



**THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF NIGERIA**

INSIGHT

ATSWA MARCH 2026 EXAMINATIONS

PART I

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

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THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA



**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2026 EXAMINATIONS (PART I)**

BASIC 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.

TUESDAY, MARCH 24, 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 I EXAMINATIONS - MARCH 2026**

BASIC ACCOUNTING

Time Allowed: 3 hours

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

ATTEMPT ALL QUESTIONS IN THIS SECTION

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

1. Based on double entry principles, what is the effect of goods purchased on credit?
 - A. Reduction in payables and increase in inventory
 - B. Reduction in inventory and increase in payables
 - C. Increase in both payables and cash
 - D. Increase in both inventory and payables
 - E. Increase in both inventory and cash

2. Which of the following document is **NOT** issued by supplier to customer?
 - A. Sales order
 - B. Account statements
 - C. Delivery note
 - D. Credit note
 - E. Sales invoice

3. The cost of a non-current assets less its depreciable amount is referred to as
 - A. residual value
 - B. depreciation
 - C. expired cost
 - D. useful life
 - E. carrying amount

4. The statement that shows a sport club's financial performance for a period is called
 - A. receipts and payments account
 - B. statement of profit or loss
 - C. statement of income and expenditure
 - D. statement of financial position
 - E. accumulated fund account

5. Which of the following is **NOT** recorded in the receivables control account?
- A. Discount allowed
 - B. Cash received from credit customers
 - C. Set off with payables control account
 - D. Irrecoverable debts
 - E. Increase in allowances for doubtful receivables
6. A business received rent of ₦3,600,000 on January 1, 2025, for a year and six months. What is the double entry for this transaction at the end of the accounting year ended December 31, 2025?
- A. Debit, bank with ₦3,600,000 and credit profit or loss with ₦3,600,000
 - B. Debit bank with ₦3,600,000, credit profit or loss with ₦2,400,000 and deferred rental income with ₦1,200,000
 - C. Debit bank with ₦3,600,000, credit profit or loss with ₦1,200,000 and rental income with ₦2,400,000
 - D. Debit profit or loss with ₦2,400,000 and rental income with ₦1,200,000, credit bank with ₦3,600,000
 - E. Debit profit or loss with ₦1,200,000 and rental income with ₦2,400,000, credit bank with ₦3,600,000
7. Which of the following will involve movement of cash?
- A. Depreciation
 - B. Credit sales
 - C. Bad debts written off
 - D. Provision for tax
 - E. Rent expenses paid
8. The statutory document in a government fiscal year that serves as a source document for income and expenditure is
- A. warrant
 - B. invoice
 - C. budget
 - D. receipt
 - E. quotation
9. The unit of a company capital is described as a(an)
- A. income
 - B. asset
 - C. share
 - D. owner's equity
 - E. capital

10. Which of the following accounting equation is correct?
- A. $\text{Assets} = \text{Equity} - \text{liabilities}$
 - B. $\text{Liabilities} = \text{Assets} + \text{Equities}$
 - C. $\text{Equity} = \text{Assets} + \text{Liabilities}$
 - D. $\text{Assets} = \text{liabilities} + \text{Equity}$
 - E. $\text{Assets} = \text{Equity} + \text{Capital}$
11. Accounting concept that assume income as earned and expenses as incurred is
- A. conservatism
 - B. entity
 - C. duality
 - D. historical cost
 - E. accrual
12. An allowance given to a trader that bought in large quantity is
- A. discount received
 - B. discount allowed
 - C. cash discount
 - D. trade discount
 - E. sales discount
13. Which of the following is an example of capital expenditure?
- A. Directors remuneration
 - B. Cost of repairing non-current assets
 - C. Cost incurred in acquiring trading inventories
 - D. Legal charges on acquired land and building
 - E. Expenses in connection with rent and insurance of office building
14. Accounting standard that guides accounting for inventory is
- A. IAS2
 - B. IAS1
 - C. IAS16
 - D. IFRS1
 - E. IFRS2
15. Factors that are necessary to be considered when deciding to buy or use a computer package, **EXCLUDE**
- A. location of computer center
 - B. timing of processing
 - C. types of processing
 - D. flexibility
 - E. cost

16. A motor vehicle cost is L\$25,000,000 and its residual value is L\$1,500,000 with five years life span. What is the depreciation chargeable per year using straight line method?
- A. L\$5,000,000
 - B. L\$4,700,000
 - C. L\$700,000
 - D. L\$2,700,000
 - E. L\$2,650,000

Use the data below to answer questions 17 and 18

Twinkle Limited has the following information as at December 31, 2025.

	N
Cost of materials	15,300,000
Manufacturing overheads	5,960,000
Factory wages	7,500,000
Work in progress at 1/1/2025	2,400,000
Work in progress at 31/12/2025	3,800,000
Payments of royalties	3,300,000
Closing inventories of finished goods	4,000,000

Manufactured goods are transferred to sales department at cost plus 20%.

17. The prime cost is
- A. N\$36,000,000
 - B. N\$32,060,000
 - C. N\$26,100,000
 - D. N\$22,800,000
 - E. N\$15,309,000
18. The transferred value of finished goods is
- A. N\$36,792,000
 - B. N\$32,060,000
 - C. N\$31,920,000
 - D. N\$30,660,000
 - E. N\$26,100,000

19. Another name for prudence concept is
- A. conservatism
 - B. materiality
 - C. duality
 - D. accrual
 - E. historical cost
20. The branch of accounting that involves the breakdown of data to provide information for pricing policy is
- A. Financial management
 - B. Financial accounting
 - C. Forensic accounting
 - D. Cost accounting
 - E. Performance management
21. The minimum number of members in a Partnership business is
- A. 10
 - B. 9
 - C. 7
 - D. 5
 - E. 2
22. Electronic bank reconciliation statement can be prepared using the Software Packages, which of the following is **NOT** usable?
- A. Microsoft Excel
 - B. Sage
 - C. Tally
 - D. Quick Books
 - E. Microsoft Word
23. A business capital is GH¢1,000,000, its plant is GH¢600,000 and cash is GH¢150,000, while the balance represents inventory. What is the value of inventories?
- A. GH¢310,000
 - B. GH¢250,000
 - C. GH¢210,000
 - D. GH¢160,009
 - E. GH¢150,009

24. The right-hand side of a ledger account is called
- A. folio
 - B. credit
 - C. debit
 - D. balance
 - E. ledger right
25. The following are the benefits of ethics, **EXCEPT**
- A. loyalty to the Institute
 - B. enhancing reliability and trust
 - C. promotes good image
 - D. promotes proper accountability
 - E. encourages social unrest
26. Which of these transactions will increase business assets?
- A. Payments made to the suppliers
 - B. Additional capital introduced
 - C. Loss of inventories
 - D. Drawing goods from the business
 - E. Request for more bank overdraft
27. An important legal implication of the entity concept to a sole trader is that
- A. there is pride of ownership
 - B. private use of the business assets is not allowed
 - C. owner cannot own private assets
 - D. liabilities of the owner are limited
 - E. the business owner can be sued and sue separately
28. Which of the following is **NOT** a feature of a Journal?
- A. Date of transactions
 - B. Credit to be charged in the ledger account
 - C. Debit to be charged in the ledger account
 - D. Folio
 - E. Brief description of event
29. Which of the following is **NOT** an example of Statutory books kept by a Company?
- A. Director's service contract
 - B. Minutes books
 - C. Register of members
 - D. Register of contractors
 - E. Accounting records

10. How much subscription is transferable to the income statement in 2025?
11. What is the NET subscriptions receivables and in arrears as at year-end 2025?
12. Where a customer has instructed his bank to pay regular amounts of money at a given date to some other parties, such instruction is regarded as a/an.....
13. A cash dispenser which is designed to enable customers enjoy banking services without a visit to the banking hall is a(an)
14. An error within the same class of account but affecting different person is regarded as
15. An independent person who expresses a true and fair view on the financial statement of an entity is called a(an)
16. The financial performance statement of an organisation, such as club, religious charitable and social entities is called.....
17. The accounting concept that directly defines profit or loss statement is.....
18. In absence of partnership deed, partners are expected to share profits or loss on a(an)..... basis.
19. A business financial position revealed that the business assets is GH¢2,750,000, liabilities is GH¢550,000 and loss recorded is GH¢300,000. The business capital is.....
20. All activities, such as recording, classifying, selecting, measuring, interpreting and communication of financial data to enable users to make appropriate decision is.....

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

- (a) State **FOUR** differences between a cashbook and income statement. (6 Marks)
- (b) An extract of the bank statement of Eket & Son Enterprises for the month of December 2025 are stated below:

DATE DETAILS	Dr.	Cr.	Balance
	₦	₦	₦
Dec. 1, 2025 Balance b/f.			88,000
Dec 8, 2025 Law suit Limited		20,000	108,000
Dec. 10, 2025 Miner Ventures		30,000	138,000
Dec. 11, 2025 Allen's and son	16,000		122,000
Dec. 15, 2025 Lady and son	28,500		93,500
Dec. 18, 2025 Nkechi	16,400		77,100
Dec. 19, 2025 Bank commission	3,640		73,460
Dec. 22, 2025 Interest received		2,000	75,460
Dec. 24, 2025 Julie and son	4,000		71,460
Dec. 26, 2025 Chicken George	9,600		61,860

The following information are also relevant:

- (i) It was discovered that cheques issued to customers totalling ₦12,400 have not been presented for payment at this balancing date.
- (ii) The business was not aware of the commission charged to the account at the bank.
- (iii) The cheque issued on December 15, 2025, was in settlement of goods bought for the chairman.

You are required to:

- (a) Prepare the cashbook for the enterprises before the receipt of bank statement as a new business. (3 Marks)
- (b) Prepare a bank reconciliation statement as at the balancing date using cashbook balance. (3½ Marks)

(Total 12½ Marks)

QUESTION 2

The accountant of Bridge L. extracted the following details of transactions for the year-ended December 31, 2025.

- (i) The sales are mostly on a credit basis. No records of sales have been made, but GH¢200,000 has been received; GH¢190,000 by cheque and GH¢10,000 by cash from various customers.
- (ii) Amount paid by cheque to suppliers during the year was GH¢144,000.
- (iii) Expenses paid during the year by cheque are rent GH¢5,000 and general expenses GH¢3,600.
- (iv) The owner withdrew GH¢200 per week for 52 weeks.
- (v) Other information are:

	31/12/2025	31/12/2024
	GH¢	GH¢
Receivables from customers	22,000	26,400
Payables for goods	8,000	13,000
Rent owing	--	1,000
Bank balance	22,600	61,000
Cash balance	1,600	200
Inventories	31,800	34,000

- (vi) The only non-current asset is fixtures which were valued at 31/12/2024 at GH¢16,000.

They are to be depreciated at 10% per annum.

You are required to:

- (a) Prepare statement of affairs as at January 1, 2025. (2 Marks)
- (b) Prepare statements of income and financial position as at December 31, 2025 (10¹/₂ Marks)
(show all workings). **(Total 12¹/₂ Marks)**

QUESTION 3

The following is an extract from the records of Bully Limited as at December 31, 2025:

	L\$
Profit for the year as per statement	1,104,520
Suspense account balance	59,600 Dr

Immediately the financial position was prepared, the following errors were discovered:

- (i) An item on a page in the sales daybook of L\$9,000 was posted in the receivables personal account as L\$17,000.
- (ii) Cash at hand was L\$2,200 but not L\$22,000.
- (iii) Inventories were discovered to be overstated by L\$80,000.
- (iv) The interest on long term loan of L\$8,000 has remained unpaid till date.
- (v) There was a complete omission of short-term investments totalling L\$100,000.
- (vi) A sum on a page on the purchase daybook of L\$275,800 was taken as L\$279,400.
- (vii) Invoice for a sum of L\$10,000 included in the inventories and purchases was not posted to the personal ledger of the supplier.

