THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

INSIGHT

ATSWA SEPTEMBER 2026 EXAMINATIONS

PART III

Question Papers, Suggested Solutions and Examiners' comments

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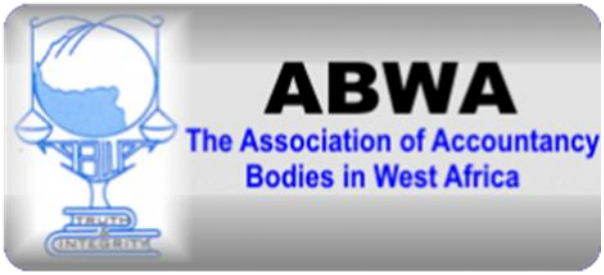
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THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA



ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA SEPTEMBER 2026 EXAMINATIONS (PART III)

PRINCIPLES OF AUDITING & ASSURANCE

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in **blue** or **black** 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 or around 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, SEPTEMBER 23, 2026

DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART III EXAMINATIONS – SEPTEMBER 2026

PRINCIPLES OF AUDITING & ASSURANCE

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. A file that contains information of continuing importance to the client, which remains useful across multiple audit engagements is .....

   A. Permanent Audit File
   B. Temporary Audit File
   C. Current Audit File
   D. Director's Audit File
   E. Management Audit File

2. Which of the following methods of recording an accounting and controls system is a series of questions used to determine whether control exist which meet specific control objectives?

   A. Internal Control Questionnaire
   B. Internal Control Evaluation Questionnaire
   C. Flow Chart
   D. System Audit Trail
   E. Organogram

3. The assurance engagement where the auditor states that based on the procedures performed, nothing has come to their attention to cause them to believe that any material modifications need to be made to the information made available to the Regulatory agency is termed.....

   A. Assurance engagement
   B. Reasonable Assurance
   C. Limited Assurance
   D. Negative Assurance
   E. Positive Assurance

4. A letter that contains assertions from management to an auditor made during the conduct of the audit is .....

A. Comfort Letter
B. Letter of Representation
C. Engagement Letter
D. Letter of Introduction
E. Management Report

5. The following are forms of attestation services, **EXCEPT**

A. Audit of historical financial statement
B. System and organization control for cyber security
C. Elder care services
D. System and organization control for supply-chain
E. Sustainability compliance

6. The obligation that all members of the professional bodies comply with rules and regulations and ensure that they do **NOT** harm the reputation of the profession is .....

A. Professional competence
B. Professional behaviour
C. Professional scepticism
D. Professional attitude
E. Compliance with regulation

7. Which of the following is **NOT** a component of internal control system?

A. Control environment
B. Management perspective
C. Monitoring
D. Risk assessment
E. Control activities

8. The following represent an inherent limitation of internal control, **EXCEPT**

A. accountability
B. fraud
C. poor working conditions
D. fatigue
E. abuse of responsibility

9. Which of the following is **NOT** a specific criterion for assessing the internal control functions?

A. Resources available
B. Number of staff in the internal audit section
C. Due professional care
D. Technical competence
E. Scope of function

10. The nature, timing and extent of the procedures performed by auditors to obtain an understanding of the internal control system vary because of the following factors, **EXCEPT**

A. The type of internal control involved
B. The type of products and/or services rendered by the entity
C. Materiality consideration
D. Their assessment of inherent risk
E. The size and complexity of the entity

11. Which of the following is **NOT** an internal audit duty?

A. Value for money audit
B. Functional audit
C. Operating audit
D. Organisation audit
E. Management audit

12. Which of the following observations is raised by the Auditor General to seek further clarifications in a particular transaction?

A. Public alarms
B. Pre-audit queries
C. Project audit
D. Public enterprises
E. Post-audit queries

13. The Auditor-General can be removed only on the account of .....

A. Misconduct
B. Disobeying the President
C. Age
D. Political affinity
E. Disobeying the Parliament

14. NOCLAR stands for ……

A. Non-compliance with Laws and Regulations
B. National Organization for Legal Accounting and Reporting
C. Non-compliance with Legal Audit Regulations
D. Non-operational Corporate Legal Audit Requirements
E. National Orientation Compliance Laws and Research

15. When an accountant discovers **NOCLAR**, the first step should be to ……

A. Report directly to external regulators immediately
B. Discuss the matter with the appropriate level of management
C. Ignore the issue if not material
D. Resign immediately
E. Invite relevant security agency

16. A group of people acting as intermediary between the company's director and external auditor with intent of reviewing the auditor's work is ……

A. Management Committee
B. Audit Committee
C. Protocol Committee
D. Budget Committee
E. Risk Management Committee

17. Which of the following is **NOT** a risk associated with whistleblowing?

A. Retaliation by employees
B. Legal protection for the whistle blower
C. Damage to career prospects
D. Loss of trust by colleagues
E. Threat to life

18. Tracing is used primarily to test which of the following assertions about classes of transactions?

A. Completeness
B. Occurrence
C. Authorization
D. Cutoff
E. Segregation

19. The principle which indicates that members should comport themselves with courtesy during performance of their work is .....

A. Objectivity and Accuracy
B. Independence
C. Professional integrity
D. Professional Competence
E. Professional Behaviour

20. Which of the following is **NOT** a type of Computer Assisted Audit Techniques?

A. Test data packs.
B. Programme code examination.
C. Data collection technique.
D. Tracking software.
E. Snapshot.

21. Which of the following is **NOT** an example of AI (Artificial Intelligence)?

A. Conversational bots or (robots)
B. Emails spams filters
C. Robo-advisors
D. Smart assistants
E. Basic robot

22. Which of the following best describes the role of IT in auditing?

A. IT replaces the need for auditors.
B. IT reduces the need for audit documentation.
C. IT helps in automating audit processes and improving accuracy.
D. IT ensures auditors cannot make mistakes.
E. IT mitigates auditor's errors.

23. Which of the following is an application control in an IT system?

A. Backup and recovery procedures
B. Password policies
C. Data input validation checks
D. Antivirus software installation
E. Data input security tests

24. Which of the following statements is **TRUE**?

A. The major aim of auditing is to detect wrong calculations and frauds in the books of account.

B. The responsibility of preparation and presentation of financial statements rest with the management.

C. Assurance of financial statements is voluntary in case of private limited liability companies.

D. Assurance makes financial statements free from all sorts of errors and frauds.

E. The detection and prevention of errors and frauds is compulsory for auditor.

25. The Public Account Committee reports to:

A. The Central Bank
B. The Judiciary
C. The Ministry of Finance
D. The Public directly
E. The Legislature/Parliament

26. Which of the following is **NOT** a role of internal auditors?

A. Assisting the external auditors
B. Providing reports on the reliability of financial statements to investors and creditors
C. Reporting to the Audit Committee
D. Operational audits
E. Investigation audits

27. Which of the following statements best describes management's and the external auditor's respective levels of responsibility for a public company's financial statements?

A. Management and the external auditor share equal responsibility for the fairness of the entity's financial statements in accordance with GAAP

B. Neither management nor the external auditor has significant responsibility for the fairness of the entity's financial statements in accordance with GAAP

C. Management has the primary responsibility to ensure that the company's financial statements are prepared in accordance with GAAP, and the auditor provides reasonable assurance that the financial statements are free of material misstatement

D. Management has the primary responsibility to ensure that the company's financial statements are prepared in accordance with GAAP, and the auditor provides a guarantee that the statements are free of material misstatement

E. Management and auditor have the primary responsibility to ensure that the company's financial statements are prepared in accordance with GAAP, and provide reasonable assurance that the financial statements are free of material misstatement

28. Compulsory obligation required to be carried out at the annual general meeting by the Board is .....

A. Provision of lists of receivables for the year
B. Presentation of bank reconciliation statement to the shareholders
C. Presentation of financial statement to the shareholders
D. Presentation of cash book with ledgers to the shareholders
E. Presentation of the certificate of incorporation

29. One of the essential features needed in running the affairs of accounting firm effectively and profitably is .....

A. Communication of progress on audit assignment to clients
B. Regular attendance of Board meetings
C. Close supervision of work in client offices
D. Proper planning of work and its allocation to appropriate staff
E. Appropriate quality control in client operations

30. Confirmation of acceptance and understanding of the audit assignment can be obtained through .....

A. Engagement Letter
B. Comfort Letter
C. Management Letter
D. Representation Letter
E. Consent letter

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 auditor's opinion enhances the ..... of the financial statements.

2. Other parties who are usually interested in audited financial statement apart from shareholders are referred to as .....

3. The circumstance which makes it difficult for an individual or organisation to take right course of action within different moral principles is .....

4. The technical term for the diagrammatic presentation of the internal control system by the auditor is .....

5. The aspect of internal control which ensures that no single task is executed from its beginning to its conclusion by one person is called .....

6. The name given to specially designed form used to ascertain and evaluate the system of control in an organisation is .....

7. The risk that material misstatement could occur in an account balance or class of transactions without being detected or prevented by internal control system in place is .....

8. An accountant's duty to perform work thoroughly and maintain professional knowledge is called ..... and due care.

9. If management refuses to correct identified material misstatements, an auditor should issue a/an ..... opinion or withdraw from the engagement.

10. Ethical behaviour in accounting helps maintain public ..... in financial reporting.

11. A subcommittee of a company's board of directors and other stakeholders that is charged with oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations is known as .....

12. The terms of the engagement which form the basis of audit contract between the client and auditor is .....

13. A review in which the peer reviewers select a sample of a public accounting firm' actual accounting work, including accounting reports issued and firm's documentation to evaluate whether the reports and procedures are appropriate is*.....*

14. The financial statements that are **NOT** prepared to meet the common information needs of a wide range of users are called *.....*

15. What is the name of the audit approach which ignores the procedures that take place within the computer programs and concentrates solely on the input and corresponding output?

16. Observation or point raised by the Auditor-General in a particular transaction seeking further clarification is *.....*

17. The independence of the Internal Auditor will most likely be assured if he reports to the *.....*

18. The continuous appraisal activity, financial and otherwise, carried out within an organisation for protective and constructive services to the management is best carried out by *.....*

19. "SCARF" in relation to IT-based system assurance is termed *.....*

20. Deliberate suppression or omission of financial activities from records or documents is *.....*

SECTION B: ATTEMPT ANY FOUR QUESTIONS (50 Marks)

QUESTION 1

(a) Explain the scope and components of an internal control system. (7½ Marks)

(b) List **FIVE** factors that determine the success of an internal control system of an entity. (5 Marks)

(Total 12½ Marks)

QUESTION 2

(a) Auditors' opinions are formal statements issued by auditors, providing professional judgement on the fairness of an organisation's financial statements.

Required:

Explain the circumstances under which the auditor may express the following audit opinions:

i. An "Except for" opinion; (1½ Marks)
ii. An Adverse Opinion; and (1½ Marks)
iii. A Disclaimer of Opinion. (1½ Marks)

(b) What is forensic audit? (3 Marks)

(c) State and explain **FIVE** techniques used in forensic audit. (5 Marks)

(Total 12½ Marks)

QUESTION 3

(a) What is Machine Learning (ML)? (2½ Marks)

(b) State **THREE** advantages of Artificial Intelligence (AI). (3 Marks)

(c) State **FOUR** uses of computer audit programmes. (4 Marks)

(d) Define the following Computer Assisted Audit Techniques:

i. Test data (1½ Marks)
ii. Mapping (1½ Marks)

(Total: 12½ marks)

QUESTION 4

Professional accountants usually face ethical dilemma in the course of carrying out their duties.

Required:

(a) Explain what is meant by ethical dilemma. (1½Marks)

(b) List **FIVE** examples of ethical dilemma. (5 Marks)

(c) State **SIX** actions professional accountants can take to maintain independence when faced with ethical dilemma? (6 Marks)

(Total: 12½ Marks)

QUESTION 5

(a) Differentiate between the following:

i. Private audit and Statutory audit (3 Marks)
ii. External audit and Internal audit (3 Marks)
iii. Final audit and Interim audit (3 Marks)
iv. System audit and Statement of Financial Position audit (2 Marks)

(b) Explain the main objectives of conducting audits. (1½ Marks)

(Total: 12½ Marks)

QUESTION 6

(a) State and explain **FIVE** roles of Public Accounts Committee. (5 Marks)

(b) Enumerate **FIVE** problems of Public Accounts Committee. (2 ½ Marks)

(c) State and explain **FIVE** types of audits carried out by the Internal Auditor in the Public Sector. (5 Marks)

(Total 12½ Marks)

SOLUTION

SECTION A: PART I

MULTIPLE-CHOICE SOLUTIONS

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

Examiner's comment

This section covers the whole syllabus. There are 30 questions with options very close to the correct one.

For Question No 12, the correct answer should be Audit query. This option is not included. The nearest and meaningful option provided is Post-audit query which was taken for the answer.
Rate of attempt is 100%. Performance is good as more than 70% of the candidates scored more than 20 marks.

SECTION A: PART II

SHORT-ANSWER SOLUTIONS

1. Reliability/Credibility
2. Stakeholders
3. Ethical dilemma
4. System flowchart
5. Segregation of duties
6. Internal Control Evaluation Questionnaire (ICEQ)
7. Control risk
8. Professional competence
9. Adverse Opinion
10. Confidence
11. Audit Committee
12. Letter of Engagement
13. Peer review
14. Special purpose financial statements
15. Audit round the computer
16. Post audit query
17. Board of Directors
18. Internal Auditor.
19. System Control and Review File.
20. Fraud

Examiner's comment

There are 20 short answer questions. Candidates are required to give meaningful but short answers. This section covers the whole syllabus.

SECTION B: THEORY

SOLUTION 1

a. The scope of internal control system extends beyond control of accounting procedures. It further encompasses:

   (i) The control environment
   (ii) The entity's risk assessment process
   (iii) Control procedures
   (iv) Information and communication system
   (v) Monitoring.

   (i) **The Control Environment:**

   This is the foundation of all other components of internal control. This refers to all the overall attitude, awareness and actions of directors and management regarding the internal control system and its importance in

the entity, i.e a strong control environment can complement specific control procedures but does not in itself ensure the effectiveness of the internal control system.

(ii) **Risk Assessment:**

Managers need to assess business risk as part of designing and operating the internal control system to minimize errors and irregularities. Business risk represents factors, events and conditions that can prevent an organisation from achieving its business objectives. If management assesses and responds to risk in an effective manner, the Auditor will need to accumulate less evidence as this lowers control risk. Conditions that may increase business risk include new personnel, new technology, corporate restructuring and foreign operations.

(iii) **Control Procedures:**

Control procedures sometimes called control activities represent policies and procedures and specific actions taken by a client's management and employees that help ensure management's directives are carried out. Control procedures involve establishing a policy of control and defining procedures to effect the policy. All control procedures should be analysed for risk.

(iv) **Information and communication system:**

The information and communication component of internal control is a prerequisite for achieving management objective. Every entity is expected to capture pertinent information relating to both internal and external events and both financial and non-financial activities of the entity. Communication includes report production and distributions. For an audit, the auditor should obtain an understanding of the information system and related business process relevant to financial reporting.

