the following to answer Questions 13 and 14:

Adaramaja enterprises has a credit sales of ₦4,500,000 and an irrecoverable debt of ₦1,200,000 in 2021.

13. The journal entry for the credit sales in the books of Adaramaja enterprises is.....
14. The Journal entry for the irrecoverable debt in the books of Adaramaja enterprises is

15. A depreciation method in which the book value of non-current asset at the beginning of the year is multiplied by a fixed percentage to determine the depreciation for the year is known as

Use the following to answer Questions 16 and 17:

Ade enterprises provided the following transactions for the month of July, 2022 to be recorded in the Trade Payables Ledger Control Account:

		N'000
July 2	Cash paid to suppliers	1,500
July 3	Purchases	2,600
July 4	Purchases returns	300
July 5	Cash Discount from purchases	150
July 6	Sundry charges	140

16. List the transactions that will be recorded in the Debt side of the Purchases Ledger control Account.
17. List the items that will be recorded in the Credit side of the Purchases Ledger control Account.
18. Access to Automated Teller Machine (ATM) by bank customer is through the use of a and a
19. The title of International Accounting Standard (IAS) 16 is
20. A debit card whose micro-chips contain additional information on the bio-data and financial position of the holder is known as

SECTION B:

ATTEMPT ANY FOUR QUESTIONS

(50 MARKS)

QUESTION 1

Jamme Keremin Enterprises started a small scale business, selling electrical appliances on retail basis. The following business transactions took place in April, 2022:

		Le
April 4	Purchased electrical items on credit from Facao Ltd	378,000
,, 5	Paid transport/Carriage to carry goods to warehouse	32,912
,, 7	Sold goods on credit to Adama & Co.	380,000
,, 8	Sold good for cash	52,560
,, 12	Paid sundry expenses	32, 556
,, 16	Purchased goods on credit from Facao Ltd.	120,000
,, 19	Bought some Dunlop tyres from Isatou Enterprises on credit	21,704
,, 21	Païd cash to Facao Ltd. on account	335,000
,, 23	Adama & Co. paid cash on account	250,000
,, 25	Païd Salaries and wages	155,916
,, 26	Païd electricity bill	12,000
,, 27	Sold goods on credit to Karamo	136,000

Additional Information include:

	Le
(i) Motor van valued at	960,000
(ii) Cash from his salary account	660,000
(iii) Loan from a friend	132,000

You are required to:

- i. Show the opening Journal to determine the initial capital (1½ Marks)
 - ii. Open the ledger accounts and post the transactions during the month. (8½ Marks)
 - iii. Draw up a trial balance as at 30 April 2022 (2½ Marks)
- (Total 12½ Marks)**

QUESTION 2

- a. Explain **FIVE** advantages of Limited Liability Companies (10 Marks)
 - b. Explain briefly the term “substance over form” (2½ Marks)
- (Total 12½ Marks)**

QUESTION 3

Explain **FIVE** elements of Financial Statements in accordance with IASB’s conceptual framework. (12½ Marks)

QUESTION 4

- a. What is a Bin Card? (1½ Marks)
- b. In October, 2021, Joe Mensa Commercial Enterprises issued the following invoices to its customers. The invoice numbers were 3001 to 3007. The entity trades in Ankara dress and Adire wears. The following transaction took place in the month:

		GH¢
3/10/21	Kente Enterprises (Invoice No. 3001 – SL 228)	
	10 rolls of Ankara at GH¢1,000	10,000
	5 rolls of Adire at GH¢1,300	<u>6,500</u>
		<u>16,500</u>
4/10/21	Masaba & Co (invoice No. 3002 - SL 166)	
	25 rolls of Ankara at GH¢1,000	25,000
5/10/21	Adulam Ventures (invoice No. 3003 - SL 136)	
	20 rolls of Ankara at GH¢1,000	20,000
	40 rolls of Adire at GH¢1,300	<u>52,000</u>
		<u>72,000</u>
6/10/21	Touray & Sons (Invoice No. 3004 – SL 202)	
	10 rolls of Adire at GH¢1,300	13,000
7/10/21	Nana Enterprises (Invoice No. 3005 – SL 188)	
	15 rolls Ankara at GH¢1,000	15,000

8/10/21	Kofi Venutures (Invoice 3006 - SL 142)	
	120 Ankara at GH¢1,000	120,000
	90 rolls of Adire at GH¢1,300	<u>117,000</u>
		<u>237,000</u>
9/10/21	Akatampo & Co (Invoice 3007 - SL 162)	
	150 rolls of Adire at GH¢1,300	195,000

You are required to:

Prepare analytical sales day book of Joe Mensa Commercial Enterprises for the month of October, 2021 (11 Marks)

(Total 12½ Marks)

QUESTION 5

a. Margai cash book showed a debit balance of Le358,000 on March 31, 2019. A careful examination of cash book with the bank statement showed the following differences:

- (i) The bank had debited his account with bank charges of Le102,000
- (ii) Internet charges were Le328,000
- (iii) Cheques credited in the cash book not yet presented for payment was Le344,900
- (iv) ATM charges to his bank account was Le200,000
- (v) The sum of Le478,000 has been credited to his account as interest on his deposit account.
- (vi) Mrs. Milton, a customer has been issued with a cheque for the sum of Le302,400. The cheque has not been paid by Margai's bank.

Required

- i. Prepare the adjusted cash book (4 Marks)
 - ii. Prepare the bank reconciliation statement (4 Marks)
- b. Cash is the asset most susceptible to loss through theft and other means; therefore there is need for prosper internal control over cash to minimise the loss of cash.

Required

- i. Enumerate **FOUR** steps that can be taken in handling cash to have good internal control over it. (2 Marks)
- ii. Itemise **FIVE** objectives that a good internal control over cash will help management to achieve. (2½ Marks)

(Total 12½ Marks)

QUESTION 6

- a. Explain briefly Computerised Accounting System. (2½ Marks)
- b. Explain **FIVE** features of Computerised Accounting System (10 Marks)

(Total 12½ Marks)

SECTION A: PART I

MULTIPLE-CHOICE SOLUTIONS

1. C
2. C
3. A
4. B
5. B
6. D
7. A
8. D
9. E
10. E
11. D
12. A
13. D
14. D
15. E
16. A
17. D
18. B
19. E
20. E
21. A
22. C
23. A
24. B
25. E
26. D
27. E
28. D
29. E
30. B

Workings

No. 21

Time saved = Standard Time – Actual Time

Time saved = 250 hours – 220 hours

= 30 hours

(Hasley Premium Plan for bonus scheme is 50% of the time saved)

Bonus pay = (½ of 30 hours) x GH¢15

Bonus pay = 15 hours x GH¢15

= GH¢225

No. 22

Total earning = (220 hours x GH¢15) + GH¢225

= GH¢3300 + GH¢225

= GH¢3525

No. 26

Prime Cost:	Raw Material	4,500,000
	Production Wages	2,600,000
	Royalties paid	800,000
		<u>7,900,000</u>

No. 27

Manufacturing Profit:

<u>Raw Material</u>	4,500,000
<u>Production Wages</u>	2,600,000
<u>Royalties paid</u>	800,000
<u>Prime cost</u>	<u>7,900,000</u>
<u>Manufacturing Overhead</u>	<u>2,300,000</u>
<u>Add WIP 1/12/21</u>	<u>800,000</u>
<u>Less WIP 31/12/21</u>	<u>(300,000)</u>
<u>Production/Manufacturing Cost</u>	<u>10,700,000</u>
<u>Production/Manufacturing Profit 25% on Cost</u>	<u>2,675,000</u>
<u>Transfer cost to Sales Department</u>	<u>13,375,000</u>

Examiner's comment

The questions cover all the areas of the syllabus. This section of the paper is a compulsory question and all the candidates attempted the questions under this section.

Candidates' performance was average. Their major shortcoming was poor preparation for the examination.

Candidates are advised to prepare well for the future examination.

SECTION A: PART II

SHORT-ANSWER SOLUTIONS

1. Business
2. Book-keeping
3. Relevance and Faithful Representation
4. Memorandum of Association and Articles of Association
5. Governmental entities or Public Corporations or Not Profit Entities.
6. General Purpose Financial Statements
7. Substance over form
8. Accounting Equation
9. Pro-forma Invoice
10. Payment Voucher
11. Suspense account
12. Revenue expenditure
13. DR: Trade receivable (Customers) a/c; CR: Sales a/c
14. DR: Bad debt a/c CR: Trade receivables (Customers') a/c
15. Reducing Balance Method / Diminishing Balance Method

16. Cash paid to suppliers, purchase returns, cash discount from purchases
17. Purchase and Sundry charges
18. Personal Identification Number (PIN) and a plastic card that contains magnetic strips
19. Property, plant and equipment or Non-Current Assets
20. Smart card

Examiner's comment

The questions cover the whole area of the syllabus. This section is compulsory and all the candidates attempted this section.

Candidates' performance was above average. Their major shortcoming was poor preparation for the examination.

Candidates are advised to always prepare adequately for the future examination.

SECTION B

SOLUTION 1

(i)

JAMME KEREMIN ENTERPRISES		
OPENING JOURNAL FOR THE MONTH OF APRIL, 2022		
PARTICULARS	DR Le	CR Le
Motor Van a/c	960,000	
Cash a/c	660,000	
Loan-Friend a/c		132,000
Capital a/c (Difference)		1,488,000
Being Opening balances for the month of April 2022		

(ii)

JAMME KEREMIN ENTERPRISES			
LEDGER ACCOUNTS FOR THE MONTH OF APRIL 2022			
Motor Van a/c			
	Le		Le
01/04/2022 Bal b/f	<u>960,000</u>	30/04/2022 Bal c/d	<u>960,000</u>
01/05/2022 Bal b/d	960,000		

Cash a/c			
	Le		Le
01/04/2022 Bal b/f	660,000	05/04/2022 Carriage inward	32,912
08/04/2022 Sales	52,560	12/04/2022 Sundry expenses	32,556
23/04/2022 Trade receivable Adama & Co	<u>250,000</u>	21/04/2022 Trade payables-Facao Ltd	335,000
		25/04/2022 Salaries and wages	155,916
		26/04/2022 Electricity	12,000

		30/04/2022 Bal c/d	394,176
	<u>962,560</u>		<u>962,560</u>
01/05/2022 Bal b/d	394,176		
Loan a/c			
	Le		Le
30/04/2022 Bal c/d	<u>132,000</u>	01/04/2022 Bal b/f	<u>132,000</u>
		01/05/2022 Bal b/d	132,000

Capital a/c			
	Le		Le
30/04/2022 Bal c/d	<u>1,488,000</u>	01/04/2022 Bal b/f	<u>1,488,000</u>
		01/05/2022 Bal b/d	1,488,000

Purchases a/c			
	Le		Le
04/04/2022 Trade payables-Facao Ltd	378,000	30/04/2022 Bal c/d	<u>498,000</u>
16/04/2022 Trade payables- Facao Ltd	<u>120,000</u>		
	<u>498,000</u>		<u>498,000</u>
01/05/2022 Bal b/d	498,000		

Trade payable-Facao ltd a/c			
	Le		Le
21/04/2022 Cash	335,000	04/04/2022 Purchases	378,000
30/04/2022 Bal c/d	<u>163,000</u>	16/04/2022 Purchases	<u>120,000</u>
	<u>498,000</u>		<u>498,000</u>
		01/05/2022 Bal b/d	163,000

Carriage inward a/c			
	Le		Le
05/04/2022 Cash	<u>32,912</u>	30/04/2022 Bal c/d	<u>32,912</u>
	32,912		

Sales a/c			
	Le		Le
30/04/2022 Bal c/d	<u>568,560</u>	07/04/2022 Trade receivable-Adama & Co	380,000
		08/04/2022 Cash	52,560
		27/04/2022 Trade receivables- Karamo	<u>136,000</u>
	<u>568,560</u>		<u>568,560</u>
		01/05/2022 Bal b/d	568,560

Trade receivables-Adama & Co a/c			
	Le		Le
07/04/2022 Sales	<u>380,000</u>	23/04/2022 Cash	250,000
		30/04/2022 Bal c/d	<u>130,000</u>
	<u>380,000</u>		<u>380,000</u>
01/05/2022 Bal b/d	130,000		

Trade receivables- Karamo a/c			
	Le		Le
27/04/2022 Sales	<u>136,000</u>	30/04/2022 Bal c/d	<u>136,000</u>
01/05/2022 Bal b/d	136,000		

Sundry expenses a/c			
	Le		Le
12/04/2022 Cash	<u>32,556</u>	30/04/2022 Bal c/d	<u>32,556</u>
01/05/2022 Bal b/d	<u>32,556</u>		

Motor Van repairs a/c			
	Le		Le
19/04/2022 sundry payables- Isatou Enterprise	<u>21,704</u>	30/04/2022 Bal c/d	<u>21,704</u>
01/05/2022 Bal b/d	21,704		

Salaries and wages a/c			
	Le		Le
25/04/2022 Cash	<u>155,916</u>	30/04/2022 Bal c/d	<u>155,916</u>
01/05/2022 Bal b/d	155,916		

Electricity a/c			
	Le		Le
26/04/2022 Cash	<u>12,000</u>	30/04/2022 Bal c/d	<u>12,000</u>
01/05/2022 Bal b/d	12,000		

Sundry payables-Isatou Enterprises a/c			
	Le		Le
30/04/2022 Bal c/d	<u>21,704</u>	19/04/2022 Motor Van repairs	<u>21,704</u>
		01/05/2022 Bal b/d	21,704

(iii)

JAMME KEREMIN ENTERPRISES		
TRIAL BALANCE AS AT APRIL 30, 2022		
PARTICULARS	DR Le	CR Le
Motor van a/c	960,000	
Cash	394,176	
Loan		132,000
Capital		1,485,000
Purchases	498,000	
Trade payables-Facao Ltd		163,000
Carriage inward	32,912	
Sales		568,560
Trade receivables-Adama & Co	130,000	
Trade receivables-Karamo	136,000	
Sundry expenses	32,556	
Motor van repairs	21,704	
Sundry payables-Isatou Enterprises		<u>21,704</u>
Salaries and wages	155,916	
Electricity	<u>12,000</u>	
	<u>2,373,264</u>	<u>2,373,264</u>

Examiner's comment

The question tests candidates' knowledge on opening journal to determine initial capital of an enterprise. The second part of the question tests the use of double entry principle to post into ledger accounts and to draw-up a trial balance.