You are required to:

- (a) Prepare journal entries to correct the above errors. (7½ Marks)
 - (b) Prepare the suspense account to effect the correction of the errors. (3 Marks)
 - (c) Prepare an adjusted profit or loss statement. (2 Marks)
- (Total 12½ Marks)**

QUESTION 4

- (a) i. Explain the term 'fintech'. (2½ Marks)
 - ii. List **FOUR** features of a cashbook. (4 Marks)
 - (b) i. List **FOUR** functions of Automated Teller Machine (ATM). (4 Marks)
 - ii. State **FOUR** types of electronic banking products common in usage. (2 Marks)
- (Total 12½ Marks)**

QUESTION 5

- (a) Explain the following source documents:
- i. Cheque stub (1½ Marks)
 - ii. Payment voucher (1½ Marks)
 - iii. Bank statement (1½ Marks)
 - iv. Quotation (1½ Marks)
- (b) Business expenditures can be grouped mainly into capital or revenue expenditure. State **TWO** basic differences between the expenditure classification. (2 Marks)
- (c) Alhaji Haruna is a kola nut merchant. He has presented the following information for the month of May 2025:

	GH¢'000
Bought Delivery van for the distribution of products	20,000
Legal and agreement fees on acquired property	20,000
Repair and maintenance of motor vehicles	2,000
Salaries and wages for the month	10,000
Paid insurance premium on motor vehicles	4,000
Bought computer hardware for office use	1,500
Renovating of warehouse to pave way for expansion	40,000
Procure more products into the warehouse	70,000
Acquired additional warehouse	134,000

Required:

Classify and sum up the expenditures into capital and revenue in a tabular Form. (4½ Marks)

(Total 12½ Marks)

QUESTION 6

- (a) Using a tabular format, state the books of prime entry the following transactions would be entered:
- i. Goods returned to a supplier
 - ii. Invoice sent to a customer
 - iii. Office equipment purchased on credit
 - iv. Fixed amount paid weekly to employees to buy airtime
 - v. Opening entries in the ledger accounts

- vi. Transfer of balances from one ledger account to another
- vii. Carriage inwards on goods meant for resale
- viii. Settlement of debts by exchange of motor vehicle. (4 Marks)

(b) The following were extracted from the books of Niger Limited manufacturing company as at December 31, 2025:

	L\$000
Stocks of raw materials January 1	16,000
Stocks of raw materials December 31	21,000
Stocks of work in progress January 1	7,000
Stocks of work in progress December 31	8,400
Year to December 31, 2025:	
Wages: Direct	79,200
Indirect	51,000
Purchase of raw materials	174,000
Fuel and power	19,800
Direct expenses	2,800
Lubricants	6,000
Carriage inwards on raw materials	4,000
Factory rent	14,400
Depreciation of factory plant and machinery	8,400
Internal transport expenses	3,600
General factory expenses	6,600
Insurance of factory buildings and plants	3,000
Sales	500,000
Stocks of finished goods at January 1	70,000
Stocks of finished goods at December 31	88,000

You are required to:

Compute the following:

- i. Cost of materials consumed (1½ Marks)
- ii. Prime cost (1½ Marks)

- iii. Factory over heads (2½ Marks)
- iv. Cost of finished goods produced (1½ Marks)
- v. Gross profit (1½ Marks)

(Total 12½ Marks)

Q18. Goods transferred value:	₦
Prime cost	26,100,000
Overheads	5,960,000
	32,060,000
Net work in progress	(1,400,000)
Goods at market	<u>30,066,000</u>
Value = 1.2 × 30,066,000	
	= ₦36,792,000

$$\begin{aligned} \text{Q23. } & \text{₦1,000,000} - (\text{₦600,000} + \text{₦150,000}) \\ & = \text{₦250,000} \end{aligned}$$

Examiner's comment

The set of the questions under this section cover all the area of the syllabus. As a compulsory question, all the candidates attempted the question.

The candidates' performance was above average. Candidates' major pitfall was their poor preparation for the examination.

Candidates are advised to always prepare well for the future Institute's examination.

SECTION A: PART II

SHORT ANSWER SOLUTIONS

1. Prepayment or prepaid expenses
2. Fintech or Financial technology
3. Objectivity
4. Cash/Accrual
5. Contra entry
6. Inventories
7. Non-Current Liability
8. Bank Reconciliation Statement
9. Trial balance
10. L\$2,814,600
11. L\$600,000
12. Standing order
13. Automated Teller Machine (ATM)
14. Error of commission
15. Auditor
16. Income and Expenditure Account
17. Accrual concept or Matching Concept
18. Equal
19. GH¢1,900,000
20. Accounting

Workings

Q10

		Subscriptions Account	
		Ls	Ls
Bal v/f	960,000	Cash	2,574,600
Bal c/d	840,000	Bal b/d	1,440,000
Income & Exp	2,814,600	Bal b/d	600,000
	<u>4,614,600</u>		<u>4,614,600</u>

Question 11: Net Subscriptions receivables and in arrears is = Ls1,440,000 – Ls840,000
= Ls600,000

Question 19: Business Capital = GHe2,750,000 - GHe300,000 - GHe550,000 = GHe1,900,000

Examiner's comment

The questions under this section cover all the area of the syllabus. This section of the question structure is compulsory for all the candidates and all of them attempted the question.

Candidates' performance was above average. The major pitfall of the Candidates was their poor preparation for the examination. Candidates are advised to always prepare adequately before sitting for the Institute's future examination.

SECTION B

SOLUTION 1

(a) The following are the differences between a cashbook and income statement:

S/NO.	FEATURES	CASHBOOK	INCOME STATEMENT
i.	Recordings	The debit side records the receipts, while the credit side records the payments	The debit side records the expenses, while the credit side records the income
ii.	Basis of accounting	Items are recorded on cash basis	Items are recorded on accrual basis
iii.	Notional items treatment	Notional items, such as depreciation, are ignored	Notional items, such as depreciation, are recorded
iv.	Treatment of closing balance	The closing balance, as at the end of any period, is shown on the statement of financial position, either as part of the current assets or current liabilities (in case the cash book has a credit balance)	The closing balance, as at the end of any period, is shown on the statement of financial position, as part of equity
v.	Basis of maintaining balance	The balance is maintained on a perpetual basis	The balance is maintained on a periodic basis
vi	Capital expenditure/receipts	Both capital expenditures and receipts are recorded	Both capital expenditures and receipts are ignored
Vii	Purpose	The cashbook is used to track outflow and inflow of cash	The income statement is used to determine the net profit or loss of a business for a specific period
viii	Structure	A cashbook is a subsidiary journal and ledger	The income statement is part of a financial report

(b) i.

EKET & SONS ENTERPRISES
CASHBOOK FOR THE MONTH OF DECEMBER 2025

	₦		₦
Balance b/f	88,000	Allen's and son	16,000
Law Suit Limited	20,000	Lady and son	28,500
Miner Ventures	30,000	Nkechi	16,400
		Julie and son	4,000
		Chicken George	9,600
		Cheques issued to customers	12,400
		Bal c/d	<u>51,100</u>
	<u>138,000</u>		<u>138,000</u>
Bal b/d	51,100		

ii.

EKET & SONS ENTERPRISES
BANK RECONCILIATION STATEMENT AS AT DECEMBER 31, 2025

	₦	₦
Balance as per cashbook		51,100
Add: Unpresented cheques	12,400	
Interest received on account, not yet recorded on cashbook	<u>2,000</u>	
		<u>14,400</u>
		65,500
Less: Bank commission, not yet recorded on cashbook		<u>3,640</u>
BALANCE AS PER BANK STATEMENT		<u>61,860</u>

Examiner's comment

The question tests Candidates' knowledge on distinctions between a cash book and income statement in part (a), while it tests their knowledge on the preparation of a cash book from a bank statement and how to prepare bank's reconciliation statement.

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

Candidates' major pitfall was their poor understanding of the question's requirements.

Candidates are advised to practice the Institute past questions well before writing the examination.

SOLUTION 2

BRIDGE LIMITED STATEMENT OF AFFAIRS AS AT JANUARY 1, 2025

	GHC	GHC
ASSETS: Fixtures		16,000
Current assets:		
Inventories	34,000	
Receivables	26,400	
Bank	61,000	
Cash	<u>200</u>	
		<u>121,600</u>
		137,600
Less Liabilities:		
Payables	13,000	
Rent owing	1,000	
		<u>(14,000)</u>
Opening Capital		<u>123,600</u>

TWO COLUMNS CASH BOOK

	Bank	Cash		Bank	Cash
Bal b/f	61,000	200	Creditors	144,000	
Sales	190,000	10,000	Exp: Rent	5,000	
			General	3,600	
			Drawings	10,400	
			Bal c/d	22,600	1,600
			Differences	<u>65,400</u>	<u>8,600</u>
	<u>251,000</u>	<u>10,200</u>		<u>251,000</u>	<u>10,200</u>
Bal b/f	22,600	1,600			
	Receivables/Debtors Control A/c				
	GHC			GHC	
Bal b/f	26,400	Bal c/d		22,000	
Sales	<u>195,600</u>	Cash and bank		<u>200,000</u>	
	<u>222,000</u>			<u>222,000</u>	

Payables/Creditors Control A/c

	GHC		GHC
Bal c/d	8000	Bal b/f	13,000
Bank	<u>144,000</u>	Purchases	<u>139,000</u>
	<u>152,000</u>		<u>152,000</u>

BRIDGE LIMITED: STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 2025

	GHC	GHC
Sales		195,600
Less Cost of Sales		
Opening Stock	34,000	
Add Purchases	<u>139,000</u>	
	173,000	
Less Closing Stock	<u>31,800</u>	
		<u>141,200</u>
Gross profit		54,400
Less: Expenses:		
Rent (5000 – 1000)	4,000	
General expenses	3,600	
Depreciation (10% × 16,000)	<u>1,600</u>	
Net Profit		<u>9,200</u>
		<u>45,200</u>

BRIDGE LIMITED: STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025

	GHE Cost	GHE Acc. Dep	GHE Carrying Amount
Fixtures	16,000	(1,600)	14,400
Current assets:			
Inventories		31,800	
Receivables		22,000	
Bank		22,600	
Cash		1,600	
Difference in Cash book			
Not accounted for/suspense account		<u>74,000</u>	
		152,000	
Less Payables		<u>(8,000)</u>	
			<u>144,000</u>
			<u>158,400</u>
Financed by: Capital			123,600
Add Profit			<u>45,200</u>
			168,800
			<u>(10,400)</u>
Drawings			<u>158,400</u>

Examiner's comment

The question tests candidates' knowledge on the preparation of simple financial report from an incomplete accounting record.

About 50% of the candidates attempted the question and their performance was below average.

Candidates' major pitfall was their poor understanding of this area of the syllabus. Candidates are advised to prepare well before sitting for the Institute future examination.

SOLUTION 3

(a) Journal Entries

	DR	CR
i. Suspense account	8,000	
Receivables		
Being correction of wrong posting		8,000
ii. Suspense account	19,800	
Cash Overstated		19,800
Being cash overstated		
iii. Profits or loss	80,000	
Inventories		
Being inventories omitted		80,000
iv. Interest on loan	8,000	
Interest Payable		
Being interest due not paid		8,000
v. Investment	100,000	
Suspense account		100,000
Investment now accounted for		
vi. Suspense account	3,600	
Purchases		
Correction error on purchases		3,600
vii. Suspense account	10,000	
Payables		10,000
Correction of error on inventories		

(b)

SUSPENSE ACCOUNT

	LS		LS
Bal b/f	59,600	Investment	100,000
Receivables	8,000	Error not yet discovered	1,000
Cash	19,800		
Purchases	3,600		
Payables	10,000		
	<u>101,000</u>		<u>101,000</u>

(c) **Bully Limited: Adjusted Profits and Loss Statement for the period ended December 2025**

	LS	LS
Profit as per statement		1,104,520
Add: Purchases overstated		<u>3,600</u>
		1,108,120
Less: Interest on loan	8,000	
Inventories error	80,000	
		<u>88,000</u>
Adjusted Profit		<u>1,020,120</u>

Examiner's comment

The question tests candidates' knowledge on correction of errors using journals in part (a), while it also tests their knowledge on how to prepare a suspense account from identified errors and as well to prepare an adjusted profit or loss statement from the correction of errors.

About 70% of the candidates attempted the question and their performance was above average

The Candidates major pitfall was their poor preparation for this examination.

Candidates are advised to prepare adequately well for future examination.

SOLUTION 4

(a).i. Fintech, fully known as Financial Technology, is the integration of technology with financial services. It refers to companies or systems that use technology to deliver financial products and services, often with the goal of making them more accessible, efficient, or affordable. Fintech converges finance banking services like payment and receipts and other services with technology services like cloud, platform, software and hardware, blockchain, Artificial Intelligence.

Some of the fintech activities in banking include:

- Systems for online banking and payments
- Mobile wallets and banking
- Online peer to peer lending
- Crypto currencies and blockchain
- Open banking

ii. **The following are the features of a cashbook:**

- It records only cash and bank transactions of an entity, which involves receipts and payments;
- The debit side records the receipts, while the credit side records the payments;
- It serves dual function, being part of the subsidiary books and also part of the ledger accounts;
- It records transactions in a chronological order, that is, transactions are recorded daily, in the order they occur
- It is balanced on a regular basis, usually daily or at the end of a specified period, to reflect the balance therein;
- The cash book (cash column) balance is always a debit balance, as it is practically impossible to spend more cash than the available cash on hand;

(b) i. **The followings are the functions of Automated Teller Machine (ATM):**

- It dispenses cash, which enables customers to enjoy banking services, without coming into contact with the Bank Teller (Cashier);
- It receives deposits;
- It prints customers' statement of account;
- It provides customers with their account balances, at any point in time;
- It aids in the transfer of funds from one bank account to another;
- It aids customers in the payment of bills, such as electricity bills, internet subscriptions, DSTV subscriptions, etc.
- It displays promotional messages
- It issues receipts on withdrawals or payments;
- Cash advances

ii. **The followings are the types of electronic banking products common in usage:**

- Automated Teller Machine (ATM);
- Electronic Fund Transfer (EFT);
- Magnetic Ink Character Recognition (MICR);
- Electronic Fund Transfer at Point of Sales (EFTPOS);
- Debit cards;
- Credit cards
- Smart cards;
- Mobile apps;
- Unstructured Supplementary Service Data (USSD) codes;
- Point of Sale (POS) terminals;
- Internet banking;
- Digital wallets/Fintech apps

Examiner's comment

The question tests candidates' knowledge on basics technologies in banking and business funds transfers.