(v) **Monitoring.**

Internal controls need to be monitored. Management should assess the quality of performance on a timely basis.

b. Factors that determine the success of an internal control system of an entity include:

(i) The nature, size and volume of transactions.
(ii) The geographical distribution of the enterprise
(iii) The controls exercised personally by individual members of management.
(iv) The cost of setting up controls and the benefits obtainable therefrom.
(v) Management attitudes to controls.

Examiner's comment

The question tests candidates' understanding of internal control in respect of scope and components. So also, candidates are to show their knowledge of factors that determine the success of internal control system of an entity.

This question is a study pack material as most candidates who attempted it performed satisfactorily. The highest score is 12½marks.

SOLUTION 2

(a) **Circumstances under which an audit or may express the following opinions**

An auditor's opinion communicates the auditor's conclusion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

i. **Except-for Opinion**

An **except-for opinion** is commonly referred to as a **qualified opinion**. It is expressed when the auditor concludes that the financial statements contain a **material misstatement**, or the auditor is unable to obtain sufficient appropriate audit evidence concerning a matter, **but the effect is not pervasive** to the financial statements.

Circumstances include:

- There is a material disagreement between the auditor and management concerning an accounting treatment.
- A material accounting policy has not been properly applied.
- The auditor cannot obtain sufficient evidence about a particular item, but the possible effect is material and not pervasive.
- There is in adequate disclosure of a material matter, but the omission does not affect the financial statements as a whole.

ii. **Adverse Opinion**

An **adverse opinion** is issued when the auditor concludes that the financial statements contain **material and pervasive misstatements** and therefore do not present fairly, or do not give a true and fair view, in accordance with the applicable financial reporting framework.

Circumstances include:

- There are significant errors or misstatements affecting several major areas of the financial statements.
- The accounting policies used are fundamentally inappropriate.
- The financial statements omit or improperly disclose information that is material and pervasive.
- Management refuses to correct material and pervasive misstatements identified by the auditor.

iii. **Disclaimer of Opinion**

A disclaimer of opinion is issued when the auditor is unable to obtain sufficient appropriate audit evidence on which to base an opinion, and the auditor concludes that the possible effects of undetected misstatements could be both material and pervasive.

The auditor therefore does not express an opinion on the financial statements.

Circumstances include:

- The auditor is denied access to important accounting records.
- Significant accounting records have been destroyed or lost.
- There are severe limitations imposed on the scope of the audit.
- The auditor cannot obtain sufficient evidence concerning several material areas of the financial statements.
- There are circumstances involving significant uncertain ties where sufficient appropriate audit evidence cannot be obtained.

2 b. Forensic Audit is a detailed examination of an organisation's or individual's financial records to gather court - admissible evidence for legal proceedings.
Unlike the standard financial audits that check for general accuracy and fair presentation, forensic audits focus specifically on uncovering financial crimes, such as fraud, embezzlement, corruption, and asset misappropriation.

2 c. Forensic auditing uses specialised investigative and analytical techniques to reconstruct financial events, detects misconduct, and gather legally defensible evidence. These techniques include:

i. Data Analysis and Digital Forensics:

- Computer Assisted Audit Techniques
- Software tools like ACL Analytics ware, Case ware, IDEA, and SQL extract and analyze large data.
- Benford's Law Analysis: A statistical test of leading digits in numerical data to identify manipulated invoices, fake expenses, or artificial entries.

- Digital Forensics: Recovering of deleted files, examining metadata and analysing emails or cloud storage using software like EnCase and FTK.

iii) **Investigative and Examination Methods**:

- Transaction Tracing and Path Analysis: Following the audit trail backward or forward to link financial flows, approvals and ultimate beneficiaries.

- Forensic Interviews: Conducting structured witness and suspect interviews to assess motives, check statements against physical records, and spot behavioral inconsistencies.

- Background Checks and Financial Profiling: Comparing an individual's known lifestyle and asset accumulation against their official income level.

- Surveillance and Undercover Operations: Monitoring physical activity, communication logs or electronic messaging as a specialised method of last resort.

Examiner's comment

The question tests candidates' understanding of different types of audit opinions and forensic audit. The candidates' common pitfall is failure to mention circumstances under which various audit opinions may be expressed. They concentrate in explaining these types of opinions.

In explaining forensic audit, most candidates failed to mention that it is a type of audit in which work carried out may be suitable for legal proceedings in a court. Most of them wrote that it is an audit that is conducted when there is fraud or cybercrime activities.

Candidates performed well in stating and explaining techniques used in forensic audit. The highest score is 10marks.

SOLUTION 3

Machine Learning

a) Machine learning (ML) is a form of AI that uses data to teach machine show to make inferences and decisions from past experiences, rather than through hexplicit programming.

ML recognizes patterns and categorises past data to infer the meaning of current data to reach a possible conclusion without human assistance. This helps businesses to make better decisions, handle more volumes, and save man hours.

ML is an art and a science. The art of ML aims at reducing disparate problems to a set of suitably acceptable prototypes. The science of ML solves those problems and offer guarantees for the recommended solutions.

b) The Advantages of **Artificial Intelligence (AI)**

- Constant availability (twenty-four hour each day)
- Digital assistance
- Efficient Communication
- Faster decisions
- Helps in repetitive work (does not experience fatigue)
- Improves Security (digital surveillances)

c) **Uses of Computer Audit Programmes**

- **Creation of Electronic Work Papers**: Keeping electronic work papers on a centralised audit file or data base will allow the auditor to navigate through current and archived working papers with ease. The database will make it easier for auditors to coordinate current audits and ensure they consider findings from prior or related projects.
- **Re-performance of calculation**: It can assist in an independently re-perform complex financial calculations like interest, depreciation, or cost of sales to verify the mathematical accuracy of client records.
- **Fraud Detection**: Computer audit programmes provides auditors with tools that can identify unexpected or unexplained patterns in data that may indicate fraud.
- **Analytical Tests**: Evaluations of financial information made by studying plausible relationships among both financial and non-financial data to assess whether account balances appear reasonable. Examples include ratios, trends, etc.

3d) i) **Test data**: are selected items of transactions data with predetermined output. During audit testing, the auditor will process the test data using the client's accounting application program. The output produced by client's applications program is checked against the predetermined test data output. If the two outputs are consistent with each other, the auditor's application programme can be relied upon to generate correct outputs.

ii) **Mapping:** is a program analysis techniques need to identify which sections of an applications source code can be entered, processed, and executed. It helps the auditor understand how data moves from one stage of processing to another.

Examiner's comment

This question is the least attempted out of the six available questions. The question tests candidates' understanding of Machine Learning especially Artificial Intelligence (AI).

The question also tests candidates understanding of the uses of Computer Audit Programme and Computer Assisted Audit Techniques.
The highest mark is 8 while the lowest mark is 3.

SOLUTION 4

a. Ethical conflict/dilemma is a situation where an individual or organisation finds it difficult in taking decision that involves conflicting moral or ethical principles. It requires choosing between two or more options, each with its own set of consequences.

b. Examples of ethical conflicts/dilemma are:

i. A company's management may pressurize the accountant to manipulate financial reports to meet earnings targets or secure finding.

ii. discovering that a client is engaging in fraudulent activities or unethical behaviours.

iii. when accountant is requested to implement tax strategies that is potentially illegal

iv. when an auditor is requested to provide non-audit services to a client, which may compromise their independence in future audit assignments.

v. discovering that a close family member has a significant financial interest

in the company being audited.

vi. Carrying out the work as an auditor while concurrently carrying out work for the client in an executive capacity.

c. **State six actions a professional accountant can take to maintain independence when faced with an ethical dilemma.**

- Identify the ethical problem and understand the facts surrounding the situation.
- Follow the professional code of ethics and applicable accounting standards.
- Remain objective and avoid allowing personal interests or pressure to influence the decision.
- Disclose conflicts of interest to the appropriate authority or those charged with governance.
- Documenting of decisions made any reasons behind such decisions to show transparency.
- Seek professional advice from a senior colleague, professional body, or appropriate adviser where necessary.
- Withdraw from the situation or assignment if the ethical threat cannot be properly eliminated or reduced to an acceptable level.

Examiner's comment

Candidates' understanding of ethical dilemma is required in this question. They are also required to list 5 examples of ethical dilemma and what actions professional accountants can take to maintain independence when faced with ethical dilemma.

Candidates did not understand the requirements of the question. Few examples are given while many are dancing round the threats faced by (self-review, familiarity, self-interest, self-review and advocacy) accountants.
Performance is fair, the highest mark is 10.

QUESTION 5

a.i Private audit is an audit undertaken at the instance of an interested party or parties because there is no legal obligation require for its conduct while the statutory audit arises under the company law that the accounts of every limited liability company be audited annually by a professional qualified

auditor. The scope of the private audit may be determined narrowly or broadly as the client wishes while that of statutory audit is largely determined by the governing legislation.

ii. External audit is an audit which is conducted by independent persons from outside the organisation to review the accounts prepared by management while internal audit is conducted by full staff of the organisation to monitor and report on the running of the company's operations as a service to the management. The scope of external audit is determined by statute and that of internal audit by the management of the organisation.

iii. Final and Interim Audit:- Final Audit: It involves the review of the financial statement as a whole to ensure that they are internally consistent and are in accordance with relevant financial reporting framework. At this stage, substantive procedures (analytical procedures) are carried out which are designed to provide evidence that the disclosure of figures made in the financial statement are complete, accurate and relevant. While **Interim Audit:** In the case of larger clients, the auditor will often find it necessary to proceed with the audit on an interim basis in view of the volume of testing to be undertaken in order to reach an opinion on the reliability of the records. Interim audits, as arranged with the co-operation of the client, maybe bi-annual, quarterly or even monthly, depending on the volume of audit work considered necessary. It may also be conducted anytime before the year ends.

iv. **Systems Audit and Statement of Financial Position Audit:-**

Systems Audit is the review of the internal control systems through which the transactions are processed. Is an examination of the management controls within an IT Infrastructure. The evaluation of obtained evidence determines if the information systems are safeguarding assets, maintaining data integrity, and operating effectively to achieve the organisation's goals or objectives. Whereas, statement of financial position audit refers to the audit of the account balances.

b. The primary objective of an audit of financial statements is to enable the audit or to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and that the financial statements give "a true and fair view" or" present fairly, in all material respects".

Examiner's comment

The question tests candidates understanding of common terms in auditing. These terms are in pairs but with clear differences.

Terms to be differentiated with clear meaning of each pair are:

(i) Private audit and Statutory audit;

(ii) External audit and Internal audit;
(iii) Final audit and Interim audit; and
(iv) System audit and Statement of Financial Position.

Also, candidates are tested on the main objectives of conducting audit.
In all, the performance is good. Many candidates scored more than 10 marks.

SOLUTION 6

a) **Role of Public Accounts Committee**

i. To examine the accounts showing the appropriation of the sum granted by the Legislature to meet the public expenditure; together with the Auditor-General's report thereon.

ii. The committee not only ensures that ministries spend money in accordance with Legislature approval, it also brings to the notice of the Assembly instances of extravagance, loss, in fructuous expenditure and lack of financial integrity in public services.

iii. To examine any accounts or report of statutory corporations and boards after they have been presented to the State House of Assembly and to report thereon from time to time to the Assembly.

iv. To enquire into the report of the Auditor General with respect to any prepayment audit query which had been over ruled by the Chief Executive of the Ministry, Extra-ministerial department, agency or courts of the government and to report it to the Assembly.

v. The committee has extended its scope of work in recent years to cover the examination of policy issues and accounts that are not part of the appropriation accounts.

b) **Problems of Public Accounts Committee**

These include:

i. Political instability (either through violent change as in the military regimes or change of political party) leading to continuous changes in the composition of the committee;

ii. Financial statements to be examined are often in arrears;

iii. Members are not knowledgeable in accounting and financial reporting;

iv. Lack of co-operation and information from the expected facilitators; and

v. Resolutions are not always implemented.

vi. **Inadequate funding**– Insufficient funds may limit the committee's ability to investigate matters effectively.

vii. **Shortage of qualified personnel**– The committee may lack sufficient accounting, auditing and financial experts.

viii. **Political interference**– Political considerations may affect the independence or effectiveness of investigations.

ix. **Delay in considering audit reports**– Large numbers of reports and administrative delays can cause backlogs.

x. **Failure to implement recommendations**–Government agencies may fail to action PAC recommendations.

c) **Types of audit carried out by internal audit in public section**

Internal audit derives his powers from the power as delegated by the Auditor-General. The internal auditor has full access to all the department/ ministry/agency`s record, properties and personnel that could be relevant to the subject under review. The internal auditor fall within the following responsibilities executed by him in the establishment:

i. **Operational Audit:** This focuses on a particular activity within the establishment e.g. audit of Agricultural and Rural Development in a local government.

ii. **Functional Audit:** This focuses on a particular function e.g., audit of salary preparation.

iii. **Organisational Audit:** This focuses on all the activities within an establishment. It includes (a) and (b) above.

iv. **Investigation:** This focuses on ad-hoc assignments

v. **Management Audit:** This focuses on advising on policies introduced from time to time by the establishment.

vi. **Financial Audit:** This involves examining financial transactions, accounting records and financial reports to determine whether they are properly recorded and supported. Example: Checking whether government expenditure is properly authorised and recorded.

vii. **Compliance Audit:** This examines whether government ministries, departments and agencies comply with laws, regulations, policies, rules and financial procedures. Example: Checking whether expenditure was made in accordance with an approved budget.

viii. **Information Technology (IT) Audit:** This examines the **computer systems, information systems and related controls** to ensure that government information is secure, accurate and properly processed. **Example:** Checking whether only authorized officers can access a government accounting system.

Examiner's comment

The question requires the candidates knowledge on the roles and problems of Public Accounts Committee. The third part of the question requires candidates to state and explain types of audits carried out by the Internal Auditor in the Public Sector.

Good performance by the candidates. Many candidates scored more than 8 marks.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA

ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA SEPTEMBER 2026 EXAMINATIONS (PART III)

COST ACCOUNTING

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in **blue** or **black** 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 or around 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, SEPTEMBER 23, 2026

DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART III EXAMINATIONS – SEPTEMBER 2026

COST 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. Which of the following is **NOT** an objective of Cost Accounting?

   A. To determine the cost of products or projects.
   B. To analyse the profitability of products, services and departments.
   C. To evaluate the performance of departments, managers or products.
   D. To identify areas of inefficiency and implement measures to reduce cost.
   E. To assist shareholders in investment decision making.

2. A predetermined cost applied as a scale of reference for assessing actual cost is ..... Cost

   A. sunk
   B. fixed
   C. mixed
   D. variable
   E. standard

3. Koffi Enterprises provides you with the following information:

Direct material purchased:	GH¢1,000,000
Direct material consumed:	GH¢900,000
Direct labour:	GH¢600,000
Direct expenses:	GH¢200,000
Manufacturing overheads:	GH¢300,000

   Calculate the prime cost.