About 80% of the candidates attempted the question and their performance was average.

Candidates' major pitfall was their poor knowledge in the principle of double entry. Candidates are advised to covers all the areas of the syllabus before writing any examination.

SOLUTION 2

(a) Advantages of Limited Liability Company

- i. The liability of shareholders is limited to the amount they have subscribed to the company's capital if it goes bankrupt.
- ii. It can raise substantial amount of capital from the numerous shareholders or from financial institutions.
- iii. The chance of survival is high because the company is controlled and managed by highly skilled professional management team appointed by the Board of Directors who are elected by and answerable to the shareholders.
- iv. The limited company is a separate legal entity distinct from its members. It can sue and be sued in its name.

- v. Unless it is wound up, a limited company has perpetual succession so that it is not affected by the death, bankruptcy, mental disorder or retirement of its members.
- vi. Floating charges can be created by a limited company.
- vii. Shares in a public company can be transferred without the consent of other members.

(b) Substance Over Form

Although business transactions are usually governed by legal principles; nevertheless, they are accounted for and presented in accordance with their financial substance and reality and not merely by their legal form. In order to be useful, information contained in financial statements must be relevant and reliable. This can only be achieved if the substance of transactions is recorded. If this did not happen the financial statements would not represent faithfully the transactions and other events that had occurred.

Examples are found in sales and re-purchase agreements, lease contracts and consignment of goods.

Examiner's comment

The question tests candidates' knowledge on the advantages of limited liability companies, while the second part tests candidates' knowledge on the meaning of "substance over form".

About 60% of the candidates attempted the question and their performance was average.

Their major pitfall was their poor understanding of the question's requirements. Candidates are advised to prepare well for the future examination.

SOLUTION 3

The Elements of Financial Statements.

The IASB's conceptual framework identified five elements of Financial Statements. Three of these that relate to the statement of financial position are as follows:

- (a) Assets;
- (b) Liabilities; and
- (c) Equity

The remaining two relate to the statement of profit or loss and they are:

- (d) Income; and
- (e) Expenses
- (a) **ASSETS**

An asset is defined by the IASB's "Framework" as:

- i. A resource controlled by an entity;
- ii. As a result of past events; and
- iii. From which future benefits are expected to flow to the entity

For an asset to be recognised in the statement of financial position, the asset must possess the above three characteristics.

i. **Non-current Assets**

These are the economic resources that aid income generation for more than one accounting period. They include land and buildings, motor vehicles, equipment, machinery, furniture etc.

ii. **Current Assets**

These are the economic resources of the business which are easily converted to cash or can be consumed within an accounting period or operation cycle, whichever is longer. Examples are cash in hand and at bank, trade receivables and other receivables, prepaid expenses and inventories of goods meant for resale.

(b) **LIABILITIES**

A liability is defined by the IASB as:

i. A present obligation of an entity

ii. Arising from past events

iii. The settlement of which is expected to result in an outflow of resources that embody economic benefits

(i) **Non-current liabilities:** These are current obligations that will take more than one year before repayment is due. They are long-term loans.

(ii) **Current Liabilities**

These are the amounts owed currently by business that are meant to be paid within twelve months. Examples of current liabilities are trade payables (supplier of goods on credit), and other payables such as outstanding bills on electricity, salary and wages, taxation etc. and bank overdraft.

(c) **EQUITY**

Equity is the residual interest in an entity after the value of all its liabilities have been deducted from the value of all its assets.

It represents the net assets of the entity value at the carrying amount.

Equity could be sub-classified to show its components in the statement of financial position of corporate entities, such as equity share capital, share premium, retained earnings and other reserves.

(d) **INCOME**

Income includes both revenue and gains.

i. **Revenue** is income arising in the course of the ordinary activities of an entity. Examples are sales revenue, fee income, royalties' income, and rental income

ii. Include gains on the disposal of non-current assets.

(e) **EXPENSES**

Expenses are costs, expenditures and losses. These includes:

- i. Expenses arising in the normal course of activities. Examples are cost of sales and other operating costs.
- ii. Losses include loss on the disposal of non-current assets or diminution in value of assets.

Examiner’s comment

The question tests candidates’ knowledge on the elements of financial statements in accordance with IASB’s conceptual framework.

About 60% of the candidates attempted the question and their performance was below average. Candidates’ major pitfall was their poor understanding of the question.

Candidates are advised to prepare well for the future examination.

SOLUTION 4

- (a) Bin card is a record keeping tool, in relation to inventories, which tracks the quantity of specific item of inventories in a specific storage location. It is used in recording movements in inventories, such that when inventories are received into the store or warehouse, then the bin card is debited and when inventories are issued for production or sales, the bin card is credited. The bin card keeps track of date and quantities of inventories received, issued, or transferred.

(b) **JOE MENSA COMMERCIAL ENTERPRISES**

SALES DAY BOOK

Date	Particulars	Invoice Number	Folio	Amount	Analysis	
					Ankara Dress	Adire Wears
				¢	¢	¢
3/10/21	Kente Enterprises	3001	SL 228	16,500	10,000	6,500
4/10/21	Masaba& Co	3002	SL 166	25,000	25,000	--
5/10/21	Adulam Ventures	3003	SL 136	72,000	20,000	52,000
6/10/21	Touray& Sons	3004	SL 202	13,000	--	13,000
7/10/21	Nana Enterprises	3005	SL 188	15,000	15,000	
8/10/21	Kofi Ventures	3006	SL 142	237,000	120,000	117,000
9/10/21	Akatampo & Co	3007	SL 162	195,000	---	195,000
	Transfer to Sales Account		GL	573,500	190,000	383,500

Examiner’s comment

The question tests candidates’ knowledge on the preparation of analytical sales day book and the meaning of bin card.

About 58% of the candidates attempted the question and their performance was average.

Their major pitfall was their poor understanding of the question's requirement. Candidates are advised to adequately prepare well for the future examination.

SOLUTION 5

a. (i)

MARGAL			
ADJUSTED CASHBOOK			
		DR Le	CR Le
31/03/2019	Balance b/d	358,000	
31/03/2019	Interest on deposit	478,000	
31/03/2019	Internet Charges		328,000
31/03/2019	Bank Charges		102,000
31/03/2019	Atm Charges		200,000
	Balance as per adjusted		<u>206,000</u>
	Cash book	<u>836,000</u>	<u>836,000</u>

Bank Reconciliation as at March 31, 2019			
Balance as per adjusted cash book		206,000	
Add: Unpresented cheques		<u>344,900</u>	
		<u>550,900</u>	
Deduct: Cheque issued to Mrs Milton		<u>(302,400)</u>	
Balance as per bank statement (Credit balance)		<u>248,500</u>	

b.(i) How to Handle Cash

In order to have good internal control over cash, the following steps should be taken in handling cash.

- i. Cash should be deposited in the bank.
- ii. All payments (except for petty cash transactions) should be made by cheques.
- iii. The function of receiving cash should be separated from that of maintaining records of cash. Each function should be performed by different persons.
- iv. All cash receipts should be recorded in a cash register. At the end of each day the amount in the register should be compared with the physical cash.
- v. All payments should be checked and approved in writing by responsible officers before payments are made.
- vi. The function of approving payment should be separated from the function of signing cheques.
- vii. Carbonised receipts should be issued for all cash and cash received.

- viii. When payment is made for a transaction the invoice and other supporting documents relating to that transaction should be stamped paid with date so that payment will not be made for a transaction twice.
- ix. Insurance arrangement for cash balances including fidelity guarantee insurance should be in place.

b.ii The need for control over cash

A good internal control over cash will help management to achieve the following objectives:

- i. There will be accurate accounting for cash transactions.
- ii. Management will maintain adequate amount of cash at all times.
- iii. Management will not only maintain adequate amount of cash at all times.
They will also be able to invest idle cash revealed in profitable ventures.
- iv. It will prevent losses of cash from fraud or theft.
- v. Temptation to embezzle idle cash by staff is avoided.

Examiner's comment

Part A of the question tests candidates' knowledge on the preparation of adjusted cash book and the preparation of bank reconciliation statement.

Part b of the question tests knowledge handling of cash and the objectives of internal control over cash in order to minimise the loss of cash.

About 85% of the candidates attempted the question and their performance was average. Candidates' major pitfall was their poor understanding of the questions' requirements.

Candidates are advised to prepared well for the future examination.

SOLUTION 6

(a) Computerised Accounting System

A computerised accounting system is a system of accounting that is designed to automate the process of postings and recording of financial transactions of an entity electronically and reports trial balance extraction, Statement of Profit or Loss, Statement to the Accounts produced at a touch of a button. It is a system of accounting that generates books of original entries electronically from the source documents; process the inputs to generate outputs (reports). A computerized accounting system automates, integrate, rearrange and process high volume of transactions (sales, purchases, inventory, assets and liabilities) speedily to generate information (reports).

(b) Characteristics of Computerised Accounting Systems

The lists below are the features of a computerized accounting system and they can also be regarded as the advantages of a computerised accounting system.

i. **Complete Feasibility Plan**

A computerised accounting system gives a business entity complete automation plan on how to process, post, record and control transactions electronically with a view to producing reports speedily and accurately. The system satisfies users of accounting information with a lot of accuracy.

ii. **Unique Codes for Identification**

In a computerised accounting system, unique and distinct codes are engaged to identify every item in the general ledger. For example, the codes of Sales Ledger 1001, Purchases Ledger 1002, Administrative Expenses 1003, Payroll 1004, Distribution Expenses 1005, Finance Cost 1006, Noncurrent Assets 1007, Inventory 1008, Trade Receivables 1009, Cash account 1010, Capital/Equity 1011, Profits Retained 1012, Loan 1013 and Trade payable 1013 among others. In other words, once the any of the code is mentioned, every staff in the accounting department knows the item referred to. It is a unique acronym which the computer name for the item.

iii. **Real Time Processing of Transactions**

In a computerised accounting system, financial transactions can be processed online at a torch of an item on the keyboard of a computer. The transactions are posted as they occur without delay. Once the code is entered on the computer, the appropriate books of account are displayed, the date, description and value of the item is entered and computer automatically posts the debit and the credit entries into the relevant accounts.

iv. **Off line and Back end Transactions**

In a computerised accounting system, financial transactions can be retrieved at the back end office, Off line. When the system is faulty; the information stored can be retrieved from the computer. This assists in what is called audit trial for use by the external auditor for auditing of an entity.

v. **Generate Prints Out**

In a computerised accounting system, the print out of source documents such as receipts, invoices, payment vouchers, debit note, credit note; subsidiary ledgers as Cash Book, Sales Day Book, Purchases Day Book, Return Inward Journals Return Outward Journals, Real Ledgers showing items of Property, Plant and Equipment (PPE), that is noncurrent assets schedule, nominal ledgers such as payroll, expenses accounts and Financial Statements, for example, Trial Balance, Income Statements and Statement of Financial Positions among others can be easily printed when they are needed at the press of a button on the computer. This saves cost of keeping voluminous books of accounts in hard copies.