About 90% of the candidates attempted this question and their performance was above average.

Their major pitfall in this question was their poor understanding of the question's requirements.

Candidates are advised to get familiar with the ICAN New Study texts, to get more familiar with new technologies used for accounting purposes.

SOLUTION 5

(a)i. Cheque Stub

Most cheque books have a small portion of the cheque where the details on the original cheque are summarised. This is called a cheque stub or counter foil. This part is left after the main cheque has been detached along the perforated line. Cheque stub serves as evidence of payment to payables or any other third party, through the bank and withdrawals made for office or personal use. In most entities, all cash received must be paid to the bank and all cash payments must be made through the bank, (except petty cash that is operated through the imprest system). Therefore, for many businesses, cheque stubs have become major source documents for recording in the bank column of the cash book (credit side).

ii. Payment Voucher

Payment voucher is an authorizing document for payment for a particular expense or service. In an entity, every payment must be supported by a payment voucher. Examples are payment vouchers for salary and wages, and petty cash vouchers, etc. The voucher must be checked and authorized by a responsible or authorizing officer, before cash can be paid. Payment vouchers for little expenses recorded in the petty cash book is referred to as petty cash vouchers.

iii. Bank Statement

The bank usually sends a bank statement to its customer at the end of every month. The statement contains details of the receipts and payments by and on behalf of the customer for that period. Receipts will include cash paid into the customer's account and those paid by third parties direct into the bank. Until the customer receives the bank statement or a credit advice transaction alert in respect of the direct credit to his bank account, the business may not be aware of it, or the amount involved.

Payment or withdrawal will also include record of cheques issued by the customer; bank charges and payments made automatically at given dates on behalf of the customer to third parties by the bank (on the customer's instruction). This is called a standing order or direct debit. The balance at the end of the period represents the balance as per the bank statement. This balance can be a credit balance (favourable) or a debit balance (overdraft).

iv. **Quotation**

A quotation is a formal statement of intention made by a potential supplier to supply the goods or services required by a purchaser at specified prices and within a specified period. It sometimes also contains terms of sale, payment and warranties. Acceptance of quotation by the buyer leads to issue of sales invoice by the supplier to the buyer, which binds both parties.

(b) The differences between capital and revenue expenditures are:

- i. The benefits derivable on capital expenditure is for more than a year, while that of revenue expenditure is for one accounting year.
- ii. Capital expenditure is being treated in the statement of financial position, while that of revenue expenditure is treated in income statement.
- iii. Amount involves in capital expenditure is usually large, compare to revenue expenditure
- iv. Examples of capital expenditure are cost of plant, equipment, furniture and fittings while that of revenue expenditures are rent, salaries, wages and repair of assets.

The differences between the expenditure classification, in relation to revenue or capital expenditure are:

(c) **ALHAJI HARUNA**

ITEM	Capital Expenditure GH€	Revenue Expenditure GH€
Bought delivery van for the distribution of products	20,000	
Legal and agreement fees on acquired property	20,000	
Repair and maintenance of motor vehicles		2,000
Salaries and wages for the month		10,000
Paid insurance premium on motor vehicles		4,000
Bought computer hardware for office use	1,500	
Renovating of warehouse to pave way for expansion	40,000	
Procure more products into the warehouse		70,000
Acquired additional warehouse	134,000	
	<u>215,500</u>	<u>86,000</u>

Examiner's comment

The question tests Candidates' knowledge on various accounting source documents and distinction between Capital and Revenue expenditures in accounting.

About 85% of the candidates attempted the question and their performance was above average.

Candidates' major pitfall was their poor preparation for the examination.

Candidates are advised to always prepare well before sitting for future examination.

SOLUTION 6

(a)

S/No.	TRANSACTIONS	PRIME BOOKS
i.	Goods returned to a supplier	Debit Note
ii.	Invoice sent to a customer	Sales Day Book/Sales Journal
iii.	Office equipment purchased on credit	Journal
iv.	Fixed amount paid weekly to employees to buy airtime	Journal/Cashbook
v.	Opening entries in the ledger accounts	Journal
vi.	Transfer of balances from one ledger account to another	Journal
vii.	Carriage inwards on goods meant for resale	Journal
viii.	Settlement of debts by exchange of motor vehicle	Journal

(b) **NIGER MANUFACTURING COMPANY**

i.

Cost of raw materials consumed:	LS'000
Stock of Raw materials	16,000
Purchases of Raw materials	174,000
Carriage inwards	<u>4,000</u>
Cost of raw materials available for use	194,000
Less: Stock of raw materials	<u>(21,000)</u>
Materials	<u>173,000</u>

ii.	Prime cost		LS'000
	Materials consumed		173,000
	Direct wages		79,200
	Direct expenses		2,800
			255,000
iii.	Factory overheads		LS'000
	Indirect wages		51,000
	Fuel and power		19,800
	Lubricants		6,000
	Rent		14,400
	Depreciation on plant and machinery		8,400
	Insurance		3,000
	Internal transport expenses		3,600
	General expenses		6,600
			<u>112,800</u>
iv.	Cost of finished goods		LS'000
	Prime cost		255,000
	Factory overheads		112,800
	Opening work in progress		7,000
	Less closing- work in progress		<u>(8,400)</u>
			<u>366,400</u>
v.	Gross profit	LS'000	LS'000
	Sales		500,000
	Less cost of sales:		
	Opening stock of finished goods	70,000	
	Add: cost of finished goods	<u>366,400</u>	
		436,400	
	Less closing stock of finished goods	(88,000)	<u>348,400</u>
	Gross profit		<u>151,600</u>

Examiner's comment

The question tests candidates' knowledge on accounting books of prime entry in part (a) while in part (b), it tests their knowledge on how to compute basic cost concepts in a manufacturing account.

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

Candidates' major pitfall was their poor understanding of this area of the syllabus.

Candidates are advised to prepare well before sitting for the Institute future examination.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2026 EXAMINATIONS (PART 1)****ECONOMICS**

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, MARCH 25, 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 I EXAMINATIONS - MARCH 2026**

ECONOMICS

Time Allowed: 3 hours

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

ATTEMPT ALL QUESTIONS IN THIS SECTION

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

1. The first item in an individual's scale of preference is the most
 - A. attractive need
 - B. expensive commodity
 - C. readily available item
 - D. pressing want
 - E. frequently demanded material

2. Scarcity in economics mean that
 - A. the economy can scarcely produce anything
 - B. the economy has very few resources
 - C. human wants are limited, relative to resources
 - D. resources are limited relative to wants
 - E. resources are unlimited relative to wants

3. Which of the following is **NOT** true of the demand for a normal commodity?
 - A. The demand for the product increases as income rises
 - B. At a higher price, the quantity demanded falls
 - C. The demand for the product increases as prices fall
 - D. Less of the goods are demanded as income increases
 - E. More of the commodities are demanded as the price of substitutes rises

4. Which of the following factors is incapable of shifting a market demand curve?
 - A. Income distribution across consumers in the market
 - B. Prices of related goods
 - C. Tastes of individuals (that is, distribution of tastes)
 - D. The market price of the commodity itself
 - E. The product advertisement on television

5. If there is a fall in demand for automobiles, which of the following best describes a “quantity adjustment” made by automobile producers?
- A. Producers raise their production levels, to entice customers back with more automobiles to choose from
 - B. Although supply now is greater than demand at the initial equilibrium price, producers continue to produce at the same rate, despite the resulting surplus of automobiles in the market
 - C. Producers primarily reduce their production levels, rather than lowering their price
 - D. Producers raise their price, hoping to maintain their profit margins
 - E. The quantity adjustment will proportionally reflect the lowering of their price
6. Marginal utility equals to zero where
- A. Total utility equals zero
 - B. Average utility is at its maximum
 - C. Total utility is at the lowest point
 - D. Total utility is at its maximum
 - E. Average utility and marginal utility intersect
7. Which of the following is **NOT** a form of money?
- A. Coins
 - B. Demand deposit
 - C. Currency
 - D. Bank tellers
 - E. Bank notes
8. Tertiary production includes
- A. transportation and healthcare
 - B. education and mining
 - C. bread baking and distribution
 - D. fishing and hospitality
 - E. pure water production and retails
9. All natural resources are categorised as
- A. entrepreneurship
 - B. exploration
 - C. capital
 - D. labour
 - E. land

10. Which of the following is **TRUE** about the initial stage of the law of diminishing marginal returns? The Marginal product
- A. decreases as the total product increase
 - B. becomes negative as the total product decreases
 - C. increases as the total product reaches maximum
 - D. increases as the total product increases at an increasing rate
 - E. increases as the total product increases at a decreasing rate
11. A decrease in average costs as output increases causes the firm to experience
- A. Economies of Scale
 - B. Diseconomies of Scale
 - C. A leftward shift of the Isoquant
 - D. Decreasing returns to scale
 - E. Constant returns to scale
12. Which of the following is **NOT** true of Capital as a factor of production?
- A. A wealth set aside for creation of further wealth
 - B. Receives a reward in form of interest
 - C. Used up in the production process
 - D. A man-made resource
 - E. Subject to depreciation
13. Equilibrium of the monopolistic firm occurs where
- A. $P = MC$
 - B. $MR = MC$
 - C. $P = MR$
 - D. $TR = TC$
 - E. $MC = AC$
14. Which of the following models of market structure is associated with a kinked demand curve?
- A. Perfect competition
 - B. Monopoly
 - C. Monopolistic Competition
 - D. Monophony
 - E. Oligopoly

15. A market situation where there are many sellers with homogeneous product is called
- A. Oligopoly
 - B. Perfect competition
 - C. Monopoly
 - D. Imperfect competition
 - E. Monopolistic competition
16. Which of the following is a measure of an economy's output of goods and services?
- A. Personal income
 - B. Disposable income
 - C. National income
 - D. Real income
 - E. Per capita income
17. Which of the following is **NOT** part of aggregate expenditure in national income determination?
- A. Depreciation
 - B. Consumption
 - C. Investment
 - D. Export
 - E. Import
18. The size of an economy's national income is determined by
- A. population growth rate
 - B. stock of natural productive resources
 - C. exchange rate
 - D. level of statistical competency
 - E. scope of counting
19. The main attribute that enables money to be used as a medium of exchange is
- A. divisibility
 - B. portability
 - C. general acceptability
 - D. durability
 - E. scarcity

20. Which of the following is **NOT** a quasi-money?
- A. Money order
 - B. Bonds
 - C. Treasury bill
 - D. Saving deposit
 - E. Currency
21. Which of the following is **NOT** included in the M_2 operational definition of money supply?
- A. Currency outside the bank
 - B. Money stock
 - C. Demand deposit
 - D. Savings deposit
 - E. Time deposit
22. Which of the following sources of revenue is tax revenue?
- A. Return on investments
 - B. Excise duty
 - C. Court fines
 - D. Mining royalties
 - E. Fees from licenses
23. Which of the following is **NOT** an example of a transfer payment?
- A. Welfare payments to firms or individuals
 - B. Social Security payments
 - C. A corporate tax cut
 - D. Payments of interest to holders of government bonds
 - E. Payments of gratuities
24. Recurrent expenditures exclude
- A. salaries and wages
 - B. transfer payment
 - C. spending on social infrastructures
 - D. spending on overheads costs
 - E. personnel costs
25. The value of money is inversely related to
- A. speculative motive
 - B. price level
 - C. transitional motive
 - D. precautionary motive
 - E. supply of money

26. What does international trade involve?
- A. Exchange of goods and services within a country
 - B. Exchange of ideas between regions
 - C. Movement of goods within a city
 - D. Exchange of goods and services between countries
 - E. Expatriate trade
27. Which of the following is considered an export?
- A. Importing machines
 - B. Selling crude oil abroad
 - C. Buying foreign clothes
 - D. Receiving foreign aid
 - E. Sending remittances abroad
28. According to Adams Smith, trade should occur when a country has
- A. a lower population
 - B. equal production cost
 - C. an absolute advantage
 - D. a trade deficit
 - E. more land
29. What was the primary reason for the establishment of international organisations like the World Bank and IMF after World War II?
- A. To promote military alliances
 - B. To establish a global currency
 - C. To colonise developing countries
 - D. To replace the United Nations
 - E. To address economic instability caused by the Great Depression and promote global economic cooperation
30. An economic plan that has an average duration of between 2 to 5 years is known asdevelopment plan
- A. perspective
 - B. rolling
 - C. short-term
 - D. medium term
 - E. long-term

