



**THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF NIGERIA**

INSIGHT

MARCH 2025 ATSWA EXAMINATION

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 2025 EXAMINATIONS (PART 1)****BASIC ACCOUNTING**

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

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

TUESDAY, MARCH 25, 2025

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 2025

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. Accounting is a means of social communication and involves the under-listed flow of information, **EXCEPT**
 - A. Data collection
 - B. Data disposition
 - C. Recording and classifying
 - D. Reporting
 - E. Feedback
2. Which of the following is **NOT** an example of enhancing qualitative characteristics of accounting information?
 - A. Relevance
 - B. Comparability
 - C. Understandability
 - D. Timeliness
 - E. Verifiability
3. The introduction of International Financial Reporting Standards (IFRS) has brought about some changes; which of the under-listed is the new description of the erstwhile balance sheet?
 - A. Statement of performance
 - B. Statement of financial performance
 - C. Statement of financial reporting
 - D. Statement of financial position
 - E. Statement of financial recording
4. The major distinguishing element between the final accounts of a sole trader and a partnership business is the
 - A. Drawing Account
 - B. Appropriation Account
 - C. Capital Account
 - D. Payable Account
 - E. Receivable Account

5. Which of the following accounting records are source documents?
- A. Journal and ledger
 - B. Cash book and debit note
 - C. Sales invoice and cash book
 - D. Sales invoice and debit notes
 - E. Ledger and sales invoice
6. The body that is responsible for setting International Financial Reporting Standards (IFRS) is
- A. International Accounting Standards Committee (IASC)
 - B. International Accounting Standards Board (IASB)
 - C. Financial Reporting Council of Nigeria (FRC)
 - D. Institute of Chartered Accountants of Nigeria (ICAN)
 - E. American Institute of Certified Public Accountants (AICPA)
7. The fundamental accounting concept that assumes that the entity will continue to be in operational existence for a foreseeable future period is
- A. Accrual
 - B. Consistency
 - C. Periodicity
 - D. Going concern
 - E. Entity
8. The accounting concept that gave birth to the modern accounting principle as enunciated by Luca Pacioli in 1494 is
- A. Accrual
 - B. Historical cost
 - C. Duality
 - D. Materiality
 - E. Conservatism
9. Accounting concept that requires the use of accounting figures that has a definite factual basis is
- A. Prudence
 - B. Objectivity
 - C. Duality
 - D. Entity
 - E. Conservatism
10. Which of the following is an example of non-current assets?
- A. Cash in hand
 - B. Receivable
 - C. Inventory
 - D. Prepayment
 - E. Investment in property

11. Assume the following transactions for a new business in the month of Jan. 2022:

		GH¢
Jan 1	starts business with cash	50,000
Jan 5	bought goods on credit from Lalude	20,000
7	sold goods on credit to Kofi	15,000
10	sold goods for cash	20,000
15	received cash from Kofi	10,000

Which of the entries is **NOT** correct?

- A. Jan 1 Dr cash a/c Cr capital a/c
 B. 5 Dr purchases a/c Cr cash a/c
 C. 7 Dr Kofi's a/c Cr sales a/c
 D. 10 Dr cash a/c Cr sales a/c
 E. 15 Dr cash a/c Cr Kofi's a/c
12. What effect would cash received from a customer, directly lodged into the business bank overdraft account; have on Assets, liabilities and equity respectively?
- | | Assets | Liability | Equity |
|----|-----------|-----------|-----------|
| A. | Decrease | Decrease | No effect |
| B. | Increase | No effect | Increase |
| C. | Decrease | Increase | No effect |
| D. | No effect | Decrease | Decrease |
| E. | Decrease | No effect | Decrease |
13. The use of the folio in the ledger is for
- A. Account title
 B. Particulars of the transaction
 C. Only credit items
 D. Both debit and credit items
 E. Referencing purposes
14. Which of the following documents is **NOT** required while preparing the bank reconciliation statement?
- A. Cash book
 B. Bank statement
 C. Purchase note
 D. Pay-in-slips
 E. Cheque stub
15. The error that arises where an error in an account is cancelled out by error of other account is regarded as
- A. Error of omission
 B. Error of principle
 C. Error of original entry
 D. Error of commission
 E. Error of compensation

16. An allowance given to a company by a supplier for prompt payment of dues is
- Discount allowed
 - Discount received
 - Cash discount
 - Sales discount
 - Trade discount
17. In the book of Achimbong Cole Ltd outstanding receivables as at 31 May 2024 stood at GH¢20,000. The company proposed to make a provision for doubtful debts of GH¢4,000 in the year. This transaction will be reflected in the account as follows:
- Dr P/L GH¢4,000 Cr Provision GH¢4,000
 - Dr Provision GH¢4,000 Cr P/L GH¢4,000
 - Dr Provision GH¢4,000 Cr Payables GH¢4,000
 - Dr Payables GH¢4,000 Cr Provision GH¢4,000
 - Dr Receivables GH¢4,000 Cr Provision GH¢4,000
18. A member of a club paid L\$4,000 as his subscription for 2024 and L\$4,500 for 2025. Assume the financial year end of the club is December 31, 2024, the L\$4,500 will be treated in the club's financial statement as
- Current asset
 - Current liability
 - Capital
 - Profit
 - Loss

Use the information below to answer Questions 19 to 21

The payslip of Kofi Mensah for the month of April 2024 revealed the following:

Basic Salary	GH¢150,000
Income Tax	10.0% of basic salary
Pension/Social Security Contribution:	
Employer	15% of basic salary
Employee	7.5% of basic salary
Other deductions	GH¢30,000 per month
Medical bill for April	GH¢12,500
Professional allowance earned	GH¢25,000 per month

19. What was the total deductions from Kofi Mensah's basic pay in April 2024?
- GH¢38,750
 - GH¢50,000
 - GH¢56,250
 - GH¢68,750
 - GH¢91,250

20. The total amount of pension/social security contributions to the credit of Kofi Mensah for April 2024 was
- GH¢33,750
 - GH¢46,250
 - GH¢56,250
 - GH¢61,250
 - GH¢76,250
21. What was the net salary paid to Kofi Mensah for April 2024?
- GH¢102,500
 - GH¢106,250
 - GH¢137,500
 - GH¢148,750
 - GH¢160,000
22. A cheque that has been recorded as a credit entry in the original cash book but not yet recorded as a debit entry in the bank statement is known as
- Crossed cheque
 - Dishonoured cheque
 - Uncredited cheque
 - Unpresented cheque
 - Standing order
23. Which of the following expenses is an example of capital expenditure?
- Cost of repairing non-current assets
 - Cost incurred in acquiring trading inventories
 - Expenses in connection with rent and insurance of office building
 - Legal charges on acquired land or buildings
 - Directors' remuneration and fees
24. The depreciation method that calculates the annual depreciation charge using a fixed percentage on net book value of the previous accounting period is regarded as
- Reducing balance method
 - Straight line method
 - Sum of the year digit method
 - Sinking fund method
 - Production unit method
25. The following are the balances in the account of a company during the year:
- | | |
|--------------------------------------|------------|
| Payable at the beginning of the year | GH¢46,750 |
| Payable at close of the year | GH¢76,500 |
| Payments by the company | GH¢470,000 |
| Discount received on account | GH¢28,000 |

How much is the credit purchase during the year?

- A. GH¢412,250
- B. GH¢468,250
- C. GH¢471,250
- D. GH¢527,750
- E. GH¢574,500

26. The relevant accounting standard for inventories is

- A. IAS 1
- B. IAS 2
- C. IAS 16
- D. IFRS 1
- E. IFRS 2

Use the data below to answer Questions 27 and 28

Agbeloba Ltd has the following information at 31/12/2021

	N
Raw Materials (1/1/2021)	2,650
Raw Materials (31/12/2021)	4,980
Purchase of Raw Materials	57,750
Factory salary	62,000
Wages	195,000
Factory Lighting	2,650
Plant depreciation	2,230
Factory insurance	2,150

27. The overhead cost is

- A. N55,420
- B. N69,030
- C. N126,780
- D. N257,000
- E. N264,030

28. The prime cost is

- A. N55,420
- B. N60,080
- C. N250,420
- D. N255,080
- E. N317,080

29. Receipt and payment accounts of a club is the summary of its

- A. Income and expenditure
- B. Statement of affairs
- C. Profit or loss statement
- D. Cash book
- E. Cash flow statement

30. The following are accounting application packages, **EXCEPT**

- A Power point
- B Peachtree
- C Quick book
- D Oracle
- E Sage

SECTION A: PART II

SHORT ANSWER QUESTIONS

(20 MARKS)

ATTEMPT ALL QUESTIONS

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

1. The fundamental characteristics of financial information are classified into relevance and.....
2. When a partnership business maintains a fixed capital account, all variations in the capital account are normally passed through a
3. The concept that expects an accountant **NOT** to recognise income until the income has been earned and adequate allowances made for all known losses is regarded as.....
4. 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 special period is called.....
5. When a transaction is posted to the wrong class of account, the error committed is regarded as.....
6. Credit sales are to beto Sales Ledger Control Account
7. A reduction in the invoiced price for goods that is usually given for bulk purchase is known as.....
8. Instruction given by a business entity to its bank to pay regular amounts of money at given dates to third parties is regarded as.....
9. A record showing the names of employees, rates of pay, hours worked, bonuses, allowances, gross earning (salaries), statutory deductions and other deductions during a given pay period is called.....
10. A resource controlled by an entity as a result of past events, and from which future economic benefits are expected to flow to the entity is called.....
11. Any cost in which its earning potential is exhausted within one accounting period is regarded as
12. The cost of a non-current asset less its residual value is regarded as

13. An item, the use of which the firm has already benefited from during the current accounting period, but which will not be paid for until the next accounting period is known as.....
14. Those obligations that will mature for settlement more than one year after the period end are regarded as.....
15. Direct material cost plus direct wages plus direct expenses is known as
16. A statement of affairs is similar to a
17. The capital of a club is known as.....
18. A computer that connects incompatible networks is called
19. Non-current assets account are normally classified as a

Use this information to answer Question 20

Receivables at the beginning of the year	L\$350,000
Receivables at the close of the year	L\$500,000
Credit sales for the year	L\$510,000

20. Cash received from customers during the year is

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

a. Define the following:

- | | |
|------------------|----------|
| (i) Accounting | (1 Mark) |
| (ii) Bookkeeping | (1 Mark) |
| (iii) Auditing | (1 Mark) |

b. In January 2022, Accra Enterprises issued the following invoices to its customers. The invoices were serially numbered as: 2119 – 2124. The entity trades in gift items, designer's birthday cards and bags.