vi. **Access to Vital Information**

In a computerised accounting system, information can be easily saved and accessed from the print out of receipts, invoices, subsidiary ledgers, noncurrent assets schedule and payroll, Trial Balance, Income Statements, Statement of Financial Positions and Cash book among others can be easily printed when they are needed at the press of a button on the computer. Information such as compact disk, external hard disc flash drive and back up on the entity's web site or cloud. It gives access to information only to the authorized users, the system allows for the use of passwords to prevent unauthorized access to an entity's vital information. It is supported with a lot of electronic control to distribute access among various users.

vii. **Data Entry/Inputs and Online Storage**

A computerised accounting system permits the entity to enter data electronically in variety of ways, which make processing of transaction more convenient. There are various forms of electronic source documents that can be used to process data. These include: electronic receipt issued to customers to post into electronic cashbook, Electronic invoices issued to customers who bought an entity's goods on credit is used to post into the Sales Day Book, electronic invoices and receipts received from suppliers are used to post into Purchases Day Book and cashbook; electronic debit advise (note) from suppliers for posting into return outward and suppliers' account and electronic credit advise (note) use to post into return inward and customers' accounts etcetera.

viii. **Accuracy and Speed**

In a computerised accounting system, accounting software provides a good window and templates to process large data and high volume financial transactions speedily and accurately. The response time is very fast in relation to a manual processing of transaction. Transaction is processed quickly and report generated on a press of a button.

ix. **Error Detection**

The chance of error is almost zero. However, one cannot rule out errors associated with inputted data, remember garbage in garbage out (GIGO). Where there is a system error, it issues a warning message to the user of the system. It has inbuilt capacity to generate Exception Reports.

x. **Enhanced Reports**

The use of computerised system speed up production of financial reports and can do more than what is possible in manual systems provided the system is well configured to generate the required reports.

xi. **Adaptability**

A computerised accounting system is easily adaptable to the current system and future accounting needs. Future needs can be easily integrated into the existing system.

xii. **Large Volume of Data**

It can easily process large volume of data with in a shortest possible time. It uses electronic input to process large volume of data.

xiii. **Highly Integrated and Automated**

The system is highly interconnected, integrated and automated to process daily financial transaction at high speed and with accuracy to produce reports.

xiv. **Backup Opportunity**

The system provides for opportunity to print out, put in hardcopy and backup in devices such as compact disc, flash drive and such information can be stored and retrieved for use from the cloud.

xv. **Cost Effectiveness**

It is more cost effective than a manual system.

Examiner's comment

The question tests candidates' knowledge on a computerised accounting system and the basic features of such a system.

About 65% of the candidates attempted the question and their performance was average.

Candidates' major pitfall was their poor knowledge of a Computerised Accounting System.

They are advised to prepared adequately for the future examination.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2024 EXAMINATIONS (PART 1)****ECONOMICS**

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in ink. Any solution in pencil will not be marked.
2. Read all instructions on each part of the paper carefully before answering the questions.
3. Ensure that you do not answer more than the number of questions required for **Section B (The Essay Section)**.
4. Check your pockets, purse and mathematical sets, etc to ensure that you do not have prohibited items such as telephone handset, electronic storage device, wrist watches, programmable devices or any form of written material on you in the examination hall. You will be stopped from continuing with the examination and liable to further disciplinary actions including cancellation of examination result if caught.
5. Do not enter the hall with anything written on your docket.
6. Insert your examination number in the space provided above.

WEDNESDAY, MARCH 27, 2024

DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO

**ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART I EXAMINATIONS – MARCH 2024**

ECONOMICS

Time Allowed: 3 hours

SECTION A: PART I MULTIPLE-CHOICE QUESTIONS (30 MARKS)

ATTEMPT ALL QUESTIONS IN THIS SECTION

Write ONLY the alphabet (A, B, C, D or E) that corresponds to the correct option in each of the following questions/statements.

1. The choice of labour intensive and capital intensive is embedded in economic problem of
 - A. What to produce
 - B. How to produce
 - C. For whom to produce
 - D. When to produce
 - E. Diminishing returns

2. Which of the following is **NOT** a characteristic of an economic good?
 - A. Relatively scarce
 - B. Commands price
 - C. Transferability
 - D. Provides utility
 - E. Naturally in abundant supply

3. A good for which demand increases as consumer's income rises is described as
 - A. Normal good
 - B. Inferior good
 - C. Substitute good
 - D. Competitive good
 - E. Economic good

4. The linear equation that expresses the relationship between the quantity demanded of a good and its price is
 - A. Demand schedule
 - B. Demand curve
 - C. Abnormal demand curve
 - D. Engel curve
 - E. Demand function

5. Which of the following is **NOT** a cause of increase in supply of a commodity?
- A. A fall in the price of input
 - B. A fall in the price of a substitute products
 - C. Improvement in technology
 - D. Supplier's expectation of future fall in price of the commodity
 - E. Increase in commodity's own price
6. Which of the following is **TRUE** about the slope of a normal demand curve?
- A. Slopes upward from left to right
 - B. It is downward sloping from left to right
 - C. The demand curve is parallel to the X-axis
 - D. It is parallel to the Y-axis
 - E. It is backward bending
7. At the level of consumption when total utility is decreasing, marginal utility is
- A. Increasing
 - B. Negative
 - C. Zero
 - D. Decreasing but positive
 - E. Equals total utility
8. Making of shoes and baking of bread are examples of production
- A. Primary
 - B. Secondary
 - C. Tertiary
 - D. Complementary
 - E. Substitution
9. Man-made resources used in the production of goods and services are called
- A. Skilled labour
 - B. Unskilled Labour
 - C. Entrepreneur
 - D. Capital
 - E. Land
10. At a given time period, a technical relationship between a maximum quantity of a product produced and various sets of input is known as
- A. Production possibilities curve
 - B. Production function
 - C. Utility function
 - D. Total output
 - E. Marginal rate of technical substitution

11. Which of the following is **NOT** true about factors of production?
- A. Land implies natural resources
 - B. Entrepreneur organises other factors of production
 - C. The reward to capital is interest
 - D. Labour refers to only the mental effort used in production process
 - E. They are inputs in production process
12. Which of the following **best** describe a market?
- A. A place for buying and selling goods and services
 - B. A location for buying and selling goods and services
 - C. An Organisational framework that links buyers and sellers of goods and services
 - D. A geographical location for buying and selling goods and services
 - E. A geographical area for buying and selling goods and services
13. In a product market, which of the following is **NOT** an example of market structure?
- A. Foreign exchange market
 - B. Oligopoly
 - C. Monopolistic competitive market
 - D. Perfect competitive market
 - E. Duopoly
14. Which of the following is **NOT** an assumption of perfect competitive market?
- A. Large number of buyers and sellers
 - B. Restriction to entry and exit
 - C. Perfect knowledge about the market condition
 - D. Free mobility of factors of production
 - E. Buyers and sellers are price takers
15. Which of the following is **NOT** a form of money?
- A. Coins
 - B. Demand deposit
 - C. Currency
 - D. Bank tellers
 - E. Bank notes
16. Which of the following functions of money makes it possible to provide for old age?
- A. Standard of deferred payments
 - B. Medium of exchange
 - C. Measure of value
 - D. Unit of account
 - E. Store of value

17. Which of the following is the **most** liquid asset?
- A. Gold
 - B. Silver
 - C. Cheques
 - D. Bank notes
 - E. Bank deposit
18. The compulsory levy imposed by the government on individuals and businesses is
- A. Income
 - B. Tax
 - C. Budget
 - D. Expenditure
 - E. Debt
19. The use of taxation and government expenditure to influence economic activity is
- A. Budget policy
 - B. Tax policy
 - C. Fiscal policy
 - D. Monetary policy
 - E. Public policy
20. Which of the following is **NOT** an economic function of government?
- A. Providing legal framework and social environment for effective business operations
 - B. Creation and maintenance of social and economic infrastructure
 - C. Redistribution of income
 - D. Prosecution of criminals
 - E. Reallocation of resources
21. Which of the following expresses persistent increase in the general price level?
- A. Taxation
 - B. Inflation
 - C. Unemployment
 - D. Interest rate
 - E. Exchange rate
22. Which of the following is **NOT** a type of unemployment?
- A. Frictional
 - B. Structural
 - C. Regional
 - D. Seasonal
 - E. Cyclical

23. The loans from the World Bank to developing countries are mainly to support
- A. Their low level of consumption
 - B. Political restructuring
 - C. Infrastructure development
 - D. Exchange rate management
 - E. Human rights initiatives
24. Government policy about exports and imports is called
- A. Commercial policy
 - B. Fiscal policy
 - C. Monetary policy
 - D. Finance policy
 - E. Income policy
25. Market in which currencies are bought and sold at agreed prices is called the
- A. International bond market
 - B. International capital market
 - C. Foreign exchange market
 - D. Euro currency market
 - E. Stock Exchange Market
26. Personal income equal disposable income plus
- A. Personal income tax
 - B. Personal savings
 - C. Dividend payments
 - D. Payroll taxes
 - E. Transfer payments
27. Which of the following is **NOT** included in transfer payments?
- A. Social security payments
 - B. Payments to farmers under certain agricultural programs
 - C. Aid to the handicapped
 - D. Student grants
 - E. Government expenditure on education and manpower
28. Problems of computing national income figures, **EXCLUDE**
- A. Problem of double counting
 - B. Inadequate and unreliable data
 - C. Stock of resources
 - D. Unrecorded services
 - E. Depreciation

29. The objective of the Economic Community of West African States (ECOWAS) is to
- Promote economic development among member states
 - Achieve African Unity
 - Establish political unification of West Africa
 - Eradicate all forms of racism in West Africa
 - Establish educational and political institutions in West Africa
30. Which of the following features explain the term economic development?
- Increase in per capita income
 - Sustained increase in level of real output
 - Structural changes in the economy
- III
 - I and II
 - II and III
 - I and II
 - I, II and III

SECTION A: PART II SHORT ANSWER QUESTIONS (20 MARKS)

ATTEMPT ALL QUESTIONS

Write the correct answer that best completes each of the following questions/statements

- The economic concept that describes how economic agents rank wants in order of importance is called.....
- The price that equates both quantity demanded and quantity supplied of a commodity is called
- If the value of cross price elasticity of demand between two goods is positive, the goods are described as
- When marginal utility is negative, total utility is
- The curve derived from the least cost points of the various Short-run average cost curves is known as
- The concept that defines re-organisation of public enterprise for profitable performance is
- The transfer of ownership and control in a public enterprise to private shareholders is called
- A market structure in which there are two sellers of commodity is.....

- 9. The ratio of additional revenue to additional output is described as.....
- 10. The potential purchasing power of any household is measured by the
- 11. Expenditure on capital goods which is expected to yield future returns is known as
- 12. The currency issued by the government and backed by the authority and power of that government and its economy is referred to as
- 13. If the cash reserve ratio is 12½%, the value of the money multiplier would be
- 14. The tax levied on the net profits of companies is called
- 15. The interest paid continuously by the government on its borrowing and the principal to the creditors is called
- 16. Inflation induced by high production cost is called.....
- 17. The theories of absolute and comparative cost advantage were pioneered by and respectively.
- 18. The rate at which a country's export exchanges for its import at a given period in time is the country's
- 19. The headquarters of the African Development Bank is in
- 20. A document which provides policy framework and programmes aimed at achieving stated goals over a period of time is called

SECTION B: ATTEMPT ANY FOUR QUESTIONS (50 MARKS)

PART I: MICRO – ECONOMICS
ATTEMPT ANY TWO QUESTIONS

QUESTION 1

- a. Define the concept of capitalism (1½ Marks)
- b. List and explain **FOUR** features of capitalist economy. (8 Marks)
- c. Explain **TWO** advantages of capitalism. (3 marks)

(Total 12½ Marks)

QUESTION 2

- a. Explain using appropriate diagram how each of the following will affect the supply curve for a commodity, other things being equal.

- i. An increase in the Value-Added Tax (VAT) on the commodity (2½ Marks)
 - ii. A fall in the price of major input required to produce the commodity (2½ Marks)
 - iii. Adoption of a new and cost-cutting technology (2½ Marks)
- b. With the aid of relevant diagram, distinguish between increase in demand and increase in quantity demanded. (5 Marks)
- (Total 12½ Marks)**

QUESTION 3

- a. The table below shows the hypothetical values for the marginal utilities of chicken and fish in a particular household.