ATTEMPT ALL QUESTIONS

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

1. A list of unsatisfied wants arranged in order of priority is called
2. The horizontal or lateral summation of individual supply curves is referred to as
3. A curve indicating the quantities that all buyers are willing to purchase at various prices at a given period is known ascurve.
4. The income effect with respect to the price change for a/an good is negative.
5. Extraction of mineral resources is classified as
6. The units of goods produced multiplied by average product is known as
7. The concept of increasing returns to scale is associated with.....production period.
8. A market structure characterised by a large number of firms producing differentiated product is
9. The combination of firms producing similar commodities is
10. The problem of double counting in the product method of computing national income can be overcome by using
11. The monetary value of total goods and services produced in an economy in a year valued at the market prices of that year is
12. The form of deposit money that requires a minimum of a month's notice of withdrawal is
13. The desire to hold cash balances to take advantage of attractive investment opportunities in stocks and bonds is known as
14. The price of a country's currency in terms of another is its

QUESTION 2

- (a) Distinguish between 'Location of firm' and 'Localisation of industries'.
(5 Marks)
- (b) State and explain **FIVE** factors that influence location of a firm.
(7½ Marks)
- (Total 12½ Marks)**

QUESTION 3

- (a) Highlight **FOUR** causes of Monopoly. (8 Marks)
- (b) Monopolist can make abnormal profit in short run. Discuss this assertion with graphical illustration.
(4½ Marks)
- (Total 12½ Marks)**

PART II:

MACROECONOMICS

ATTEMPT ANY TWO QUESTIONS

QUESTION 4

- (a) Explain the expenditure method of estimating national income.
(4½ Marks)
- (b) Explain **FOUR** factors that determine the size of a country's national income.
(8 Marks)
- (Total 12½ Marks)**

QUESTION 5

- (a) Explain what is meant by fiscal policy. (4½ Marks)
- (b) State **FIVE** objectives of fiscal policy. (5 Marks)
- (c) What are the major instruments of government fiscal policy? (3 Marks)
- (Total 12½ Marks)**

QUESTION 6

The table below shows the Balance of Payments information for a hypothetical country:

Item	₦ Billion
Merchandise Exports	250
Merchandise Import	200
Export of Services	150
Import of Services	100
Portfolio Investment	300
Direct Investment	500
Net Unilateral Transfer	50

Required:

- (a) Explain Balance of Payments. (2½ Marks)
- (b) Compute this country's Current Account Balance. (3 Marks)
- (c) Calculate this Country's Capital Balance. (3 Marks)
- (d) Explain whether this country is running an overall Balance of Payments deficit or surplus? (4 Marks)

(Total 12½ Marks)

SECTION A: PART I

MULTIPLE CHOICE SOLUTIONS

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

Examiner's comment

The questions in this part were selected from all topics in the syllabus. It is compulsory for the candidates. All the candidates attempted the questions and about 40% scored pass marks.

Effective coverage of the entire syllabus is required for candidates to perform well in this section of the paper.

SECTION A: PART II

SHORT ANSWER SOLUTIONS

1. Scale of preference
2. Market supply curve
3. Market demand
4. Inferior
5. Primary Production
6. Total Product (TP)
7. Long run
8. Monopolistic competition
9. Industry'
10. Value-added approach
11. Nominal GDP
12. Fixed/Time Deposit
13. Speculative motive
14. Exchange rate
15. Subsidy
16. Stagflation
17. Absolute advantage
18. David Ricardo
19. Gold
20. Infant mortality rate

Examiner's comment

This part of the paper is equally compulsory. The questions were fairly drawn from both branches of Economics – Microeconomics and Macroeconomics. It was observed that majority of the candidates did not get questions 10, 15 and 19 correctly. More than 90% failed questions 10 and 15, while more than 95% failed question 19. However, more than 98% got questions 1,5, and 6 correctly.

Candidates require a thorough understanding of the key concepts in the entire syllabus to be able to score a pass mark in this section.

SECTION B

SOLUTION 1

(a)

- i. Microeconomics is concerned with the study of economic action of individuals, firms and market. It deals with the distribution of output and relative general prices as means of achieving microeconomic objectives WHILE Macroeconomics is concerned with the general state or overall behaviour of a nation's economy. It studies aggregate magnitude and behaviour of economic variable(s) in an economy.

- ii. Normative economics studies what ought to be. It is concerned with how economic problems which face the society ought to be solved. “The government ought to reduce unemployment” is a normative statement. WHILE positive economics is the study of what it is or the study of the actual situation with respect to the relationship between and among economic variable(s) when subjected to statistical and economic analysis. It is a way of solving economic problems facing society.

For example, “A rise in the price of petrol leads to a fall in the quantity demanded” is a positive statement.

- (b) A mixed economic system is an economic system which combines features of both the capitalist and socialist economic systems. In a mixed economy, there exists private and public ownership of productive resources. In this system, both the private sector and the government play significant roles in production, distribution and allocation of resources. The state intervention is considered necessary to remedy the defects of the market economy.

- (c) i. Features of capitalism economy system are:

- Private ownership or properties
- Freedom of inheritance of properties
- Income and prices of products determined by the forces of demand and supply
- Cut throat competition within the system
- Profit maximization is the major drive
- Consumer is regarded as king

- ii. Features of socialist economy system are:

- Economic planning is centrally done
- Government controls vast of production resources
- Limited private ownership or means of production
- Existence of bureaucracy and prolonged procedure in decision making

Examiner’s comment

The first part of the question examines candidates’ knowledge of the basic concepts and principles in Economics. It tests candidates’ knowledge of the types of economic system – Mixed economic system, Capitalist and Socialist economic systems. More than 95% of candidates attempted this question. Among these candidates, more than 60% scored well above average.

SOLUTION 2

- (a) Location of firms refers to the positioning of a single business firm in a specific geographical site while localisation of industries refers to concentration of multiple firms producing similar goods or services in a particular place or region.

Location of firm focuses on a place where the firm is situated due to some factors such as access to labour, market, etc while localization focuses on the reasons why a group of firms decide to locate near to each other like access to shared supportive infrastructure and skilled labour.

Example of location of firm is a brewing company (e.g Nigeria Bottling Company) located at Ijora, Lagos. An example of localisation of industries is a number of different banks choosing to cluster in Ikeja area.

- (b) The factors that influence location of firms include:
- i. **Availability of markets:** Goods produced should be sold. This makes the decision to site firms close to market centres very critical and accounts for many firms crowding around such established market centres. This is particularly necessary if the goods are bulky to transport to the market.
 - ii. **Availability of skilled labour:** Unskilled labour may easily be found at all places but not skilled labour. If suitable labour is not available where the firm is located, then it should be attracted from other sources at higher costs.
 - iii. **Access to transportation facilities:** Transport facilities include roads, railways, water-ways and airways. Satisfactory all-weather transport facilities are essential to any firm because raw materials would be transported to the firm and products produced would be transported to markets.
 - iv. **Proximity to source of raw materials:** Cost of production to a firm includes both costs incurred in purchasing and transporting the raw materials to the industry. When a firm is located close to the source of its raw materials, transportation costs are reduced especially in the case of bulky raw materials.
 - v. **Availability of power supply:** Power is key to firm production. In most cases, source of power from the national supply is cheaper. Therefore, when locating a firm, the owner considers availability of power for easy operation.
 - vi. **Availability of communication facilities:** Reasonable communication facilities such as telephone services, banking services, postal services, etc
 - vii. **Government policy:** Government policy aims at balancing regional development, creating employment and reducing rural –urban migration may force the government to relocate firms to certain areas.

- viii. **Availability of water supply:** Some firms require water as a raw material in their production process. Therefore, it is economical for such firms to be located near a water source.
- ix. **Political stability/Security:** Politically stabled (secured) areas attract location of firms because they provide conducive investment climate.

Examiner's comment

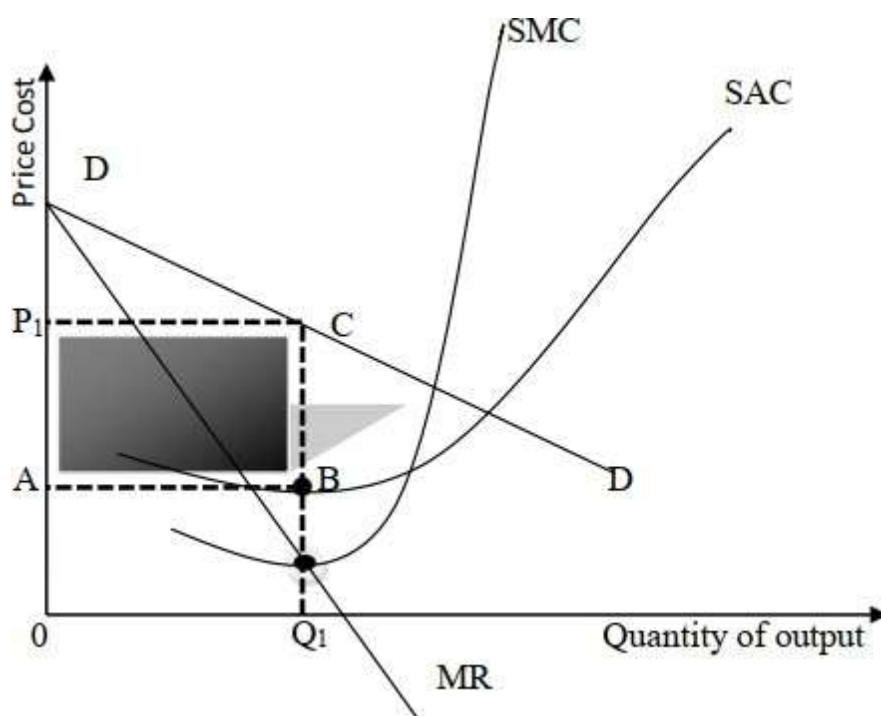
This question under the theory of Production in the syllabus examines candidates' knowledge on the differences between "location of a firm" and the "localization of industries" and the second part dwells on the factors that influence the location of a firm. Very high attempt was made on this question, about 80% of candidates' attempted this question. Among these candidates, more than 60% scored well above average. Performance on this question was very good.

SOLUTION 3

3(a) The causes of Monopoly are

- i. Natural Monopoly – Brought about by the concentration of natural resources or factor endowment.
- ii. Legal Monopoly – Arising from patent trademarks and copyright.
- iii. State Monopoly – The Government may assume a monopoly power in production of a social good to prevent exploitation and even development and promote social welfare of the people.
- iv. Large scale Production and Economies of Scale – This arises due to economies of scale. When a template has been produced, the initial production may be expensive but subsequent copies will come out at a cheaper rate.
- v. Merger and Acquisition – This occurs when big firms enter collusion to control market supply, they establish strong monopoly power driving away other potential competitors.
- vi. Control of entire supply of raw materials by a firm may lead to monopoly.

(b)



Short-Run profit maximising position for a monopoly

From the diagram above, profit is maximised at output OQ_1 where $MR = MC$. At this output level, the price OP_1 charged by the monopolist exceeds the average cost, and the difference between price and average cost represents the abnormal profit. The total abnormal profit is represented by the shaded rectangular area in the diagram above. ($ABCP_1$)

Unlike in perfect competition, this abnormal profit can persist in the short run because high barriers to entry prevent rivals from entering the market.

Examiner's comment

The first part of this question examines the candidates' knowledge on the causes of monopoly while the second part examines candidates' knowledge on the short-run abnormal profit of a monopoly. The attempt on this question was low, less than 40% of the candidates attempted this question.

Among these candidates, more than 40% scored below the average mark. Performance was not impressive for this question.

SOLUTION 4

(4)a. Expenditure method

This method aggregates the consumption expenditure (C) made by households, investment expenditure (I) made by firms, government expenditure (G) on goods and services and net foreign export (X - M) to obtain Gross Domestic Expenditure at market prices (GDE).

Under this method, national income GDP is expressed as:

$$\text{GDP} = C + I + G + (X - M)$$

The GDE is adjusted to Gross National Expenditure (GNE) and Net National Expenditure (NNE) at market prices by making allowances for *net factor income from abroad and consumption of fixed capital*, respectively.

Further adjustment for *net indirect business taxes* (IBT_N) gives National Income at factor cost. Under this method, only expenditures on final goods and services are included to avoid the problem of double-counting.

(4)b. Factors determining the size of a country's national income

- i. **The stock of natural productive resources** – natural resources such as fertile soil, ready sources of power, easily worked mineral deposits, suitable climate, navigable rivers etc., have a beneficial effect on a country's productive capacity. A country that is abundantly endowed with these resources has the potential for a higher national income.
- ii. **The quantity and quality of human resources** – the amount of labour force available in a country depends on the growth rate of the population, the proportion of the population in the working age bracket and social attitude towards women. On the other hand, the quality of the labour force depends on innate intelligence, the quality of education and training, as well as the health of people. National income will be higher in a country that has a large amount of healthy, dedicated, highly skilled, and efficient labour force.
- iii. **The stock of capital equipment** – the effectiveness with which natural and human resources are used depends on the available capital equipment. Therefore, the larger a country's stock of modern forms of capital equipment, the greater is its volume of production.
- iv. **The level of technological development** – new methods of production and new ways of utilizing resources may increase the output of goods and services. A country that uses modern techniques and sophisticated equipment for its production activities will have a higher national income than a country that carries out its production tasks with old and primitive tools.