Date	Description of Goods	
3/1/22	Joseph Ventures	
	24 Cards	@ GH¢600 each
	8 Bags	@ GH¢900 each
	Trade discount @ 2%	
4/1/22	Michael Enterprises	
	40 Birthday Cards @	GH¢600 each
	Trade discount @ 2%	
10/1/22	Sunday Ventures	
	80 Birthday Cards @	GH¢600 each
	90 Bags @	GH¢900 each
	Trade Discount @ 7½%	
12/1/22	Kate Paulina	
	5 Bags @	GH¢900 each
	12 Birthday cards @	GH¢600 each
15/1/22	Jude Deku	
	15 Birthday cards @	GH¢600 each
	18 Bags @	GH¢900 each
	Trade discount @ 2½%	
31/1/22	Adam Enterprises	
	150 Birthday Cards @	GH¢600 each
	105 Bags @	GH¢900 each
	Trade Discount @ 9%	

Required:

Prepare the analytical sales day book of Accra Enterprises for the month of January 2022

(9½ Marks)

(Total 12½ Marks)

QUESTION 2

- a. Define with examples the following terms:
- i. Capital expenditure (1 Mark)
 - ii. Revenue expenditure (1 Mark)
 - iii. Deferred revenue expenditure (1 Mark)
- b. State **THREE** reasons it is necessary to distinguish between capital and revenue expenditures (1½ Marks)
- c. Classify the following into capital and revenue expenditures
- i. Repair of roof
 - ii. Repairs to meat slicer
 - iii. New tyre to van
 - iv. Renewing sign writing on shop
 - v. Installing security equipment
 - vi. Installing extra toilet
 - vii. Additional shop counter
 - viii. Fire insurance premium
- (8 Marks)
(Total 12½ Marks)

QUESTION 3

- (a) Define suspense account and explain 2 of its uses (3 Marks)
- (b) State the types of errors contained in each of the following:
- i. Motor vehicle that was acquired for ₦50,000 has been credited in the cash book but erroneously debited to purchases account;
 - ii. Consumable tools purchased for ₦3,000.00 had been debited to repairs account;
 - iii. ₦5,000 Commission on Turnover debited on the bank statement had not been reflected in the cash book
 - iv. ₦65,000 purchase invoice from supplier was entered in the purchase day book as ₦6,500;
 - v. Transport fare incurred by a staff for the sum of ₦7,500 has not been posted to Transport expenses account and the debit side of purchase account has been over-stated by ₦7,500;
 - vi. Discount received totaling ₦80,000 has been entered in both the cash book and the ledger as discount allowed (3 Marks)
- (c) Prepare a journal entry, with all the narrations, to correct the above errors (6½ Marks)
- (Total 12½ Marks)**

QUESTION 4

- a. (i) State **TWO** advantages of Partnership over Sole proprietorship (1 Mark)
(ii) State **TWO** conditions that may exist in the absence of any partnership agreement (1 Mark)
- b. Enter the following transactions in the double column cash book of Joe Limited for the month of January, 2022.
- Jan 1 Balance of cash in hand ₦50,000 and at bank ₦1,400.00
Jan 2 Paid S. Aina by cheque ₦90,000
Jan 3 Bought goods for cash ₦80,000 and with cheque ₦38,000
Jan 6 Drew cash from bank for office use ₦80,000
Jan 6 Paid Moji ₦25,000 by cheque
Jan 8 Sold goods for cash ₦80,000
Jan 8 Received cheque from Ade ₦135,000 in full settlement of his account
Jan 10 Paid ₦133,000 cash into bank
Jan 11 Received cheque from A. Williams ₦300,000
Jan 12 Paid John ₦500,000 in full settlement of his account by cheque
Jan 13 Paid ₦50,000 cash into bank
Jan 17 Collected cash ₦50,000 for personal use (10½ Marks)
- (Total 12½ Marks)**

QUESTION 5

- (a) Depreciation has been described as loss in value of assets due to several causes.
State **THREE** causes of depreciation (1½ Marks)
- (b) The following is the receipts and payments account of Oloibiri Social Society for the year December 31, 2020:

Receipts and Payments for the year ended December 31, 2020

	₦'000		₦'000
Balance b/d	3,075	Salaries	6,240
Subscriptions:		Stationery	1,200
2019	120	Rates	1,800
2020	6,330	Telephone	300
2021	240	Investments	3,750
Restaurant profits	4,650	Sundry expenses	2,775
Investment income	3,000	Balance c/d	1,350
	<u>17,415</u>		<u>17,415</u>

The following information is also available:

- (i) There are 450 members each paying an annual subscription of ₦15,000
(ii) Inventory of stationery at December 31, 2019 was ₦150,000 and at December 31, 2020 is ₦270,000
(iii) As at December 31, 2020, the rates were prepaid up to March 31 of the following year, with an annual charge of ₦1,800,000

- (iv) Accrued telephone expenses is outstanding. The amount accrued being ₦105,000. Sundry expenses accruing at December 31, 2019 was ₦210,000
- (v) At December 31, 2019, the building stood at ₦30,000,000 in the book and it is required to write off depreciation at 5% pa. Investment at December 31, 2019 was ₦60,000,000

You are required to prepare:

- (i) Accumulated fund as at January 1, 2020 (2 Marks)
- (ii) Income and Expenditure account for the year ended Dec 31, 2020 (3 Marks)
- (iii) Statement of financial position as at that date (6 Marks)
- (Total 12½ Marks)**

QUESTION 6

- (a) State **FIVE** functions of Automated Teller Machines. (2½ Marks)
- (b) Yafeu Enterprise is a dealer in special traditional medicine. He imports similar medicines from Abroad whenever there is shortage in the local market.

The Trial Balance of the entity as at December 31, 2021 is detailed below:

	Dr GH¢'000	Cr GH¢'000
Investment income		550
Purchases and Sales	7,970	40,250
Receivables and Payables	4,850	2,380
Inventories of finished goods (1/1/2021)	1,140	
Motor vehicles	3,800	
Electricity expenses	325	
Land and Building (cost of land GH¢2,000)	14,000	
Office equipment	4,550	
Drawings	1,825	
Returns	930	485
Carriage inwards	300	
Administrative expenses	980	
Salaries and wages	3,650	
Vehicle running expenses	320	
Allowances for irrecoverable debts		450
Investments	8,500	
Bank and cash balances	4,380	
Selling expenses	4,785	
Furniture and fittings	5,000	
Capital		13,455
Allowance for Depreciation:		
- Office Equipment		2,250
- Motor vehicles		2,270
- Land and Building		5,500
Discount allowed	285	
	<u>67,590</u>	<u>67,590</u>

The following additional information is relevant:

- (i) The inventories at December 31, 2021 were recorded at GH¢950,000
- (ii) The Enterprise depreciates its assets on cost as follows:

Assets:	%
Building	4
Motor Vehicle	20
Office Equipment	15
Furniture & Fittings	10

- (iii) Administrative expenses include rent of GH¢250,000. This represents rent for the period of July 1, 2021 to May 31, 2022.
- (iv) The Enterprise is to make allowance of GH¢345,000 in respect of Personal income tax for 2021 accounting year.
- (v) Amount owing in respect of electricity and vehicle running expenses are GH¢55,000 and GH¢75,000 respectively.
- (vi) Allowance for irrecoverable debt is GH¢500,000.

You are required to prepare:

- (i) Statement of profit or loss for the year ended December 31, 2021 (5 Marks)
- (ii) A statement of financial position as at that date. (5 Marks)

(Total 12½ Marks)

SECTION A: PART I

MULTIPLE CHOICE SOLUTIONS

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

WORKINGS FOR MCQ

Q19 Total deduction from Kofi Mensah's pay

Income Tax (10.0% of 150,000)	15,000
Social security (7.5% of 150,000)	11,250
CTTS deduction	30,000
Medical bill	<u>12,500</u>
Total deductions	<u>68,750</u>

Q20 Social Security contribution of Mensah in April

Employer's contribution (15% of 150,000)	22,500
Employee's contribution (7.5% of 150,000)	<u>11,250</u>
Total contributions	<u>33,750</u>

Q21 Net salary paid to Kofi Mensah in April

Basic Salary		150,000
Professional allowance		<u>25,000</u>
Gross pay		175,000
Deductions:		
Income Tax	15,000	
Social security	11,250	
CTTS deduction	30,000	
Medical bill	<u>12,500</u>	
Total deductions		<u>68,750</u>
Net Pay		<u>106,250</u>

Q25 Calculation of credit purchases during the year

Payable at end	76,500
Payment by the company	470,000
Discount received	<u>28,000</u>
	574,500
Less payable at start	<u>46,750</u>
Credit purchases	<u>527,750</u>

Q27 Overhead cost

Factory salary	62,000
Factory Lighting	2,650
Plant depreciation	2,230
Factory insurance	<u>2,150</u>
	<u>69,030</u>

Q28 Prime cost of production

Raw material at start	2,650
Add: Purchase of Raw Materials	<u>57,750</u>
	60,400
Less Raw material at end	<u>(4,980)</u>
Direct Material cost	55,420
Direct Wages	<u>195,000</u>
Total Prime Cost	<u>250,420</u>

Examiner's comments

The question tests candidates' knowledge on all the areas of the syllabus. All the candidates attempted the questions and their performance was above average.

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

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

SECTION A: PART II

SHORT ANSWER SOLUTIONS

1. Faithful representation
2. Current account
3. Prudence concept or Conservatism concept
4. Quotation
5. Error of principle
6. Debited
7. Trade discount
8. Standing order
9. Payroll
10. An asset
11. Revenue expenditure
12. Depreciable amount or Depreciation value
13. Accrued expenses or Accrual
14. Non-current liabilities
15. Prime cost
16. Statement of financial position
17. Accumulated fund
18. A gateway
19. Real account
20. L\$360,000

WORKINGS - SAQS

Q20	Receivable Account	
Balance b/d	350,000	Cash received (derived) 360,000
Sales	<u>510,000</u>	Balance c/d <u>500,000</u>
	<u>860,000</u>	<u>860,000</u>
Balance b/d	500,000	

Examiner's comments

The question tests candidates knowledge across the contents of the syllabus. All the candidates attempted the questions and their performance was above average.

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

Candidates are advised to prepare adequately well for the future examinations.

SECTION B:

SOLUTION 1

- (a)i. Accounting is the art of recording, classifying, summarizing and analyzing financial transactions of a business. It is a process, the product of which is the provision of financial information that is useful to a wide range of users.
- ii. Bookkeeping is the recording phase of accounting. It is the classification and recording of business transactions in a methodical manner so that the book may show the exact position of the owners' affairs.
- iii. Auditing is the independent examination of the books of accounts and records of an entity, with a view to expressing opinion on the true and fair state of the entity's position.