Quantity	Marginal Utility of Chicken	Marginal Utility of Fish
1	24	9
2	18	8
3	12	5
4	6	1

If the consumer's income is ₦5, the price of chicken is ₦2 and the price of fish is ₦1,

- i. Determine the number of chicken and fish that will maximise the consumer's utility. (10 Marks)
 - ii. Obtain the total utility of the consumer at the point where utility of the consumer is maximised, given that $U(C, F) = 10C + 30F$. (2½ Marks)
- (Total 12½ Marks)**

PART II:

MACRO – ECONOMICS

ATTEMPT ANY TWO QUESTIONS

QUESTION 4

- a. Write short notes on the following:
- i. Net National Product
 - ii. National Income
 - iii. Personal Income
 - iv. Personal Disposable Income (8 Marks)
- b. The following is a list of National Income figures for a given year (\$ billion)
- | | |
|------------------------|------|
| Gross National Product | 1692 |
| Transfer Payments | 232 |

Indirect Business Taxes	63
Personal Taxes	193
Capital Consumption Allowance	180
Undistributed Corporate Profits	18
Social Security Contributions	123
Corporate Income Taxes	65

Required: Compute

- i. Net National Product (NNP)
- ii. National Income (NI)
- iii. Personal Income (PI)
- iv. Disposable Income (DI)

(4½ Marks)

(Total 12½ Marks)

QUESTION 5

- a. What are trade barriers? (3½ Marks)
- b. Identify and explain **THREE** instruments of trade barriers. (9 Marks)

(Total 12½ Marks)

QUESTION 6

- a. Define population census. (2 Marks)
- b. State **THREE** uses of population census figures. (4½ Marks)
- c. Identify and explain **THREE** problems of census in West Africa countries.

(6 Marks)

(Total 12½ Marks)

SECTION A: PART I

MULTIPLE-CHOICE SOLUTIONS

1. B
2. E
3. A
4. E
5. E
6. B
7. B
8. B
9. D
10. B
11. D
12. C
13. A
14. B
15. D
16. E
17. D

18. B
19. C
20. D
21. B
22. C
23. C
24. A
25. C
26. A
27. E
28. C
29. A
30. E

Examiner's comment

The questions in this part were selected from all topics in the syllabus. It is compulsory for the candidates. All the candidates attempted the questions and about 90% of them scored pass marks. Effective coverage of the entire syllabus is required for candidates to score well in this part of the paper.

SECTION A: PART II

SHORT-ANSWER SOLUTIONS

1. Scale of preference
2. Equilibrium Price / Market price
3. Substitute
4. Falling / Decreasing
5. Longrun average cost curve (LRAC)
6. Commercialisation
7. Privatisation
8. Duopoly
9. Marginal revenue
10. Consumer Price Index (CPI)
11. Investment
12. Legal tender
13. 8
14. Company Income Tax
15. Debt Servicing
16. Cost-Push Inflation
17. Adams Smith and David Ricardo
18. Terms of Trade (TOT)
19. Abidjan, Cote d'Ivoire
20. Development Plan

Working

$$\begin{aligned} 13. \text{ Value of money multiplier} &= 1/r \text{ where } r \text{ is reserved ratio} \\ &= \frac{1}{12\frac{1}{2}\%} \\ &= 1/0.125 \\ &= \underline{\underline{8}} \end{aligned}$$

Examiner's comment

This part of the paper is equally compulsory. The questions were fairly selected from both branches of Economics - microeconomics and macroeconomics. Candidates' performance in this part was rather abysmal, less than average.

Candidates require a good understanding of all topics in the syllabus to be able to score a pass mark in this section. Less than 50% of candidates scored pass mark in this section.

SECTION B

SOLUTION 1

a. Capitalism is a type of economic system, otherwise called free market, free enterprise or laissez – faire economy is based on private ownership and the freedom of individuals and firms to conduct their economic activities without interference from the government.

b. **Features of capitalist economy**

Private ownership

Private individuals and firms own the means of production and goods in the economy. The government only ensures law and order, right protection and national security. In all, the functions of the government are limited to provision of enabling environment, rules and regulations for private economic activities to thrive.

Freedom of choice

Individuals as consumers are free to spend their money income on those goods they consider desirable to satisfy their wants. This idea is called consumer sovereignty and it influences what the producers will produce at any point in time. Hence the statement, "in the market – economy, consumer is the king". Similarly, the firms are also free to produce any good they want and which they are capable of producing.

Competition

Individuals and firms freely compete for resources and price remains the major determinant of what to produce, how to produce and for whom to produce.

Limited role for government

The functions of the government are limited to provision of enabling environment, rules and regulations for private economic activities to thrive.

c. Advantages

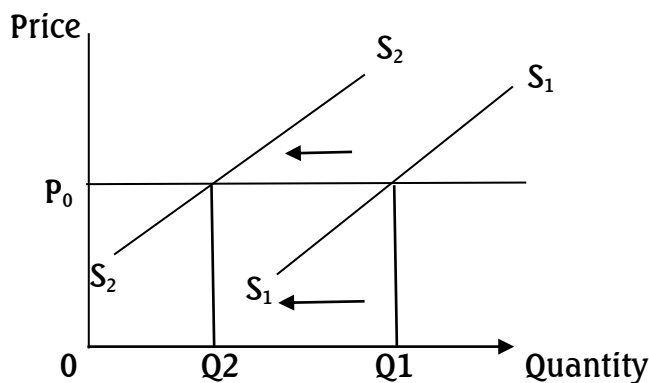
- i. **Optimal allocation of resources:** Producers engage their resources only on those goods which appear to yield maximum profits.
- ii. **Greater output and higher income:** There is increase in production and productivity leading to increase in income, saving and investment.
- iii. **Increase in efficiency:** The presence of competition leads to a better use of resources to obtain cost – saving advantage.
- iv. **Progress and Prosperity:** Intense competition promotes invention and innovation thereby bringing economic growth and prosperity.

Examiner’s comment

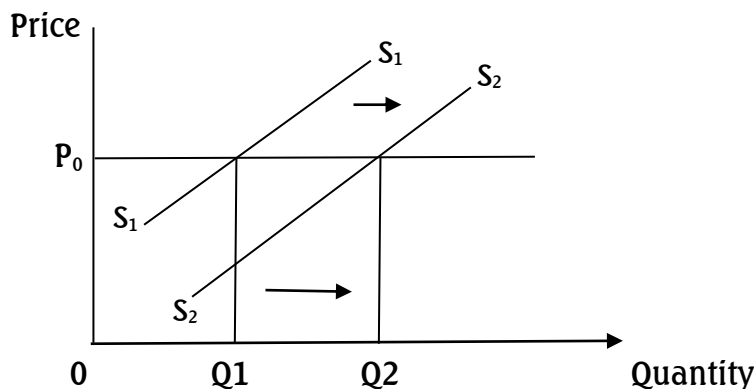
This question tested candidates’ knowledge of basic microeconomics on features and advantages of capitalism as an economic system. Almost 90% of the candidates attempted this question with about 70% scoring well above average. Candidates’ performance in this question is good.

SOLUTION 2

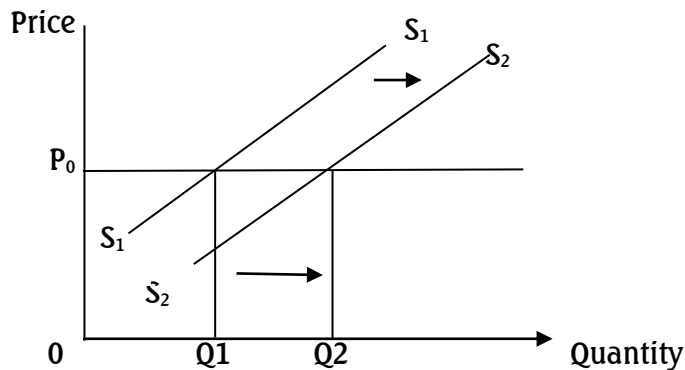
- (ai) An increase in value-added tax will result to an increase in the cost of production which will eventually result to a decrease in supply of the commodity, other things being equal. This is illustrated as a leftward shift in the supply curve from S_1S_1 to S_2S_2 as shown in the diagram below;



- ii. A fall in the price of major inputs required to produce a commodity, other things being equal will lead to a fall in the cost of production which will in turn cause an increase in supply. This is illustrated as a rightward shift in the supply curve from S_1S_1 to S_2S_2 as shown in the diagram below;

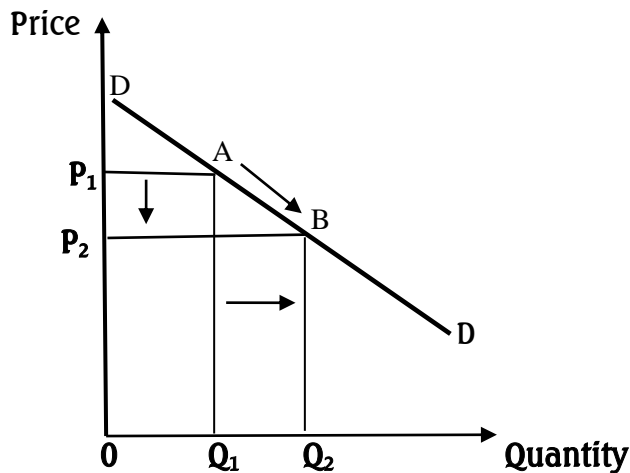


iii. The adoption of a new and cost-cutting technology other things being equal will lead to an increase in production and eventually lead to an increase in supply. This is illustrated as a rightward in the supply curve from S_1S_1 to S_2S_2 as shown in the diagram below;



b. Increase in quantity demanded is graphically illustrated as a downward movement along a normal demand curve caused by a fall in the commodity's own price as shown in figure A below. On the other hand an increase in demand is graphically illustrated (Figure b) by a rightward or an outward shift of the demand curve as a result of changes in other determinants of demand such as rise in consumers' money income, a rise in the price of substitutes, a fall in the price of complement and other factors besides the commodity's own price.

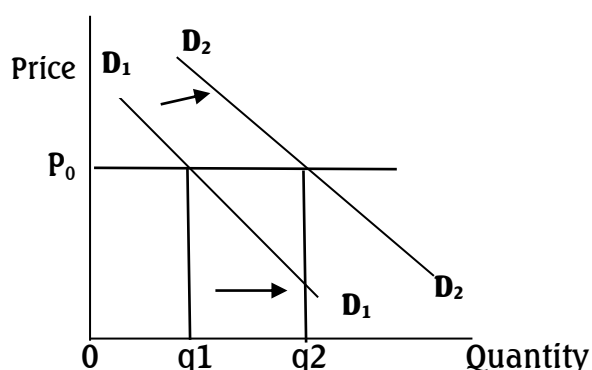
Fig. A



Movement due to a decrease in commodity's own price

In figure A, when the price of the commodity falls from p_1 to p_2 , the quantity demanded increases from q_1 to q_2

Fig. B



In figure B, the price of the commodity remained the same at p_0 , but the amount of the commodity demanded increases from q_1 to q_2 as a result of changes in other determinants of demand besides the commodity's own price.

Examiner's comment

This question examines candidates' knowledge in the area of the theory of value within the microeconomic branch of Economics. It tested the candidates' ability to distinguish between quantity changes and the change in supply and demand of a commodity. Less than 50% of the candidates attempted this question. The performance is below average as the candidates could not differentiate between change in demand and change in quantity demanded.

SOLUTION 3

The equi-marginal principle states that consumer equilibrium is achieved at the point where the ratios of marginal utility to price is equalized for all products

Quantity	Marginal Utility of Chicken	Price of Chicken	MU of Chicken/Price of Chicken	Marginal Utility of Fish	Price of Fish	MU of Fish/Price of Fish
1	24	2	12	9	1	9
2	18	2	9	8	1	8
3	12	2	6	5	1	5
4	6	2	3	1	1	1

$$\frac{MU_c}{P_c} = \frac{MU_f}{P_f} = 9$$

Therefore, the consumer will attain equilibrium and maximize utility when she consumes 2 units of Chicken and 1 unit of Fish.

- b) We know that the utility function is given by $U(C, F) = 10C + 30F$

At the utility maximizing equilibrium point, the consumer will have a total utility as computed below

$$U = 10(2) + 30(1)$$

$$U = 20 + 30$$

$$U = 50 \text{utils}$$

Examiner's comment

This question in microeconomics centres on the theory of consumer behaviour, that is, determining the marginal utility and total utility of a consumer. About 60% of the candidates attempted the question, while about 50% of them scored at least half (50%) of the marks allocated to the question. The challenge was the calculation of the conditions of utility maximisation.