- v. **Political stability** – national income can only be increased when there exists political stability in a country. The enabling and conducive environment will not only encourage domestic investors but also attract foreign investors. Thus, a politically stable country has the potential for a higher national income than a country characterized by political instability.
- vi. **Foreign private investment, loans and aids** – the inflow of foreign capital is often needed to fill the gap between domestically available resources and the planned level of these resources necessary to accelerate economic growth. The national income of a country will receive a boost when it has easy access to bilateral loans and grants, as well as an enabling environment to attract foreign investment.
- vii. **Net benefits in international trade** – the degree of benefit enjoyed by a country depends on the volume of its exports and imports. A positive net benefit occurs when the country's exports are greater than imports, while a negative net benefit occurs when imports are larger than the exports. National income will be higher for a country experiencing positive net benefits from trade.

Examiner's comment

This question in the area of National Income in the syllabus examines candidates' knowledge of the methods of estimating national income, most especially, the expenditure method of examining the national income accounting. The other part requires candidates to explain factors that determine the size of a country's national income. About 50% of candidates attempted this question (moderate attempt). Among these candidates, over 40% had over the pass mark. Performance was adjudged fair.

SOLUTION 5

(a) Fiscal Policy

Fiscal policy refers to the use of government revenue and government expenditure as instruments to influence and regulate the level of economic activity in a country. It is a major tool of macroeconomic management used by the government to achieve objectives such as full employment, price stability, economic growth and a favourable balance of payments. Fiscal policy is implemented through the government's annual budget, which may be expansionary (deficit budget) or contractionary (surplus budget), depending on prevailing economic conditions.

(b) Objectives of Fiscal Policy in the Economy

The following are the objectives of fiscal policy:

- i. To maintain and achieve full employment.
- ii. To stabilize the price level.

- iii. To stabilise the growth rate of the economy.
- iv. To maintain equilibrium in the balance of payments.
- v. To promote the economic development of underdeveloped countries.

(c) **Major Instruments of Fiscal Policy**

The major instruments of fiscal policy include:

- taxation
- government expenditure and
- borrowing from domestic and external sources to finance budget deficits.

Examiner's comment

This question examines candidates' knowledge of what Fiscal Policy meant, its objectives and its instruments of usage by Governments. 100% attempted this question. There was a good understanding of the question, most especially 5a, as most of those who attempted this question, got it rightly and scored above average. Candidates did impressively well in this question, but the (b) part of the question was not answered correctly and were not properly discussed. The performance is adjudged good for this question.

SOLUTION 6

(a) The Balance of Payments (BOP) is a financial statement that summarizes a country's economic transactions with the rest of the world over a specific period, usually one year. It records all inflows and outflows of money due to exports, imports, investments, and transfers, and includes three main components: the current account, the capital account, and the official reserves account.

(b) Current Account Balance:
 = Merchandise Exports – Merchandise Imports + Export of Services – Import of Services + Net Unilateral Transfers
 = ₦250 – ₦200 + ₦150 – ₦100 + ₦50
 = ₦50 + ₦50 + ₦50 = ₦150 billion (Surplus)

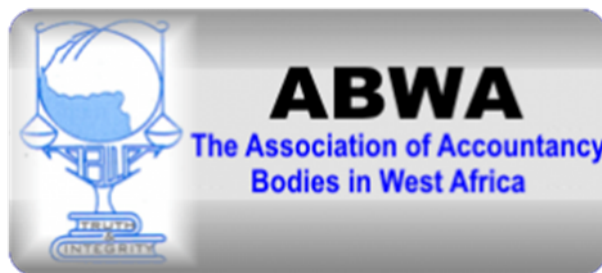
(c) Capital Account Balance:
 = Direct Investment – Portfolio Investment
 = ₦500 – ₦300 = ₦200 billion (Surplus)

(d) Overall BOP Position:
 Since both the current account and capital account show a surplus of ₦150 billion and ₦200 billion each respectively, the country is running an overall Balance of Payments surplus. This means it is receiving more inflows than outflows and has a strong external financial position.

Examiner's comment

This question examines candidates' knowledge of the "balance of payments". The candidates are required to compute the current and capital account of the balance of payments, and make conclusions whether the country is experiencing a balance of payments surplus or deficits based on their computations.

About 50% attempted this question. Many of the candidates did not demonstrate a good understanding of the technicality of this question, especially 6b, 6c and 6d. Performance was not impressive for this question.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2026 EXAMINATIONS (PART I)****BUSINESS LAW**

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, MARCH 24, 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 I EXAMINATIONS – MARCH 2026**

BUSINESS LAW

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 court is **NOT** a superior court in Nigeria?
 - A. Supreme Court
 - B. Magistrates Court
 - C. State High Court
 - D. Customary Court of Appeal
 - E. National Industrial Court

2. Which of the following is **NOT** related to civil proceedings?
 - A. Plaintiff
 - B. Defendant
 - C. Damages
 - D. Penalty
 - E. Specific performance

3. Which of the following is **NOT** a tort?
 - A. Negligence
 - B. Passing off
 - C. Trespass
 - D. Stealing
 - E. Slander

4. Which of the following is **NOT** an element of a valid contract?
 - A. Offer
 - B. Damages
 - C. Consideration
 - D. Intention to create legal relation
 - E. Acceptance

5. Which of the following would render a contract void?
- A. Mistake as to frustrating factor
 - B. Mistake as to consideration
 - C. Mistake as to the country
 - D. Mistake as to the existence of the subject matter
 - E. Mistake as to formality
6. To wind up a company the members must pass a/an
- A. Consensus resolution
 - B. Ordinary resolution
 - C. Official resolution
 - D. Hybrid resolution
 - E. Special resolution
7. Before closing his account, a banker owes a customer a/an
- A. commission
 - B. reasonable notice
 - C. no notice
 - D. regular updates
 - E. immediate notice
8. Which of the following is the consideration in an insurance contract?
- A. Commission
 - B. Premium
 - C. Rebate
 - D. Bills
 - E. Price
9. The minimum membership of a private company is
- A. 1
 - B. 3
 - C. 5
 - D. 6
 - E. 7

10. Which Act limits the amount of cash transactions that a person could do without passing them through a financial institution?
- A. The Money Laundering (Prevention and Prohibition) Act, 2022
 - B. International Government on Corruption Commission Act, 2022
 - C. The Central Bank of Nigeria Act, 2022
 - D. The Money Laundering Agency of Nigeria Act, 2022
 - E. Anti-Corruption and Cashless Act, 2022
11. Which of the following is **NOT** a type of trust?
- A. Fully secret trust
 - B. Financial trust
 - C. Half secret trust
 - D. Charitable trust
 - E. Private trust
12. An offer **CANNOT** be terminated by
- A. request for information
 - B. death of either party
 - C. rejection
 - D. revocation
 - E. counter offer
13. Which of the following is **NOT** an implied term of sale of goods contract?
- A. Quiet possession of the goods
 - B. Seller's title to the goods
 - C. Repair of sold goods
 - D. Compliance of sample with the bulk
 - E. Fitness of goods for purpose
14. Consideration in contract must move from the
- A. Guarantor
 - B. Promisee
 - C. Offeror
 - D. Promisor
 - E. Surety

15. A person is said to have died 'testate' if he died
- A. without paying for all his debts
 - B. without leaving any inheritance for his children
 - C. without paying his estate agency fee
 - D. without making a will
 - E. leaving a will
16. The principal Act which governs the relationship between employers and employee in Nigeria is the
- A. Employment Act
 - B. Labour Act
 - C. Industry Act
 - D. Compensation Act
 - E. Workman Act
17. A director of a company owes the company the following duties, **EXCEPT**
- A. not to accept a bribe, gift or commission from outsiders against the company's interest
 - B. preservation of the assets of company
 - C. utilisation of opportunities not used by the company
 - D. accounting to the company for any secret profit
 - E. exercising care towards the company
18. A person who takes part in forming a company and raising capital for it is known as a/an
- A. Inspector of companies
 - B. Director
 - C. Undertaker
 - D. Promoter
 - E. Inspector of companies
19. A contract entered by the parties through digital means is
- A. enforceable contract
 - B. invalid contract
 - C. e-contract
 - D. privy contract
 - E. informal contract

20. Amalgamation by companies is a type of
- A. partnership
 - B. arrangement
 - C. hire purchase
 - D. mergers
 - E. compromise
21. The consideration payable by an insured is known as
- A. Premium
 - B. Warranty
 - C. Instalment
 - D. Price
 - E. Commission
22. Which of the following is an attribute of a Limited Liability Partnership?
- A. Perpetual succession
 - B. Minimum contribution by members
 - C. Dormancy
 - D. No maximum partnership
 - E. Minimum membership of five
23. Which of the following is **NOT** a business of the Annual General Meeting?
- A. Appointment of audit committee
 - B. Declaration of dividends
 - C. Transfer of shares
 - D. Presentation of directors' reports
 - E. Presentation of financial statements
24. Negotiable instrument is a commercial document that is transferable by the
- A. Testator
 - B. Translator
 - C. Transferee
 - D. Transferor
 - E. Transformator

25. The following clauses **must** be in the memorandum of association of a company, **EXCEPT**
- A. the object of the company
 - B. the name of the Company
 - C. that the company is a private or public company
 - D. the name of the secretary and auditors
 - E. that the registered office of the company shall be situated in Nigeria
26. Which of the following actions may a customer take against a bank for wrongful dishonour of the customer's cheque?
- A. Sue for insolvency
 - B. Sue for theft
 - C. Sue for negligence
 - D. Sue for moratorium
 - E. Sue for breach of contract
27. Which of the following is **NOT** a type of dispute resolution?
- A. Litigation
 - B. Mediation
 - C. Arbitration
 - d. Case appraisal
 - e. Conciliation
28. A company is said to be insolvent when
- A. the articles of association of the company is altered
 - B. the Managing Director of the company dies
 - C. the company is in a financial distress and it is unable to pay its debts
 - D. the business of the company is to solve financial crisis
 - E. the board of directors has refused to act
29. The term of imprisonment for identify theft, which is a cybercrime in Nigeria, is imprisonment for
- A. 3 years
 - B. 4 years
 - C. 5 years
 - D. 6 years
 - E. 7 years

30. Which regulation governs protection of data in Nigeria?
- A. National Data Prevention Regulation, 2019
 - B. Nigerian Data Protection Regulation, 2019
 - C. Federal Data Protection Regulation, 2019
 - D. Collective Data Protection Regulation, 2019
 - E. The General Application and Implementation Directive (GAID). 2025

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

ATTEMPT ALL QUESTIONS

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

1. The Supreme Court of Nigeria is presided over by
2. The principle of law that forms the basis of a judge's decision is known as
3. The proceedings that deal with conducts that are harmful to the society as a whole and aim to punish offenders are called.....
4. Rules of conduct other than law, which regulate accountants are called.....
5. Phishing, an offence under the Cybercrime Prohibition Act is punishable with a fine of
6. Where all the parties to a contract are mistaken as to the same state of facts, they have made a
7. A court order that has the effect of stopping the payment of a cheque by a banker is
8. The act of a company outside its memorandum of association is
9. Another generic name for charitable trust is
10. In the law of contract, the principle which states that only parties to an agreement are bound by and may enforce such an agreement is referred to as
11. A valid contract that a party has an option to cancel is said to be

return the car to Chief Bango who now intends to recover the car from Segun.

Required:

Identify the legal issues involved and advise Segun accordingly.

(6 Marks)

(Total 12½ Marks)

QUESTION 2

- (a) Bayo, Johnson, and Alfred, all childhood friends, agreed between themselves to join in the formation of a business organisation with the sole aim of making and sharing profits. They intend to choose between a Limited Partnership and a Limited Liability Partnership.

Required:

Distinguish between the two types of partnership, stating **FOUR** advantages of Limited Liability Partnership over Limited Partnership. (6 Marks)

- (b) A collective investment scheme is a means for raising capital for business.

Required:

Define collective investment scheme. (2½ Marks)

- (c) 'Arrangement' and 'netting' are types of corporate restructuring.

Required:

Define arrangement and netting.

(4 Marks)

(Total 12½ Marks)

QUESTION 3

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

Required:

State **FOUR** types of trust.

(4 Marks)

(b) Privity is essential in a contract.

Required:

i. Define privity. (1½ Marks)

ii. State **THREE** exceptions to the rule of privity. (3 Marks)

(c) It has been argued that there are better ways to resolve disputes than litigation in law courts.