SOLUTION 1(b)

ACCRA ENTERPRISES
SALES DAY BOOK FOR THE MONTH OF JANUARY, 2022

DATE	PARTICULARS	INVOICE NUMBER	FOLIO	AMOUNT	ANALYSIS	
					CARDS	BAGS
				GH¢	GH¢	GH¢
03/01/2022	Joseph Ventures (Wk 1)	2119		21,168	14,112	7,056
04/01/2022	Michael Enterprise (Wk 2)	2120		23,520	23,520	-
10/01/2022	Sunday Venture (Wk 3)	2121		119,325	44,400	74,925
12/01/2022	Kate Paulina	2122		11,700	7,200	4,500
15/01/2022	Jude Deku (Wk 4)	2123		24,570	8,775	15,795
31/01/2022	Adam Enterprise (Wk 5)	2124		<u>167,895</u>	<u>81,900</u>	<u>85,995</u>
31/01/2022	Transfer to sales a/c			<u>368,178</u>	<u>179,907</u>	<u>188,271</u>

ACCRA ENTERPRISES
WORKING NOTES

Wk 1: Computation of actual sales amount to Joseph Venture

		Gross Invoice Amount GH¢	Trade Discount rate	Trade Discount GH¢	Net Amount GH¢
Sale of 24 birthday cards @ GH¢600 each	(GH¢600 x 24)	14,400	2%	(288)	14,112
Sale of 8 bags @ GH¢900 each	(GH¢900 x 8)	7,200	2%	(144)	<u>7,056</u>
					<u>21,168</u>

Wk 2: Computation of actual sales amount to Michael Enterprises

		Gross Invoice Amount GH¢	Trade Discount rate	Trade Discount GH¢	Net Amount GH¢
Sale of 40 birthday cards @ GH¢600 each	(GH¢600 x 40)	24,000	2%	(480)	23,520
					<u>23,520</u>

Wk 3: Computation of actual sales amount to Sunday Enterprises

		Gross Invoice Amount GH¢	Trade Discount rate	Trade Discount GH¢	Net Amount GH¢
Sale of 80 birthday cards @ GH¢600 each	(GH¢600 x 80)	48,000	7.5%	(3,600)	44,400
Sale of 90 bags @ GH¢900 each	(GH¢900 x 90)	81,000	7.5%	(6,075)	74,925
					<u>119,325</u>

Wk 4: Computation of actual sales amount to Jude Deku

		Gross Invoice Amount GH¢	Trade Discount rate	Trade Discount GH¢	Net Amount GH¢
Sale of 15 birthday cards @ GH¢600 each	(GH¢600 x 15)	9,000	2.5%	(225)	8,775
Sale of 18 bags @ GH¢900 each	(GH¢900 x 18)	16,200	2.5%	(405)	15,795
					<u>24,570</u>

Wk 5: Computation of actual sales amount to Adam Enterprises

		Gross Invoice Amount GH¢	Trade Discount rate	Trade Discount GH¢	Net Amount GH¢
Sale of 150 birthday cards @ GH¢600 each	(GH¢600 x 150)	90,000	9%	(8,100)	81,900
Sale of 105 bags @ GH¢900 each	(GH¢900 x 105)	94,500	9%	(8,505)	15,795
					<u>167,895</u>

Examiner's comments

The question tests candidates' knowledge of the definition of basic concepts in Accountancy, while it also tests their knowledge on the preparation of analytical sales day book in part (b) of the question.

About 85% of the candidates attempted the question and their performance was average. Candidates' major pitfall was their poor presentation of part (b) of the question.

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

SOLUTION 2

- a.
- i. Capital expenditure refer to expenditures incurred in acquiring, extending or improving assets of a permanent nature, with a view to increasing the entity's earning capacity. Examples are: the acquisition of non-current assets, such as land, building, and motor vehicle. Legal fees of acquiring land or building and other cost refer to the expenditure incurred in improving the life span of an asset, such as the renovation of the asset, is also an example of capital expenditure.
 - ii. Revenue expenditure also called recurrent expenditures are cost incurred on items that are not of permanent nature as capital expenditure. They are costs that are to be expensed in the year they are incurred. Examples are cost of purchasing goods for resale, administrative costs, wages and salaries, cost of repairs and maintenance, discount allowed on credit sales and other overheads.
 - iii. Deferred expenditures: these are expenditures of revenue nature that give benefit for a period longer than the year they are incurred. Examples are advertising expenditures, Research and Development costs and other cost of high value, which are of a longer period of benefit.
- b. The distinction between capital and revenue expenditures is very important because of the difference in their treatments in the book of account for instance; capital expenditure is carried forward in the statement of financial position, while revenue expenditure is written off completely against profit;

Following are the reasons:

- i. To avoid overstating or understating the profit for the year
 - ii. To avoid distortion in the end-of-the-year financial statement
 - iii. To give accurate financial reports to management and other stakeholders
 - iv. To maintain the concept of consistency in the financial statement.
 - v. For effective tax planning
 - vi. For better cash flow management
- c. Classification of expenses into capital and revenue expenditures

S/N	Expenditure	Classification
i	Repair of roof	Revenue Expenditure
ii	Repairs to meat slicer	Revenue Expenditure
iii	New tyre to van	Revenue Expenditure
iv	Renewing sign writing on shop	Revenue Expenditure
v	Installing security equipment	Capital Expenditure
vi	Installing extra toilet	Capital Expenditure
vii	Additional shop counter	Capital Expenditure
viii	Fire insurance premium	Revenue Expenditure

Examiner's comments

The question tests candidates on the meaning of some accounting terms in part (a) of the question while it tests their knowledge on the reasons to distinguish between capital and revenue expenditures and part (c) requests for the classification of given expenditures into both capital and revenue expenditures.

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

Major pitfall of the candidates was their poor understanding of the question's requirements.

Candidates are advised to practice many questions well before sitting for future examination.

SOLUTION 3

- a. Suspense is a temporary account used to record the difference and or unidentified errors preventing the agreement of the total of the two sides of the trial balance.

It is used in the following ways:

- i. To record unidentified transactions
 - ii. To record in the ledger any difference in a trial balance and thus make it agree
 - iii. Used as a balancing figure in the trial balance pending when the error is finally found
 - iv. It acts as a "holding pen" for transactions that do not fit neatly into a specific account until more information is available.
- bi Error of principle
- ii Error of principle
- iii Error of omission
- iv Error of original entry
- v Error of compensation
- vi Error of double posting
- c. Journal to correct the errors

	Dr	Cr
	N	N
i. Motor vehicle account	50,000	
Purchases account		
Being purchases of motor vehicles, wrongly debited to purchases account.		50,000

ii. Consumable tools account Repairs account Being purchase of consumable tools debited to repairs account.	3,000	
		3,000
iii. Bank charges account Cash book Being omission of commission on turnover wrongly debited on the bank statement from the cashbook	5,000	
		5,000
iv. Purchases account Payable account Being purchase invoice of ₦65,000 from a supplier entered in the purchases book as ₦6,500	58,500	
		58,500
v. Transport expenses Purchases account Being omission of transport fare and overstatement of the purchases account	7,500	
		7,500
vi. Cash account Discount receivable account Discount allowable account Being Discount Received of ₦80,000 entered in both the cashbook and ledger	160,000	
		80,000
		80,000

Examiner's comments

The question tests candidates' knowledge on the meaning of a suspense account in part (a), while it tests their knowledge on identification of errors in part (b) and the correction of accounting errors through the use of journal entries in the part (c) of the question.

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

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

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

SOLUTION 4

(a) i The main advantages of partnership over sole-proprietorship are:

1. Greater finance is available to partnership than to sole proprietorship;
2. Higher performance may be achieved by the partnerships than the soleproprietorships' since two heads are better than one;
3. Decision-making is also swifts as co-partners are friends and they are notmany, though may not be as fast as in sole proprietorships'
4. Decisions made in partnerships are more efficient and effective than

- decisions made in sole proprietorships
5. The burden of financial and operational responsibilities is distributed among the partners
 6. Partners can leverage on their individual contacts and networks to expand the business
- ii In the absence of any agreement, the Partnership Act 1890 provides among other things, that:
- a. All profits and losses are to be shared equally between the partners
 - b. No interest is allowed on capital and current accounts.
 - c. No remuneration will be paid to a partner.
 - d. Any advance or loan made by a partner in excess of his agreed share of capital will attract interest at 5% per annum.
 - e. Unless otherwise agreed, capital will be assumed to be contributed equally
 - f. 5% interest on loan given to the business by any partner
 - g. Every partner may take part in the management of the partnership business

b)

JOE LIMITED
CASH BOOK FOR THE MONTH OF JANUARY, 2022

DATE	PARTI- CULARS	FOLIO	CASH N	BANK N	DATE	PARTICULARS	FOLIO	CASH N	BANK N
01/01/2022	Bal. b/f		50,000	1,400	02/01/2022	S. Aina		-	90,000
06/01/2022	Bank	C	80,000	-	03/01/2022	Purchases		80,000	38,000
08/01/2022	Sales		80,000	-	06/01/2022	Cash	C	-	80,000
08/01/2022	Ade		-	135,000	06/01/2022	Moji		-	25,000
10/01/2022	Cash	C	-	133,000	10/01/2022	Bank	C	133,000	
11/01/2022	A. Williams		-	300,000	12/01/2022	John		-	500,000
13/01/2022	Cash	C	-	50,000	13/01/2022	Bank	C	50,000	-
31/01/2022	Bal c/d		103,000	113,600	17/01/2022	Drawings		50,000	-
			313,000	733,000				313,000	733,000
					01/02/2022	Bal b/d		103,000	113,600

Examiner's comments

The question tests candidates' knowledge on the comparison between a sole-trader and partnership business in part (a) of the question; while it tests their knowledge on the preparation of a two-column cash book in the (b) part of the question.

About 70% 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 prepare well for the Institute's future examination.