SOLUTION 4

- (ai) **Net National Product (NNP):** This is defined as the money value of final goods and services produced in an economy in a period of time, usually a year. It is calculated as the difference between Gross National Product and Capital Consumption Allowance (Depreciation). That is, $NNP = GNP - \text{Depreciation}$
- (ii) **National Income:** This is the sum of all incomes earned by the factors of production in the economy during a specified period usually a year. It gives the value of output at factor costs rather than at market price.

$$\text{National Income} = \text{NNP} - \text{Net Indirect Business Tax}$$

$$\text{Net Indirect Business Tax} = \text{Indirect Business taxes} - \text{Government subsidies.}$$

- (iii) **Personal Income:** This is the amount of income that individuals received in an economy during the accounting period. It is the total of all incomes (including transfer payments) received by households before payments of personal income taxes. It is obtained by deducting from National Income all incomes earned but not received (Social insurance contributions, company taxes, undistributed profits) and adding to National Income received but not earned (Transfer Payments).
- (iv) **Personal Disposable Income:** This measures the potential purchasing power of individual households. The personal disposable income is calculated as the personal income less personal income taxes. $PDI = PI - \text{personal income taxes.}$

- (bi) **Net National Product (NNP) = Gross National Product - Capital Consumption Allowance (Depreciation)**

$$NNP = \$1692 - \$180 = \$1512 \text{billion}$$

(ii) **National Income** = NNP – Indirect business taxes

$$NI = \$1512b - \$63b = \$1,449$$

(iii) **Personal Income** = NI – (Corporate income taxes + Social security + Undistributed profits) + Transfer payments

$$PI = 1449 - 123 - 65 - 18 + 232 = \$1475$$

(iv) **Disposable Income** = PI – Personal Taxes

$$DI = 1475 - 193 = \$1282$$

Examiner's comment

This is a question on the components of the national income accounting. The question tested the candidates' knowledge of the components and computations of the national income accounting concepts. About 50% answered the question correctly. The performance is slightly below average. Most of them did not understand the second part of the question.

SOLUTION 5

a. Trade barriers are legal measures assigned by the government to protect a country's economy by reducing the quantity of goods and services that can be imported. Trade barriers are government policies which place restrictions on international trade between countries (import and export). It can either make trade more difficult and expensive (tariff barriers) or prevent trade completely (e.g. trade embargo) and generally benefit governments, domestic producers, and national interests at the expense of consumers. The major aim of trade barriers is to promote domestic goods than exported goods, and there by safeguard the domestic industries.

b. Three instruments of trade barriers are:

Tariffs: These are taxes imposed on traded commodities as they cross national borders. There are two main types of tariffs. An import tariff which is a duty on an imported commodity and an export tariff which is a duty on exported commodity Tariffs may be specific, advalorem or compound (a combination of an ad valorem and specific tariff). The effect of a tariff on imports depends on its size and the elasticity of demand for the imported commodity. If demand for the imports is elastic, a tariff imposed will reduce imports by switching demand towards the domestically produced substitutes. Conversely, if demand for imports is price inelastic, the main effect of the tariff will be on import prices rather than on the quantity of imports.

Domestic Subsidies: These may be provided in many forms to avoid dumping. They are subsidies provided to certain domestic industries as a means of protecting them from lower priced foreign goods. These subsidies reduce the prices of the domestic products and make them more price competitive.

Quotas: They are quantitative restrictions (non-tariff restrictions) on imports and exports. They restrict the number of commodities allowed to be imported or exported. It may also involve total ban of some products from being imported into the country.

Embargo: This is an official ban imposed on trade or other commercial activity with a particular country.

Other forms of non-tariff barriers are voluntary export restraint (VER), technical, administrative, and other regulations (these include safety regulation, health regulation, labelling requirement etc).

Examiner's comment

This question tests candidates' knowledge in the area of international trade and finance of the macro aspect of Economics. Candidates are to identify and explain the instruments of trade barriers. About 100% of candidates attempted this question with great performance. Both part (a) and (b) were answered correctly.

SOLUTION 6

(a) **A population census** is the head count of people living in a geographical area or in a country. A population census collects comprehensive data on people to know e.g. sex, age, educational and occupational backgrounds, religious affiliation, nationality etc.

(b) **Uses of population census information**

- It is used to determine the size and the growth rate of the population in a country. This helps the government in planning for education, transportation, health etc.
- It helps authorities to have adequate and relevant data. These data include the size, composition, distribution of population etc. These data aid the planners of the economy to forecast the future needs of the country.
- Data provided by population census help in the allocation of resources to the various regions and states of the country.
- It provides data for demographic studies.

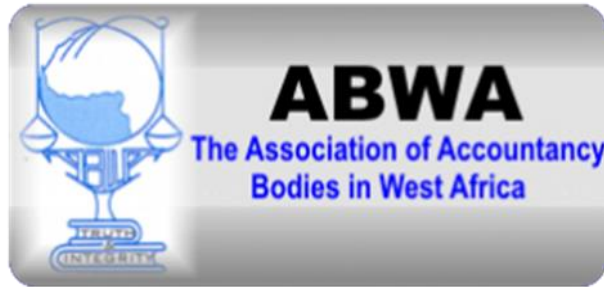
(c) **Problems of census in West Africa countries.**

- **High Cost of Census:** Censuses are supposed to be conducted at a 10 year interval. The high cost of conducting census has made it impossible for West African countries to conduct censuses at regular intervals.
- **Bad town planning and inaccessibility of some areas:** In many developing countries street and houses are not properly numbered. This makes it difficult for census officials to locate people for enumeration.

- **Shortage of census officers:** In many developing countries there are very few qualified census officers. During census all kinds of people are used without any proper training. This makes census figures inaccurate.
- **Customary beliefs:** Certain beliefs in West Africa work against census. In certain cultures people are not counted.
- **Religious belief/Practice:** Some people use religion, e.g. Islam to prevent actual headcount which affect reliability of data provided.
- **Suspicion of the use of census data:** There can be a deliberate inflation of census figures in order to take advantage of distribution of resources.

Examiner's comment

This question examines the issue of population growth and problems associated with population census. This tests candidates' knowledge in the area of economic development of the aspect of macroeconomic issues. About 80% of candidates attempted this question, while their performance was very good.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2024 EXAMINATIONS (PART 1)****BUSINESS LAW**

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in ink. Any solution in pencil will not be marked.
2. Read all instructions on each part of the paper carefully before answering the questions.
3. Ensure that you do not answer more than the number of questions required for **Section B (The Essay Section)**.
4. Check your pockets, purse and mathematical sets, etc to ensure that you do not have prohibited items such as telephone handset, electronic storage device, wrist watches, programmable devices or any form of written material on you in the examination hall. You will be stopped from continuing with the examination and liable to further disciplinary actions including cancellation of examination result if caught.
5. Do not enter the hall with anything written on your docket.
6. Insert your examination number in the space provided above.

TUESDAY, MARCH 26, 2024

DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO

ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART I EXAMINATIONS – MARCH 2024

BUSINESS LAW

Time Allowed: 3 hours

SECTION A: PART I MULTIPLE-CHOICE QUESTIONS (30 Marks)

ATTEMPT ALL QUESTIONS

Write ONLY the alphabet (A, B, C, D or E) that corresponds to the correct option in each of the following questions/statements:

1. A contract **CANNOT** be discharged by
 - A. Performance
 - B. Frustration
 - C. Damages
 - D. Breach
 - E. Agreement

2. The Lowest court in hierarchy in the southern Nigeria is the
 - A. Akali
 - B. High Court
 - C. Federal High Court
 - D. Magistrate Court
 - E. Customary Court

3. The parties to a civil matter in the Court are
 - A. Plaintiff and Claimant
 - B. Applicant and Respondent
 - C. Claimant and Defendant
 - D. Respondent and claimant
 - E. Complainant and Accused

4. Which of the following is **NOT** a source of Nigerian Law?
 - A. Constitution
 - B. Case Law
 - C. International Treaties
 - D. Customary Law
 - E. Ethics

5. Which of the following is **NOT** a right of a seller of goods?
- A. Lien
 - B. Resale
 - C. Right of preliminary objection
 - D. Withholding delivery
 - E. Stoppage in transit
6. Which of the following is **NOT** a classification of goods?
- A. Specific
 - B. Ascertained
 - C. Unascertained
 - D. Existing goods
 - E. Emblements
7. A person that proposes to insure a property must have
- A. Assignment
 - B. Indemnity
 - C. Insurable interest
 - D. Permanent interest
 - E. Life interest
8. In a criminal case, the person being sued is known as
- A. Accused/Defendant
 - B. Petitioner
 - C. Cross petitioner'
 - D. Appellant
 - E. Prosecution
9. In hire purchase the property in the goods is with the
- A. Hirer
 - B. Owner
 - C. Financier
 - D. Agent
 - E. Buyer
10. The document that regulates a company's internal affairs is the
- A. Shareholders directory
 - B. Directors directory
 - C. Memorandum of Association
 - D. Company Secretary
 - E. Articles of Association

11. Which of the following is a right of the owner in hire purchase agreement?
- A. Vary instalment payments
 - B. Select maintenance workshop for the hirer
 - C. Regulate usage of the goods
 - D. Insure the goods for the hirer
 - E. Repossess the goods where the hirer terminates the agreement
12. Which body has the power to appoint a company secretary?
- A. Audit Committee
 - B. Annual General Meeting
 - C. Extraordinary General Meeting
 - D. The Board of Directors
 - E. The Chairman of the company
13. Which of the following is **NOT** a tort?
- A. Passing off
 - B. Detinue
 - C. Deceit
 - D. Conversion
 - E. Stealing
14. An offer **CANNOT** be terminated by
- A. Revocation
 - B. Death of either party
 - C. Cross offer
 - D. Request for information
 - E. Rejection
15. Which of the following is **NOT** a bill of exchange?
- A. Inland bills
 - B. Foreign bills
 - C. Bearer bills
 - D. Utility bills
 - E. Inchoate bills
16. Wale Olomu, a chartered accountant with ICAN Nigeria Limited, is aggrieved that he was wrongly dismissed from his employment. Which court could he approach for redress?
- A. National Industrial Court
 - B. Industrial and Labour Matters Court
 - C. High Court
 - D. Federal High Court
 - E. Magistrate Court

17. Noting and protesting are applicable only to
- A. Municipal
 - B. Domestic bill
 - C. Real bill
 - D. Direct bill
 - E. Foreign bills of exchange
18. A company is said to be insolvent when
- A. The company is in a financial distress, and it is unable to pay its debts
 - B. The Board of Directors has refused to act
 - C. The Managing Director of the company dies
 - D. The Articles of Association of the company is altered
 - E. When the business of the company is to solve financial crisis
19. Which of the following is a type of charitable trust?
- A. Precatory trust
 - B. Government trust
 - C. Trust for advancement of religion
 - D. Financial trust
 - E. Custodian trust
20. A domestic agreement between members of a nuclear family lacks
- A. Offer and acceptance
 - B. Intention to create legal relations
 - C. Tenure
 - D. Acceptance
 - E. Offer
21. An offer is terminated and can no longer be accepted, by the following, **EXCEPT**
- A. lapse of time
 - B. Revocation
 - C. Rejection
 - D. Death of the offerer or offeree
 - E. Compounding
22. Which law regulates mergers in Nigeria?
- A. Finance Act, 2021
 - B. Companies and Allied Matters Act, 2020
 - C. Federal Competition and Consumer Protection Act, 2018
 - D. Investments and Securities Act, 2021
 - E. Partnership Act

23. The fundamental ground upon which a partnership is distinct from a sole proprietorship is
- A. Authorised share capital
 - B. Financial accounts
 - C. Asset turnout
 - D. Debt recovery procedure
 - E. Legal minimum membership
24. Which principle applies where the agent acts without an authority of his principal but the principal subsequently accepts to be bound by the contract?
- A. Estoppel
 - B. Ratification
 - C. Presumption
 - D. Acceptance
 - E. Approval
25. Consideration is given by a party to a contract by the
- A. Promisor
 - B. Promisee
 - C. Offeror
 - D. Guarantor
 - E. Surety
26. The type of contract enforced by the court in the case of Carlill v. Carbolic Smoke Ball is referred to as
- A. Unilateral contract
 - B. Bilateral contract
 - C. Tripartite contract
 - D. Enforceable contract
 - E. Unenforceable contract
27. Mr. Smart offered to help in pulling out Chief Kogberegbe's vehicle which got stuck in the mud. After he pulled it out, Mr. Smart demanded for a payment of N20,0000 which Chief Kogberegbe turned down. Chief is right in refusing to pay Mr. Smart because the sum demanded is
- A. Executory consideration
 - B. Executed consideration
 - C. Past consideration
 - D. Present consideration
 - E. Unenforceable consideration