   A. GH¢1,700,000
   B. GH¢1,900,000
   C. GH¢2,700,000
   D. GH¢3,000,000
   E. GH¢2,500,000

Use the following data to answer Questions 4 to 6

The following information were extracted from the books of SMSS Nigeria Limited for 6 months

Month	Units	Cost (₦)
Jan	20,000	1,400,000
Feb	15,000	1,300,000
Mar	10,000	1,200,000
April	30,000	1,600,000
May	25,000	1,500,000
June	40,000	1,800,000

4. Using the high- and low-level method of cost estimation, determine the fixed cost.

A. ₦600,000
B. ₦800,000
C. ₦1,000,000
D. ₦1,200,000
E. ₦1,500,000

5. What is the cost function of the company?

A. ₦600,000 + ₦20x
B. ₦800,000 + ₦25x
C. ₦1,000,000 + ₦20x
D. ₦1,200,000 +₦25x
E. ₦1,500,000 + ₦20x

6. What is the cost projection in July when output is expected to be 5,000 units?

A. ₦700,000
B. ₦1,100,000
C. ₦1,325,000
D. ₦1,600,000
E. ₦1,925,000

7. Which of these is **NOT** a material control technique?

A. ABC Analysis
B. Inventory levels
C. Vendor-managed inventory
D. Maintaining stores ledger
E. Material requirement planning

8. Kush-Hush Limited provides the following information:

Opening balance:
1st June – 2,500 units @ L$20
Receipts:
5th June – 5,000 units @ L$25
12th June – 10,000 units @ L$22.50

Issues:
2nd June – 1,500 units
18th June – 7,500 units

Using Weighted Average Pricing Method, calculate the value of closing inventory.

A. L$168,750:00
B. L$178,750:00
C. L$191,250:50
D. L$196,562:50
E. L$201,250:50

9. Oyam Limited provides the following labour turnover rates: 20%, 10% and 6% under flux, replacement and separation method, respectively. Number of workers replaced during the quarter ending September 2025 is 80.

Calculate the number of workers that were recruited by the company.

A. 48
B. 78
C. 94
D. 100
E. 112

10. In case of rising prices, Last-In First-Out (LIFO) pricing method will provide:

A. lowest value of closing inventory and profit.
B. highest value of closing inventory and profit.
C. highest value of profit but lowest value of inventory stock.
D. highest value of closing inventory but lowest value of profit.
E. same value of closing inventory and profit.

11. The factory overhead costs and machine hours worked of Alex Manufacturing Ltd are as follows:

	Machine Hours	Total Overhead Costs
Budgeted	122,000 hrs	Le268,400
Actual	116,000 hrs	Le261,000

What was the under- or over-absorption of overhead for the quarter?

A. Le5,800 over-absorbed
B. Le5,800 under-absorbed
C. Le7,400 over-absorbed
D. Le7,400 under-absorbed
E. Le13,200 over-absorbed

12. In an interlocking accounting system, the double-entry for the purchase of raw materials on credit is .....

	Debit	Credit
A.	Trade payables	Raw materials inventory
B.	Raw materials inventory	Cost ledger control
C.	Cost ledger control	Raw materials inventory
D.	Raw materials inventory	Trade payables
E.	Trade payables	Cost ledger control

13. Under non-integrated accounts, if materials worth L$1,500,000 are purchased for a special job, which account will be debited?

A. Special job account / work in process account
B. Material control account
C. Cost control account
D. Store ledger control account
E. Material usage control account

Use the following information to answer Questions 14 and 15

During the year ended March 31, 2025, the following information is available from the records of Upaman Manufacturing Ltd.

The normal production capacity	60,000 units
Sales:	₦1,000,000(50,000 units)
Direct materials cost	₦500,000
Direct wages costs	₦250,000
Actual factory expenses (60% are fixed)	₦150,000
Interest and dividend received	₦15,000.

There was no opening and closing inventories of finished goods for the period.

14. Determine the net profit as per financial accounting.

A. ₦85,000
B. ₦100,000
C. ₦115,000
D. ₦250,000
E. ₦350,000

15. Determine the net profit as per cost accounting.

A. ₦82,000
B. ₦100,000
C. ₦108,000
D. ₦200,000
E. ₦292,000

16. Unavoidable loss is also known as ……..

A. Scrap
B. Waste
C. Normal loss
D. Abnormal loss
E. Abnormal gain

17. ABYB Construction Limited won a contract with Gbitigbiti State for the sum of GH¢24,000,000. At the end of the year, work certified is GH¢16,000,000 and estimated profit is GH¢1,500,000. What is the amount of profit to be credited to the Statement of Profit or Loss assuming cash ratio is 80%?

A. GH¢800,000
B. GH¢1,000,000
C. GH¢1,200,000
D. GH¢1,500,000
E. GH¢2,400,000

Use the following information to answer Questions 18 and 19

ZSQ Limited provides the following information in respect of its joint products namely – XXX, YYY and ZZZ.

- Joint costs up to separation – ₦12,000,000
- Output – XXX: 20,000 units; YYY: 8,000 units and ZZZ: 12,000 units
- Point Value assigned on the basis of technical survey – XXX: 2; YYY: 10 and ZZZ: 2.50

18. Using point value method, determine the apportioned cost of product ZZZ.

A. ₦2,000,000
B. ₦2,400,000
C. ₦2,800,000
D. ₦3,200,000
E. ₦6,400,000

19. Using point value method, determine the apportioned cost of product XXX.

A. ₦2,000,000
B. ₦2,400,000
C. ₦2,800,000
D. ₦3,200,000
E. ₦6,400,000

20. An amount held back by the contractee at the end of the agreed period is known as ……

A. Progress payment
B. Redemption fee
C. Contract price
D. Retention fee
E. Agreed sum

21. Inventories under marginal costing techniques are valued using .....

A. Contribution only
B. Fixed cost only
C. Variable cost only
D. Both fixed and variable costs
E. Neither fixed nor variable costs

22. The purpose of computing variances is to .....

A. Detect fraud
B. Maintain goods records
C. Punish inefficient manager
D. Determine monthly returns with emphasis on aiding management
E. Investigate why standards differ from actuals and take corrective actions

23. Masmon Limited budgets for fixed overhead of GH¢240,000 and production of 4,800 units. Actual production is 4,200 units. If fixed overhead cost incurred is GH¢220,000, the fixed overhead volume variance will be

A. GH¢10,000 (Favourable)
B. GH¢10,000 (Unfavourable)
C. GH¢20,000 (Favourable)
D. GH¢30,000 (Unfavourable)
E. GH¢30,000 (Favourable)

24. Kasolayo Enterprises is preparing its cash budget for August 2025. Sales are expected to be Le10,000,000 in April 2025; Le20,000,000 in May 2025; Le30,000,000 in June 2025 and Le10,000,000 in July 2025. Half of all sales are cash sales, and the other half are on credit. Experience indicates that 70% of the credit sales will be collected in the month following the sale, 20% the month after that and, 8% in the third month after the sale. The budgeted collection for the month of August 2025 is:

A. Le3,500,000
B. Le5,700,000
C. Le7,300,000
D. Le8,000,000
E. Le12,900,000

25. The following are formula for calculating Margin of Safety (MOS) **EXCEPT**

A. MOS = Profit ÷ PV Ratio
B. MOS = Total Sales – Sales at BEP
C. MOS = PV Ratio × Sales – Fixed Cost
D. MOS = Total Profit ÷ Contribution per unit
E. MOS = (Total Sales - Sales at BEP) ÷ Total Sales × 100

26. How is depreciation treated in a cash budget?

A. It is disregarded.
B. In the cash inflow section.
C. In the cash outflow section.
D. In the statement of profit or loss.
E. It is broken down into straight line and reducing balance method.

27. The contribution margin per unit is divided by selling price to obtain the .....

A. breakeven point
B. cost volume profit
C. sales volume ratio
D. fixed/variable cost ratio
E. contribution margin ratio

28. The P/V ratio of a product is 40% and the selling price is Le4,000 per unit. The variable cost per unit of the product would be:

A. Le800
B. Le1,200
C. Le2,400
D. Le2,000
E. Le2,500

29. If standard hour is 400 @ L$100 per hour and actual hour is 380 @ L$125 per hour, the labour rate variance is:

A. L$2,500 (Adverse)
B. L$2,500 (Favourable)
C. L$9,500 (Adverse)
D. L$9,500 (Favourable)
E. L$10,000 (Adverse)

30. Sales in January 2022 is ₦300,000; Cash Sales are 20%; discount allowed to trade receivables is 5%; and Credit period is 2 months. Amount collected in the month of March 2025 is

A. ₦160,000
B. ₦228,000
C. ₦240,000
D. ₦252,000
E. ₦300,000

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 technique and process of ascertaining cost is .....

2. Cost of production equals ..... plus, office and administrative overheads.

3. In cost segregation, any cost that does not change and remain constant irrespective of level of activity attained is .....

4. Ceemaz Ltd, at an activity level of 4,000 and 8,000 direct labour hours, has a cost of ₦100,000 and ₦160,000 respectively. The total cost at 5,000 direct labour hours level of activity is .....

5. Given that the ordering cost per order and carrying cost per item are ₦200 and ₦200 respectively, while annual demand is 80,000 units. The economic order quantity is .....

6. The number of inventories that are carried in excess of the expected use during the lead time to provide a cushion against running out of inventory because of fluctuation in demand is .....

7. Sule works with Kaka Shoemakers Enterprises. During the month of May 2025, he worked for 80 hours, and time taken is 60 hours. The hourly rate for his level of skill is ₦1,000 per hour. Using Halsey Premium Plan, the monthly pay for May is .....

8. In reconciliation statements, overheads under-recovered in cost accounts are added to .....

9. The costing ledger transactions relating to materials are recorded through .....

Use the following information to answer Questions 10 and 11

Given that:

	L$'000
Total contract price	360,000
Materials consumed	60,000
Value of work certified	200,000
Wages paid	80,000
Overheads	20,000
Cash received from contractee	150,000

10. Calculate the notional profit on the contract.

11. The profit to be transferred to the Statement of Profit or Loss is .....

12. Calculate the effective kilometre per annum of Coji State Bus Services using the following information:

Seating capacity occupied	- 80%
Distance of one-way route	- 40 kilometres
Round trips per day	- 3
Days operated in a month	- 25 days
Seating capacity	- 50 passengers

13. Any cost that can be influenced by a manager's decision and action is .....

Use the following information to answer Questions 14 and 15

Kamasa Plc is a manufacturer of Ogidiban Herbal Mixture. The company provides you the following in relation to its investment which has an initial outlay of GH¢550,000 and generates cash inflows as follows:

Year	Cash flow GH¢
1	100,000
2	250,000
3	300,000

The company's cost of capital is 10%

14. Calculate the Net Present Value of the investment.

15. Based on your calculation above, should the company accept or reject the investment?

Use the following information to answer Questions 16 to 18

Adexson Global Services provides the following information. Sales for the period are Le60,000,000 while Total Variable Costs and Fixed Costs are Le37,500,000 and Le18,000,000 respectively.

16. The contribution of the product is .....

17. The P/V Ratio is .....

18. Estimate the sales to be earned if desired profit is Le12,000,000

19. The calculation of costs of individual activities and assignment of costs objects such as products and services on the basis of activities undertaken to produce each product or service is ……..

20. A process where a firm identifies the primary and support activities that add value to its final product and then analyses these activities to reduce costs or increase differentiation is ……..

SECTION B: ATTEMPT ANY FOUR QUESTIONS (50 MARKS)

QUESTION 1

Shegzy International Limited has undertaken job No. CA/4321. As per the cost ledger, the following expenses have been debited to this job.

Job Cost Details:

Direct Materials
- Cast Iron 15kg @ GH¢200 per kg
- Metal Gum 5kg @ GH¢1,000 per kg

Direct Labour
- Dept. A 20 hours @ GH¢100 per hour
- Dept. B 15 hours @ GH¢60 per hour

Direct Expenses – Special tools GH¢3,100

The following additional information based on normal capacity, was provided:

	Dept. A	Dept. B	Total for the factory as a whole
Budgeted Production in terms of Direct Labour Hours	900	1,350	3,000
Budgeted Variable Overhead (GH¢)	135,000	162,000	-
Budgeted Fixed Overhead (GH¢)	-	-	300,000

Required:

a. State **FIVE** advantages of job costing. (5 Marks)

b. Calculate the total price for the job to be charged to the customer to secure 20% profit on sales. (7½ Marks)

(Total 12½ Marks)

QUESTION 2

Felelaye Manufacturing Limited is in the process of preparing its budget for the second half of the year 2025. The following information was obtained from the company's records:

i The units to be sold for product called JALO for different months of the year are as follows:

Month	Units
June	10,000
July	11,000
August	12,000
September	17,000
October	19,000
November	25,000
December	23,000

ii. Selling price for the product is L$1,350 per unit.

iii. There will be no work-in-progress at the end of any month while finished units at the end of June are 7,500 units.

iv. At the end of each month, finished units will be equal to half of sales for the previous month.

v. Budgeted production and production cost for the year ending December 31, 2025, are as follows:

- Production (Units) 220,000
- Direct Materials Required 5kg per unit
- Direct Materials Price L$110 per unit
- Direct Labour L$22 per hour
- Direct Labour Required 3 hours per unit

vi. Variable overhead apportioned to the product is L$8.25 per unit.

vii. Fixed factory overhead for the period is L$65,442,500.

Required:

Prepare for the half year to December 31, 2025:

a. Production budget in quantity of Product – JALO. (8½ Marks)

b. The material purchase budget for production in quantity and value. (1½ Marks)

c. Production Cost Budget. (2½ Marks)

(Total 12½ Marks)

QUESTION 3

Tikabet Nigeria Limited has three (3) workers namely – Kayo, Keyo and Kiyo who work in its factory located at Atakumosa. The workers produced 320, 400 and 480 pieces of blocks respectively in a particular period. The time allowed for 20 pieces of blocks is 1 hour and hourly rate is ₦500. Time utilised by Kayo is 12 hours, Keyo used 15 hours while Kiyo used 18 hours.

Required:

Calculate:

a. The basic pay of each worker assuming piece rate is ₦40 per block. (1½ Mark)

b. The total pay of each workers using:
   i. Halsey Bonus Scheme (5 Marks)
   ii. Halsey Weir Method (3 Marks)
   iii. Rowan Bonus Scheme (3 Marks)

(Total 12½ Marks)

QUESTION 4

Xionz Corporation manufactures and sells 60,000 synthetic plastic seats (at 60% capacity) at a selling price of Le1600 per piece. Its cost of sales per piece is as follows:

	Le
Direct materials	500
Direct wages	165
Works overheads	500 (50% Variable)
Selling overhead	40 (75% Fixed)

During the year, it intends to produce the same number but anticipates that fixed charges will go up by 10% while direct labour and direct materials will increase by 10% and 20%, respectively. There is no scope for increasing the selling price of the seats due to keen competition. Under this situation, the company got a special order from Zamarima State Railway Corporation for 20,000 units of synthetic plastic seats.

Required:

What minimum price per seat should be quoted to the Railway Corporation to ensure that the company earns an overall profit of Le22,720,000?