SOLUTION 5

- (a) Causes of depreciation can be classified as:
- Physical deterioration
 - Obsolescence;
 - Inadequacy
 - Depletion;
 - Effluxion of time

(b) (i)

OLOIBIRI SOCIAL SOCIETY

STATEMENT OF AFFAIRS AS AT JANUARY 1, 2020

<u>NON-CURRENT ASSETS:</u>	N'000	N'000
Building		30,000
Investment		60,000
		<u>90,000</u>
<u>CURRENT ASSETS:</u>		
Stationery inventory	150	
Subscription in arrears	120	
Cash and bank balances	<u>3,075</u>	
		<u>3,345</u>
TOTAL ASSETS		<u>93,345</u>
ACCUMULATED FUND AND LIABILITIES:		
Accumulated fund (Difference)		93,135
CURRENT LIABILITIES:		
Accrued sundry expenses		<u>210</u>
TOTAL ACCUMULATED FUND AND LIABILITIES (Difference)		<u>93,345</u>

ii)

OLOIBIRI SOCIAL SOCIETY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2020

<u>INCOME</u>	N'000	N'000
Subscriptions (Wk 1)		6,750
Restaurant profits		4,650
Investment income		<u>3,000</u>
		14,400
<u>EXPENDITURE:</u>		
Stationery (Wk 3)	1,080	
Rates (Wk 4)	1,440	
Telephone (Wk 5)	405	
Sundry expenses (Wk 6)	2,565	
Depreciation – Building (Wk 7)	1,500	
Salaries	<u>6,240</u>	
		<u>(-13230)</u>
SURPLUS OF INCOME OVER EXPENDITURE		<u>1,170</u>

iii)

OLOIBIRI SOCIAL SOCIETY
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Cost	Acc. Dep.	Carrying Value
	N'000	N'000	N'000
<u>NON-CURRENT ASSETS:</u>			
Building	<u>30,000</u>	<u>(1,500)</u>	28,500
Investment (Wk 8)			<u>63,750</u>
			92,250
<u>CURRENT ASSETS:</u>			
Stationery inventory		270	
Subscription in arrears (Wk 2)		420	
Prepaid rates (Wk 4)		360	
Cash and bank balance		<u>1,350</u>	<u>2,400</u>
TOTAL ASSETS			<u>94,650</u>
<u>ACCUMULATED FUND AND LIABILITIES:</u>			
Accumulated fund			93,135
Surplus for the year			<u>1,170</u>
			94,305
<u>CURRENT LIABILITIES:</u>			
Prepaid subscriptions		240	
Accrued telephone expenses		<u>105</u>	<u>345</u>
TOTAL ACCUMULATED FUND AND LIABILITIES			<u>94,650</u>

OLOIBIRI SOCIAL SOCIETY
WORKING NOTES

Wk 1: Determination of subscription income for the year

Total number of members in the society	<u>450 members</u>
	N'000
Subscription rate per annum per member	<u>15</u>
Subscription income for the year (N15,000 X 450)	<u>6,750</u>

Wk 2: Determination of Subscriptions in arrears at the end of the year

	Subscription a/c		
	N'000		N'000
Arrears b/f	120	Receipts and payments a/c	6,690
Income & expenditure a/c (Wk 1)	6,750	Arrears c/d (Difference)	420
Advance c/d	<u>240</u>		
	<u>7,110</u>		<u>7,110</u>
Arrears b/d	420	Advance b/d	240

Wk 3: Determination of stationery expenses as per income and expenditure a/c

	N'000
Inventory of stationery @ beginning	150
Purchases during the year	<u>1,200</u>
	1,350
Inventory of stationery @ end	<u>(270)</u>
Stationery expenses for the year	<u>1,080</u>

Wk 4: Apportionment of rates payment for the year

No. of months of coverage for rates payment	15 months
	N'000
Payments for rates during the year	<u>1,800</u>
Rates expenses as per income & expenditure a/c (N1,800,000 X 12/15)	1,440
	<u>360</u>
	<u>1,800</u>

Wk 5: Determination of telephone expenses for the year

	Telephone expenses a/c		
	N'000		N'000
Receipts and payments a/c	300	Income and expenditure a/c (Diff.)	405
Accrued c/d	<u>105</u>		
	<u>405</u>		<u>405</u>
		Accrued b/d	105

Wk 6: Determination of sundry expenses for the year

	Sundry expenses a/c		
	N'000		N'000
Receipts and payments a/c	<u>2,775</u>	Accrued b/f	210
		Income and expenditure a/c (Diff.)	<u>2,565</u>
	<u>2,775</u>		<u>2,775</u>

Wk 7: Calculation of depreciation on building for the year

Carrying value of building @ beginning	<u>30,000</u>
Depreciation @ 5% (5% X N30,000,000)	<u>1,500</u>

Wk 8: Determination of value of investment as per statement of financial position

Value of investment @ beginning	60,000
Purchases during the year	<u>3,750</u>
	<u>63,750</u>

Examiner's comments

The question tests candidates' knowledge on the impact of depreciation on Non-current assets in part (a) of the question, while it tests simple preparation of the financial report of a Non-for profit organization.

About 30% of the candidates attempted the question and their performance was below average.

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

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

SOLUTION 6

(a) Functions of Automatic Teller Machine

The machine is capable of performing the following functions:

- It dispenses Cash;
- It receives deposits;
- Printing of statements;
- Provision of account balances;
- Transfer of funds;
- Payment of bills;
- Display of Promotional messages;
- Issuance of Receipts on withdrawal/payments

(b) (i)

YAFEU ENTERPRISE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2021

	GH¢'000	GH¢'000	GH¢'000
Revenue			40,250.00
Returns inward			<u>(930.00)</u>
			39,320.00
<u>COST OF SALES:</u>			
Opening Inventory		1,140.00	
Purchases	7,970.00		
Carriage inwards	<u>300.00</u>		
	8,270.00		
Returns outward	<u>(485.00)</u>		
		<u>7,785.00</u>	
		8,925.00	
Closing inventory		<u>(950.00)</u>	<u>(7,975.00)</u>
GROSS PROFIT			31,345.00
Investment Income			<u>550.00</u>
			31,895.00
<u>OPERATING EXPENSES:</u>			
Depreciation- Building (Wk 1)		480.00	
Depreciation- Motor vehicle (Wk 1)		760.00	
Depreciation- Office equipment (Wk 1)		682.50	
Depreciation- Furniture and fittings (Wk 1)		500.00	
Administrative expenses (Wk 2)		866.36	
Electricity (Wk 3)		380.00	
Vehicle running expenses (Wk 3)		395.00	
Increase in allowance for irrecoverable debt (Wk 4)		50.00	
Salaries and wages		3,650.00	
Selling expenses		4,785.00	
Discount allowed		<u>285.00</u>	<u>(12,833.86)</u>
NET PROFIT BEFORE TAX			19,061.14
Tax expense			<u>(345.00)</u>
PROFIT FOR THE YEAR			<u>18,716.14</u>

b) ii)

YAFEU ENTERPRISE
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Cost	Acc. Dep.	Carrying Value
	GH¢'000	GH¢'000	GH¢'000
NON-CURRENT ASSETS:			
Land and building	14,000.00	(5,980.00)	8,020.00
Motor vehicles	3,800.00	(3,030.00)	770.00
Office equipment	4,550.00	(2,932.50)	1,617.50
Furniture and fittings	<u>5,000.00</u>	<u>(500.00)</u>	<u>4,500.00</u>
	<u>27,350.00</u>	<u>(12,442.50)</u>	14,907.50
Investments			<u>8,500.00</u>
			23,407.50
<u>CURRENT ASSETS:</u>			
Inventory		950.00	
Receivables	4,850.00		
Allowance for irrecoverable debts	<u>(500.00)</u>	4,350.00	
Prepaid rent (Wk 2)		113.64	
Bank and cash balances		<u>4,380.00</u>	<u>9,793.64</u>
TOTAL ASSETS			<u>33,201.14</u>
<u>EQUITY AND LIABILITIES:</u>			
Owners' equity			13,455.00
Net profit			<u>18,716.14</u>
			32,171.14
Drawings			<u>(1,825.00)</u>
			30,346.14
<u>CURRENT LIABILITIES:</u>			
Payables		2380.00	
Provision for taxation		345.00	
Accrued electricity		55.00	
Accrued vehicle running expenses		<u>75.00</u>	<u>2,855.00</u>
			<u>33,201.14</u>

YAFEU ENTERPRISE
WORKING NOTES

Wk 1: Calculation of depreciation on each assets

	Land & Building 4%	Motor Vehicles 20%	Office Equipment 15%	Furniture & Fittings 10%
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost as per a/c	14,000.00	3,800.00	4,550.00	5,000.00
Cost of land	(2,000.00)	-	-	-
Cost of depreciable asset	<u>12,000.00</u>	<u>3,800.00</u>	<u>4,550.00</u>	<u>5,000.00</u>
Depreciation (Dep. rate x Depreciable asset)	<u>480.00</u>	<u>760.00</u>	<u>682.50</u>	<u>500.00</u>

Wk 2: Determination of administrative expenses as per statement of profit or loss and prepaid rent

	GH¢'000	GH¢'000
Administrative expenses as per a/c		980.00
Rent amount included in administrative expenses		<u>(250.00)</u>
	<u>250.00</u>	730.00
Rent payment apportioned as follows:		
Rent expenses for the year (GH¢250,000 x 6/11)	136.36	<u>136.36</u>
Prepaid rent as at the end of the year (GH¢250,000 x 5/11)	<u>113.64</u>	
	<u>250.00</u>	
Administrative expenses as per statement of profit or loss		<u>866.36</u>

Wk3: Determination of electricity expenses and vehicle running expenses for the year

	Electricity Expenses GH¢'000	Vehicle Running Expenses GH¢'000
Amount as per a/c	325	320
Amount accrued	55	75
	<u>380</u>	<u>395</u>

Wk 4: Determination of increase in allowance for irrecoverable debts

	GH¢'000
Allowance for irrecoverable debts @ end	500
Allowance for irrecoverable debts @ beginning	<u>(450)</u>
	<u>50</u>

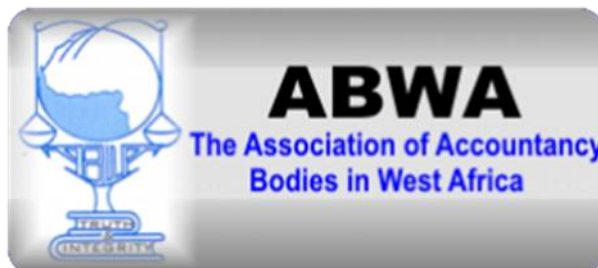
Examiner's comments

The question tests candidates' knowledge on the usefulness of Automated Teller Machine in part (a) of the question, while it tests their knowledge on the preparation of simple final account from a given trial balance with few additional information.

About 40% of the candidates attempted the question and their performance was fair.