Explain **TWO** advantages of Alternative Dispute Resolution (ADR). (4 Marks)

(Total 12½ Marks)

QUESTION 4

(a) Ade holds 4,000,000 unpaid ordinary shares of ₦5.00 each in ABC Limited. ABC Limited made a call to shareholders by which Ade ought to have paid for the unpaid shares. Due to economic recession, ABC Limited could not pay its lawful debts, and winding up proceedings were begun by creditors of the company. The company has called on Ade to pay up the balance unpaid on his shareholding, but Ade is unwilling to pay.

Required:

Advise ABC Limited. (4½ Marks)

(b) Bills of exchange facilitate commercial transactions.

Required:

Explain:

i. Bearer bill; and

ii. Order bill.

(4 Marks)

(c) An Auditor of company shall make a report to members of the company on the balance sheet as well as profit or loss accounts of the company.

Required:

State **TWO** specific issues that an auditor is expected to investigate and form an opinion on his report to the members of the company. (4 Marks)

(Total 12½ Marks)

QUESTION 5

- (a) Professionals must be mindful of the law on negligence.

Required:

Define negligence. (2¹/₂ Marks)

- (b) An agent owes his principal several duties.

Required:

- i. State **THREE** duties of an agent to his principal. (3 Marks)

- ii. Jango sold some printing equipment on behalf of his principal, Chief Ibaje, the sole member and director of XYZ Limited, a small company under the Companies and Allied Matters Act, 2020. When Chief Ibaje was carrying out the audit of his business, he discovered that Jango did not disclose the exact proceeds on the sales, nor did he pay the proceeds into the company's account.

Required:

Advise Chief Ibaje on the duty that Jango breached. (4 Marks)

- (c) A bank is an important financial institution.

Required:

State **THREE** of the duties of a bank. (3 Marks)

(Total 12¹/₂ Marks)

QUESTION 6

- (a) Different types of company may be incorporated under the Companies and Allied Matters Act, 2020.

Required:

Define a company limited by guarantee. (2 Marks)

(b) The relationship between an employee and an employer is contractual.

Required:

State **TWO** rights of an employer over his employee. (2 Marks)

(c) Insurable interest is an essential element of an insurance contract.

Required:

Explain insurable interest. (2½ Marks)

(d) Equipment leasing facilitates business development.

Required:

i. Explain finance lease briefly. (2 Marks)

ii. The primary lease of a tractor by Ade Limited from Akim Ventures is almost ending. State **TWO** options that Ade Limited has. (4 Marks)

(Total 12½ Marks)

SECTION A: PART I

MULTIPLE CHOICE SOLUTIONS

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

Examiner's comment

The questions achieved a good spread over the syllabus. Attempt rate was 100% of which about 75% scored above average marks.

Candidates' pitfall was inadequate coverage of the syllabus in their preparation.

Candidates are advised to be more diligent in their future preparation.

SECTION A: PART II

SHORT ANSWER SOLUTIONS

1. Chief Justice of Nigeria
2. *Ratio decidendi*
3. Criminal proceedings
4. Professional ethics
5. One million Naira
6. Common mistake
7. Countermand
8. Ultra vires
9. Public Trust
10. Privity
11. Voidable
12. Offer
13. Buyers beware
14. Goods
15. Damages/Notice
16. Operating Lease
17. Negotiable
18. Special/Mercantile
19. N.D.P.C.
20. Financial Reporting Council of Nigeria

Examiner's comment

The questions were spread over the syllabus appropriately. Attempt rate was almost 100%, and pass rate was over 70%.

Candidates' pitfall was inadequate coverage of the syllabus in their preparation.

Candidates are advised to be more diligent in their future preparation.

SECTION B

SOLUTION 1

- (a) The matters in which the Supreme Court of Nigeria has original jurisdiction are as follows:
- i. Matters between the federal government and a state pertaining to a law or fact on which the existence or extent of a legal right depends; or
 - ii. Disputes between two or more states, which involve a question of law or fact that affects a legal right.
- (b) The following categories of person have limited capacity to contract:
- i. Infants or minors;
 - ii. Illiterates;
 - iii. Mentally challenged persons; or
 - iv. Intoxicated persons.

- (c) The legal issues in this question are what constitute hire purchase, and the point at which ownership of the subject matter of the contract passes.

The law is that in a hire purchase contract, the ownership of the subject matter remains in the owner until the hirer has paid the installments in full and also exercised his option to purchase.

In this case, while Segun has paid the installments in full, he did not exercise his option to purchase the car. Therefore, ownership has not passed to Segun, and Chief Bango could recover the car.

Examiner's comment

The question tests candidates' understanding of the original jurisdiction of the Supreme Court in the Nigerian legal system, categories of person with limited capacity to enter into a contract, and the importance of the requirement that a hirer must not only pay all installments on the goods but also exercise his option to purchase the goods under a hire purchase contract.

Attempt rate was 80% of which about 65% scored average marks and above.

Candidate's major pitfall was their lack of understanding of the original jurisdiction of the Supreme Court, and the importance of exercising the option to purchase goods under a hire purchase contract.

Candidates are advised to focus more on the areas of deficiency as they study the ICAN Study Text and other materials in their future preparation.

SOLUTION 2

- (a) A Limited Liability Partnership is distinguishable from a Limited Partnership as follows:
- i. A limited liability partnership is a body corporate with a personality that is separate from its members' but a limited partnership is not;
 - ii. A limited liability partnership has perpetual succession but a limited partnership has not;
 - iii. A limited liability partnership may sue and be sued in its corporate name but a limited partnership cannot;
 - iv. A limited liability partnership may own and hold property in its corporate name but a limited partnership cannot;
 - v. A limited partnership must have at least a general partner with unlimited liability but all members of a limited liability partnership enjoy limited liability; and
 - vi. The maximum membership of a limited liability partnership is unlimited but that of a limited partnership is twenty.

- (b) Collective investment scheme is a “scheme or arrangement in whatever form, including an open-ended and close-ended investment scheme, under which members of the public or qualified investors are invited or permitted to invest money or other assets in a [diversified] portfolio....”
- (c) “Arrangement“ means “any change in the rights or liabilities of members, debenture holders or creditors of a company or any class of them or in the regulation of a company, other than a change effected under any other provision of [the CAMA] or by the unanimous agreement of all parties affected (section 710, CAMA, 2020.”

(Netting is a process of consolidating multiple financial obligations, positions, or cash flows between counterparties into a single net amount so as to reduce transaction costs and operational risks.

Examiner’s comment

The question tests candidates’ understanding of the distinctions between limited liability partnership and limited partnership, particularly the advantages, meaning of collective investment scheme, as well as arrangement and netting as corporate restructuring mechanisms.

Attempt rate was 45% of which about 30% scored average marks and above.

Candidate’s major pitfall was their lack of understanding of collective investment scheme as well as netting and arrangement.

Candidates are advised to focus more on the areas of deficiency as they study the ICAN Study Text and other materials in their future preparation.

SOLUTION 3

- (a) Trusts are of the following types:
- i. Express trust;
 - ii. Implied trust;
 - iii. Constructive trust;
 - iv. Private trust;
 - v. Public or charitable trust;
 - vi. Fixed trust;
 - vii. Testamentary trust; and
 - viii. Family (grantor or settlor) trust.
- (b) Privity is the relationship that exists between parties to a contract. This rule states that unless expressly stated, a person who is not a party to a contract cannot enjoy the benefits nor suffer the burdens of that contract. A stranger to a contract cannot sue or be sued on it.

The exceptions to the rule on privity are as follows:

- i. Trusts;
- ii. Agency;

- iii. Insurance;
- iv. Restrictive covenant running with land;
- v. Negotiable instruments; and
- vi. Ratified pre-incorporation contract

(c) The advantages of Alternative Dispute Resolution are as follows:

- i. ADR affords cordial and peaceful environment rather than the “adversarial system of the law courts, thus it is more convenient and dignifying to go into ADR;
- ii. The opportunity, which parties have to appoint an expert on the particular subject matter in dispute to hear and decide the issue, is an important asset to ADR;
- iii. When it comes to overall cost, there is no doubt that ADR is cheaper than litigation as a means of resolving conflicts;
- iv. ADR proceedings are usually faster than the court proceedings that are more prone to frequent adjournments. Commercial arbitration is, therefore, usually preferred because time is of essence in commercial and business transactions. There are no pleadings and award comes within 90 days;
- v. ADR is much more given to privacy unlike the undue publicity, which might attend civil litigation and adversely affect adversely the image of the parties;
- vi. The proceedings in ADR are less tortuous and technical than those in the civil proceedings in courts. There are simple and well-defined rules in arbitration that apply to specific situations, circumstances and which parties may agree to adopt;
 - As in the courts, there is strict adherence to the principles of natural justice; and
 - States as well as multi-national companies prefer arbitration to international litigation. Arbitration takes its pride of place as alternative means of dispute resolution.

Examiner’s comment

The question tests candidates’ understanding of types of trust, the rule of privity of contract as well as its exceptions, and the advantages of alternative dispute resolution mechanism.

Attempt rate was 80% of which about 70% scored average marks and above.

Candidate’s major pitfall was their lack of understanding of types of trust.

Candidates are advised to focus more on the areas of deficiency as they study the ICAN Study Text and other materials in their future preparation.

SOLUTION 4

- (a) The issue in this case is whether or not Ade is liable for the unpaid shares issued to him by ABC Limited, even when the company is being wound up.

The rule is that a shareholder is liable for whatever remains unpaid of the nominal value of the shares held by him despite the company's winding up.

Applying this rule, Ade is bound to pay for the 4,000,000 shares he holds in ABC Limited, especially after the company has made a call for payment. Significantly, the company's winding up proceedings does not affect Ade's liability.

- (b) Order bill: According to section 8 (4) of Bills of Exchange Act 2004, an order bill is a bill which is expressed to be so payable, or which is expressed to be payable to a particular person without words prohibiting transfer or indicating an intention that it should not be transferable. It can be negotiated by endorsement followed by delivery.

Bearer bill: A bearer bill is a bill which is expressed to be payable to the bearer, that is the person who is in possession of the bill. It is transferable by mere delivery. Where the only or last endorsement on a bill is an endorsement in 'blank' (i.e. endorsement to no named person or a mere signature of the endorser, the bill is a bearer bill. See Section 8 (3) of the Bills of Exchange Act.

- (c) The specific issues that an auditor is expected to investigate and form an opinion on in his report are as follows:
- i. The company has kept the proper accounting records, and the auditors have received proper returns for their audit from the branches not visited by them, and if not, state the fact in their report;
 - ii. The company's balance sheet and (if not consolidated) its profit and loss account agree with the accounting records and returns, and if not, state that fact in their report;
 - iii. The company has complied requirements of Part V and VI of the Second Schedule and Parts I and II of the Third Schedule to the Companies and Allied Matters Act in the accounts, and if not, state that fact in their report; and
 - iv. The information in the directors' report for the accounting year is consistent with those in the accounts, and if not, state that fact in their report.

Examiner's comment

The question tests candidates' understanding of the liability of a shareholder for unpaid shares, even in the process of his company's winding up, types of bill of exchange, and specific matters that a company auditor must investigate and report on.

Attempt rate was 30% of which about 35% scored average marks and above.

Candidate's major pitfall was their lack of understanding of types of bill of exchange, and the specific matters that a company auditor must investigate and report on.

Candidates are advised to focus more on the areas of deficiency as they study the ICAN Study Text and other materials in their future preparation.

SOLUTION 5

(a) Negligence is a breach of an existing legal duty to take care by a person, which results in damage to a person to whom he owes the duty. For an act or omission to be declared negligent, the three elements that must be present are a legal duty to take care by the defendant (duty of care); a breach of that legal duty; and a consequential damage to the plaintiff, which must have arisen from the breach.

(b)i. The duties of an agent to his principal are to –

- conduct the principal's business according to his directions or instructions;
- not delegate his authority unless expressly so authorised by his principal;
- act in good faith;
- avoid conflict of interest and duty;
- exercise due care and skill;
- not make secret profit;
- not disclose confidential information about his principal to third parties; and
- render an account to his principal as and when due.

ii. The issues in this case are the duties of Jango as an agent of XYZ Limited on the proceeds of the sale that he made and his failure to pay the proceeds of the sale into the company's account.

Jango breached his duty not to make secret profit by failing to disclose the proceeds of the sale to the company, and Chief Ibaja could sue Jango to recover the secret profit.

Jango also breached his duty to render an account of the sale to the company, and Chief Ibaja could sue him to account to the company for the proceeds.

(c) The duties of a bank primarily to its customer include to –

- Collect its customer's cheques, cash and other payable instruments by the customer;
- abide strictly by the mandate of the customer, including the duty to honour the customer's cheques and other written demand to pay provided always that the customer's account is in fund and there is no other legal impediment against repayment;

- operate the customer's account with requisite confidentiality and secrecy, except the law otherwise requires;
- give reasonable notice to the customer before closing the account;
- bring to the customer's immediate notice any suspicious dealings with the account, likely to lead to fraud or other unauthorised dealings with the customer's account;
- provide the customer with regular updates and statements of account;
- keep the customer's accounts separate, except there is an agreement with him to the contrary - *British & French Bank v Opaleye*;
- not to pay out the customer's money upon a validly countermanded cheque;
- not charge unreasonable interest on loans and overdraft facilities - *Barclays Bank DCO v Hassan*; and
- take reasonable care in opening accounts for new customers by obtaining adequate information regarding the customer's standing - *United Nigeria Insurance Co. v Muslim Bank*.