(12 ½marks)

(Total 12½ Marks)

QUESTION 5

The Chartered Institute of Management Accountants (CIMA) defines cost accounting as the process of classifying, recording, and reporting the costs of goods or services, and the allocation of expenditure for the determination of costs and for control and guidance of management.

Required:

a. In a tabular format and showing **FIVE** clear areas of distinction, distinguish between cost accounting and financial accounting. (10 Marks)

b. Explain the terms "Environmental Cost Accounting" and "Carbon Footprint Accounting". (2½Marks)

(Total 12½ Marks)

QUESTION 6

Dupe Dimples Limited produces a single product with a Standard Cost of ₦80 which is made up as follows:

	₦
Direct Materials (15kg @ ₦3 per kg)	45
Direct Labour (5 hours @ ₦4 per hour)	20
Variable Overheads	10
Fixed Overheads	5
	80

The budgeted production of the company is 1,000 units while actual results for the month ended December 31, 2024, are as follows:

Production	1,400 units
Direct materials	22,000kg @ ₦4 per kg
Direct Wages	6,800 hours @ ₦5 per hour
Variable Overheads	₦11,000
Fixed Overheads	₦6,000

Required:

Calculate the following variances:

a. Material Price and Usage (3½ Marks)

b. Labour Rate and Efficiency (3 Marks)

c. Variable Overhead Expenditure and Efficiency (3 Marks)

d. Fixed Overhead Expenditure and Volume (3 Marks)

(Total 12½ Marks)

Discount Factor Table

Years (N)	Discount rate (i) 1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	
1	0.990	0.980	0.971	0.962	0.952	0.943	0.935	0.926	0.917	0.909	1
2	0.980	0.961	0.943	0.925	0.907	0.890	0.873	0.857	0.842	0.826	2
3	0.971	0.942	0.915	0.889	0.864	0.840	0.816	0.794	0.772	0.751	3
4	0.961	0.924	0.888	0.855	0.823	0.792	0.763	0.735	0.708	0.683	4
5	0.951	0.906	0.863	0.822	0.784	0.747	0.713	0.681	0.650	0.621	5
6	0.942	0.888	0.837	0.790	0.746	0.705	0.666	0.630	0.596	0.564	6
7	0.933	0.871	0.813	0.760	0.711	0.665	0.623	0.583	0.547	0.513	7
8	0.923	0.853	0.789	0.731	0.677	0.627	0.582	0.540	0.502	0.467	8
9	0.914	0.837	0.766	0.703	0.645	0.592	0.544	0.500	0.460	0.424	9
10	0.905	0.820	0.744	0.676	0.614	0.558	0.508	0.463	0.422	0.386	10

	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	
1	0.901	0.893	0.885	0.877	0.870	0.862	0.855	0.847	0.840	0.833	1
2	0.812	0.797	0.783	0.769	0.756	0.743	0.731	0.718	0.706	0.694	2
3	0.731	0.712	0.693	0.675	0.658	0.641	0.624	0.609	0.593	0.579	3
4	0.659	0.636	0.613	0.592	0.572	0.552	0.534	0.516	0.499	0.482	4
5	0.593	0.567	0.543	0.519	0.497	0.476	0.456	0.437	0.419	0.402	5
6	0.535	0.507	0.480	0.456	0.432	0.410	0.390	0.370	0.352	0.335	6
7	0.482	0.452	0.425	0.400	0.376	0.354	0.333	0.314	0.296	0.279	7
8	0.434	0.404	0.376	0.351	0.327	0.305	0.285	0.266	0.249	0.233	8
9	0.391	0.361	0.333	0.308	0.284	0.263	0.243	0.225	0.209	0.194	9
10	0.352	0.322	0.295	0.270	0.247	0.227	0.208	0.191	0.176	0.162	10
11	0.317	0.287	0.261	0.237	0.215	0.195	0.178	0.162	0.148	0.135	11
12	0.286	0.257	0.231	0.208	0.187	0.168	0.152	0.137	0.124	0.112	12
13	0.258	0.229	0.204	0.182	0.163	0.145	0.130	0.116	0.104	0.093	13
14	0.232	0.205	0.181	0.160	0.141	0.125	0.111	0.099	0.088	0.078	14
15	0.209	0.183	0.160	0.140	0.123	0.108	0.095	0.084	0.074	0.065	15

Solution - multiple choice questions

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

Workings

MCQ 4 – 6

	Units	Cost (₦)
High	40,000	1,800,000
Low	(10,000)	(1,200,000)
Difference	30,000	600,000

Variable Cost/Unit (b) = Difference in Corresponding Cost (₦)
Difference in Activity Level (Units)

= ₦600,000
30,000 Units = ₦20 per unit

MCQ4: From the formula y = a + bx, determine the fixed element either at the high or low points

At high Point	**OR**	At Low Point
Y= a + bx		Y= a + bx
1,800,000 = a + ₦20(40,000)		1,200,000 = a + ₦20(10,000)
1,800,000 = a + 800,000		1,200,000 = a + 200,000
a = 1,800,000 - 800,000		a = 1,800,000 - 800,000
a = ₦1,000,000		**a = ₦1,000,000**

MCQ5: Write out the cost function from the formula: y = a + bx
The cost function; y = **₦1,000,000 + N20(x)**

MCQ6: The cost projection in July when output is 5,000 units
From the cost function; y = ₦1,000,000 + ₦20(x)
y = ₦1,000,000 + ₦20(5,000)
y = ₦1,100,000

MCQ8. CALCULATION OF CLOSING INVENTORY USING WEIGHTED AVERAGE PRICE (WAP) METHOD

Date	Details	RECEIPT			ISSUES			BALANCE		
		Qty	UP	Amount	Qty	UP	Amount	Qty	UP	Amount
1/1/22	Balance b/f							2,500	20:00	50,000
2/1/22	Issued				1,500	20:00	30,000	1,000	20:00	20,000
5/1/22	Receipt	5,000	25:00	125,000				6,000		145,000
22/7/17	Receipt	10,000	22:50	225,000				16,000		370,000
27/7/17	Issued				7,500	23:175	173,437.5	8,500		196,572.5

MCQ9: Average Number of Workers = $\frac{\text{Number of Replacement}}{\text{Replacement Rate}} = \frac{80}{10} = 8$

No of Separation = 6 x 8 = 48

Flux Method = $\frac{\text{No. of Separation + No. of Replacement + Additions}}{\text{Average No. of Workers}}$

$$20\% = \frac{48 + 80 + \text{Additions}}{8}$$

16 = 128 + Addition
Addition = 128 – 16
= **112 (E)**

MCQ11. Over/Under Absorbed Overhead = Actual Overhead@BOAR – Actual Overhead
= (Le116,000 x Le2.2) – Le261,000
= Le255,200 – Le261,000

= Le5,800 under-absorbed

MCQ14. Determination of Net Profit as per Financial Accounting

	₦	₦
Sales (50,000 units)		1,000,000
Add: Interest and Dividends		15,000
Less: Cost of Goods Sold:		
Direct Materials	500,000	
Direct Wages	250,000	
Actual Factory Expenses	150,000	(900,000)
Net Profit as per Financial Accounting		**115,000**

MCQ15. Determination of Net Profit as per Cost Accounting

	₦	₦
Sales (50,000 units)		1,000,000
Less: Cost of Goods Sold:		
Direct Materials	500,000	
Direct Wages	250,000	
Variable Factory Expenses (40% of 150,000)	60,000	(810,000)
CONTRIBUTION		190,000
Fixed Factory Expenses (50,000 units X 90,000/50,000)		(75,000)
		115,000
Less/Add: Under/Over Absorbed Overheads (90,000 – 75000)		(15,000)
Net Profit as per Cost Accounting		**100,000**

MCQ17

Amount to be transferred to Statement of Profit or Loss

Profit Taken = $^2/_3$ x Estimated Profit x Cash Ratio

Profit Taken = $^2/_3$ x N1,500,000 x 80%

= ₦800,000

MCQ18 and 19 – Apportionment of Joint Costs

Products	Units Produced	Point Value Assigned	Weighted Units	Cost per Weighted Unit	Joint Costs Apportioned
XXX	20,000	2.00	40,000	N80	3,200,000
YYY	8,000	10.00	80,000	N80	6,400,000
ZZZ	12,000	2.50	30,000	N80	2,400,000
	40,000		**150,000**		**12,000,000**

Cost per Weighted unit = 12,000,000 ÷ 150,000 = **₦80**

MCQ23

Budgeted FOAR = 240,000 ÷ 4,800 = ₦50

Budgeted FOH on Actual Production = 4,200 units x ₦50 = ₦210,000

Fixed Overhead Volume Variance = Budgeted FOH on Actual Production – Actual FOH

= ₦210,000 – ₦240,000
= **₦30,000 (Unfavourable)**

MCQ24

AUGUST, 2025

TOTAL SALES	
CASH SALES - 50%	
CREDIT SALES - 50%	
RECEIVABLES - 70% of July	3,500,000.00
RECEIVABLES - 20% of June	3,000,000.00
RECEIVABLES - 8% of May	800,000.00
TOTAL RECEIVABLES	7,300,000.00

MCQ28

PV Ratio = $\frac{\text{Selling Price per Unit – Variable Cost per Unit}}{\text{Selling Price per Unit}}$

$0.4 = \frac{\text{Le4,000 – VC/Unit}}{\text{₦4,000}}$

₦400 – VC/Unit = 0.4 x Le4,000
VC/Unit = Le4,000 – Le1,600
VC/Unit = **Le2,400 (C)**

MCQ29

DL Rate Variance = AH (SR – AR)
= 380 (₦100 – N125)
= ₦9,500 (Adverse) (C)

MCQ30

Sales Amount – ₦300,000
Cash Sales = 20% x ₦300,000 = 60,000
Credit Sales = 80% x ₦300,000 = 240,000
Less Trade Discount (5% x ₦240,000) = (12,000)
Amount Collected in March, 2025 = 228,000 (B)

Examiners' report

This part consists of 30 multiple-choice questions covering a very substantial portion of the entire syllabus. It was attempted by all candidates, and performance was good as more than 70% of them scored 50% and above of the marks allocated.

A few candidates did not perform well in this part largely due to poor preparation. Candidates are enjoined to ensure total coverage of the syllabus when preparing for future examinations.

Solution: short answer questions

1. Costing
2. Works Cost/Cost of Production
3. Fixed Cost
4. N115,000
5. 400 units
6. Safety/Buffer inventory level
7. N70,000
8. Financial Profit
9. Store Ledger Control Account
10. N40,000,000
11. N20,000,000
12. 2,880,000 Kilometres
13. Controllable Cost
14. (GH$27,300) using 3d.p or (GH$27,085) using 4d.p
15. Reject the Investment
16. N22,500,000
17. 37.5%
18. N80,000,000
19. Activity Based Costing
20. Value chain analysis (VCA)

Workings – SAQ

SAQ1 Calculation of Work Costs

	₦'000	
Prime Cost		30,000
Add Work Overheads		15,000
		45,000

SAQ4

	Units	Cost
High	8,000	160,000
Low	4,000	100,000
	2,000	60,000

Variable cost/unit = ₦60,000 / 4,000

Variable cost/unit = ₦15 per unit

Y = a + bx

@ high point

160,000 = a + 15(8,000)

a = 160,000 – 120,000

a = ₦40,000

OR

@ low point

100,000 = a + 15(4,000)

a = 100,000 – 60,000

a = ₦40,000

Total Cost function = N40,000 + N15x

TOTAL COST @ 5,000 UNITS

Total Cost function = N40,000 + N15(5,000)

= N40,000 + 75,000

= N115,000

SAQ5

Solution:

$$EOQ = \sqrt{\frac{2DOc}{Hc}}$$

$$EOQ = \sqrt{\frac{2 \times 80{,}000 \times 200}{20\% \text{ of } N1{,}00}} = \textbf{400 units}$$

SAQ7

Monthly Pay = 60 hours X ₦1,000 + (80 – 60) x 50% x ₦1,000

= ₦60,000 + N10,000

= ₦70,000

SAQ10 and 11

	₦'000	₦'000
Value of work certified		200,000
Less: Cost to Date:		
Materials consumed	60,000	
Wages paid	80,000	
Overheads	20,000	(160,000)
SAQ10 Notional Profit		**40,000**
SAQ11 Profit Taken $\{^{2}/_{3} \times {}^{150,000}/_{200,000} \times$ ₦40,000$\}$	**20,000**	
Transfer to General Reserves	20,000	

SAQ12

Effective kilometres per annum = Distance/day x No of trips/day x No of days x No of Months

= 40km x 3 x 2 x 25 x 12 x 40

= 2,880,000 kilometres

SAQ14 Calculation of Net Present Value

Year	Cash flow GHc	Discounting Factor @10%	Present Value
0	(550,000)	1.000	(550,000)
1	100,000	0.909	90,900
2	250,000	0.826	206,500
3	300,000	0.751	225,300
SAQ14	**NET PRESENT VALUE**		**(27,300)**

SAQ16 Calculate the contribution of the product

Contribution = Sales – Variable Cost
= ₦60,000,000 – ₦37,500,000
= **₦22,500,000**

SAQ17 Calculate the P/V Ratio

P/V Ratio = (Contribution ÷ Sales) x 100
= (₦22,500,000 ÷ ₦60,000,000) x 100
= **37.5%**

SAQ18 Estimate the sales to be earned if desired profit is N12,000,000

Sales at desired profit = (Fixed Cost + Desired Profit) ÷ Contribution
= (18,000,000 + 12,000,000) ÷ 0.375
= **₦80,000,000**

Examiners' report

This part consists of 20 short answer questions drawn from virtually every section of the syllabus. It was attempted by all candidates, and performance was average as about 45% of them scored 50% and above of the marks allocated.

Several candidates did not score up to 50%, due to lack of adequate preparation.

Candidates are advised to take advantage of the simplicity of the questions in this part to boost their chances of overall success in the examination in the future.

Section B

Solution 1

a. The advantages of job costing

i. Profitability of each job can be individually determined.
ii. It provides a basis for estimating the cost of similar jobs which are to be taken in future.
iii. It provides the detailed analysis of the cost of materials, labour and overheads for each job as and when required.
iv. Plant efficiency can be controlled by confining attention to costs relating to individual jobs.
v. Spoilage and defective work can be identified with a specific job and responsibility for the same may be fixed on individuals.

vi. By adopting pre-determined overhead rates in job costing, we can get all advantages of budgetary control
vii. Job costing is essential for cost-plus contracts where contract price is determined directly on the basis of cost.

b. Shegzy International Limited

Calculation of the total to be charged to the customer in order to secure 20% profit on sales

Job Cost Sheet Job No. CA/4321

	GHc	GHc
Direct Materials:		
Cast Iron (15kg @ GHc200)	3,000	
Metal Gum (5kg @ GHc1,000)	5,000	8,000
Direct Labour:		
Dept. A (20 hrs @ GHc100)	2,000	
Dept. B (15 hrs @ GHc60)	900	2,900
Direct Expenses		3,100
Prime Cost		**14,000**
Add: Variable Overheads:		
Dept. A (20 hrs @ 135,000/9,000)	3,000	
Dept. B (15 hrs @ 62,000/1,350)	1,800	4,800
Fixed Overheads (35hrs @ 300,000/3,000)		3,500
Total Cost		**22,300**
Add: Profit (20% on Sales or 25% on Cost)		5,575
Total Amount to be Charged		**27,875**

Examiners report

This question tests candidates' understanding of job costing. It was attempted by only about 45% of the candidates, and performance was fair as about 50% of them scored 50% and above of the marks allocated.