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

Candidates are advised to prepare well for future institute's examinations.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2025 EXAMINATIONS (PART 1)****ECONOMICS**

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

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

WEDNESDAY, MARCH 26, 2025

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 2025

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 following are **TRUE** of positive economics, **EXCEPT**
 - A. An objective science
 - B. Value free
 - C. Concerned with what will happen
 - D. Concerned with what actually happened
 - E. Concerned with what ought to happen
2. Which of the following basic economics concepts cannot be illustrated with production possibilities curve?
 - A. Opportunity cost
 - B. Inflation
 - C. Under employment
 - D. Full employment
 - E. Economic growth
3. Which of the following best describes implicit cost?
 - A. Long run cost
 - B. Marginal cost
 - C. Short run cost
 - D. Opportunity cost
 - E. Explicit cost
4. The measure of the responsiveness of demand for good to a change in the price of related good is
 - A. Price elasticity of demand
 - B. Cross price elasticity of demand
 - C. Income elasticity of demand
 - D. Perfect elastic demand
 - E. Zero elastic demand

5. If the value of the cross price elasticity of demand between two goods is negative, the goods are
 - A. Poor substitutes
 - B. Substitutes
 - C. Complementary
 - D. Capital good
 - E. Consumer good

6. If the price of a product rises from ~~N~~20.00 to ~~N~~23.00 per kilogram and the quantity demanded falls from 100 kilogram to 85 kilogram, then the price elasticity of demand for the product is
 - A. 1
 - B. 2
 - C. 4
 - D. 5
 - E. 6

7. The rate at which a consumer substitutes one commodity for another while still deriving the same level of satisfaction is called
 - A. Returns to scale
 - B. Elasticity of substitution
 - C. Marginal rate of technical substitution
 - D. Marginal rate of commodity substitution
 - E. Marginal product

8. Suppose the total variable cost (TVC) function of a firm is expressed as $TVC = 2q$, where q is the units of the product; and total fixed cost is ~~N~~500, the total cost of producing 40 units of the product will be
 - A. ~~N~~80.00
 - B. ~~N~~200.00
 - C. ~~N~~420.00
 - D. ~~N~~540.00
 - E. ~~N~~580.00

9. Assume a total cost (TC) function of a firm is given as $TC = 250 + 10q$, where q is the units of the product produced, the average variable cost function is
 - A. $10q$
 - B. 10
 - C. $\frac{250+10q}{q}$
 - D. $250 + 10q^2$
 - E. $\frac{250}{q}$

10. A joint-stock company enjoys the following advantages, **EXCEPT**
- A. Ability to raise larger capital
 - B. Easy transfer of membership
 - C. Easy decision making process
 - D. Division of labour is efficiently practiced
 - E. Liabilities of shareholders are limited to the capital contributed.
11. Which of the following is **NOT** an assumption of the law of diminishing returns?
- A. The variable factor is identical in quantity and quality
 - B. It is applicable in any production sector
 - C. It is a phenomenon where a producer uses both fixed and variable inputs
 - D. The variable factor is the input usually used in production
 - E. The law is a long-run phenomenon
12. When the total variable cost of producing a given quantity of a product is zero, which of the following is true?
- A. Total fixed cost is zero
 - B. Total cost is equal to total fixed cost
 - C. Output level is at maximum
 - D. Total fixed cost curve is horizontal and parallel to output axis
 - E. Average cost is zero
13. The marginal revenue of a monopolist is zero when total revenue is
- A. Positive
 - B. Negative
 - C. Maximum
 - D. Minimum
 - E. Infinity
14. Average total cost is the
- A. Sum of average fixed cost and marginal cost
 - B. Difference between total cost and total fixed cost
 - C. Ratio of change in total cost to change in output
 - D. Cost of producing given output
 - E. Sum of average variable cost and average fixed cost
15. Which of the following is excluded in the computation of national Income using income approach?
- A. Net wages
 - B. Value Added
 - C. Transfer Payments
 - D. Final value of goods
 - E. Interests and dividends earned

16. In a two-sector circular flow model, the factor services are provided by the
- A. Firms
 - B. Household
 - C. Government
 - D. Foreign nations
 - E. Household and Firms
17. A linear relationship between consumption expenditure and disposable income is called
- A. Consumption function
 - B. Aggregate consumption
 - C. Average propensity to consume
 - D. Marginal propensity to consume
 - E. Autonomous consumption function
18. In a three-sector closed economy, which of the following is a form of leakage?
- A. Export
 - B. Personal savings
 - C. Transfer payments
 - D. Investment expenditure
 - E. Government expenditure
19. The period of lowest economic activities after which a recovery is expected to set in is known as
- A. Boom
 - B. Prosperity
 - C. Recession
 - D. Depression
 - E. Business cycle
20. Currency and Notes are legal tenders because
- A. Lawyers accept them as legal fees
 - B. They are issued by the central bank
 - C. Customers have the right to save them
 - D. They are given to customers by commercial banks
 - E. By law, people are compelled to accept them for payments of goods
21. The raising of funds by selling stocks to the public is called
- A. equity financing
 - B. deficit financing
 - C. debt financing
 - D. loan financing
 - E. stocks financing

22. The bank that is charged with the responsibility of managing national debts is
- A. Bank for international settlements
 - B. National Mortgage Bank
 - C. First Bank Plc
 - D. Central Bank
 - E. World Bank
23. The combination of measures designed to influence international trade relations is known as
- A. Commercial policy
 - B. Fiscal policy
 - C. Price and income policy
 - D. Monetary policy
 - E. Stabilisation policy
24. Which of the following is **NOT** an objective of taxation?
- A. To protect infant industries
 - B. To finance government expenditure
 - C. To correct balance of payments deficits
 - D. To redistribute income and wealth
 - E. To regulate the supply of money
25. The government spending to acquire or improve the capacity of fixed asset for long-term is classified as
- A. Government expenditure
 - B. Public expenditure
 - C. Recurrent expenditure
 - D. Private expenditure
 - E. Capital expenditure
26. Which of the following could be a source of outward shift of the production possibilities curve (PPC)?
- A. Inefficient use of productive resources
 - B. Full-use of existing resources
 - C. Technological breakthrough
 - D. Widespread job losses in the economy
 - E. Increase in the prices of inputs
27. Under the flexible exchange rate system, an increase in the value of a country's currency relative to foreign currencies is called currency
- A. Depreciation
 - B. Appreciation
 - C. Revaluation
 - D. Devaluation
 - E. Hedging

28. Which of the following is **NOT** a characteristic of a developing country?
- Low level of savings
 - High standards of living
 - High population growth rate
 - Rising levels of unemployment
 - Predominance of primitive agricultural practices
29. An economy characterised by substantial elements of both free market and government-directed decision-making is a/an
- Capitalist economy
 - Open economy
 - Closed economy
 - Socialist economy
 - Mixed economy
30. An economic plan that has an average duration of 2 to 5 years is known as _____ development plan.
- Perspective
 - Rolling
 - Short-term
 - Medium term
 - Long-term

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

- A rightward shift of the production possibility curve implies
- The graph that shows the relationship between the quantity of a good that consumer purchased and his/her income level is
- If the value of the price elasticity of demand is infinity, the demand is
- The indifference curve is to the origin when only one of the products is a bad or dangerous product.
- Given a total cost (TC) function of a firm as $TC = 120 + 4q$, the average total cost (ATC) in Naira, of the firm producing 8 units of output (q) is
- The necessary condition for a profit maximising firm is
- The excess of total revenue over the sum of implicit and explicit costs is called
- The average revenue curve of a monopolist is also known as
- An Organisational framework that links buyers and sellers of goods and

services is called

10. When equilibrium level of income is less than full employment, the economy will be experiencing.....
11. When an economy is confronted with inflationary gap, the monetary authorities can reduce aggregate demand through
12. The activity of the Central Bank that involves the buying and selling of securities is known as
13. The market for the sale and purchase of existing securities is known as
14. The government budget when its estimated revenue is less than the proposed expenditure for the coming year is
15. The consumption tax levied on businesses at every stage of production and distribution is
16. The simultaneous occurrence of high inflation and high unemployment is called
17. The rising economic interconnectedness among countries and markets across the world is termed
18. Trade between two countries can be useful if cost ratios of goods are
19. A is characterised by free mobility of factors of production like labour and capital, apart from the elimination of internal tariffs between member countries and a common levy on all goods imported from non-member countries.
20. A situation where a sustainable increase in a country's per capita output results to a significant reduction in poverty, unemployment and inequality is called

SECTION B:

ESSAY QUESTIONS

(50 MARKS)

PART I:

MICROECONOMICS

ATTEMPT ANY TWO QUESTIONS

QUESTION 1

The demand and supply equation for a commodity is given as:

$$Q_d = 5400 - 30P \text{ and } Q_s = 2400 + 70P$$

where Q_d , Q_s and P are the quantity demanded, quantity supplied and price (in bags/units and naira) respectively.

Required:

- i. Determine the equilibrium price and quantity. (3½ Marks)

- ii. If government fixes the price of the commodity at ₦20, determine the excess demand that will result from the price control. (3 Marks)
- iii. Identify and explain **FOUR** problems that the excess in (ii) above may cause. (6 Marks)
- (Total 12 ½ Marks)**

QUESTION 2

- a. Distinguish between 'Short-run period' and 'Long-run period' in production. (3 Marks)
- b. The table below shows a production schedule of a particular firm in Kano.

Land (acres)	No. of workers	Total Product	Average Product	Marginal Product
4	0	0	-	-
4	1	100	100	100
4	2	220	110	<i>e</i>
4	3	350	<i>c</i>	130
4	4	<i>A</i>	125	150
4	5	590	<i>d</i>	90
4	6	<i>B</i>	90	50
4	7	525	75	<i>f</i>

- i. Calculate the values for a, b, c, d, e and f. (3 Marks)
- ii. What production period does the schedule above represent? Give reason. (3 Marks)
- iii. At what level of labour employment does diminishing returns set in? Explain your answer. (3½ Marks)

(Total 12½ Marks)

QUESTION 3

- a. State and explain **FOUR** advantages of monopoly (6 Marks)
- b. What do you understand by price discrimination? (2 Marks)
- c. Under which **THREE** conditions would price discrimination occur in a monopolistic market? (4½ Marks)

(Total 12½ Marks)

PART II:

MACROECONOMICS

ATTEMPT ANY TWO QUESTIONS

QUESTION 4

- a. Explain the concept of quantity theory of money (2½ Marks)
- b. List **FOUR** assumptions of quantity theory of money (4 Marks)
- c. Enumerate **SIX** weaknesses of quantity theory of money (6 Marks)
- (Total 12½ Marks)**

QUESTION 5

- a. Explain **FOUR** principal economic functions of the central government in any modern economy. (8 Marks)
 - b. Outline **THREE** desirable qualities of a good tax system. (4½ Marks)
- (Total 12½ Marks)**

QUESTION 6

- a. Despite the benefits of ECOWAS to its members, they still face a number of problems. Discuss **FOUR** of these problems. (6 Marks)
 - b. What is International Monetary Fund? (2 Marks)
 - c. Explain **THREE** benefits derived by developing member countries of International Monetary Fund (IMF). (4½ Marks)
- (Total 12½ Marks)**

SECTION A: PART I

MULTIPLE CHOICE SOLUTIONS

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

WORKINGS

$$\begin{aligned} 8. \quad TC &= TFC + TVC \\ TC &= 500 + 2q \\ TC &= 500 + 2(40) \\ TC &= 580 \quad E \\ 9. \quad AVC &= \frac{TVC}{Q} \quad TVC = TQ \times VC \text{ per unit} \\ FC &= 250 \\ TVC &= 10q \\ AVC &= \frac{10q}{q} \end{aligned}$$

$$\text{AVC} = \underline{10}$$

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 score well in this section of the paper.

SECTION A: PART II

SHORT ANSWER SOLUTIONS

1. Economic growth
2. Engel curve /Income Consumption Curve
3. Perfectly elastic
4. Concave/upward sloping
5. ₦19.00

Working

$$TC = TFC + TVC$$

$$ATC = \frac{TFC+TVC}{Q} = \frac{120+4(8)}{8} = \frac{152}{8} = 19.00$$

6. MC = MR
7. Economic profit
8. The demand curve
9. Market
10. Deflationary gap
11. Contractionary Monetary policy
12. Open Market operations
13. Secondary market
14. Budget deficit
15. Value- Added Tax (VAT)
16. Stagflation
17. Globalisation
18. Different
19. Common market
20. Economic development

Examiner's comments

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

Candidates require a good understanding of the key concepts in the entire syllabus to be able to score a pass mark in this section. Less than 50% of the candidates scored pass mark in this section. Questions 2,4,5,8,12,13,17,18 and 19 were not correctly answered in most cases.