28. The aspect of law which covers the operation of financial institutions and its internal control system, conduct of business, relationship with customers, and dealings in instruments is called
- A. Allied Law
 - B. Finance Law
 - C. Banking Law
 - D. Corporate Law
 - E. Insolvency Law
29. A lease in which the lessor is responsible for servicing and maintaining the equipment is a/an
- A. Service lease
 - B. Operating lease
 - C. Finance lease
 - D. Partial lease
 - E. Complete lease
30. The principal Act which governs the relationship between employers and employees in Nigeria is the
- A. Employment Act
 - B. Labour Act
 - C. Compensation Act
 - D. The Workman Act
 - E. The Industry Act

SECTION A: PART II

SHORT-ANSWER QUESTIONS

(20 MARKS)

ATTEMPT ALL QUESTIONS

Write the correct answer that best completes each of the following questions/statements

1. The branch of English Law that developed from conscience is
2. The minimum number of persons that could apply for incorporation as trustees is
3. The principle of law of contract that bars a third party from being sued or suing for the benefit of a contract is
4. The type of authority that an agent will have where he relies on the custom existing in his trade is
5. An involuntary and permanent loss of employment due to excess of manpower in a company is

6. The monetary consideration paid by the insured for an insurance cover is called.....
7. An order of Court enjoining a party to do or refrain from doing an act is
8. An agreement in a domestic setting is usually unenforceable because it lacks
9. The principle of insurance that prevents an Insured from making profit by multiple insurance of the same subject matter is
10. The type of meeting a public company must hold within six months of incorporation is
11. The type of resolution that will prompt the court to order the winding up of a company is
12. A holder of a bill who has taken the bill that is complete and regular on the face of it is called.....
13. A limited partnership must have at least one
14. Transfer of shares becomes effective when
15. Goods that are owned and possessed by the seller at the time of contract are called.....
16. The body that hears a person alleged to have violated a provision of the Companies and Allied Matters Act is
17. The duty of a bank customer to his banker regarding fraud on his account is
18. An agreement for buying goods, under which a person makes an initial down payment and pays the balance plus interest in instalments is known as
19. The type of trust that is imposed on the parties notwithstanding their intentions is
20. The type of Alternative Dispute Resolution mechanism that is highly similar to litigation in court is

SECTION B:**ATTEMPT ANY FOUR QUESTIONS****(50 MARKS)****QUESTION 1**

- a. Before a custom can be accepted as being valid by a Court of law in Nigeria, it must pass certain tests.

Required:

State the validity tests for customary law (3 Marks)

- b. Dapo and Dotun are involved in a heated argument. Dapo is of the opinion that there is no distinction between civil and criminal law, but Dotun disagrees.

Required:

State **FIVE** distinctions between criminal law and civil law (5 Marks)

- c. The Constitution of the Federal Republic of Nigeria is the supreme law.

Required:

- i. Why is the Constitution supreme? (1½ Marks)
ii. State **THREE** characteristics of the Constitution. (3 Marks)

(Total 12½ Marks)**QUESTION 2**

- a. Bayo, Johnson, and Alfred who are childhood friends agreed among themselves to join in the formation of a business with the sole aim of making and sharing profits. Bayo advised them to form a partnership for some special reasons.

Required:

- i. Define Partnership. (2½ Marks)
ii. State the **FOUR** essential elements of a partnership. (4 Marks)

- b. The Companies and Allied Matters Act provides in one of its sections that any two or more persons may form and incorporate a company by complying with the requirements of this Act in respect of registration of such company.

Required:

Explain the main distinction between the Memorandum and Articles of Association of a company. (2 Marks)

- c. Winding up is a formal action to end the life of a company.

Required:

State the circumstances in which a company may wind up voluntarily. (4 Marks)

(Total 12½ Mark)

QUESTION 3

- a. Musa has come to you for advice on the advantages that his business stands to derive if he registers it as Musa Limited.

Required:

State **FIVE** advantages that the business will derive as Musa Limited. (5 Marks)

- b. A customer has duties to his banker just as the banker has duties to the customer.

Required:

State **FOUR** duties of a customer to his banker. (4 Marks)

- c. A cheque is a financial instrument made payable upon demand on date stated and drawn on a bank.

Required:

- i. State **THREE** other types of cheques apart from a bearer cheque. (1½ Marks)
- ii. Define a bearer cheque. (2 Marks)

(Total 12½ Mark)

QUESTION 4

- a. A contract is an agreement between parties by which they create mutual obligations enforceable by law. Before such an agreement is enforced in Court, certain elements must be present.

Required:

- i. State **FOUR** elements of a valid contract (4 Marks)
- ii. Distinguish between an offer and an invitation to treat (2½ Marks)

- b. An Agency relationship is created when one person agrees to act for and on behalf of another with or without remuneration.

Required:

State **FOUR** ways in which an agency relationship may be created. (4 Marks)

- c. A finance lease has a primary period

Required:

Explain briefly the primary period of a finance lease. (2 Marks)

(Total 12½ Marks)

QUESTION 5

- a. Adamu was employed by the Akamata State Ministry of Environment in the year 2006. Last week, the wife of the Director of the Ministry called Adamu on phone to bring home some documents for her and Adamu refused to do so. The Director called Adamu on the phone this morning to inform him that he has been sacked.

Required:

- i. Advise Adamu on the remedies available to him as a public officer whose employment has been terminated. (4 Marks)
- ii. Explain the importance of an employment letter (2½ Marks)
- b. Insurance law has principles that cover proposals, policies and claims among others.

Required:

State **FOUR** principles of Insurance law. (4 Marks)

- c. In hire purchase agreements, the basic principle underlying the transaction is that the installment is taken as hire charge (rental) till the time the agreement stipulates. At the expiration of the said period, the hirer has the option of paying a nominal amount to become the owner of the goods.

Required:

State **TWO** rights of the hirer under a hire purchase contract. (2 Marks)

(Total 12½ Marks)

QUESTION 6

- a. A Trust has been described as a relationship recognised by equity which arises where property is vested in a person(s) called the trustee(s), which the trustee(s) is obliged to hold for the benefit of other persons called ces tui que trust or beneficiaries.

Required:

State **FOUR** uses of trusts (4 Marks)

- b. An illegal contract is void in law.

Required:

State **TWO** examples of illegal contract. (2 Marks)

- c. A mistake may invalidate a contract.

Required:

Explain briefly:

- i. Common mistake (3½ Marks)
- ii. Mutual mistake (3 Marks)

(Total 12½ Marks)

SECTION A: PART I

MULTIPLE-CHOICE SOLUTIONS

1. C
2. E
3. C
4. E
5. C
6. E
7. C
8. A
9. B
10. E
11. E
12. D
13. E
14. D
15. D
16. A
17. E
18. A
19. C
20. B
21. E
22. C
23. E
24. B
25. B
26. A
27. C
28. C
29. B
30. B

Examiner's comment

The questions achieved a good spread over the syllabus. Attempt rate was 100% and pass rate was about 70%.

Candidates' major pitfall was inadequate preparation as well as insufficient coverage of the syllabus.

Candidates are advised to cover all areas of the syllabus as treated in the ATSWA Study Text as they prepare for the future.

SECTION A: PART II

SHORT-ANSWER SOLUTIONS

1. Equity
2. Two (2)
3. Privity of contract
4. Customary / apparent authority
5. Redundancy
6. Premium
7. An Injunction
8. Intention to create legal relation
9. Subrogation
10. Statutory meeting
11. Special resolution
12. Holder in due course
13. General Partner
14. When the transferee's name is entered in the shareholders' or members' register
15. Existing goods
16. Administrative committee
17. To inform his banker
18. Credit sale
19. Constructive or Judicial trust
20. Arbitration

Examiner's comment

The questions were spread over the entire syllabus. Attempt rate was 100% of which over 70% scored pass marks.

Candidates' major pitfall was their insufficient coverage of the syllabus.

Candidates are advised to study all areas of the syllabus in the ATSWA Study Text.

SECTION B

SOLUTION 1

- (a) The validity test for customary law are as follows:
- i. It must not be repugnant to natural justice, equity and good conscience.
 - ii. It must not be contrary or incompatible with any law in force.
 - iii. It must be proved or judicially noticed.
 - iv. It must not be contrary to public policy.

(b)

- i. The aim of criminal law is to punish offenders while that of civil law is compensate the aggrieved person.
- ii. In criminal law the parties are the State and the Accused/Defendant. In civil law, the parties are the plaintiff/claimant and the defendant.
- iii. The penalty for a criminal wrong could be a fine or a term of imprisonment or both. The consequence of a successful civil action is compensation by way of damages or equitable remedies.
- iv. The verdict in a criminal action is guilty or not guilty, while that of a civil action is liable or not liable.
- v. The state prosecutes criminal wrongs while the aggrieved person sues the defendant in a civil action.
- vi. In criminal actions, there is generally no limitation period in prosecuting the offender. Civil actions have limitation periods.
- vii. The standard of proof in criminal law is 'proof beyond reasonable doubt', while that of civil law is preponderance of evidence or balance of probabilities.

(c)

- i. The Constitution is supreme because all other laws of Nigeria that contradict it are void.
- ii. The characteristics of the Constitution are:
 - Supremacy
 - Written and rigid form
 - Separation of powers
 - Rule of law
 - Federalism
 - Fundamental rights

Examiner's comment

The question tests candidates' understanding of the tests for validity of customary law, distinctions between criminal law and civil law, and characteristics of the constitution. Attempt rate was about 70% and pass rate was about 65%.

Candidates' major pitfall was their insufficient understanding of the validity tests for customary law and the characteristics of the Constitution.

Candidates are advised to study the areas of deficiency more in the ATSWA Study Text in future.

SOLUTION 2

- a. (i) A partnership is a relationship in which two or more persons agree to carry on business with the aim of making and sharing profits.
- (ii) The essential elements of a partnership are as follows:
- There must be a business
 - The business must be carried on by or on behalf of the partners
 - There must be profit making
 - There must be profit sharing
- b. The memorandum of association is a legal document which regulates the external relations of the company and defines the limit of its authority.
- On the other hand, the articles of association regulate the internal affairs or governance of the company.
- c. By Section 620(1) of CAMA 2020 a company may wind up voluntarily in the following situations:
- i. When the period of its duration or an event, if any, fixed by its articles of association has occurred and the company has passed an ordinary resolution that it be wound up.
 - ii. If the company resolves by special resolution that it be wound up.

Examiner's comment

The question tests candidates' understanding of the definition and elements of partnership, the purposes of the memorandum, and articles of association, as well as reasons for company winding up.

Attempt rate was about 70% and pass rate was about 60%.

Candidates' major pitfall was their lack of understanding of the elements of partnership and reasons for company's winding up.

Candidates are advised to study the areas of deficiency more in the ATSWA Study Text.

SOLUTION 3

- a. If Musa registers his business as Musa Limited, the business will derive the following advantages:
- i. Corporate or separate personality
 - ii. Limited liability
 - iii. Perpetual succession
 - iv. Capacity for property ownership

- v. Capacity to sue and be sued in the corporate name.
 - vi. Borrowing in the company's name and securing the loan with the company's property.
 - vii. Membership through shareholding.
- b. The duties of a customer to his banker are to:
- i. Draw his cheque with care and diligence to protect his account from fraud.
 - ii. Give instructions in writing to the bank when withdrawing his money.
 - iii. Notify the bank promptly of suspicious dealings on his account.
 - iv. Pay appropriate bank charges and interest on loans.
- c. Three other cheques other than a bearer cheque are:
- Order cheque
 - Crossed cheque
 - Travellers cheque
 - Open cheque
- cii A bearer cheque is defined as a cheque in which the payment is made to the person bearing or carrying the cheque.

Examiner's comment

The question tests candidates' understanding of the advantages of incorporation, duties of a bank customer to his banker, and types of cheque.

Attempt rate was 65% of which 55% scored pass marks.

Candidates' major pitfall was their inadequate understanding of the advantages of incorporation and bank customers' duties to the banker.

Candidates are advised to be more committed to studying their areas of deficiency in the ATSWA Study Text as they prepare for future examination.

SOLUTION 4

- a.
- i. The essential elements of a contract are:
 - Offer
 - Acceptance
 - Consideration
 - Intention to create legal relation
 - Capacity to contract
 - ii. An offer is a statement of a definite intention to contract on basis of certain terms and to be legally bound by those terms. On the other hand, an invitation to treat is only an invitation to make an offer or negotiate.