Many candidates failed to correctly state the advantages of job costing, which carried 40 percent of the total marks.

Candidates are reminded that the theory part of the topic is as important as the computational aspect.

Solution 2

a. Prepare the production budget in quantity of Product – JALO

	July Units	August Units	September Units	October Units	November Units	December Units	TOTAL Units
Estimated Sales	11,000	12,000	17,000	19,000	25,000	23,000	107,000
Add: Closing Inventory	5,000	5,500	6,000	8,500	9,500	12,500	47,000
	16,000	17,500	23,000	27,500	34,500	35,500	154,000
Less: Opening Inventory	(7,500)	(5,000)	(5,500)	(6,000)	(8,500)	(9,500)	(42,000)
Production Budget in Quantity (Units)	**8,500**	**12,500**	**17,500**	**21,500**	**26,000**	**26,600**	**112,000**

b. The Material Budget Purchase for Production in Quantity and Value.

	October ₦
Production Budget in Quantity (Units)	112,000
Material Required per kg	5kg
Material Purchases Budget in Quantity (Units)	**560,000**
Price per Unit	₦110/kg
Production Budget in Quantity (₦)	**61,600,000**

c. The Production Budget for the half year ending 31st December 2025

	₦
Direct Material	61,600,000
Direct Labour (112,000 @ 3hrs @₦22)	7,932,000
Variable Overhead (112,000 @N8.25)	924,000
Fixed Overheads (65,442,500 ÷ 2)	32,721,250
Production Cost Budget	**102,637,250**

Examiners' report

This question tests candidates' understanding of budgeting, particularly in production planning and material purchase. It was attempted by about 50% of the candidates, and performance was poor, as about 25% of them scored 50% and above of the allocated marks.

The major pitfall was in the role of opening and closing inventory in the determination of the production quantity budget.

Candidates are encouraged to pay more attention to this critical part in their future preparations.

Solution 3

a. Basic pay, assuming the piece rate is N40 per block.

	Kayo	Keyo	Kiyo
No of Units Produced	320	400	480
Piece rate	₦40	₦40	₦40
Basic Pay	**₦12,800**	**₦16,000**	**₦19,200**

b. (i) Basic pay using Halsey Bonus Scheme

	Kayo	Keyo	Kiyo
No of Units Produced (a)	320	400	480
No. of Pieces allowed/Hour (b)	20	20	20
Time Allowed (c = a/b)	16 Hours	20 Hours	24 Hours
Time Taken (d)	12 Hours	15 Hours	18 Hours
Time Saved (e = d – c)	4 Hours	5 Hours	6 Hours
Hourly Rate (f)	₦500	₦500	₦500
Basic Pay (g = f x c)	₦8,000	₦10,000	₦12,000
Bonus Pay Using Halsey (½ x TS x HR)	₦1,000	₦1,250	₦1,500
Basic Pay	**₦9,000**	**₦11,250**	**₦13,500**

(ii) Basic pay using Halsey Weir Method

Basic Pay (g = f x c)	₦8,000	₦10,000	₦12,000
Bonus Pay Using Halsey Weir ($^1/_3$ x TS x HR)	₦667	₦833	₦1,000
Basic Pay	**₦8,667**	**₦10,833**	**₦13,000**

(iii) Basic pay using Rowan Bonus Scheme

Basic Pay (g = f x c)	₦8,000	₦10,000	₦12,000
Bonus Pay Using Rowan ($^{TT}/_{TA}$ x TS x HR)	₦1,600	₦2,000	₦2,400
Basic Pay	**₦9,600**	**₦12,000**	**₦14,400**

Examiners report

This question tests candidates' understanding of labour costing, with emphasis on the computation of bonus payments. It was attempted by about 50% of candidates, and performance was poor, as about 25% of them scored 50% or above of the marks allocated.

The major pitfall was that candidates could not correctly apply the formulae for the different bonus schemes. A few also could not correctly determine the time saved, which is germane to arriving at the bonus payment.

Candidates are enjoined to get a thorough understanding of every section of labour costing in their future preparations.

Solution 4

Xionz Corporation
Statement showing the Comparative Profitability per unit for 2 Years

	Previous Year		Current Year	
	Le	Le	Le	Le
Selling Price		1,600		1,600
Less: Variable Cost:				
Direct Material	500		550	
Direct Labour	165		198	
Variable Work Overheads	250		250	
Variable Selling Overheads	10	(925)	10	(1,008)
CONTRIBUTION		**675**		**592**
Less Fixed Overheads:				
Work Overheads	250		275	
Selling Overheads	30	(280)	33	(308)
PROFIT PER UNIT		**380**		**284**

Calculation of Quotation Price for Special Order of 20,000 units

	Le'000
Desired Profit	22,720
Less: Profit 60,000 units expected in current year (60,000 x Le284)	(17,040)
Additional Profit Required (a)	**5,680**
No. of Special Order requested by Zamarima Railway Corporation (b)	**20,000**
Contribution Required per Unit (c = a/b)	284
Add: Variable Cost per Unit	1,008
MINIMUM PRICE TO BE QUOTED	**1,292**

Examiners' report
This question tests candidates' understanding of decision-making, with particular emphasis on special orders. It was attempted by about 70% of candidates, and performance was equally good, as more than 65% of them scored 50% or more of the marks allocated.

A number of candidates missed the role of contribution theory in decision-making, thereby missing it altogether.

Candidates should in future pay attention to the critical requirements.

Solution 5

a. In a tabular format and showing FIVE (5) clear areas of distinction, distinguish between Cost accounting and financial accounting.

S/N	AREA OF DISTINCTION	FINANCIAL ACCOUNTING	COST ACCOUNTING
1	Users	Financial accounting information is not meant for management alone but also for external decision makers such as existing or potential Shareholders, Investors, Creditors, Banks and Government Departments such as the Inland Revenue Board.	Cost accounting information is meant for the use of the decision makers of the business, i.e., management.
2	Objective	Financial accounting information is prepared to establish the profitability and financial position of an enterprise.	Cost accounting is to help management in planning, controlling, and decision-making.
3	Time Focus	The focus of financial accounting is purely historical.	The focus of cost accounting is futuristic because the accountant cannot just assume that what happened in the past will exactly be the same in the future when providing relevant information for planning purposes to management.
4	Professional requirements	Financial accounting is governed by generally accepted accounting principles and standards such as Statement of Accounting Standards (SAS) and International Accounting Standards (IAS), concepts and conventions, etc.	The preparation of cost accounting is not governed by any standard.
5	Statutory requirements	The preparation of financial statements is governed or guided by the	The preparation of cost accounting is not governed by any statute.

		provisions of the laws such as the Companies and Allied Matters Act (CAMA), Banks and Other Financial Institutions Decree (BOFID), etc.	
6	Reporting Time	Financial accounting information is always prepared at the end of 12 months, 18 months or as the case may be.	Cost accounting information/statement is prepared at any point in time as required by the management.
7	Approximation and Estimation	In the reporting of Financial Accounting, approximation and estimation are not permitted as Management must account to the last kobo.	In the preparation of Cost Accounting Information, approximation and estimation of values are allowed with some degree of tolerance.
8	Decision Making	In financial accounting, approximation and estimates are not normally allowed in order to give "A true and fair view" of the state of affairs.	Since cost accounting information assists management in decision making, it should be made readily available at the relevant time. To achieve this objective, approximations could be made to fasten the preparation of the information.
9	Monetary Terms	Financial accounting information is basically expressed in monetary terms.	Cost accounting information gives preference to units, quantities, and volume apart from the common denomination of money.
10	Audit	Financial accounting information is subject to independent statutory audit.	Cost accounting information is not.
11	Volume of Information	Financial accounting represents a summary of the entire financial	Whereas cost accounting represents segmental information devices

		transactions that took place within the period of 12 or 18 months. As a result of this, essential information is usually omitted, especially as it relates to a specific segment of the organisation.	designed principally to generate adequate information on all aspects of the organisation.
12	Focus of Reporting	Financial accounting is for the totality of the business.	The focus of cost accounting is usually product-based.

b. Explain the term "Environment Cost Accounting" and "Carbon Footprint Accounting".

Environmental Cost Accounting is a system that identifies, quantifies, and allocates environmental costs, integrating them into business operations and communicating them to stakeholders.

Carbon footprint accounting, also known as greenhouse gas accounting, is the process of measuring and tracking an organisation's greenhouse gas (GHG) emissions, both directly and indirectly, to understand and manage its carbon footprint. This involves quantifying emissions from various activities and sources, allowing businesses and other entities to understand their environmental impact and develop strategies to reduce their carbon footprint.

Examiners' report

This question is in two parts. Part (a) required knowledge of the difference between cost accounting and financial accounting, while part (b) tests candidates' understanding of new concepts, namely "Environmental Cost Accounting" and "Carbon Footprint Accounting". It was attempted by about 50% of candidates, and performance was average, as about 45% of them scored 50% or above of the marks allocated.

Several candidates missed out on the "clear areas of distinction" in part (a). Several of them had no clue about the new concepts in cost accounting.

Candidates are advised to study this whole syllabus in greater detail when preparing for future examinations.

Solution 6

a. Material Cost Variance = Standard Cost – Actual Cost
= (1,400 @ ₦45) – (22,000 @ ₦4)
= 63,000 – 88,000
= N25,000 (A)

Material Price Variance = AQ(SP – AP)
= 22,000(N3 – N4)
= **N22,000 (A)**

Material Usage Variance = SP (SQ – AQ)
= N3({1,400 @ 15kg} – 22,000)
= **N3,000 (A)**

b. Total Labour Cost Variance = Standard Cost – Actual Cost
= (1,400 @ N20) – (6,800 @ N5)
= N28,000 – N34,000

= N6,000 (A)

Labour Rate Variance = AH (SR – AR)

= 6,800 hours (N4 – N5)

= N6,800 (A)

Labour Efficiency Variance = SR (SH – AH)

= N4 ({1,400units @ 5hrs} – 6,800) ½

= N800 (F)

c. Variable Overhead Cost Variance = Standard Cost – Actual Cost

= (1,400 @ N10) – N11,000

= N14,000 – N11,000

= N3,000 (F)

Variable Overhead Rate Variance = AH (SR – AR)

= 6,800 hours (N2 – {11,000/6,800})

= 6,800 hours (N2 – 1.617)

= N2,600 (F)

Variable Overhead Efficiency Variance = SR (SH – AH)

= N2:00 (7,000 – 6,800)

= N400 (F)

d. Total Fixed Variance = Standard Cost – Actual Cost

= (1,400 units @ N5) – N6,000

= N38,700 – N35,000

= N1,000 (F)

Fixed Expenditure Variance = Budgeted Fixed Overhead – Actual Fixed Overhead

= (5,000 hours @ N1) – (6,800 @ {6000/6800})

= N1,000 (A)

Fixed Production Volume Variance = SFOAR (SH – BH)

= N1(7,000 – 4,000)

= N2,000 (F)

Examiners' report

This question tests candidates' knowledge of basic variance analysis. It was attempted by about 60% of candidates and performance was fair as more than 40% of them scored 50% and above of the marks allocated.

The major pitfall here was the incorrect application of formulae. Several candidates mixed up the formulae, thereby leading to loss of marks.

Candidates are advised to use the Institute's study text in their future preparations, as it facilitates the understanding of the topic.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA

ABWA
The Association of Accountancy Bodies in West Africa

ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
SEPTEMBER 2026 EXAMINATIONS (PART III)

TAXATION

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in **blue** or **black** 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 or around 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, SEPTEMBER 22, 2026

DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART III EXAMINATIONS – SEPTEMBER 2026

TAXATION

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. Which of the following is **NOT** a direct tax?

   A. Personal income tax
   B. Companies income tax
   C. Hydrocarbon tax
   D. Federal development levy
   E. Value added tax

2. In the ascertainment of the chargeable income of an individual, the rent relief granted is..... of annual rent paid by him, subject to a maximum of ₦500,000, whichever is lower.

   A. 5%
   B. 7.5%
   C. 10%
   D. 20%
   E. 21%

3. What percentage of the federal development levy imposed by Section 59 of the Nigeria Tax Act, 2025, shall be paid and credited to the Defence and Security Infrastructure Fund?

   A. 5%
   B. 10%
   C. 20%
   D. 25%
   E. 30%

4. Which of the following is **NOT** an objective of VAT?

A. To simplify tax collection procedure
B. To reduce exports
C. To increase government revenue
D. To reduce tax evasion practices
E. To make the tax system more transparent

5. A small company under the Nigeria Tax Act, 2025, is a company with a gross turnover of ....., or less per annum and total fixed assets not exceeding ₦250 million.

A. ₦25 million
B. ₦30 million
C. ₦50 million
D. ₦100 million
E. ₦250 million.

6. The rate of tax for a large company under the Nigeria Tax Act, 2025, is .....

A. 0%
B. 7%
C. 15%
D. 20%
E. 30%

7. In the computation of the chargeable income of an individual, which of the following is **NOT** an eligible deduction?

A. The individual's contributions under the National Housing Fund
B. Personal and domestic expenses of the individual
C. The individual's contributions under the National Health Insurance Scheme
D. The individual's contributions under the Pension Reform Act
E. Interest on loans for developing an owner-occupied residential house

8. Tax evasion does **NOT** include .....

A. Making false claims for eligible deductions
B. Deliberate attempt of neglecting vatable goods
C. Omission of chargeable income from tax returns
D. Understating income
E. Overstating expenditure

9. Which of the following is **NOT** a tax base?

A. Income
B. Consumption
C. Capital
D. Economy
E. Salary

10. Sources of tax laws include .....

A. Newspapers
B. Textbooks
C. Circulars issued by and practices of the Nigeria Revenue Service
D. Magazines
E. Library

11. Which of the following taxes **CANNOT** be collected by the Federal Government?

A. Value added tax
B. Withholding tax on companies and non-resident individuals
C. Hydrocarbon tax
D. Federal development levy
E. Personal income tax of resident individuals

12. Which of the following does **NOT** describe the nature of value added tax (VAT)?

A. It is a tax on consumption
B. It is a multi-stage tax
C. Rate is fixed at 7.5%
D. Incidence borne by final consumer
E. It is a direct tax

13. Which of the following is **NOT** an objective of the revised National Tax Policy?

A. Providing the basis for future tax legislations and administration
B. Protecting foreign taxpayers
C. Serving as a point of reference for all stakeholders on taxation
D. Providing the benchmark on which stakeholders shall be held accountable
E. Guiding the operation and review of the tax system

14. An action to legally reduce tax due is .....

A. Chargeable tax
B. Adjusted tax
C. Double taxation
D. Tax classification
E. Tax avoidance

15. Based on the provision of Section 72(3) of Nigeria Tax Administration Act, 2025, a tax clearance certificate shall disclose the following, **EXCEPT**

A. Total profits or chargeable income
B. Tax payable
C. Tax paid
D. Tax outstanding or alternatively a statement to the effect that no tax is due.
E. The names of the directors

16. In the ascertainment of the profits or income from any trade, business, profession or vocation for tax purposes, the following shall **NOT** be allowed as deductions, **EXCEPT**.....