SECTION B:

SOLUTION 1

- $Q_d = 5400 - 30P$ and $Q_s = 2400 + 70P$
- i. At equilibrium $Q_d = Q_s$
- $$\begin{array}{l} 5400 - 30P = 2400 + 70P \\ 5400 - 2400 = 70P + 30P \\ 3000 = 100P \\ P^* = \frac{3000}{100} = \text{N}30 \end{array} \quad \left. \vphantom{\begin{array}{l} 5400 - 30P = 2400 + 70P \\ 5400 - 2400 = 70P + 30P \\ 3000 = 100P \\ P^* = \frac{3000}{100} = \text{N}30 \end{array}} \right\} Q^* = 5400 - 30(30), 5400 - 900 = 4500$$
- ii. If government fixes price at ~~N20~~
- $$Q_d = 5400 - 30(20), 5400 - 600 = 4800$$
- $$Q_s = 2400 + 70(20), 2400 + 1400 = 3800$$
- $$Q_d - Q_s = 4800 - 3800 = 1000$$
- The value of 1000 is called excess demand.
- iii. The problems from the persistent excess demand in (ii) above can cause/ include:
- (a) **Rationing:** Government may have to apportion the quantity supplied among buyers who want to consume a greater quantity. This may be done through the issue of coupons which must be surrendered together with cash, to obtain the good.
 - (b) **Queuing:** Excess demand often leads to long queues whenever the good is available. The queues may be physical lines of people outside suppliers' shops typically in the case of essential commodities like drugs, bread, milk, etc. or tall waiting lists in the case of consumer durables such as cars, television sets, government flats/houses, etc.
 - (c) **Black (Parallel) Markets:** Black or parallel markets in which the good will be illegally sold will spring up. In the illegal market, the price at which the good will be sold is usually higher than the equilibrium price.
 - (d) **Selling at Sellers' Preferences:** Sellers may choose several ways to sell the good – first-come, first-served, selling to relatives and friends first, etc.
 - (e) **Random Allocation:** This is selling by luck or chance. This may defeat the aim of setting the maximum price to ensure that the poor as well as the rich get the good. Selling may go to all rich, or all poor.

Examiner's Comment

This question tested candidates' knowledge of determining the equilibrium price and quantity of a commodity. Issues of excess demand and price controls were also examined. Almost 100% of the candidates attempted this question and those that attempted this question demonstrated good understanding and technicality of the question too. Performance was therefore above average.

SOLUTION 2

(a) Short-Run Period in Production

This is a period of production during which some factors of production are fixed while others are variable. The fixed inputs cannot be varied when demand conditions require a change in output. This period varies from firm to firm, depending on the type of production a firm undertakes and the inputs it uses.

Long-Run Period in Production

This is a period of production within which all inputs are variable. This implies that if demand conditions warrant a change in production, all the inputs can be varied to achieve this.

(b) (i) The respective values are calculated with the following formular

- Total Product (TP) = $AP \times L$
- Average Product (AP) = $\frac{TP}{L}$
- Marginal Product (MP) = $\frac{\Delta TP}{\Delta L}$

Therefore:

$$a = 125 \times 4 = 500; \quad b = 90 \times 6 = 540; \quad c = \frac{350}{3} = 116.7; \quad d = \frac{590}{5} = 118$$
$$e = \frac{220-100}{2-1} = \frac{120}{1} = 120; \quad f = \frac{525-540}{7-6} = -15$$

(ii) The schedule represents Short-run production period. Short-run period has both fixed and variable inputs. And in the schedule, the land is a fixed input while labour is a variable input

(iii) Diminishing returns sets in at the level of employment when the Marginal product (MP) starts declining. Therefore, at the employment of 4 units of labour where MP increases up to 150 units after which it diminishes to 90 units when the 5th labour is employed.

Examiner's comment

The question on the theory production tested the candidates knowledge of the short run and long run periods as it concerns the factors of production . The computations of the Total Product (TP), Average Product (AP) and Marginal Product (MP) were also examined.

Almost 100% of the candidates attempted this question with about 70% of them scoring pass mark. However, few of the candidates did not understand the technicality in b(iii) part of the question.

SOLUTION 3

(a) The Advantages of Monopoly

- i. **No risk of over – production:** As a sole producer, the firm knows the quantity that consumers of its product will demand and therefore will not produce in excess of demand.
 - ii. **Efficient and full use of resources:** The monopoly firm can use its equipments and machines to their full capacity to producing a large quantity of its product based on the known market. The perfectly competitive firm is not sure of its market share and therefore its resources may be underutilized.
 - iii. **Monopoly helps to reduce price:** Monopoly is associated with large scale production and low average cost; therefore, the firm can afford to sell at a lower price than the perfectly competitive firm.
 - iv. **Inventions and innovations:** The monopolist is encouraged to invest in research and development (R and D) efforts because of the barriers to entry. There is a tendency for the firm to introduce a cheaper technique, sell at a lower price or improve the quality of its products for the benefit of the consumers.
 - v. It encourages research and development.
 - vi. Economies of scale: It lowers average cost of production through increased output.
- b. Price discrimination is the practice of charging different prices for the same product to different buyers by the same provider or seller based on perceived market segments.

A monopolist may be able to charge different prices to different customers, primarily to increase its profits, if it can identify different types of customers whose demand curves are quite distinct.

- c. The conditions under which a monopolist will be able to discriminate profitably are given as:
- i. The price elasticity of demand for the product must be different between classes of buyers or in each market. This may be due to differences in income level or in tastes. The firm will charge higher price in the market where demand is less elastic to gain higher total revenue and profit.
 - ii. The firm must be able to segregate the different buyers according to their elasticity of demand, and the cost of such segregation must not be too high as to wipe off the intended profit of price discrimination.

- iii. It must be impossible for some buyers to purchase the commodity at the lower price and then resell it to others at the higher price.

Examiner's comment

This question on market structure tested candidates' knowledge in particular, monopoly as market structure. The concept of price discrimination and its conditions of occurrence were tested.

About 50% of the candidates attempted the question, while less than 40% that attempted the question had pass mark. Candidates performance on this question was not impressive.

SOLUTION 4

- a. The quantity theory of money assumes that there is a strict direct relationship between money supply and the average price level in an economy. That is, the quantity theory of money states that the price level is strictly proportional to the money supply. If the quantity supply of money rises by 10%, the price level also rises by 10%.

The quantity theory of money was pioneered by Adam Smith and David Hume, in the 18th century and was modified and popularized in 1911 by the Irvin Fisher using an equation of exchange $MV = PQ$ where M = Money supply, V = Velocity of money, P = price level and Q = real output.

- b. **The assumptions of the theory are that:**
 - i. The velocity of money circulation (V) is fixed.
 - ii. The real GNP denoted (Q) is fixed in the short – run.
 - iii. The money stock (M) is determined from time to time by the country's monetary authorities
 - iv. The economy is at full employment level.
- c. **Weaknesses of quantity theory of money include:**
 - i. MV and PQ are not equal as proposed by the theory
 - ii. The proposition has been argued by economists as not being a theory but a mere relationship between M , V , P , and Q .
 - iii. The theory ignores the rate of interest and the roles of monetary policies in regulating money supply.
 - iv. It ignores demand for money and concentrates only on supply of money.
 - v. The theory does not show how the value of money is determined but only emphasising on the value of money.
 - vi. Velocity of money cannot be constant since money changes from hand to hand and place to place.
 - vii. he assumption that M , V , P and Q are independent of one another is not acceptable.
 - viii. There is no existence of general price level in any economy. Price changes from time to time.

Examiner's comment

This question tests candidates' knowledge in the area of money and banking. Specifically, the quantity theory of money. Attempts on this question was low with less than 50%; and answers to 4a, b and C were not given appropriately in most cases. Hence, the performance here was low as the candidates failed to understand the technicality of the questions

SOLUTION 5

- a. Economic functions of central government in any modern economy:
 - i. Provision of legal framework and a social environment conducive for the effective operation of business in the economy.
 - ii. Creation and maintenance of social and economic infrastructures. Examples include good road network, electricity, water, sanitation, tele-communication etc. they are referred to as public goods or social overheads.
 - iii. Redistribution of income: to ensure average standard of living in the society, government may engage in direct transfer payments or welfare programme for the most vulnerable members of the society.
 - iv. Re-allocation of resources. This can be achieved through various tax system such as progressive tax and higher tax on luxury consumables.
 - v. Promotion of macroeconomic objectives such as price stability, economic growth, favourable balance of payments.
- b. Desirable qualities of a good tax system
 - i. **Equity:** every taxpayer should pay tax in proportion to his/ her income. In other words, taxpayers should make equal sacrifice by paying the same percentage of their respective income as tax.
 - ii. **Certainty:** taxpayers should know in advance the exact amount to pay as tax and when they are expected to make the payment.
 - iii. **Convenience:** taxes should be paid at the most convenient time to the taxpayer.
 - iv. **Flexibility:** it should be easy to revise the tax structure to meet the revenue requirements of the government without delay and at significant additional cost.
 - v. **Economy:** the cost of assessing and raising taxes should be kept at minimum.
 - vi. **Productivity:** A good tax should bring large revenue which should be adequate for the government.
 - vii. **Simplicity:** A good tax system should be simple and easy to understand.

Examiner's comment

This question in the area of public finance is a straight forward one. The question tested the candidates' knowledge of the economic functions of a central government and the qualities of a good tax system. There was a good understanding of the question as almost 100% of the candidates attempted. This question and scored above average.

SOLUTION 6

a. Problems of ECOWAS include:

- i. **The low level of trade among member countries as a result** of similarity of products. All countries in West Africa (except Nigeria, to some extent) depend heavily on their agricultural sector.
- ii. **Immobility of factors of production** between the countries due to poor infrastructural facilities coupled with language barrier.
- iii. **Closer socio-economic ties with former colonial administrators.** It is difficult for the Community to adopt discriminatory tariff policies that could have adverse consequences on the economies of such countries i.e. United Kingdom, France and Portugal.
- iv. **Unequal distribution of benefits as it concerns** countries with revenue losses from tariff removals, leading to disagreements over compensation mechanisms.
- v. **Differences in social, monetary and commercial policies of the member countries** constitute a major obstacle to international trade and joint investment programmes.
- vi. **Disparities in the levels of socio-economic activities and fear of domination by some countries.**

b. **The International Monetary Fund (The IMF)** also referred to as The Fund, is an autonomous international financial institution established in 1945 under the Bretton Woods Agreement of 1944. Thus, it is a sister institution of the International Bank for Reconstruction and Development (IBRD). The IMF introduced the Special Drawing Rights (SDRs) in 1970 to facilitate the expansion and balanced growth of world trade. The IMF aims to promote global economic stability, secure financial stability and reduce poverty.