Examiner's comment

The question tests candidates' understanding of negligence and its elements, the duties of an agent to his principal, particularly the duties not to make secret profit, and to render an account to a company on transactions an agent does on its behalf as well as the duties of a bank to its customers.

Attempt rate was 80% of which about 70% scored average marks and above.

Candidate's major pitfall was their lack of understanding of the duties of an agent and those of a banker to its customers.

Candidates are advised to focus more on the areas of deficiency as they study the ICAN Study Text and other materials in their future preparation.

SOLUTION 6

- (a) A company limited by guarantee is a company the liability of whose members is limited to the sum of money that each of them has undertaken to contribute to the capital of the company whenever it shall require money or in the event of its being wound up.
- (b) The right of an employer over his employee include the right to:
- employ a worker;
 - discipline his employee;
 - transfer his employee,
 - promote the employee; and
 - terminate the employment of the employer.

(c) In *Lucena v. Craufurd*, insurable interest is defined as “an interest that a man has in a thing in respect of which an advantage may arise or prejudice happen from the circumstances which may attend it, and the man is therefore interested in the preservation of that thing in order to derive benefit from its existence, and to avoid loss or damage from its destruction.”

(d) i. Finance lease Finance lease (capital lease or sales lease) is a commercial agreement or contract that enables the lessee (customer or borrower) to have the use or operating control of an asset with usual outcome that the lessee will become the owner of the assets at the end of the lease period by paying the last rental on it or negotiating its option purchase price.

ii. The options open Ade Limited whose tractor lease is about ending are –

- the leasing company agreeing to a secondary lease period at significantly reduced lease payments; or
- in the alternative, the lessee selling the equipment in second hand form to an unrelated third party on behalf of the leasing company for a bulk of the sale proceeds pursuant to the parties’ agreement.

Examiner’s comment

The question tests candidates’ understanding of the definition of a company limited by guarantee, the rights of an employer in relating with his employee, and insurable interest meaning.

Attempt rate was 75% of which about 50% scored average marks and above.

Candidate’s major pitfall was their lack of understanding of a company limited by guarantee, and insurable interest.

Candidates are advised to focus more on the areas of deficiency as they study the ICAN Study Text and other materials in their future preparation.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2026 EXAMINATIONS (PART I)****COMMUNICATION SKILLS**

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, MARCH 25, 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 I EXAMINATIONS – MARCH 2026**

COMMUNICATION SKILLS

Time Allowed: 3 hours

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

ATTEMPT ALL QUESTIONS IN THIS SECTION

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

1. Which of the following is **NOT** part of a technical report?
 - A. Acknowledgements
 - B. Subheading
 - C. Conclusion
 - D. Appendix
 - E. Abstract

2. What is the section of a report describing how the research/investigation is carried out called?
 - A. Literature review
 - B. Title page
 - C. Methodology
 - D. Findings
 - E. Conclusion

3. Advertising is made better and more convenient through
 - A. Digital communication
 - B. Verbal communication
 - C. Written communication
 - D. E-mail communication
 - E. Print media communication

4. The following are the advantages of digital communication over traditional communication, **EXCEPT**
 - A. Accessibility
 - B. Immediate feedback
 - C. Result-oriented
 - D. Wider audience
 - E. Face-to-face interaction

5. 'When the road is clear, I will set out on the journey'. The underlined part of this sentence is
- A. Adverbial clause
 - B. Noun clause
 - C. Adjectival clause
 - D. Prepositional clause
 - E. Relative clause
6. "He is working in the garden." The underlined part of this sentence is a(n)
- A. Adjunct
 - B. Verbal group
 - C. Apostrophe
 - D. Norminal group
 - E. Adjectival clause
7. In the opening of a presentation or speech, the speaker must strive to accomplish the following, **EXCEPT**
- A. Capture the listener's attention
 - B. Get the listeners involved
 - C. Identify himself
 - D. Establish his credibility
 - E. Make enough noise
8. The man who burnt this stage has been arrested. The underlined group of words is
- A. Relative/Adjectival clause
 - B. Prepositional clause
 - C. Adverbial clause of time
 - D. Noun clause
 - E. Prepositional phrase
9. Which of the following is **NOT** a reason for bargaining in labour organisations?
- A. Salary increase
 - B. Increase in company profits
 - C. Violation of employee rights
 - D. Improved working conditions
 - E. Stagnation in workers' promotion
10. What does "bargaining power" refer to?
- A. The ability to fire employees easily
 - B. The control over customer preferences
 - C. The power to change government policies
 - D. The authority to merge companies
 - E. The influence in setting wages or prices

11. What is the final step in bargaining strategies when other methods fail?
 - A. Terminating all employees
 - B. Taking industrial actions
 - C. Filing for bankruptcy
 - D. Dissolving the company
 - E. Outsourcing all labour

12. Why are labour laws considered "germane" to industrial relations?
 - A. They explicitly state the rights of employers and employees
 - B. They eliminate the need for trade unions
 - C. They allow companies to avoid negotiations
 - D. They prevent workers from striking
 - E. They reduce government intervention

13. Which of the following is the primary purpose of speaking skill?
 - A. To write formally
 - B. To listen actively
 - C. To read aloud
 - D. To express oneself verbally
 - E. To summarise text

14. Which of the following is a primary function of listening compared to hearing?
 - A. Listening is passive
 - B. Listening requires effort
 - C. Hearing requires focus
 - D. Listening is involuntary
 - E. Hearing is more complex

15. Which type of reading is primarily concerned with speed?
 - A. Word-by-word reading
 - B. Skimming
 - C. Study-type reading
 - D. Light reading
 - E. Scanning

16. Critical listening is also known as
 - A. Informative Listening
 - B. Attentive Listening
 - C. Objective Listening
 - D. Empathic Listening
 - E. Discriminative Listening

17. What role does the channel play in the communication process?
- It is the message itself
 - The person who receives the message
 - The process of decoding the message
 - The medium through which the message is transmitted
 - The place where communication takes place
18. Which of the following is the purpose of feedback in the communication process?
- To confirm the message was understood
 - To create a new message
 - To encode the message
 - To transmit the message
 - To support the receiver in receiving the message
19. Which of the following does **NOT** enhance effective communication?
- Clarity in language
 - Respect for cultural differences
 - Using a clear and concise message
 - Choosing the right words
 - Language differences or technical jargon
20. The word 'communication' is derived from
- Latin
 - Arabic
 - German
 - French
 - Greek

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.

- For advertisement to be effective, it must first consider its
- Advertisement of products is usually determined by the advertiser's
- For the advertiser, advertising is a method of sales.
- Advertising messages may be placed by or a group of people.
- There are two types of meeting, formal and
- The relationship between management and workers in an organisation is referred to as

7. In the development of an essay, a(n) serves as a guide.
8. An association of wage-earners formed for the purpose of improving the conditions of its employment is
9. A figurative expression that is fixed in nature and whose meaning cannot be deduced from the originating word, is a(n)
10. The four major types of listening are, empathic, attentive, and critical.
11. Delivering a speech to an audience is an example of communication.
12. Rumours and gossips in an organisation are examples of communication.
13. A communication method that does not require any language to understand is called
14. Downward communication within an organisation usually flows from to bottom.
15. A clause can either be independent or
16. Switching between American and British English conventions is regarded as inconsistencies in proofreading.
17. The major characteristic of a descriptive essay is the use of
18. In the De Fleur communication model, the feedback loop is a traffic.
19. Body language is also known as
20. At a meeting, can be raised to halt the proceedings.

SECTION B

COMPULSORY

(30 Marks)

SUMMARY

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

In any professional role today, simply knowing your subject is not enough. While strong knowledge and skills in your field are essential, the ability to communicate effectively has become just as vital. Professionals constantly interact with many different people: clients, colleagues, managers, and even those who oversee rules. Every interaction needs a structure, spoken or written, that fits the situation, from formal reports and presentations to simple spoken explanations and discussions.

Being clear and concise is extremely important in all professional communication. Complex information, especially about money or business, must be explained in a way that anyone can understand. If communication is not clear, it can lead to big mistakes, bad decisions, and broken working relationships. Also, doing the right thing often relies on how we communicate. Professionals frequently need to share

sensitive information, which requires being careful, private, and always honest about facts.

Good communication also means listening carefully. Understanding the needs and concerns of others help professionals provide useful and targeted information. This builds trust and teamwork. Whether it is explaining a report, discussing a new idea, or offering advice, the skill to explain complex ideas clearly and convincingly is what truly makes someone valuable.

Beyond simply avoiding errors, strong communication skills actively drive success. They allow professionals to clearly articulate goals, persuade others, resolve conflicts effectively, and build strong relationships with colleagues and clients. It is about ensuring everyone is on the same page, moving forward together efficiently.

Communication is not a static skill; it requires continuous practice and refinement to adapt to different situations and technologies, ultimately enhancing one's professional journey and impact. Ultimately, mastering communication skills is not just an extra ability; it is a core part of being successful and acting ethically in any professional field. **(295 Words)**

- a. Give the passage a suitable title. (2 Marks)
- b. In **ONE** sentence, what, according to the passage, is the vital skill for professionals apart from strong knowledge and skills in their field? (2 Marks)
- c. In **THREE** short sentences, one for each, state any three types of people with whom professional regularly interact. (6 Marks)
- d. In **THREE** sentences, one for each, state why clarity and conciseness are important in all professionals communication. (6 Marks)
- e. In **ONE** sentence, state what the writer means by "Good communication." (2 Marks)
- f. In **ONE** sentence, state what the professionals who understand the needs and concerns of others provide. (2 Marks)
- g. In **ONE** sentence, state the benefit professionals derive by listening carefully. (2 Marks)
- h. In **THREE** sentences, one for each, state what the passage claims are three ways strong communication skills actively drive success beyond avoiding errors. (6 Marks)
- i. In **ONE** sentence, state why communication is described as "not a static skill." (2 Marks)

(Total 30 Marks)

SECTION C**ANSWER ANY TWO QUESTIONS****(30 MARKS)****QUESTION 1**

- a. Define “non-verbal communication.” (5 Marks)
 - b. List the **FOUR** examples of non-verbal communication. (4 Marks)
 - c. List **THREE** advantages and **THREE** disadvantages of non-verbal communication. (6 Marks)
- (Total 15 Marks)**

QUESTION 2

When determining the progress of a person in an organisation, there are some instruments to be used.

Required:

- a. List **FIVE** of such instruments. (5 Marks)
 - b. Discuss briefly any **FOUR** of these instruments. (10 Marks)
- (Total 15 Marks)**

QUESTION 3

- a. Define “advertisement”. (3 Marks)
 - b. Explain briefly **FOUR** areas where advertisement is required in the Accounting Profession. (12 Marks)
- (Total 15 Marks)**

QUESTION 4

Oral communication is the oldest and most widely used mode of communication. It can take place in different forms, and speech is one of them.

Required:

- a. Define “Speech” (3 Marks)
 - b. Explain briefly any **SIX** features of a good speech. (12 Marks)
- (Total 15 Marks)**

SECTION A: PART I

MULTIPLE CHOICE SOLUTIONS

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

Examiner's comment

This part is compulsory for all candidates. The questions in this part cover the entire syllabus. They are designed to test candidates' knowledge of basic terms and concepts in Communication Skills. The performance of candidates was very good as about 70% of them scored 50% and above of the marks allocated. There is room for improvement for the candidates' performance if they familiarise themselves with the terms and concepts that run through the entire syllabus. They should also make copious use of ICAN past questions and solutions and read the Communication Skills study text.

SECTION A: PART II

SHORT ANSWER SOLUTIONS

1. Audience
2. Goal/Objective
3. Promoting
4. Individuals
5. Informal
6. Industrial relations/Labour relations
7. Outline
8. Labour Union
9. Idiom
10. Informative
11. Verbal/Oral
12. Informal
13. Non-verbal
14. Top
15. Dependent
16. Stylistic
17. Details
18. Two-way
19. Kinesics
20. Point of Order

Examiner's comment

This part is also compulsory for all candidates. The questions cover the entire syllabus. They are designed to test candidates' ability to find suitable and correct answers to complete given statements/questions relating to Communication Skills. Candidates' performance was just average as about 40% scored 50% and above of the marks allocated. The shortcoming was basically candidates' lack of knowledge of the various answers that best complete given statements and questions. Candidates should endeavour to study the Communication Skills study text, make use of ICAN question papers and solutions for better performance in subsequent examinations.