A. Any expenditure of a capital nature
B. Any sum recoverable under an insurance or contract of indemnity
C. Any amount of expenditure incurred for establishing, preserving or defending title to rights over an asset
D. Penalty or fine imposed under any law
E. Any tax or penalty borne on behalf of another person

17. Under Section 100(2) of Nigeria Tax Administration Act, 2025, a statutory body or company who awards a contract to an unregistered person, shall be liable to pay an administrative penalty of .....

A. ₦500,000
B. ₦1,000,000
C. ₦2,000,000
D. ₦2,500,000
E. ₦5,000,000

18. Allowance usually granted in lieu of depreciation for tax purposes is .....

A. Allowance deduction

B. Capital allowance
C. Personal allowance
D. Departmental allowance
E. General allowance

19. The following are taxable supplies chargeable to VAT at zero percent, **EXCEPT**……

A. Basic food items
B. Educational books and materials
C. Medical services
D. Plays and performances conducted by educational institutions as part of learning
E. Fertilizers

20. Which of the following is **NOT** classified as Ad-valorem under the Nigeria Tax Act, 2025?

A. Capital duty on nominal shares
B. Conveyance or transfer on sale
C. Policy on marine insurance
D. Capital duty on loan capital
E. Contract notes for marketable security

21. Which of the following is **TRUE** of withholding tax?

A. It is an amount paid to suppliers by non-governmental organisations
B. It can be used as offset against federal development levy
C. It can be used as offset against tax liabilities of prior years
D. It is an advance payment of tax which is deducted at source
E. It is a tax on contract regarded as final tax

22. Which of the following expenses is allowable for tax purposes?

A. Capital withdrawn or repaid
B. Expenses of capital nature
C. Depreciation of non-current assets
D. Bad debts written off
E. Loss on sale of property, plant and equipment

23. In the computation of capital allowances, what percentage of the qualifying capital expenditure shall be retained for statistical purposes until the asset is disposed off.

A. 1%
B. 5%
C. 7%
D. 10%
E. 20%

24. All taxes are expected to align with the following fundamental canons of taxation, **EXCEPT**

A. Equity and fairness
B. Simplicity
C. Diversification
D. Convenience
E. Flexibility

25. Which of the following is **NOT** exempt from surcharge of 5% on chargeable fossil fuel products?

A. Household kerosene
B. Cooking gas (LPG)
C. Compressed natural gas (CNG)
D. Petrol used for cars (PMS)
E. Clean or renewable energy products

26. Within how many days of the occurrence of change in its particulars should every taxable person notify the relevant tax authority of the change?

A. 7 days
B. 21 days
C. 28 days
D. 30 days
E. 60 days

27. Tax system includes which of the following?

A. Tax law only
B. Tax administration only
C. Tax policy only
D. Tax law, tax policy, tax administration
E. Tax policy and tax law

28. Who amongst the following is **NOT** a member of the State Joint Revenue Committee under Section 95 of the Nigeria Tax Administration Act, 2025?

A. The Local Government Supervisor for Finance
B. The Legal Adviser of the State Service
C. A representative of the Revenue Mobilisation Allocation and Fiscal Commission
D. The State Sector Commander of the Federal Road Safety Commission
E. The Chairmen of the Local Government Revenue Committees

29. For a donation to be allowed for any assessment year under Section 163(5) of Nigeria Tax Act, 2025, it shall not exceed an amount equal to ..... of the profit before tax of that company for that year.

A. 5%
B. 10%
C. 20%
D. 21%
E. 30%

30. Which of the following is **NOT** exempted from VAT?

A. Locally manufactured sanitary towels, pads or tampons
B. Shared passenger road transport service
C. Baby products
D. Private vehicle
E. Oil and gas exports

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. A card issued by the relevant tax authority in a State to an employer about an employee's emoluments is .....

2. A qualifying expenditure incurred on tall upright pole erected on, or fastened to land or other structure is called.....

3. A lease arrangement where the lessee effectively assumes most of the risks and rewards associated with asset ownership is .....
4. For a non-resident person engaged in shipping or air transport, the minimum tax liability payable in any year of assessment is ..... of the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped from or loaded into the aircraft in Nigeria.

5. A person receiving a payment annually from a Will is .....

6. A tax system where a taxpayer pays a greater percentage of his income as tax when compared with a person with higher income is .....

7. An assessment raised by a relevant tax authority when it discovers that a taxpayer liable to tax has been assessed at a less amount than which ought to have been charged is .....

8. Where an asset is acquired before the date of commencement of business, such asset is deemed to have been acquired on the ..... day of the new business.

9. A person who receives a specific gift of personal property as stipulated in a Will is .....

10. Unrelieved losses as at the time of cessation of a business is .....

11. The eligible deduction in respect of annual rent paid by an individual is 20% of the annual rent, subject to a maximum of ....., whichever is lower.

12. The requirement of utmost confidentiality in tax matters is expected from officials of relevant tax authorities and .....

13. The computation of annual allowance in Nigeria is based on a ..... method.

14. Interest on short term securities and corporate bonds earned by an individual after the deduction of tax at source, shall not be charged to further.....

15. A person shall cease to be a Tax Appeal Commissioner, where the person attains the age of.....years.

16. A person who offers services related to the exchange, custody, or management of virtual assets on behalf of clients is called .....

17. Upon the determination of an objection or appeal, the relevant tax authority shall serve the taxable person, a notice of the tax payable as so determined, and that tax shall be payable within ..... days of the date of service of such notice.

18. For a life insurance business, the profits on which tax may be imposed shall be the investment income and other income, less the management expenses, including .....

19. Stamp duty is managed by .....

20. A transaction between connected persons shall be deemed to be artificial or fictitious if in the opinion of the relevant tax authority, the transaction has not been made at .....

SECTION B: ATTEMPT ANY FOUR QUESTIONS (50 MARKS)

QUESTION 1

The administration of taxation in Nigeria is vested in various tax authorities depending on the tax under consideration.
Section 3 of the Nigeria Tax Administration Act (NTAA), 2025, clearly spells out the jurisdiction of tax authorities.

Required:

Explain the responsibility of each of the following tax authorities in the administration of taxes, taking into consideration the provisions of Section 3 of the NTAA, 2025:

(a) Nigeria Revenue Service (6½ Marks)

(b) Relevant tax authority in a State or the Federal Capital Territory (6 Marks)

(Total 12½ Marks)

QUESTION 2

Mr. Joshua Paul is employed by XYZ Limited and earns an annual salary of ₦7,500,000, for the year ending December 31, 2025.

He is married to two wives, both of whom live with him. He has five children, two from his first wife and three from his second wife. The eldest child has completed university and currently works as a secondary school teacher in Bansara. The remaining four children are all enrolled in universities.

Mr. Joshua Paul maintains a life assurance policy with Gafo Insurance Limited, with a sum assured of ₦250,000 and pays a monthly premium of ₦2,500. In addition, he contributes ₦4,000 monthly to a pension scheme that is recognised by the Joint Revenue Board.
The following additional details are relevant:

i. XYZ Limited provides accommodation for Mr. Joshua Paul, which has an annual rental value of ₦1,800,000. As part of his salary package, he is entitled to the use of an official car valued at ₦4,800,000.

ii. He incurs expenses of ₦16,000 and ₦17,000 monthly on his aged father and mother, respectively, both of whom are dependent on him due to old age and lack of income.

iii. Mr. Joshua Paul is due for retirement on December 31, 2025, upon which he will receive a gratuity of ₦1,200,000.

Note: The Nigeria Tax Act 2025 is applicable

Required:

Determine the personal income tax liability of Mr. Joshua Paul for the relevant year of assessment. (12½ Marks)

(Total 12½ Marks)

QUESTION 3

Harry Nigeria Limited engages in the marketing and sale of spare parts. Its projected financial statements for the year ending August 31, 2026, revealed the following:

	₦'000
Revenue	500,000
Cost of sales	212,000
Gross profit	288, 000
Administrative and other expenses	(163,000)
Operating profit	125,000
Interest expenses	(10,000)
Profit before tax	115,000
Income tax expenses	(46,000)
Profit after tax	69,000
Dividend paid	(60,000)
Retained profit	9,000

Notes:

			₦'000
i.	Operating profit is after charging:	- Depreciation	5,000
		- Loan interest	2,500
		- Loss on sale of a van	500

		₦'000
ii.	Additional information revealed:	
	- Capital allowance for the year	8,500
	- Unrelieved losses b/f	2,000

Note: Consider the Nigeria Tax Act 2025

Required:

Compute the tax liabilities of the company for the relevant year of assessment.

(12½ Marks)

(Total 12½ Marks)

QUESTION 4

Hill Top Bank Limited has been in business for many years. The following are extracts from its financial statements for the year ending December 31, 2025:

	₦'000	₦'000
Income:		
Forex income		48,000
Commission		12,000
Other income		24,000
Interest		208,000
		292,000
Deduct:		
Interest paid	80,000	
Operating expenses	120,000	200,000
Profit before taxation		92,000
Taxation		52,000
Profit after taxation		40,000
Appropriation:		
Statutory reserve	5,200	
General reserve	8,000	
Proposed dividend	6,800	(20,000)
Retained profit for the year		20,000
Unappropriated profit b/f		100,000
Balance c/f		120,000

Additional information:

i. Capital allowances b/f from the preceding year of assessment was ₦2 million

ii. Annual allowance for the year ₦14 million

iii. Included in the interest received is interest on loan for agricultural production, the details of which are as follows:

Repayment period	Grace period	Interest earned based on the lending rate ₦'000
8yrs	2yrs	16,000
6yrs	1.5yrs	24,000
2yrs	1.5yrs	40,000

iv. Included in the operating expenses are:

- Depreciation: ₦40 million
- Provision for doubtful debts: ₦56 million, out of which, ₦40 million is specific
- Included in other income was a profit from the sale of property, plant and equipment of ₦ 16 million

Note: The Nigeria Tax Act 2025 should be used as may be appropriate

Required:

Compute the tax liability of the bank for the relevant year of assessment.

(12½ Marks)

(Total 12½ Marks)

QUESTION 5

Under Section 30 of the Nigeria Tax Act (NTA), 2025, the chargeable income of an individual, is the total income of that individual, less eligible deductions.

Required:

(a) Identify the eligible deductions under Section 30 of NTA, 2025. (9 Marks)

(b) Explain the conditions that must be met before allowing the eligible deductions in the ascertainment of the chargeable income of an individual. (3 ½ Marks)

(Total 12½ Marks)

QUESTION 6

The roles of tax practitioners and administrators are unique and essential in every society. There is hardly any business outfit that does not deal with series of tax issues yearly, arising from their transactions or locations. In most cases, entities find it challenging handling their tax matters.

Following recent advances in technology all over the world, many organisations are moving fast to key into the opportunities therein to facilitate and resolve their regular business challenges.
On April 30, 2026, the NRS launched Rev360 to replace the legacy TaxPro Max portal. Rev360 has been designed to update tax administration by providing a frictionless electronic portal to simplify how taxpayers engage with the NRS. When compared with the TaxPro Max, it has additional features, such as, simplified registration, filings and payments, objections and appeals, etc, that make compliance easier, faster and more transparent.

Whilst it is hoped that Rev360 will eventually replace TaxPro Max, the initial phase of the former, focuses on small businesses and individuals in the informal sector, and medium taxpayers, before extending to other categories.

Required:

(a) Explain **FIVE** different aspects of tax administration that Rev360 can handle.
(½ Marks)

(b) Explain **FIVE** impacts of new technologies on tax practice and administrators.
(5 Marks)

(Total 12½ Marks)

NIGERIAN TAX RATES

1. CAPITAL ALLOWANCES

Class	Qualifying Capital Expenditure	Annual Capital Allowance
1	Permanent buildings expenditure	10%
1	Agricultural plant & equipment expenditure	10%
1	Mast expenditure	10%
1	Communication infrastructure expenditure	10%
1	Heavy transportation assets expenditure	10%
2	Plant & machinery expenditure	20%
2	Furniture and fittings expenditure	20%
2	Mining plant & equipment expenditure	20%
2	Other equipment expenditure	20%
3	Motor vehicles expenditure	25%
3	Software expenditure	25%
3	Intangible capital assets expenditure	25%

2. INVESTMENT ALLOWANCE

	Rate
Investment tax allowance for qualifying deep-offshore or inland-basin production-sharing contracts	50%

3. RATE OF PERSONAL INCOME TAX

Chargeable Income Band	Rate
First ₦800,000	0%
Next ₦2,200,000	15%
Next ₦9,000,000	18%
Next ₦12,000,000	21%
Next ₦26,000,000	23%
Above ₦50,000,000	25%

Personal Reliefs and Deductions

Item	Deduction or Relief
Rent relief	Lower of 20% of annual rent paid or ₦500,000

4. COMPANIES INCOME TAX RATE

Company Category	Applicable Conditions	Rate
Small company	Gross turnover not exceeding ₦100 million and total fixed assets not exceeding ₦250 million	0%
Company other than a small company	Does not satisfy the small-company conditions	30%

5. DEVELOPMENT LEVY

Levy	Tax Base	Rate
Development levy	Assessable profits	4%
Small company	Assessable profits	Nil
Non-resident company	Assessable profits	Nil
Hydrocarbon tax profits	Assessable profits computed for hydrocarbon tax	Nil

6. CAPITAL GAINS TAX

Taxpayer	Rate Applicable to Chargeable Gains
Small company	0%
Company other than a small company	30%
Individual	Personal income tax rates of 0%–25%

7. VALUE ADDED TAX

Supply Category	Rate
Standard-rated taxable supplies	7.5%
Zero-rated supplies	0%
Exempt supplies	Nil

TAXATION SOLUTION
SECTION A

Part 1

MCQs – solutions

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

28. A
29. B
30. D

Examiner's comment

The MCQs covered all aspects of the syllabus and the questions were compulsory. Suffice it to say that all the candidates attempted the questions. The general performance was good. The students' approach to MCQs was encouraging.

Part 2

1. Tax deduction card
2. Qualifying mast expenditure
3. Finance lease
4. 2%
5. An annuitant
6. A regressive tax
7. Additional assessment
8. First/Commencement
9. Specific legatee
10. Terminal loss
11. ₦500,000
12. Tax practitioner/Professional Accountants/Legal Officers
13. Straight line
14. Tax
15. 70
16. Virtual Asset Service Provider (VASP)
17. 30 days
18. Commission
19. The relevant tax authority/Nigeria Revenue Service (NRS)
20. Arm's length

Examiner's comment

The Short Answer Questions covered virtually every aspect of the syllabus. They are standard questions on the recently passed Nigeria Tax Act (2025). All the candidates attempted the questions. The general performance was below average. Students are advised to study very well the new Nigeria Tax Act (2025) and the new study pack when preparing for examinations in future.