A member country that applies for IMF loan is expected to meet certain stipulated conditions, known collectively as *"IMF conditionalities"*, before such facility is granted. The conditions stipulated for some developing member countries to be met to qualify them for the use of the Fund's financial resources have included devaluation of currency, removal of government subsidy on some products, reduction of public expenditure, trade etc.

c. **Benefits derived by member countries include:**

- i. The signing of agreement with the Fund for stand-by facilities worth millions of dollars which boosted their credit worthiness in international trade.
- ii. The use of SDRs allocation to solve their balance of payments and reserve problems.
- iii. Manpower development efforts of member countries have been complemented by the Fund through training courses provided on economic and financial management.

- iv. The Fund, on a regular basis, conducts studies on member countries' economies and recommends necessary reform measures to improve growth performance.

Examiner's comments

This question tested candidates' knowledge of economic integration and International organization. About 50% of the candidates attempted this question. There was no good understanding of the questions. Most especially 6(b), as most of those that attempted it got it wrongly. The technicality in the definition of IMF and its benefits to the members were not discussed properly. Candidates performed below average in this question.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2025 EXAMINATIONS (PART I)****BUSINESS LAW**

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

1. All solutions should be in ink. Any solution in pencil will not be marked.
2. Read all instructions on each part of the paper carefully before answering the questions.
3. Ensure that you do not answer more than the number of questions required for **Section B (The Essay Section)**.
4. Check your pockets, purse and mathematical sets, etc to ensure that you do not have prohibited items such as telephone handset, electronic storage device, wrist watches, programmable devices or any form of written material on you in the examination hall. You will be stopped from continuing with the examination and liable to further disciplinary actions including cancellation of examination result if caught.
5. Do not enter the hall with anything written on your docket.
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TUESDAY, MARCH 25, 2025

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**THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART I EXAMINATIONS – MARCH 2025**

BUSINESS LAW

Time Allowed: 3 hours

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

ATTEMPT ALL QUESTIONS

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

1. Which of the following is a part of Received English Law?
 - A. Doctrines of Equity
 - B. Amalgamation Act
 - C. Edict
 - D. Constitution
 - E. Royal Dutch Law

2. Which of the following is a characteristic of the Constitution of the Federal Republic of Nigeria?
 - A. Parochial application
 - B. Domestication
 - C. Federalism
 - D. Easy amendment
 - E. Regionalisation

3. Which court has jurisdiction over company matters in Nigeria?
 - A. Magistrate court
 - B. Commercial Court
 - C. National Industrial Court
 - D. High Court
 - E. Federal High Court

4. Formal acceptable practices that guide professionals in the discharge of their duties to clients are known as
 - A. Standard practices
 - B. Code of ethics
 - C. Civil guidelines
 - D. Professional law
 - E. Practicum

5. Which tort emphasises duty of care and its breach?
 - A. Trespass
 - B. Passing off
 - C. Imitation
 - D. Negligence
 - E. Slander
6. Auction advertisement is an example of a/an
 - A. Offer
 - B. Invitation to treat
 - C. Acceptance
 - D. Intention to create legal relations
 - E. Consideration
7. A contract under seal is classified also as
 - A. Specialty contract
 - B. Acceptance contract
 - C. Contract of seriousness
 - D. Finalised contract
 - E. Accentuated contract
8. Which of the following procurements is an infant liable for?
 - A. Automobiles
 - B. Sea cruise
 - C. Beneficial contract of service
 - D. Interlocution
 - E. Charity
9. In which of the following contracts is an exclusion or limiting term usually found?
 - A. Marriage contract
 - B. Concession contract
 - C. Standard form contract
 - D. Future contract
 - E. Unilateral contract
10. *Ex turpi causa non oritur actio* means
 - A. No action could be brought by a party to an illegal agreement
 - B. Contractual action must originate from a party
 - C. Failure to act on time in a contract is fatal
 - D. Time determines success in an action for breach of contract
 - E. Termination

11. In the law of agency, ratification is equal to
- A. Specific performance
 - B. An antecedent authority
 - C. Subrogation
 - D. Loss adjustment
 - E. Affirmative action
12. Which type of agency is created by an urgent commercial need or emergency?
- A. Agency by subrogation
 - B. Agency of necessity
 - C. Supportive agency
 - D. Gratuitous agency
 - E. Commercial agency
13. Implied terms as to the right of the seller of goods to pass property means the right to transfer
- A. Ownership
 - B. Credit
 - C. Lien
 - D. Loan
 - E. Control
14. Which of the following is **NOT** implied in a hire purchase contract?
- A. The hirer shall enjoy quiet possession
 - B. The hirer shall sell the goods
 - C. The owner has the right to sell the goods
 - D. The goods is free of encumbrance
 - E. The goods shall be fit for purpose that the hirer indicated
15. In a contract of employment, the situation where there is no work for employees to do so that the employer could disengage the employee is known as
- A. Glut
 - B. Redundancy
 - C. Excess staffing
 - D. Proselyting
 - E. Termination

16. For a purported insured to be covered by an insurance policy, he must have provided
- A. Premium
 - B. Subrogation
 - C. Service
 - D. Deposit
 - E. Warranty
17. A lease under which ownership of the asset remains with the lessor is called
- A. Finance lease
 - B. Mortgage lease
 - C. Pledge the goods
 - D. Recurrent lease
 - E. Operating lease
18. In a market overt, the buyer of goods acquires a good title if
- A. He is first in time
 - B. He has no notice of defect in the goods' title
 - C. He pays cash
 - D. He buys the goods at the quoted price
 - E. He negotiates successfully
19. Which type of partnership has most of the characteristics of a limited liability company?
- A. Limited partnership
 - B. General partnership
 - C. Partnership for the practice of accountancy
 - D. Limited Liability Partnership
 - E. A cooperative society
20. Which type of partnership is dissolved automatically by the death of a partner?
- A. General partnership
 - B. Terminable partnership
 - C. Limited partnership
 - D. Partnership by proxy
 - E. Limited Liability Partnership
21. Which type of company has no need to appoint a company secretary?
- A. Company limited by guarantee
 - B. Trading company
 - C. Public company with two members
 - D. Private company
 - E. Small company

22. The Federal High Court may make an order for the administration of a company when
- A. The company is likely to become unable to pay its debts
 - B. The company has internal struggle for control
 - C. It is impracticable to hold a general meeting of the company
 - D. The directors of the company are its financiers
 - E. The Minister of Trade so demands
23. A company shall appoint an auditor at the
- A. Annual General Meeting
 - B. Directors' Meeting
 - C. Extraordinary General Meeting
 - D. Creditors' Meeting
 - E. Stakeholders Meeting
24. Which of the following is **NOT** an Alternative Dispute Resolution mechanism?
- A. Conciliation
 - B. Arbitration
 - C. Mediation
 - D. Negotiation
 - E. Solicitation
25. Which mode of company's winding up requires the company's declaration of solvency?
- A. Voluntary winding up
 - B. Court-ordered winding up
 - C. Winding up subject to court supervision
 - D. Official winding up
 - E. Statutory winding up
26. Which of the following is a merger type defined by the Federal Competition and Consumer Protection Act, 2018?
- A. Horizontal merger
 - B. Vertical Merger
 - C. Intermediate merger
 - D. Large merger
 - E. Mean merger
27. The maker of a promissory note is also known as
- A. Drawer
 - B. Drawee
 - C. Payee
 - D. Holder
 - E. Owner

28. Which of the following is a duty of a banker to its customer?

- A. Beneficial holding
- B. Confidentiality
- C. Overdraft facility grant
- D. Provision of investment information
- E. Public accountability

29. One of the three certainties that constitute a trust is

- A. Certainty of word
- B. Certainty of law
- C. Certainty of regulator
- D. Certainty of value
- E. Certainty of charity intent

30. Negotiability of a financial instrument means

- A. Repossession
- B. Transferability
- C. Substitution
- D. Certainty
- E. Convertibility

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 standard of proof in criminal proceedings is
2. Delay defeats
3. The principle of law that holds a master responsible for the tort that his servant commits in the course of his employment is
4. An acceptance must correspond to the term of the
5. Mistake in a contract could be mutual or
6. Goods for which an infant could be liable are classified in the law of contract as

7. The principle that makes it impossible for a party to go back on his contractual promise is called
8. When Adele has the authority to negotiate the sale of consumables for a commission without being in possession of the goods, he is a/an
9. The class of goods that the seller is to manufacture after a sale contract is classified as
10. The periodic consideration that supports a hire purchase contract is called
11. Which type of partners has unlimited liability?
12. What is the limit to an employee's duty of skill and diligence?
13. In banking law, a standing order is payable to
14. The minimum statutory membership of a public company is
15. The interest a person must have to have an insurance cover is
16. The document that has the business or object clause of a company is
17. An order given by a customer to his bank to stop the payment of a cheque he issued in favour of a third party is known as.....
18. The organ of a company that makes policies is
19. The purpose of charitable trust that satisfies the requirements of public benefits of zero hunger is
20. The body that regulates mergers in Nigeria is

SECTION B: ATTEMPT ANY FOUR QUESTIONS (50 MARKS)

QUESTION 1

- a. The Constitution of the Federal Republic of Nigeria is an organic document that has distinctive characteristics.

Required:

State **FIVE** characteristics of the Nigerian Constitution.

(5 Marks)

- b. **ONE** of the expectations of a client of an accountancy firm is that the firm would not be negligent in the discharge of its professional duties.

Required:

State the elements of negligence as a tort. (4½ Marks)

- c. Lokpobiri offered to sell his house in Amassoma to Dada for ₦20 Million Naira. Dada replied that he agreed to buy the house for ₦18 Million Naira.

Required:

Explain what transpired between the parties. (3 Marks)

(Total 12½ Marks)

QUESTION 2

- a. Consideration is an essential element of a valid contract.

Required:

Define consideration and state **THREE** of its rules. (7½ Marks)

- b. Ade parked his car in the lot of a hotel that he lodged in last weekend. Umoru, who does car wash business, washed the car before Ade woke up and demanded to be paid for the washing, but Ade has refused to pay him.

Required:

Explain the implication of Umoru's action, and determine if Ade is right in refusing to pay Umoru. (5 Marks)

(Total 12½ Marks)

QUESTION 3

- a. The Sale of Goods Law/Act allows certain terms to be implied in the transactions it covers.

Required:

State **TWO** implied conditions of a sale of goods contract. (4 Marks)

- b. Hire purchase is a material part of commercial transaction. While it is in a class of its own, it is similar to some other commercial transactions.

Required:

Distinguish hire purchase from:

- i. Credit sale agreement.
- ii. Conditional sale agreement (4 Marks)

- c. Insurance contracts have their own usages and characteristics.