SECTION B

SUMMARY

- a. (i) The Power of Clear Communication
OR
(ii) Importance of Clear Communication
OR
(iii) Effective Communication skills
- b. It is the ability to communicate effectively.
- c. (i) Professionals interact regularly with clients.
(ii) Professionals interact regularly with colleagues.
(iii) Professionals interact regularly with managers.
(iv) Professionals interact regularly with those who oversee rules.
- d. (i) Making big mistakes is avoided.
(ii) Making bad decisions is avoided.
(iii) Good working relationships are assured.
- e. "Good communication" means listening carefully.
- f. They provide useful and targeted information.
- g. Their listening carefully builds trust and teamwork.
- h. (i) They allow professionals articulate goals clearly.
(ii) They allow professionals to persuade others.
(iii) They allow professionals resolve conflicts effectively.
(iv) They allow professionals build strong relationships with colleagues and clients.
- i. Communication involves constant practice and refinement to adapt to various situations.

Examiner's comment

This section is to test candidates' ability to read for main points. It is compulsory for all candidates. The performance of the candidates was good as about 60% of them scored 50% and above of the allocated marks.

Candidates' shortcomings included:

- Inability to understand the content of the passage;
- Inability to sieve main points from the passage;
- Lack of the technique of answering summary questions; and
- Poor use of language.

For candidates to do better in this section in subsequent examinations, they need to:

- Cultivate the habit of reading wide;
- Develop the ability to sieve main points in given/read passages;
- Learn the technique of answering summary questions; and
- Learn to follow instructions.

SECTION C

SOLUTION 1

a. **Non-verbal Communication**

Non-verbal communication involves the transfer of information from a transmitter to a receiver through the use of body language, facial expressions, symbols, dress and pictures. Non-verbal communication techniques are sometimes employed by communicators consciously and, at times, unconsciously. Non-verbal communication is an example of routine and non-routine communication. In this instance, each person involved in the communication process is a facilitator of non-verbal communication. Moreover, the various forms of diagrams, pictures, graphs and slides facilitate the effective transmission of non-verbal communication.

b. **Examples of non-verbal communication**

- i. Body language (or Kinesics)
- ii. Proxemics
- iii. Paralinguistic features
- iv. Personal Appearance

c. i. **Advantages of non-verbal communication.**

- Non-verbal communication can help the communicator to overcome language barriers.
- It makes it possible for information to be conveyed to many audiences.
- It may be more reliable, at times, than verbal or oral communication because it is mostly transmitted unconsciously.
- It is always present because this form of communication is always associated with oral or written communication

ii. **Disadvantages of non-verbal communication**

- Non-verbal communication can, at times, be difficult to interpret without reinforcing it with written or spoken word.
- It may require additional skills of comprehension and interpretation.
- It does not allow time for evaluation.

Examiner's comment

The question is to test candidates' understanding of one of the media of communication. The question requires a definition of "non-verbal communication", giving examples and its advantages and disadvantages. About 80% attempted the question. The performance of the candidates was good as only about 60% scored 50% and above of the marks allocated.

Candidates should study the section on Media of Communication in the study text for better performance in future examinations. They should also make use of Communication Skills study text and ICAN past question papers and solutions.

SOLUTION 2

a. Assessment instruments used in determining the progress of a person in an organisation are:

- i. Testing
- ii. Measurement
- iii. Interview
- iv. Examination
- v. Annual Performance Evaluation Report
- vi. Questionnaire
- vii. Opinion polls
- viii. Observation
- ix. Project

b. i. **Testing**

A test is an instrument or system procedure for measuring a sample of behaviour. The aim of testing may be to select, classify or diagnose compared with the established norms or standards or simply to check on the person's progress. Testing is the most widely used technique for assessing the person. It also enables the organisation to take a decision with regard to the person's progress.

ii. **Measurement**

Measurement, in its broadest sense, is essentially the systematic collection and orderly arrangement of information. It implies both the process of collecting and ordering the information and result of this process. It may also refer to a variety of things measured, such as the person's intelligence, emotional stability and problem-solving capability.

iii. **Interview**

Interview is another good instrument of determining achievements, suitability or eligibility of a worker for a particular responsibility, assignment or position. It may be conducted by a panel or an individual, depending on the interest of the organisation or the purpose for which the interview is organised. Questions to ask the interviewee should be relevant to the purpose for which the interview is conducted. The interview results should be able to be interpreted as the true test of ability and performance of every worker. Best selection should be made of the suitable and eligible person especially if the results are highly competitive.

iv. **Examination**

Examination is a good instrument of assessment. For an examination to be used for assessment, certain factors must be considered such as objectives for the examination, having a suitable marking guide and a

reliable grading system. As good as examination is, it does not, at times, reflect the true ability of the worker, bearing in mind that some psychological factors could affect the person's performance. Examination could be written, oral, or even practical. Each examination mode is selected in line with the organisation's motive.

v. **Annual Performance Evaluation Report (APER)**

The practice of using Annual Performance Evaluation Report to assess the performance of a person in an organisation is a statutory issue. In such an organisation, the person is annually evaluated consecutively for a particular number of years before such a person can present him/herself for promotion to the next level or cadre. The APER form contains various sections of assessment such as attitudinal, administrative experience, assessment of productivity, career advancement, etc. APER is a cumulative assessment of a person and guides the management on suitability for promotion or otherwise of the person before the final decision can be made on the promotion.

vi. **Questionnaire**

Questionnaire is another instrument of assessment. Questionnaire is used to obtain data or information on a particular thing. It should be administered on suitable and appropriate target, who should fill it, based on their judgement of the particular issue of investigation. Comprehensive instructions as regards how and what to do in the questionnaire should be provided as a guide by the questionnaire designer.

When the questionnaire has been completely and correctly filled., it should be collected and analysed with a preferred and chosen statistical method. Having analysed the results, they can be used to make a particular decision on the person, especially if the purpose of the enquiry is to select the suitable and eligible person for a particular position of responsibility.

vii. **Opinion polls**

Opinion polls are surveys designed to collect information about a person's attitude and performance in an organisation. They provide valuable insights for organisation's management in making informed decision about a person. The best practices in conducting opinion polls include ensuring a representative sample of the staff population, designing questions that are clear and unbiased, and disclosing methodology and potential limitations.

viii. **Observation**

Observation is another instrument of assessment. In an organisation where observation is used as an instrument, it is better not to allow the observed person to be aware that he/she is being observed. If such a person is aware, he/she can be pretentious and try to impress the Management simply because of promotion and will, therefore, not be at his/her best. It is advisable to keep regular record of the observation in order to give a reliable assessment of the person being observed. The results of observation are usually subjective depending on the perception of the observer and this is the reason why two different observers may never have the same results on the person observed.

ix. **Project**

A project can also be used for assessment. In an organisation, especially in the technical and mechanical areas. Certain projects are initiated in an organisation to assess the competence, expertise, resourcefulness, and sincerity of the staff. This kind of assessment is useful for assessing engineers and those who are in the allied professions. Apart from assessing the person for promotion with the project undertaken, the quality of the project is also assessed. A good and reliable person, no doubt, is an image of the organisation, who can be nominated to represent the organisation anywhere his/her services are required.

Examiner's comment

This question is to test candidates' idea of Assessment Practices in the Accounting Profession. Specifically, the question is testing assessment instruments used in determining the progress of a person in an organisation. About 2% of the candidates attempted the question. Candidates' performance was poor as only about 1% scored 50% and above of the marks allocated.

Candidates should endeavour to familiarise themselves with this section of the syllabus on Assessment Practices and make use of ICAN past question papers and solutions and Communication Skills study text.

SOLUTION 3

a. Advertisement is a form of communication and marketing instrument which advertisers use to influence the behaviour of consumers. It involves a unique language style in different media. It is one of the oldest professions in the world. Advertisement provides people with information on the availability of particular products, the place of purchase, the nature of products, etc

i. **Advertising of job vacancies**

Advertising of job vacancies are placed by the Management of an Accounting organisation when there is a need to fill any vacant position with the eligible applicants. Such an advertisement is made for the

members of the public with specific requirements expected from any qualified candidate to be shortlisted for interview at a specific venue, date and time.

ii. **Advertising for position**

Internal and external advertisements are placed by the Management of an Accounting organisation when there is a need for a key position to be occupied either by certain members within the organisation or an outsider who is qualified for the position.

iii. **Advertising for goods and services**

Goods and services are advertised for in the Accounting profession. For example, new products are usually advertised to the members of the public through the social, print, and electronic media. Services required from the members of the public are also advertised through the same media.

iv. **Sales promotion**

Information about sales promotion by an Accounting organisation are produced and sent to the public through sales representatives and the media, especially when there is rebranding of such products for better or increased purchase by the members of the public

v. **Call for bids for project execution**

Bids for particular projects to be embarked upon by an Accounting organisation are also advertised to the members of the public through the media. This normally happens when the services of non-accounting professionals are required. For instance, a building project requires the services of quantity surveyors, architects, engineers, to mention but a few. In such a situation, an attempt should be made to seek for qualified and reliable professionals with good antecedents to handle the project through negotiations and bargaining.

vi. **Advertising for academic programmes, trainings and professional examinations**

Academic programmes, trainings, and professional examinations require much advertisement to get suitable candidates for examination, training personnel for lectures, and examiners for the professional examinations, which involve setting of questions, review of the syllabi, etc. All these, in most cases, require the services of other professionals and attempts are always made by ICAN, for instance, to get trustworthy, reliable, and consistent people to handle such assignments.

Examiner's comment

The question is to test candidates' understanding on the concept of Advertising. Candidates are required to define 'Advertisement' and explain briefly any four areas where advertisement is required in the Accounting Profession. About 35% of the candidates attempted the question. The performance was very poor as only 25% of them scored 50% and above of the marks allocated.

The poor performance of the candidates in this question was hinged on their shallow knowledge of 'Advertisement' as it relates to the Accounting Profession. Their performance will improve in subsequent examinations if they study the section on 'Advertisement' in the study text, make use of ICAN past question papers and solutions.

SOLUTION 4

- a. Speech is the art of disseminating information verbally. It is based on a written information. It is the medium of delivering a written information. It is more advanced than merely talking. Even when the delivery is based on a written text, the means of the presentation is the verbal mode. Speech making has its characteristics such as appropriateness, clarity, adequacy, and fluency.
- b. **Features of a good speech are:**
 - i. **Clarity:** Clarity is an essential feature of a good speech. A speech should be clear and unambiguous so that the audience can understand it easily. If it is not clear enough to express its meaning to the audience, it will become ineffective.
 - ii. **Definite message:** The message of the speech should be definite and relevant to the subject matter.
 - iii. **Conciseness:** The audience becomes impatient with a long speech. Hence, speech should be as concise as possible, but long enough to cover the subject matter.
 - iv. **Interesting:** A speech should be delivered in an interesting and pleasing way so that the audience is motivated to pay attention. In order to make the speech interesting, various anecdotes, examples, quotations, and jokes can be injected into it.
 - v. **Audience:** A speech is delivered to a specific audience. So the speaker should actively consider the expectations, interest, and nature of the audience.
 - vi. **Speaking slowly:** An ideal speech is one that is delivered slowly and in a usual tone. It helps the audience to hear and understand the message clearly.

- vii. **Free from emotions:** Another important feature of a good speech is that it should be delivered in an unbiased and unemotional way. Speaker's emotion may drive him/her away from the main theme if not properly managed.
- viii. **Use of body language:** Good speech goes with necessary body language. Therefore, at the time of delivering a speech, the speaker should use various non-verbal cues.
- ix. **Audience participation:** A good speech is one that ensures the participation of the audience with the speaker. That means the audience will ensure their attention through effective listening, expressing their solidarity with the speech and the person delivering it.
- x. **Interesting opening remarks/introduction:** A speaker wins or loses the battle for holding his audience in the first few minutes he starts his speech. If the speaker impresses his audience with his opening remarks or introduction, he is well on his way to winning a space in their heart because speech delivery involves a heart-to-heart dialogue.
- xi. **Listener oriented:** The audience is the speaker's customer. It is his business to know the audience's needs and wants, its desires and expectations. The speaker has to be very sensitive to the body language of his audience and modify the speech to finetune it to the taste of the audience.
- xii. **Background and experience of the audience:** An impressive speech that will have an everlasting impact is the one that matches the frequency of the speaker and that of the audience. Using a very sophisticated language, which persons with a particular educational, social, and cultural background can understand and relate with.
- xiii. **Originality:** A good speaker develops his style and does not copy or imitate anyone else. He must have his own style, his own way of speaking, using body language and developing a rapport with his audience. Of course, there is no harm in learning from great orators by copying their fine points to improve delivery, but the speaker's original style should be maintained.

Examiner's comment

This question is to test candidates' knowledge of speech making. Candidates are required to define "Speech" and explain briefly features of a good speech. About 80% attempted the question. Candidates' performance was just average as only 45% of them scored 50% and above of the allocated marks.

Candidates' shortcoming was their inability to know the features of a good speech. To perform better in future examinations, candidates should study the section on 'Speech Making' in the syllabus, make use of Communication Skills study text and ICAN past question papers and solutions.