SECTION B

Solution 1

Jurisdictions of the tax authorities - section 3 of NTAA

(a) The **Nigeria Revenue Service (the Service)** established under section 3(1) of the Nigeria Revenue Service (Establishment) Act, 2025, shall:

have exclusive responsibility to administer taxes:

i. on companies;
ii. on persons employed in the Nigerian Army, the Nigerian Navy, the Nigerian Air Force, the Nigeria Police Force, other than in a civilian capacity;
iii. on officers of the Nigerian Foreign Service;
iv. on non-resident persons who derive profit or income from Nigeria or any income derived from employment in Nigeria by a person, not being a resident of any State in Nigeria; and
v. as contained in this Act, including development levy, tax payable by non-resident persons, tax to be paid by companies carrying out specialised trade or business as contained in this Act, tax of income from petroleum operations, value added tax, economic development tax incentive, and exemption from value added tax.

have power to administer the following taxes:

vi. income tax;
vii. taxation of income from petroleum;
viii. stamp duties;
ix. value added tax; and
x. tax incentives.
xi. exercise such other powers and functions conferred on it by this Act, the Nigeria Revenue Service (Establishment) Act, and any other law as may be enacted by the National Assembly.

(b) According to section 3(2) of NTAA, **the relevant tax authority in a State or the Federal Capital Territory**, shall under the First Schedule to this Act, be responsible for:
the administration of taxes for resident individuals in respect of:

i. imposition of tax on income, profits or gains;
ii. ascertainment of profits and income;
iii. ascertainment of assessable profits and income;
iv. ascertainment of total income;
v. ascertainment of chargeable gains;
vi. rates of tax;
vii. exercising such other powers and functions conferred on it under any tax law enacted by the National Assembly.
viii. A tax authority, with the approval of the relevant government, may authorise another tax authority to administer taxes within its jurisdiction on its behalf, on such terms as they may agree.

ix. For the purpose of the administration of taxes, the relevant tax authority may do such things as it deems necessary and expedient for the assessment and collection of taxes and shall account for all taxes so collected in accordance with the provisions of this Act, the Nigeria Tax Act and any other law enacted by the National Assembly or a State House of Assembly.

Examiner's comment

This is a standard question on administration of taxation in Nigeria. The question tested knowledge of candidates on Nigeria Revenue Service.

About 90% of the candidates attempted the questions. The general performance was average.

Solution 2

Mr. Joshua Paul
Computation of personal income tax liability

For the 2026 assessment year

	₦	₦
Salary		7,500,000
Benefits-in-kind:		
Rent paid by the employer (maximum of 20% of ₦7,740,000)	1,548,000	
Official car (5% of ₦4,800,000)	240,000	1,788,000
Gross emoluments		9,288,000
Less eligible deductions:		
(i) Life assurance relief	30,000	
(ii) Contribution to pension scheme	48,000	(78,000)
Chargeable income		9,210,000

Tax payable	₦
First ₦800,000 @ 0%	0
Next ₦2,200,000 @ 15%	330,000
Next ₦6,210,000 @ 18%	1,117,800
₦ 9,210,000	1,447,800

Notes

a) Section 162 of the Nigeria Tax Act, 2025, explicitly exempts pension income, gratuities, and retirement benefits from tax.
b) Where accommodation is provided for an employee, he shall be treated as being in receipt of additional emoluments equal to the annual rental value of the premises, subject to a maximum of 20% of annual gross income from the employment, excluding the rental value. It is pertinent to state that gross income from employment includes benefits-in-kind.

Examiner's comment

This is a good question on personal income tax. About 90% of the candidates attempted the question. The general performance was below average. The major pitfall was inability to understand properly the allowable and non-allowable expenses as spelt out in the tax Acts.

Solution 3

Harry Nigeria Limited
Computation of income tax liabilities
For 2027 year of assessment

	₦'000	₦'000
Profit for the year		115,000
Add:		
Depreciation	5,000	
Loss on sale of van	500	5,500
Adjusted/assessable profit		120,500
Deduct:		
Unrelieved losses b/f		(2,000)
		118,500
Capital allowances for the year		(8,500)
Total profit		110,000
Companies income tax liability (30% of total profit)		= ₦33,000,000
Federal development levy (4% of adjusted profit)		= ₦4,820,000

Given the fact that the total profit (₦110,000,000) is higher than the dividend paid (₦60,000,000), the companies income tax liability is ₦33,000,000.

Examiner's comment

This is a question testing the knowledge of the candidates on computation of tax liability of a company. About 60% of the candidates attempted the question. And the general performance was average.

Solution 4

Hill Top Bank Limited
Computation of income tax liabilities

For 2023 year of assessment	₦	₦
Profit before taxation		92,000,000
Add: Depreciation	40,000,000	
General provision (₦56m-₦40m)	16,000,000	56,000,000
Adjusted/Assessable profit		148,000,000
Less: Capital allowances b/f	2,000,000	
Annual allowance	14,000,000	(16,000,000)
Total profit		132,000,000

Companies income tax liability @ 30% of total profit is = ₦39,600,000

Federal development levy @ 4% of adjusted profit is = ₦5,920,000

Examiner's comment

This is a good question on computation of the tax liability of a bank. About 30% of the candidates attempted the question. But the general performance was below average. The major pitfall was wrong treatment of the interest on loan for agricultural production. Candidates are advised to study very well the aspect of specialised businesses in future examinations.

Solution 5

(a) **Based on the provisions of Section 30(2) of NTA, 2025,"eligible deductions**" include payments made by the individual in a year of assessment in respect of:

(i) the individual's contributions under the National Housing Fund;
(ii) the individual's contributions under the National Health Insurance Scheme;
(iii) the individual's contributions under the Pension Reform Act, 2014
(iv) interest on loans for developing an owner-occupied residential house;
(v) annual amount of any annuity or premium paid by the individual during the year preceding the year of assessment in respect of insurance on his life or the life of his spouse, or contract for a deferred annuity on his own life or the life of his spouse; and

(vi) rent relief of 20% of annual rent paid, subject to a maximum of ₦500,000, whichever is lower, provided that the individual accurately declares the actual amount of rent paid and other relevant information as may be prescribed by the relevant tax authority.

(b) The requirement of the relevant tax authority for proof of claims from an employee - section 32 of NTA

(i) The relevant tax authority may require a claimant to an eligible deduction to produce such documentary evidence as may be necessary in support of any claim and in the absence of such evidence, or where such evidence is inadequate, the relevant tax authority may refuse to allow the deduction or such part of the amount claimed.

Notwithstanding any provision, where:

(ii) an individual fails to produce satisfactory documentary evidence in support of a claim in respect of an eligible deduction, any objection to an assessment or, to any rate at which tax is to be deducted, shall be accompanied by a copy of the available documentary evidence or a declaration that such required documentary evidence does not exist;

OR

(iii) an individual claims a deduction under this Act for a year of assessment, or produces evidence in support of a claim previously made but not admitted or not admitted in full by the relevant tax authority, such repayment, set-off of tax or reduction in any assessment shall be made so as to give effect to any amount or additional amount of the deduction as appropriate.

Examiner's comment

This is a good question testing the candidates' understanding of eligible deductions under the Nigerian Tax Act 2025. 85% of the candidates attempted the question. And the genal performance was above average.

Solution to question 6

(a) Different aspects of tax administration that Rev360 can handle

Rev360 recently introduced by the Nigeria Revenue Service, has the capacity to handle different aspects of tax administration, including:

(i) E-registration
To access the portal, a taxpayer needs to visit *selfservice.nrs.gov.ng*. This process has been designed to be an electronic self-service, facilitating cross-agency data matching.

(ii) E-assessment
The platform facilitates automated and real-time assessment of taxes, thereby reducing manual intervention.

(iii) E-payment
The portal makes provision for real time updates on tax liabilities and payments.

(iv) E-filing
Rev360 makes use of technology for the automation of filing of returns, reconciliation and payments.

(v) E-TCC
The platform has been designed to generate electronic tax clearance certificates for tax compliant taxpayers.

(vi) E-reporting
The platform facilitates the generation of reports within seconds at the click of a button.

(vii) E-audit
The portal can generate digital audit trail which allows for accountability. The tax officials do not have to wait for periodic reports as business transactions are readily visible, thereby allowing for real-time monitoring.

(b) Impacts of new technologies for tax practice and administration

The use of some of these technologies in tax practice and administration brings the following benefits:

i. **customer satisfaction:** there would be enhanced perception of overall tax practice and administration performance;
ii. **lower cost of compliance:** Members of staff of the tax authority would be able to focus on more valuable activities;
iii. **data error is minimised**: Improvement in the quality of taxpayers' information; and
iv. **Improved voluntary compliance**: The compliance level of most taxpayers is bound to improve which would in turn impact positively on revenue generation.

For tax practising firms, the following benefits could be derived:

v. time savings – speed and accuracy of data entries and processing;
vi. cost savings in the long run;
vii. focus on higher level jobs that machines cannot handle;
viii. mobility of service; and
ix. increased capacity to serve multiple clients.

Examiner's comment

This is a standard question on new technologies in tax practice and administration. About 75% of the candidates attempted the question. The general performance was good.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA

ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
SEPTEMBER 2026 EXAMINATIONS (PART III)

MANAGEMENT

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in **blue** or **black** 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 or around 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, SEPTEMBER 22, 2026

DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART III EXAMINATIONS - SEPTEMBER 2026

MANAGEMENT

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 ..... emphasises the nature of output and its use.

   A. Use-Based Classification
   B. Size Based Classification
   C. Input Based Classification
   D. Ownership Classification
   E. Industrial Classification

2. Which of the following is least likely to cause Business Failure?

   A. Poor Planning
   B. Good management team
   C. Lack of capital
   D. Cash flow Crisis
   E. Lack of essential raw material

3. The ..... has unlimited liability for all actions of the business.

   A. Limited Partner
   B. Sole Proprietor
   C. General Partner
   D. Corporation
   E. Cooperative Society

4. Memorandum of Association contains the following information, **EXCEPT**

   A. The name of the company with letters PLC which means Public Limited Company attached
   B. The address and/or location of the business
   C. The type of business
   D. Rights and responsibilities of shareholders
   E. A statement indicating that the liability of its corporate members is limited

5. The ..... can be viewed as the state of the application of scientific principles and mechanical arts to various tasks in the society.

A. International Environment
B. Socio-cultural environment
C. Technological Environment
D. Political Environment
E. Economic Environment

6. ..... can be defined as the process of world-wide economic integration and growing inter-dependence, interconnectedness through the flow of goods, services, capital, people and information among nations in the modern world.

A. International Management
B. Globalisation
C. Modernisation
D. Foreign Direct Investment
E. Investment Planning

7. Which of the following is **NOT** an argument for Social Responsibility?

A. Business involvement in social responsibility discourages additional government regulation and intervention. The result is greater freedom and more flexibility in decision making for business.
B. As members of the society, businesses should do their fair share to help others.
C. Business has the resources such as talented managers, specialists, but do not have the capital resources, to solve some of the society's problems.
D. Business should be more responsible because they have a great deal of power, financial and technical resources to help solve social problems.
E. Social involvement creates a favourable public image. Thus, a firm may attract customers, employees and investors because of its social activities.

8. Non-compliance with laid down internal controls and operational procedures is one of the weaknesses of .....

A. Business Ethics
B. Corporate Governance
C. Social Responsibility
D. Ethical Responsibility
E. Business Environment

9. The essence of manager-ship for achieving harmony among individual efforts toward the accomplishment of group goals is .....

A. controlling
B. forecasting
C. coordinating
D. planning
E. directing

10. ..... is described as a process of minimising waste and maximising compliance.

A. Environmental Improvement
B. Environmental Control
C. Environmental Degradation
D. Environmental Management
E. Environmental Supervision

11. The ..... emphasises management functions and attempts to generate broad administrative principles that would serve as guidelines for the rationalisation of activities.

A. Scientific Management Theory
B. Principles of Efficiency
C. Administrative Management Theory
D. Human Relations Theory
E. Theory of Bureaucracy

12. A comprehensive term describing the way an organisation does its work by using electronic linkages with key constituencies in order to efficiently and effectively achieve its goals is .....

A. E-Business
B. E-Commerce
C. E-Bay
D. Pay-per-Click
E. Amazon

13. To be effective, a strategic plan should meet the following criteria

A. Proactivity, Congruency and Synergy
B. Honesty, Integrity and Synergy
C. Coordination, Availability and Simplicity
D. Productivity, Congruency and Feasibility
E. Measurable, Achievable and Traceable

14. The Decision Making situation in which the decision-maker does **NOT** know the exact probabilities attached to the alternatives available to him is .....

A. Decision Making Under Certainty
B. Decision Making Under Risk
C. Decision Making Under Uncertainty
D. Programmed Decision Making
E. Non-programmed Decision Making

15. Organisation entails all the following, **EXCEPT**

A. Distribution and division of tasks necessary for accomplishment of predetermined objectives
B. Arranging the task activities in a logical and efficient manner
C. Assigning and delegating authority
D. Setting up the system for integration of task activities so as attain unified system of operation
E. Monitoring the effectiveness and efficiency of the organisation with a view to making adjustment when necessary to improve efficiency of the system.

16. The type of Organisational Structure that superimposes a horizontal set of divisional reporting relationship onto a hierarchical functional structure is .....

A. matrix structure
B. hybrid structure
C. process structure
D. informal structure
E. formal structure

17. Which of the following is **NOT** a technique of Coordination?

A. Coordination by simplified organisation
B. Plans, Programmes and Policies
C. Stratification and Procedures
D. Coordination through Liaison Roles
E. Coordination by Meetings

18. ..... consists of the kinds of initiatives that organisations use to establish business positions.

A. Business Strategy
B. Functional Strategy
C. Operating Strategy
D. Divisional Strategy
E. Corporate Strategy

19. The formal conversation between an employer and prospective employee to enable the employer assess the latter's suitability for a job is .....

A. formal interview
B. selection interview
C. job placement
D. job analysis
E. employment

20. Which of the following is **NOT** an example of on-the-job training methods?

A. Job Rotation
B. Project or Committee Assignments
C. Understudy
D. Apprenticeship
E. Temporary Promotion

21. The following are the importance of collective bargaining, **EXCEPT**

A. It promotes industrial harmony so that strikes and industrial actions can be avoided
B. It promotes industrial democracy
C. It creates channel for open communication between employers and employees
D. It offers government a means of exercising its regulatory roles
E. It ensures that employees participate in policy formulation and implementation

22. Which of the following is performed by a typical Marketing Department?

A. Projecting the image of the organisation positively to prospective buyers
B. Display of goods for customers to buy
C. Selling products at cheap prices to the customers
D. Planning and guiding the development of new products or modification of existing ones
E. Organising giveaways to customers to ensure customers are retained in the organisation

23. Which of the following is **NOT** a promotional tool?

A. Product Orientation
B. Advertising
C. Public relations
D. Sales Promotion
E. Personal selling

24. Maslow Hierarchy of Needs Theory, Aldelfer's ERG Theory of motivation, McGregor's Theory X and Y, and Herzberg's two factor theory are examples of .....