- b. An agency relationship may be created by:
 - i. Ratification
 - ii. Estoppel or Holding out
 - iii. Necessity
 - iv. Implication of the law
 - v. Express agreement

- c. The primary period of a finance lease covers all or most of the economic life of the asset. When the lease ends, the property would be worn out, making it impossible for the lessor to lease it out again.

Examiner's comment

The question tests candidates' knowledge of the elements of a valid contract, offer and invitation to treat, creation of agency, and finance lease.

Attempt rate was about 70%, and pass rate was about 65%.

Candidates' major pitfall was lack of understanding of the primary period for a finance lease.

Candidates are advised to study finance lease more intensely in future preparations.

SOLUTION 5

- a.
 - i. An employment with statutory flavour is an employment which is provided by an extant statute. Adamu's employment falls under this category. The law is settled that where the employment of an employee with statutory flavour is terminated without recourse to the applicable procedure in the relevant statute or statutes the Court would order that the employee be reinstated.

The employer, in such a case, is liable to pay the employee all outstanding salaries and allowances during the entire period for which his employment was unlawfully terminated.
 - ii. An employment letter specifies the terms and conditions between an employer and an employee. Depending on the nature of the employment letter, the contents may differ. It usually contains standard information like the employee's job description, salary, working hours, and place of work. It is important because it is a written document specifying the rights of both the employer and the employee, compared to just a verbal agreement.

- b. The insurance law principles are as follows:
 - i. Utmost good faith
 - ii. Insurable interest
 - iii. Proximate cause

- iv. Indemnity
 - v. Subrogation
 - vi. Contribution
- c. The hirer has the right to:
- i. Sue in damages for breach of hire purchase agreement.
 - ii. Be notified of the cash price of the goods.
 - iii. A copy of the hire purchase agreement within 21 days of conclusion of the purchase agreement.
 - iv. Quiet possession of the goods let under the hire purchase agreement.
 - v. Indemnity for any loss or liability caused by reason of any defects in the goods or of the title.
 - vi. Terminate the agreement.
 - vii. Complete the hire purchase agreement.

Examiner's comment

The question test candidates' understanding of remedies for unlawful termination of employment, importance of employment letter, principles of insurance law, and hirer's rights. Attempt rate was 75% and pass rate was 60%.

Candidates' major pitfall was their insufficient understanding of all areas of the question.

For the future, candidates are advised to study the areas identified more.

SOLUTION 6

- a. The uses of trusts are as follows:
- i. It protects the property of the legal owner from undue interference or conversion.
 - ii. It gives the beneficiaries who are also legal owners of the property the capacity to hold the property when they ordinarily lack that capacity.
 - iii. It makes possible ownership of land by more than one person.
 - iv. It facilitates charitable purposes.
 - v. It enables property to be used for the benefit of persons in succession.
 - vi. It helps in avoiding or minimizing property tax liability.
- b. Examples of illegal contract are:
- i. Contract to defraud the revenue.
 - ii. Contract prohibited by statute.
 - iii. Contract prejudicial to the safety or security of the country.
 - iv. Contract prejudicial to the administration of justice.
 - v. Contract prejudicial to honesty in public life.

- vi. Contract to promote sexual immorality.
 - vii. Contract prejudicial to the country's foreign relations.
- c.
- i. Common mistake occurs where both parties to a contract are mistaken on the same subject matter of the contract. An example is if unknown to the parties, the subject matter of the contract is non-existent. This mistake voids the contract absolutely.
 - ii. Mutual mistake occurs where the parties are mistaken about different things. For example, each party may be mistaken as to the other party's intention or undertaking, but neither party knows he has been misunderstood. This mistake makes the contract voidable.

Examiner's comment

The question tests candidates' knowledge of uses of trust, illegal contract types, and mistake in contract. Attempt rate was 60% and pass rate was about 50%.

Candidates did not understand the uses of trust.

Candidates are advised to include trust in their future study.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2024 EXAMINATIONS (PART 1)****COMMUNICATION SKILLS**

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in ink. Any solution in pencil will not be marked.
2. Read all instructions on each part of the paper carefully before answering the questions.
3. Ensure that you do not answer more than the number of questions required for **Section B (The Essay Section)**.
4. Check your pockets, purse and mathematical sets, etc to ensure that you do not have prohibited items such as telephone handset, electronic storage device, wrist watches, programmable devices or any form of written material on you in the examination hall. You will be stopped from continuing with the examination and liable to further disciplinary actions including cancellation of examination result if caught.
5. Do not enter the hall with anything written on your docket.
6. Insert your examination number in the space provided above.

WEDNESDAY, MARCH 27, 2024

DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO

**ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART I EXAMINATIONS – MARCH 2024**

COMMUNICATION SKILLS

Time Allowed: 3 hours

SECTION A: PART I MULTIPLE-CHOICE QUESTIONS (20 MARKS)

ATTEMPT ALL QUESTIONS IN THIS SECTION

Write ONLY the alphabet (A, B, C, D or E) that corresponds to the correct option in each of the following questions/statements.

1. Which of the following is **NOT** a channel of communication?
 - A. Television
 - B. Telephone
 - C. Radio
 - D. Letter
 - E. Swimming

2. Which of the following is **NOT** a clause?
 - A. If you assist me
 - B. Which I gave him
 - C. When I see the man
 - D. Wherever you go
 - E. The man

3. The main purpose of advertising is to
 - A. Persuade
 - B. Castigate
 - C. Entertain
 - D. Inform
 - E. Report

4. Which of the following is **NOT** an element of communication?
 - A. Sender
 - B. Receiver
 - C. Message
 - D. Channel
 - E. Telegram

5. The following are barriers to effective communication, **EXCEPT**
 - A. Horn
 - B. Blare
 - C. Shout
 - D. Cry
 - E. Listening

6. A letter distributed to a large number of people in an organisation to inform them about a development is referred to as
- A. Circular
 - B. Query
 - C. Agenda
 - D. Minutes
 - E. Invitation
7. Which of the following is **NOT** a way of resolving conflicts?
- A. Dialogue
 - B. Confrontation
 - C. Patience
 - D. Arbitration
 - E. Pacification
8. Bargaining is involved in the following, **EXCEPT**
- A. Buying and selling of goods
 - B. Negotiating for salaries and wages
 - C. Fixing employee's salaries and fringe benefits
 - D. Salary increase
 - E. Termination of appointment.
9. **UNFAITHFULNESS**, as a word, has
- A. One morpheme
 - B. Two morphemes
 - C. Three morphemes
 - D. Zero morpheme
 - E. Four morphemes
10. The man introduced the merchant to the Board of Directors. The expression, *Board of Directors*, is a
- A. Clause
 - B. Phrase
 - C. Sentence
 - D. Word
 - E. Paragraph
11. 'The man is a tiger' is an example of
- A. Metaphor
 - B. Simile
 - C. Alliteration
 - D. Assonance
 - E. Hyperbole

12. The term commonly used for settling conflicts in an organisation is
- A. Harmonisation
 - B. Resolution
 - C. Finalisation
 - D. Channelisation
 - E. Penalty
13. Another word for HYPERBOLE is
- A. Exaggeration
 - B. Joke
 - C. Insult
 - D. Praise
 - E. Eulogy
14. The person who records proceedings at meetings and produces the minutes is the
- A. Secretary
 - B. Chairman
 - C. Chief whip
 - D. Registrar
 - E. Captain
15. Which of the following is **NOT** an organ of speech production?
- A. Lips
 - B. Teeth
 - C. Tongue
 - D. Nose
 - E. Eyes
16. A short printed publication produced by an organisation for the purpose of disseminating information is
- A. Bulletin
 - B. Notice
 - C. Minutes
 - D. Report
 - E. Circular
17. The punctuation mark used for a short pause in writing is
- A. Full-stop
 - B. Comma
 - C. Exclamation mark
 - D. Colon
 - E. Hyphen

18. Which of the following is **NOT** a quality of a good essay?
- Clarity of expression
 - Good paragraphing
 - Coherence
 - Organisation
 - Ambiguity
19. In essays, the sentence that gives the summary of the content of a paragraph is the
- Summary sentence
 - Concluding sentence
 - Introductory sentence
 - Expository sentence
 - Topic sentence
20. Which of the following is **NOT** a means of advertising?
- Posters
 - Billboards
 - Mass media
 - Fliers
 - Memorandum

SECTION A: PART II

SHORT ANSWER QUESTIONS

(20 MARKS)

ATTEMPT ALL QUESTIONS

Write the correct answer that best completes each of the following statements/questions.

- Gestures and gesticulations are examples of ----- communication.
- The act of sending a message from one person to another is -----
- Sender, receiver and message are ----- of the communication process
- Speech is an example of ----- communication
- A clash or disagreement between two or more groups of individuals is called -

- The act of settling a quarrel between two or more people is known as -----
- Winking, smiles and claps are examples of -----language.
- Rice and beans -----my favourite food.
- A short piece of text, that adds a comment, citation or reference, written at the bottom of a printed page is referred to as.....

10. Verbal communication is impossible without -----
11. The action word in a sentence is referred to as a(n) -----
12. An online meeting where two or more people engage in a live audio-visual discussion is -----
13. A method of exchanging mails between people using electronic devices is-----

14. A practice used to determine or evaluate the performance of a person is called

15. A statutory meeting held yearly in an organisation is called -----
16. A discussion on a website consisting of discrete diary text entries is known as
a(n) -----
17. An itemised summary of intended expenditure, usually coupled with expected
revenue is called -----
18. The panel that mediates and settles conflict between the labour unions and
employers of labour is a(n) ----- panel.
19. The part of speech that is used to depict action that is currently taking place
is the ----- tense.
20. The technical term used to declare that a meeting has been postponed
indefinitely is

SECTION B

COMPULSORY

(30 MARKS)

COMPREHENSION

Read the following passage carefully and answer the questions that follow:

It is almost enough to demonstrate the significance of the concept 'identity' by referring to the rapidity with which it has caught on social science. Recently, re-introduced to the social sciences by Erik Erikson, the term has provided many new social-psychological insights. Specifically, fruitful inquiries into the sociological implications of the ego have been made possible by releasing the investigator from the commitment to argument and partisanship that alternative concepts such as 'personality' demand. Identity, as a concept, is without any history of polemics. However, the impetus to discovery afforded by the term has been so great that its meaning threatens to spill over the bounds of an analytical utility.

Before its meaning becomes totally lost by awakening response in every conceivable investigator, (like the term 'personality'), the concept must be salvaged.

Almost all writers using the term imply that identity established what and where the person is in social terms. It is not a substitute word for 'self'. Instead, when one has identity, he is situated - that is, cast in the shape of a social object by the acknowledgement of his participation or membership in social relations. One's identity is established when others place him as a social object by assigning him the same words of identity that he appropriates for himself or announces. It is in the coincidence of placements and announcements that identity becomes a meaning of the self, and often such placements and announcements are aroused by apparent symbols such as uniforms. The policeman's uniform, for example, is an announcement of his identity as policeman and validated by other's placements of him as policeman.

Such a conception of identity is indeed, close to Mead's conception of the 'me', the self as object related to and differentiated from others. To situate the person by establishing some identity for him is, in a sense, to give him position, and a pun permits further elucidation of the concept: identity is established as a consequence of two processes, apposition and opposition, a bringing together and setting apart. To situate the person as a social object is to bring him together with other objects so situated, and, at the same time to set him apart from still other objects. Identity is intrinsically associated with all the joining and departures of social life. To have an identity is with some and depart from other, to enter and leave social relations at once.

In fact, the varieties of identity are isomorphic with the varieties of identity of social relations. At least four different types of words were used to place and announce the identities communicated by clothing: (1) universal words designating one's humanity, such as age, gender, and community (we call these 'universal' words because people everywhere make such distinctions); (2) names and nicknames; (3) titles, such as occupational and marital titles; (4) 'relational categories' such as customer, movie-goer, jazz fan, and the like. Social relations, viewed as on-going transactions, can be classified according to the identities which must be placed and announced to permit entry into the transactions.

(Source: An extract from Arnold M. Rose(1972) Human Behaviour and Social Process pp 92-93)

- a. According to the passage, what is identity? (3 Marks)
- b. What are the **FOUR** different ways by which identities communicated by clothing is described? (8 Marks)
- c. In what way can identity become a meaning of the self? (3 Marks)
- d. What are the **TWO** ways by which a person can be situated as a social object? (6 Marks)
- e. How does the author view social relations? (2 Marks)
- f. "Instead, when one has identity"
 - i. What is the grammatical name of the above expression as used in the passage? (1 Mark)
 - ii. What is its function? (2 Marks)

g. What a word or a phrase can replace each of the following:

- i. Identity
- ii. Salvaged
- iii. Associated
- iv. Viewed
- v. Permit

(5 Marks)

(Total 30 Marks)

SECTION C

ANSWER ANY TWO QUESTIONS

(30 MARKS)

QUESTION 1

- a. Define electronic mail. (5 Marks)
- b. Explain briefly **FIVE** usefulness of email to the Accounting profession.