A. Process Theory of Motivation
B. Content Theory of Motivation
C. Context Theory of Motivation
D. Organisational Theory of Motivation
E. Reinforcement Theory of Motivation

25. The clash of domains caused by dividing expertise, authority and roles is

A. Inter-Organisational Conflict
B. Vertical Hierarchical Conflict
C. Group/Team Conflict
D. Horizontal Conflict
E. Line and Staff Conflict

26. Which of the following is **NOT** an element that must be present before any communicative act can be regarded as effective?

A. Completeness
B. Conciseness
C. Consciousness
D. Correctness
E. Concreteness

27. Which of the following is **NOT** a criterion for measuring organisational effectiveness?

A. Environmental orientation, optimum allocation of resources, and goal realisation
B. Flexibility to environmental changes
C. Flexibility to internal changes, maintenance, and absence of organisational strain
D. Growth
E. Employee performance

28. Which of the following is **NOT** a function of an office?

A. Provides a convenient place where managers carry out their functions
B. Collects information from within the organisation
C. Restricts information from others
D. Collects information from outside the organisation
E. Records information

29. The application of Organisation and Methods is important in offices because .....

A. it helps to unearth lapses in job performance, which could be removed through improved training of employees
B. it helps to increase sales of products
C. it assists in recruitment and selection of prospective employees
D. it assists the organisation in the resolution of conflicts
E. it projects the organisation in a positive light to intending investors

30. Which of the following is **NOT** a common source of danger to health and safety at the workplace?

A. Open cabinets
B. Slippery floor
C. Use of warning system
D. Poor ventilation
E. Poor lit stairways or offices

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 human effort, which is either physical or mental, that is exerted in the production of goods and services is .....

2. ..... refer to the organisation's managerial and technological abilities that are applied to convert inputs into outputs.

3. A ..... is one that has developed the capacity to continuously adapt and change.

4. A ..... is a comprehensive plan that coordinates a complex set of activities related to a major non-recurring goal.

5. ..... are those decisions made in routine, repetitive and well-structured situations through the use of pre-determined decision rules.

6. An organisation whose authority is legitimised by confidence in the personal qualities of the leader is .....

7. ..... is referred to as territorial organisational structure.

8. The linking together of superiors and subordinates of units and sub-units at different levels of the organisation is .....

9. The totality of management decisions and actions that affect the relationship between the organisation and employees is .....

10. ..... refers to rewards offered to employees at periodic intervals for high performance.

11. The distance between the factory floor and the ceiling is .....

12. ..... is the systematic gathering, analysis and interpretation of data to aid decision-making in areas such as the type of products to make, the price to charge, how to distribute and promote the product.

13. The products which consumers usually compare prices, quality and features of alternative brands before purchasing is .....

14. ..... is the process of launching a new product on a limited but at a carefully selected scale to test its commercial viability.

15. ..... are costs which are directly linked with the volume of production and will exist if production continues but could be discontinued when production stops.

16. The Reinforcement Theory was pioneered by .....

17. ..... are groups of employees who perform highly related interdependent jobs plus supervisory jobs.

18. ..... is the relative strength of an employee's identification with an involvement in an organisation.

19. The ..... assesses effectiveness by observing the beginning of the process and evaluating whether the organisation effectively obtains resources necessary for high performance.

20. A ..... is a document with spaces (fields) in which to write or select for a series of documents with similar contents.

SECTION B: ATTEMPT ANY FOUR QUESTIONS (50 MARKS)

QUESTION 1

(a) Define Partnership as a form of business ownership. (2½ Marks)

(b) Explain **FOUR** features of partnership. (6 Marks)

(c) State **FOUR** disadvantages of partnership as a form of business ownership. (4 Marks)

(Total 12½ Marks)

QUESTION 2

(a) Define Business Environment. (2½ Marks)

(b) State **TEN** objectives of environmental management. (10 Marks)

(Total 12½ Marks)

QUESTION 3

(a) Enumerate and explain **FIVE** features of bureaucracy. (7½ Marks)

(b) Briefly explain **FIVE** contributions of bureaucracy to the field of management. (5 Marks)

(Total 12½ Marks)

QUESTION 4

(a) Define formal organisation. (2½ Marks)

(b) Highlight **FIVE** advantages of a formal organisation. (5 Marks)

(c) State **FIVE** disadvantages of formal organisation. (5 Marks)

(Total 12½ Marks)

QUESTION 5

(a) Explain **FIVE** examples of on-the-job training method. (5 Marks)

(b) State and explain **FIVE** benefits of training and development to an organisation. (7½ Marks)

(Total 12½ Marks)

QUESTION 6

(a) Highlight **TWO** importance of Health and Safety at work. (2 Marks)

(b) State **FIVE** goals and objectives of the National Policy on Occupational Safety and Health. (5 Marks)

(c) Outline **ELEVEN** Prevention and Protective Measures for Safety in an Office. ($5^1/_2$ Marks)

(Total 12½ Marks)

SOLUTIONS

(MCQ)

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

EXAMINER'S COMMENT

The questions covered all areas of the syllabus. All the candidates attempted the questions and the performance was fairly good. About 56% of the candidates that attempted the questions scored above average. The major pitfalls of the candidates that performed poorly was their inability to acquaint themselves with the study pack.

SAQ

1. Labour
2. Transformation process
3. Learning Organisation
4. Program
5. Programmed Decision
6. Charismatic Organisation
7. Place/geographical Location
8. Vertical Coordination
9. Human resources Management
10. Bonuses
11. Headroom
12. Marketing Research
13. Shopping Goods
14. Test Marketing
15. Variable Costs
16. Skinner
17. Self- Managed Work Team
18. Organisational Commitment
19. System Resource Approach
20. Form

EXAMINER'S COMMENT

These questions were well carved out and covered the syllabus in all parts. Almost all the candidates attempted the questions and the performance was above average. About 48% scored above average. The candidates are advised to pay more attention to their study packs for improved performance in future examinations.

SOLUTION TO SECTION B

SOLUTION 1

a. **Meaning of Partnership**

This is a form of business ownership where two or more individuals come together and agree to organize and operate an enterprise jointly with profit as the motive. They contribute their capital and jointly offer their services for the success of the business.

b. **Features of Partnership**

i. Based on agreement: It is always based on agreement between two or more parties to carry on business.
ii. Profit and loss sharing: Thee partners are entitled to share profits realized and also bear the loss.
iii. Agency relationship: Any of the partner can art on behalf of other partners as agent.
iv. Unlimited liability: In case some obligations arise and the partnership assets are not sufficient, private properties of the partners can be taken to pay for the liabilities of the firm.
v. Common management: Every partner has a right to participate in the management of the firm.
vi. Restriction in the transferability of shares: No partner can transfer his/her shares without the consent of all other partners.

c. **Disadvantages of Partnership**

i. Unlimited liability
ii. Limited life
iii. Arguments or disagreement can arise among the partners
iv. Limited access to initial capital when compared with companies
v. Risks of implied authority
vi. Difficulty in withdrawing from the firm.

EXAMINER'S COMMENT

The question was structured to test the candidates' understanding of form of business ownership with special focus on partnership as a form of business ownership; It's features and disadvantages. About 85% of the candidates attempted the questions and about 52% scored above average. Candidates are advised to make adequate use of study pack for improved performance in subsequent examinations.

SOLUTION 2

Definition of Business Environment

Business environment can be defined as a set of factors or conditions that are external or internal to the business but which have influence on the operations of the business enterprise.

OR

Business environment can also be defined as web of forces which form the setting in which the firm makes its decisions.

2b. **Objectives of environmental management**

i. Identifying and finding solutions to environmental issues
ii. Establishing environmental resource limits to avoid overuse
iii. Help to renew and minimize the use of natural resources

iv. Regeneration of degraded environment
v. Review the environmental goals of an organization
vi. Setting environmental targets to minimize the environmental impact of an organisation such as environmental pollution
vii. Ensuring environmental awareness program is being followed by every employee
viii. Review existing technologies and try to make them eco-friendly
ix. Encourage resource conservation programs
x. Develop strategies for improving the quality of life
xi. Implement ways for environmental protection
xii. Identify, develop and implement policies related to sustainable development

EXAMINER'S COMMENT

The question was structured to test the candidates' understanding of business environment and environmental management. About 55% of the candidates attempted the questions and about 42% scored above average. Adequate usage of the study pack is recommended for improved performance in future examinations.

SOLUTION 3

a. Features of Bureaucracy

i. Division of Labour: Each role has a clearly defined set of tasks along with a specified area of jurisdiction and responsibility.
ii. Authority Hierarchy: The roles or jobs are organized to form a hierarchy of authority.
iii. Formal Selection: Employees are expected to be recruited on the basis of their competence and expertise.
iv. Career orientation: Officials of the organization are not owners of the organization but are regarded mainly as professionals who have specified duties, tenure and reward; and cannot be arbitrarily removed.
v. Formal rules and controls: Clearly stated rules, regulations and procedures are adhered to.

b. Contributions of Bureaucracy

i. Since the policies, rules and procedures are set and applicable to all, this leads to consistent employee behaviour.
ii. Since the jobs, duties and responsibilities are clearly defined the overlapping or conflicting job duties are eliminated.
iii. Hiring and promotions are based on merits and expertise.
iv. Division of labour makes the worker specialist.
v. There is continuity in the organization, even if individuals leave since the position is emphasized rather than the person.

EXAMINER'S COMMENT

The question was crafted to test the candidates' understanding of bureaucracy as a concept and its contributions to the field of Management. About 58% of the candidates attempted the question and about 52% scored above average. Candidates are advised to devote more time to their study pack for improved performance.

SOLUTION 4

a. Formal Organization

Formal organization comprises patterns of relationships, communication channels and authority structure recognized by management for the purpose of achieving the goals of the organization.

b. Advantages of Formal Organization

i. It helps in achieving objectives.
ii. It puts resources to the best use.
iii. It ensures the benefits speculation can be achieved.
iv. It develops feeling of cooperation.
v. It limits conflict among executives.
vi. It prevents duplication of work.
vii. It ensures measurement of employees' efficiency.
viii. It provides for well-defined authority and responsibility to avoid friction.
ix. It ensues accountability
x. It makes standardization of work becomes practicable.

c. Disadvantage of Formal Organization

i. Changes becomes difficult because rules, regulations and procedures are followed.
ii. Rules are considered more than persons.
iii. A formal organization is impersonal and discourages human feelings.
iv. It recognizes only formal communication which may discourage informal communication.
v. Excessive and undue use of authority.
vi. No consideration is given to social needs and other needs of the human resources

EXAMINER'S COMMENT

The question was structured to test the candidates' understanding of formal organisation, its advantages and disadvantages. About 58% of the candidates attempted the question and about 44% scored above average. Candidates are advised to pay more attention to their study pack for improved performance in subsequent examinations.

SOLUTION 5

a. FIVE samples of on-the-job training methods.

i. Demonstration: Here, the trainee shows in a systematic manner the method of carrying out a specific job and allows the trainee to do it himself.
ii. Understudy: An understudy is a person who is training to assume, at a future date, the duties currently performed by his/her superior.
iii. Job rotation/planed experience: This is the practice of rotating people from job to job or from one department to another.
iv. Project or committee assignment: In this method, managers are assigned to projects or committee to carry out specific assignment.
v. Temporary promotion: Managers are assigned higher responsibilities to improve their skills. .

b. FIVE benefits of Training and Development.

i. Improved performance on the present job: After a training programme, the employee's levels of performance on-the-job increases.
ii. Improved morale: Training programmes help to increase the morale and job satisfaction of trainees.
iii. Reduction of Operational Problems: Training helps to reduce operational problems such as accidents high labour turnover, poor customer service etc.
iv. Increased Productivity: By improving the standard of performance, quality of workmanship and morale of workers.
v. Provision of Human Resources Needs: The organization fulfills its needs for certain type of skills without going out to recruit.
vi. Reduced Supervision: Well-trained workers need little supervision.
vii. Improved Services to Customers: Training exposes employees to new ideas and techniques which help to improve service to customers.

EXAMINER'S COMMENT

The question was structured to test the candidates' understanding of on-the-job training method and benefits of training and development programmes to an organisation. About 68% of the candidates attempted the question and about 54% scored above average. Candidates are advised to concentrate more of their study time on study pack for improved performance in subsequent examinations.

SOLUTION 6

a. Importance of Health and Safety at Work

i. It is important to achieve the highest standard of health and safety at the workplace because ill-health and injuries result in loss and damage for the organization. Losses could be as a result of legal fees, fires, compensatory damage, lost production, lost goodwill from workers, customers and the wider community.

ii. Health and safety at the workplace is also important because it safeguards the health and safety of workers. Morally, no worker should be made to work where his/her welfare is at risk.

iii. In most countries, there are statutes on health and safety issues which organizations must comply with. Failure to do this, might attract government sanctions.

b. The goals of the Policy are to:

i. Facilitate improvement of occupational safety and health performance by providing the framework for participative occupational safety and health protection of workers including the most vulnerable groups in all sectors of economic activities.

ii. Ensure harmonization of workers" rights protection with regional and international standards in a private sector-led economic growth thus, focusing the role of the competent authority in facilitating an enabling environment and regulating various provisions for securing safety, health and welfare of workers in Nigerian workplaces.

The objectives are:

i. To create a general framework for the improvement of working conditions and the working environment.

ii. To prevent accidents and departures from health arising out of or in the course of work.

iii. To ensure the provision of occupational safety and health services to workers in all sectors of economic activity.

c. Prevention and Protective Measures for Safety in an Office are as follows:

i. **Safety Policy:** The first step towards prevention of injury or death at the workplace is to put in place a safety policy.

ii. **Periodic Risk Assessment:** This is the process of identifying hazards and the risks attached to them. It is a proactive strategy aimed at tackling every health and safety risk at the workplace.

iii. **Hazard Elimination**: This may require use of alternatives, design improvement, change of process, etc.

iv. **Substitution**: A replacement of hazardous equipment with a less dangerous one.

v. **Use of Barriers:** Removal of dangerous equipment from workers or workers from dangerous equipment.

vi. **Use of Procedure:** Putting in place a step-by-step procedure to carrying out an operation

vii. **Use of Warning System:** Such as instructions, signs, labels.

viii. **Use of Protective Equipment:** Such as clothing, gloves, etc.

ix. Commitment of workers to adherence to safety procedures and use of safety equipment.

x. Hazards can be prevented by designing and installing safety equipment and protective devices.

xi. Periodic inspections and checks to eliminate risks.

xii. Investigating accidents as they occur and taking corrective actions.

xiii. Continuous programme of education and training on safe work habits and methods of preventing accidents.

xiv. Designation of Safety and Health Officer- this officer shall be the health and safety champion in the organisation.

EXAMINER'S COMMENT

The question was structured to test the candidates' understanding of importance of improved performance in health and safety programme at workplace; goals and objectives of the national policy occupational safety and health and prevention and protective measures for safety in an office. About 62% of the candidates attempted the question and about 52% scored above average. Candidates are advised to concentrate more on their study pack for subsequent examinations.

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