(10 Marks)

QUESTION 2

Members of the Workers' Union in the establishment where you work have been denied certain entitlements for a period of time. You, as the newly appointed President of the Union, want to remedy the situation.

Required

Explain briefly **FIVE** approaches you would adopt to channel the Union's grievances to the Management. (15 Marks)

QUESTION 3

You are an Administrative Officer in the Accounting firm where there had been irregularities and inconsistencies on staff promotion in the past five years. You have been nominated to approach the Management for a redress in the promotion procedure in the establishment.

Required

- a. List **FIVE** effective assessment criteria you will recommend for promotion exercise. (5 Marks)
- b. Explain briefly each of the assessment criteria listed in (a) above. (10 Marks)

(Total 15 Marks)

QUESTION 4

- a. Define digital communication. (5 Marks)
- b. Explain briefly, with **TWO** examples each, the difference between verbal and non-verbal communication. (4 Marks)
- c. Write a short note on each of the following:

- i. Blog
- ii. Video-Conferencing

(3 Marks)

(3 Marks)

(Total 15 Marks)

SECTION A: PART I

MULTIPLE-CHOICE SOLUTIONS

- 1. E
- 2. E
- 3. A
- 4. E
- 5. E
- 6. A
- 7. B
- 8. E
- 9. E
- 10. B
- 11. A
- 12. B
- 13. A
- 14. A
- 15. E
- 16. A
- 17. B
- 18. E
- 19. E
- 20. E

Examiner's comment

This part is compulsory for all candidates. The questions here cover the entire syllabus. Candidates are expected to choose the correct option from each statement and write only the alphabet that corresponds to the option chosen. The performance of the candidates was very good as about 80% of them scored 50% and above of the allocated marks. Candidates' performance can be better if they familiarise themselves with every part of the syllabus, make use of ICAN study text, question papers and solutions.

SECTION A: PART II

SHORT-ANSWER SOLUTIONS

- 1. Non-verbal
- 2. Communication
- 3. Elements
- 4. Oral/Verbal
- 5. Conflict/Dispute/Confrontation

6. Conflict Resolution /Dispute Resolution/Mediation
7. Body
8. Is
9. Footnote
10. Speech/Sound/Words
11. Verb
12. Video-conferencing/Teleconferencing
13. Email/Electronic mail
14. Assessment/ Appraisal
15. Annual General Meeting
16. Blog
17. Budget
18. Arbitration
19. Progressive/Continuous
20. Sine die

Examiner's comment

This part is compulsory for all candidates. The questions in this part cover the whole syllabus. Candidates are expected to supply the correct answer that best completes each of the statements. Their performance was good as about 65% scored 50% and above of the total marks for this part. Candidates' performance had been consistently low in this part. They are to familiarise themselves with the terms and concepts contained in the study text, make use of ICAN past questions papers and solutions for an improved performance in future examinations.

SECTION B

COMPREHENSION SOLUTION

- a. Identity is a way by which a person is recognised or known.
- b. Universal words designating one's humanity:
 - i. Age, gender and community
 - ii. Names and nicknames
 - iii. Occupational and marital titles
 - iv. Relational categories
- c. It is a combination of how one announces oneself and the placement that others attached to such announcement.
- d.
 - i. By bringing him together with other objects so situated (in his group)
 - ii. By setting him apart from still other objects.
- e. The author views social relations as a facilitator for identifying people.
- f.
 - i. Adverbial clause
 - ii. It modifies the verb phrase "is situated"

- g. i. Identity - recognition, authentication, distinctiveness
- ii. Salvaged - rescued/recovered/retrieved/recouped/saved
- iii. Associated - connected/linked
- iv. Viewed - perceived/seen/considered/looked at
- v. Permit - allow/let/tolerate/grant

Examiner's comment

This question is to test candidates' ability to read and understand the content of a given text as well as their knowledge of elements of grammar. This question is compulsory for all candidates. The performance was just average as about 50% of the candidates scored 50% and above of the allocated marks.

Candidates' shortcomings in this section of the paper have always been:

- Inability to read and understand the content of given texts;
- Lack of understanding of the demand of the questions;
- Lack of the techniques for answering comprehension questions;
- Low level of vocabulary;
- Copying answers verbatim from the passage.

Candidates' can improve their performance in subsequent examinations if they:

- Engage in extensive reading;
- Learn the techniques of answering comprehension questions;
- Understand the demands of each question before answering it;
- Expand the level of their vocabulary;
- Make use of ICAN past questions and solutions and study text.

SECTION C

SOLUTION 1

- a. Electronic mail (e-mail) is a method of exchanging messages (mail) between people using electronic devices.
- b. Electronic mail is very useful in the Accounting profession in the following ways:
 - i. It is useful in the accountant's interaction with people in business, commerce, government, education, entertainment, and other spheres of daily life in the world.
 - ii. It is useful in registration for, and conduct of Accounting examinations. For example, candidates register for examinations with their e-mail addresses and also their results are sent to them through their e-mails.
 - iii. E-mail is also useful in auditing. For example, notice of auditing as well as the results of auditing are sent to the clients through e-mails.

- iv. E-mail is also useful in taxation. The amount of tax payable is sent to the people concerned through e-mails. Tax receipts are also sent to the clients through e-mail.
- v. Ordering for goods and services, payment for goods and services can also be made through e-mail.
- vi. Notice of meetings is also communicated through e-mail.

Examiner's comment

The question is designed to test candidates' understanding of what electronic mail is and its usefulness to the Accounting profession. About 80% of them attempted the question. The performance was just average as about 50% of them scored 50% and above of the marks allocated.

Majority of the candidates did not explain the usefulness of e-mail to the Accounting profession. The answer given by the few of them who attempted section (b) of this question was marred by their use of language.

Candidates should learn how to apply concepts and terms in Communication Skills to their daily lives. They should also make use of ICAN past questions and solutions, and study text for better performance in subsequent examinations.

SOLUTION 2

The different approaches that could be adopted to channel the Union's grievances:

- i. Ascertaining the workers' rights to the entitlements: I will ascertain that workers are actually entitled to the claim under the enabling and extant laws of the establishment. Requirements and eligibility of the workers to the entitlements will be critically examined. The reasons for denial of such entitlements on the part of Management must also be examined.
- ii. Notifying the Management through letters: Letters have to be written by me to inform the Management about the workers' grievances.
- iii. Following up the letters written and awaiting invitation for dialogue. I will do a follow-up on the letters written to the Management and look forward to being invited for a chat.
- iv. Where there is an opportunity for dialogue between the Management and me, the Union leader, I will avoid confrontation and tactfully and tactically present the workers' agitation.
- v. I will regularly give the feedback of the meeting with the Management to the workers through meetings or congresses.
- vi. Where and when the Management is favourably disposed to the workers' requests, I will also show gratitude to the Management.
- vii. In case of an unavoidable strike, I will promptly notify the Management, stating the position of the union. Following the procedure for embarking on a

strike action, a notice of warning strike, stipulating the deadline for compliance with union demands should be given to the Management.

- viii. Finally, if the Management refuses to comply, an industrial action can be embarked upon by the workers. I, as the Union leader, should ensure that the industrial action is purposeful and peaceful.

Examiner's comment

The question is designed to test one aspect of Communication Ethics - Labour and Industrial Relations in an organisation. Candidates are expected to explain briefly five approaches to be adopted to channel grievances to the Management. About 15% of them attempted this question. The performance was poor as only 25% of this number scored 50% and above of the marks for the question.

Majority of the candidates did not understand the demand of this question. Generally, the answers given were off the mark. They should familiarise themselves with contents under "Communication Ethics" in the syllabus for better performance in this area in future. In addition, they should make copious use of ICAN question papers and solutions and study text.

SOLUTION 3

- a. Effective assessment criteria for promotion are:
- i. The use of Annual Performance Evaluation Report (APER) Form.
 - ii. Written Examination
 - iii. Oral Interview
 - iv. Selection Test
 - v. Observation
 - vi. Questionnaire
 - vii. Project
- b. Promotion of workers must be based on certain years of active service and noticeable performance without any break of service. There should also be an evidence of productivity on the part of the promotable staff.
- i. An Annual Performance Evaluation Report form must be given to the workers who are qualified for the promotion to fill and be graded by the superior officer. It should be ascertained that the assessment by the superior officer is un-biased and un-prejudicial. The form normally contains various sections such as cognitive, affective and psychomotor domains. Each of the domains is allocated certain marks. An officer eligible for promotion must get above average mark in each of these sections.
 - ii. Written promotion examination must be designed for, and be written by the qualified workers, especially when there is a keen competition for very limited vacancies. The qualified candidate must score the minimum mark that has been pre-determined by the organisation before he can get the promotion.

- iii. Oral interview can be conducted to discover resourcefulness and ability of the workers to initiate ideas. Oral interview is used to assess candidates' ability in various areas such as administrative and managerial skills, mastery of work schedules and professional competence. Part of what is assessed is the candidates' confidence, composure and tact in answering questions.
- iv. Where there are limited vacancies for promotion, a selection test can be conducted. This will enable the Management to make a right decision on the candidates. The test will be guided by guidelines for the award of marks.
- v. Observation is an assessment criterion used in a controversial work setting where very many people are vying for very limited positions. It is possible that many people who are qualified have almost or the same qualifications, experience, expertise, etc. The best method to use observation is to consciously set aside particular periods for recording contestants' actions, inactions, performances, etc. A checklist is used to record the details of such contestants that are being observed. In observation, there should be no bias or prejudice in rating the officers involved.
- vi. Questionnaire is another criterion of assessment. It is used to obtain data or information on the officer to be promoted. There is a distinction between researcher-administered and respondent-administered questionnaire. The researcher-administered questionnaire is the one to be completed by the superior officer reporting on the officer for promotion; while the respondent-administered questionnaire is to be filled by the officer himself/herself. Comprehensive instructions as regards how and what to do in the questionnaire should be provided. The outcome of the questionnaire will determine the promotability of the officer.
- vii. Project can also be used for assessment in an organisation especially in the technical and mechanical areas. Certain projects are initiated in organisations to assess the competence, expertise, resourcefulness and sincerity of members of staff. This kind of assessment criterion is useful for assessing engineers and those who are in the allied profession.

Examiner's comment

This question is designed to test candidates' knowledge of assessment instruments for promotion of staff in an organisation. This is one of the emerging issues in Communication Skills syllabus. About 15% of the candidates attempted this question. The performance was poor as only 20% of them scored 50% and above of the marks allocated.

Majority of the candidates misinterpreted "assessment criteria" leading to giving wrong answers. In order to perform better in future examinations, candidates should endeavour to familiarise themselves with this section of the syllabus. They should also make use of ICAN past questions and solutions, and study text.

SOLUTION 4

- a. Digital communication is the transfer and reception of data in the form of digital bit stream or a digitised analog signal over a point-to-point communication channel.
- b. Verbal communication is the use of spoken words to convey thoughts, ideas and emotions such as letter, speech, memorandum, circular etc. while non-verbal communication is silent communication such as kinesics, haptics, silence, paralanguage, chronemics, proxemics, personal appearance etc.

- c. i. **Blog**

A blog is a discussion or information website published on the World Wide Web consisting of discrete, often informal diary style entries. Posts are typically displayed in reverse chronological order, so that the most recent post appears on top. Blog is used in featuring writings of multiple authors. Bloggers produce content to post on their blogs and also often build social relations with their readers and other bloggers.

- ii. **Video-conferencing**

Video-conferencing is a type of online meeting where two or more people engage in a live audio-visual call.

With strong internet connection, the participants can see, hear and talk to each or one another in real time, no matter where they are in the world. In business, people typically use video-conferencing to communicate and collaborate within and outside an organisation. One just needs to set up necessary hardware and software to get the most out of the experience.

Examiner's comment

This question is designed to test two aspects: one, digital communication tools (a, c) and the difference between verbal and non-verbal communication (b). About 80% of the candidates attempted the question. The performance of the candidates was very good as about 80% of them scored 50% and above of the marks allocated to this question. While the majority of the candidates were able to define “digital communication” (a), they were unable to explain the two types of digital communication in (c). Many candidates did not contrast verbal with non-verbal communication as they were asked to do. They treated them separately.

Candidates are encouraged to study these aspects more closely if they want better performance in subsequent examinations. They should also make use of ICAN study text as well as ICAN question papers and solutions.

Generally, candidates are advised to choose questions they really understand or familiar with in this section.