Required:

Briefly define the following in the context of an insurance contract:

- i. Premium;
 - ii. Subrogation; and
 - iii. Material information (4½ Marks)
- (Total 12½ Marks)**

QUESTION 4

- a. Each of the parties to an employment contract has binding duties for the purpose of legal and orderly relationship.

Required:

State **THREE** duties of an employer. (4½ Marks)

- b. The directors of a company are fiduciaries with sensitive duties, the performance of which has impact on company's performance.

Required:

State **THREE** duties of a company director. (6 Marks)

- c. Equipment leasing facilitates businesses all over the world.

Required:

Briefly explain operating lease. (2 Marks)

(Total 12½ Marks)

QUESTION 5

- a. A Limited Liability Partnership (LLP) is an innovation in the Companies and Allied Matters Act, 2020. Jumbo desires to take advantage of this innovation, and has approached you for the attributes of LLP as well as whom its key representative(s) would be after registration.

Required:

Give Jumbo **FOUR** attributes of a Limited Liability Partnership, and explain briefly to him who its key representatives are. (6 Marks)

- b. Collective investment scheme is a means of raising capital for corporate businesses.

Required:

- i. Define collective investment scheme; and (2 Marks)
ii. State **THREE** of its types under the Investments and Securities Act.

(4½ Marks)

(Total 12½ Marks)

QUESTION 6

- a. Ogun presented a cheque of 1Million Naira to Mercucy Bank PLC branch at a popular market in Kano for payment. The bank cashier refused to pay Ogun the value of the cheque because the cheque bears two parallel lines with the words '& co' in between. Ogun has come to you for an advice.

Required:

- (i) Advise Ogun on the reason given by the bank. (4 Marks)
(ii) Give **THREE** other reasons for which the bank would have refused to pay Ogun. (4½ Marks)

- b. Trustees are fiduciaries with important duties.

Required:

State **FOUR** duties of a trustee.

(4 Marks)

(Total 12½ Marks)

SECTION A: PART I

MULTIPLE CHOICE SOLUTIONS

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

Examiner's comments

The questions in this part were spread according to the weighting given them by the syllabus.

All the candidates attempted the questions, and their performance was good.

The major pitfall of the candidates was their apparent selective study, which left some areas uncovered.

Candidates are advised to cover the entire syllabus, studying the ICAN Study Text, in their future preparation.

SECTION A: PART II

SHORT ANSWER SOLUTIONS

1. Proof beyond reasonable doubt
2. Equity
3. Vicarious liability
4. Offer
5. Common/unilateral
6. Necessaries
7. Promissory estoppel
8. Broker
9. Future or unascertained goods
10. Instalments
11. General partner
12. The skill or diligence that the employee professed to the employer
13. A specified individual
14. Two (2)
15. Insurable interest
16. Memorandum of Association
17. Countermand
18. General Meeting
19. Trust for relief of poverty
20. Federal Competition and Consumer Protection Commission

Examiner's comments

The questions in this part were also spread according to the weighting given them by the syllabus.

All the candidates attempted the questions, and their performance was average.

The major pitfall of the candidates was their apparent selective study, which left some areas uncovered.

Candidates are advised to cover the entire syllabus, studying the ICAN Study Text and other texts in their future preparation.

SECTION B:

SOLUTION 1

- (a) The characteristics of the Constitution of the Federal Republic of Nigeria are as follows:
- i. Supremacy
 - ii. Federalism
 - iii. Separation of powers
 - iv. Written and rigid form
 - v. Fundamental rights
 - vi. Rule of law
- (b) The elements of the tort of negligence are as follows:
- i. Duty of care.
 - ii. Breach of the duty of care.
 - iii. Consequential injury or harm to the victim.
- (c) Lokpobiri's proposal to sell his house to Dada for ₦20 Million Naira was an offer, and Dada's purported 'acceptance' to buy the house for ₦18 Million Naira was a counter offer to the extent that modified the original offer.

The rule is that an acceptance must be of the exact term of the offer.

Examiner's comment

This question tests candidates' understanding of the characteristics of the Constitution of the Federal Republic of Nigeria, elements of the tort of negligence, and the distinction between an acceptance and a counter offer.

Attempt rate was about 85%, and pass rate was about 80%.

Candidates' major pitfall was their lack of understanding of the elements of the tort of negligence and counter offer.

Candidates are advised to pay attention to negligence and the elements of a valid contract in their future preparation.

SOLUTION 2

- (a) Consideration is an element of a valid contract, which comprises the price (money or money's worth) paid by one party to a contract for the promise or act of the other party. The case of *Curie v Misa (1875)* defines it as "...some right, interest, profit, or some forbearance, detriment, loss or responsibility given, suffered or undertaken by the other."

The rules on consideration are as follows:

- i. Consideration need not be adequate but must be sufficient.
 - ii. Consideration may be executory or executed, but it must not be past.
 - iii. Consideration may be money or money's worth.
 - iv. Consideration must be something of value in the eye of the law.
- (b) The issue in this hypothetical case is past consideration, that is, Umore's washing of Ade's car without Ade's promise to pay. Past consideration is no consideration, and cannot be the basis of payment of Umore by Ade who made no promise to pay before the washing.

Ade is justified in not paying Umore because the parties have no valid agreement in the absence of consideration (car washing based on antecedent promise to pay).

Examiner's comment

This question tests candidates' understanding of the meaning as well as rules of consideration in the law of contract.

Attempt rate was about 85%, and pass rate was about 60%.

Candidates' major pitfall was their lack of understanding of 'past consideration', which is no consideration at all.

Candidates are advised to pay attention to the rules and examples on consideration as explained in the ICAN Study Text in their future preparation.

SOLUTION 3

- (a) The implied conditions in a sale of goods contract are as follows:
- i. Fitness of the goods for the declared purpose.
 - ii. Implied condition that the goods are of merchantable (good) quality.
 - iii. That the seller has title to the goods.
 - iv. In sale by sample, that the bulk will correspond to the sample.
 - v. In sale by description, that the goods will correspond to the description.
- (b) Hire purchase distinguished from:
- i. **Credit sale:** Hire purchase is a mere bailment of goods in exchange for instalmental payments without transfer of ownership. On the other hand in credit sale, the seller sells and transfers ownership of goods to the buyer and agrees to be paid by the latter in instalments.
 - ii. **Conditional sale:** Hire purchase is the hiring or bailment of goods supported by payment of instalments. Ownership of the goods remains in the owner until the hirer completes instalments payment and exercises his option to purchase the goods. Conversely, Conditional sale is an agreement by the owner to sell the goods provided the buyer

makes instalmental payments for it until the price is fully paid up. The buyer then has an obligation to buy the goods unlike the option that a hirer has to buy in hire purchase.

- (c) The following terms of an insurance contracts are defined:
- i. Premium: This is the consideration that constitutes a core element of a contract of insurance. It is payable either in bulk or instalmentally by the person who seeks insurance cover. There is no cover without premium payment.
 - ii. Subrogation: This principle of insurance, which applies to marine, fire, and property insurance respectively, confers on the insurer who is liable to pay claims the rights of the insured against the third party. It ensures that no one in the process is allowed to profit from his loss.
 - iii. Material information in insurance contract is the actual information that the insurer requires disclosure of in the proposal form.

Examiner's comment

This question tests candidates' understanding of implied conditions in a sale of goods contract, the distinctions between hire purchase on one hand and credit sale as well as conditional sale on the other hand, and basic terminologies in insurance contracts.

Attempt rate was about 70%, and candidates' performance was generally below average.

Candidates' major pitfall was their inadequate understanding of implied conditions in sale of goods as well as the meanings of credit sale and conditional sale.

Candidates are advised to pay detailed attention to implied terms, conditional sale, and credit sale as explained in the ICAN Study Text in their future preparation.

SOLUTION 4

- (a) The duties of an employer are as follows:
- i. Duty to provide work or work opportunity for the employee.
 - ii. Duty to pay the employee remuneration regularly, but not later than monthly.
 - iii. Duty to provide the employee written terms of the employment.
 - iv. Duty to provide safe system of work, including environment, plants, appliances, and support staff.
- (b) The duties of a director of a company include the following:
- i. Duty to observe utmost good faith towards the company.
 - ii. Duty to act in what he believes is in the best interest of the company.
 - iii. Duty to have regards to the interest of the company's employees and

- members in the performance of his duties.
 - iv. Duty to exercise powers for the purposes for which the company confers them.
 - v. Duty not to fetter his discretion in the ways he exercises power.
 - vi. Duty not to delegate his powers in a way that amounts to abdication thereof.
 - vii. Duty not to allow personal interests to conflict with duties.
 - viii. Duty to account to the company for secret profits.
 - ix. Duty to pay attention to the affairs of the company and be responsible for the actions of the board in which he participates, save when absent for justifiable reasons
 - x. Duty not to misuse corporate information
 - xi. Duty to exercise powers and discharge the duties of his office honestly and in good faith.
 - xii. Duty to exercise care towards the company, noting that both executive and non-executive directors are subject to the same standard of care.
- (c) Operating lease are rental agreements between the lessor and lessee whereby the lessor supplies the equipment to the lessee, and is responsible for servicing and maintaining the leased equipment. The lease period is fairly short and less than the life of asset.

Examiner's comment

This question tests candidates' understanding of the duties of an employer under a contract of employment, the duties of company directors, and the meaning of operating lease.

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

Candidates' major pitfall was their lack of understanding of the duties of directors as well as operating lease.

Candidates are advised to pay more attention to the duties of directors under the Companies and Allied Matters Act as well as types of equipment lease as explained in the ICAN Study Text in their future preparation.

SOLUTION 5

- (a) The major attributes of a Limited Liability Partnership are as follows:
- i. Corporate or separate personality
 - ii. Limitation of liability
 - iii. Property ownership
 - iv. Perpetual succession
 - v. Suing and being sued in its corporate name
 - vi. Ownership of a common seal, if it so desires

The key representatives of a Limited Liability Partnership are 'Designated

Partners' who must be individuals and at least two (2) in number, and one of whom must be resident in Nigeria.

(b) Commenting on collective investment scheme:

- i. The Investments and Securities Act defines Collective investments scheme as "...a scheme in whatever form, including open-ended investment company, in pursuance of which members of the public are invited or permitted to invest money or other assets in a portfolio..."
- ii. Types of collective investment scheme include:
 - Unit trust scheme
 - Real estate investment company or trust
 - Open-ended investment company

Examiner's comment

This question tests candidates' understanding of the characteristics of a limited liability partnership (LLP), which are similar to the attributes that a company acquires on incorporation, designated partners as key representatives of LLP, and types of collective investment scheme.

Attempt rate was about 60%, and candidates' performance was poor.

Candidates' major pitfall was their lack of understanding of limited liability partnership and types of collective investment scheme.

Candidates are advised to focus more on limited liability partnership and collective investment scheme types as explained in the ICAN Study Text and other texts in their future preparation.

SOLUTION 6

(a) Concerning the issue of Ogun with Mercury Bank PLC:

- i. The bank cashier was justified in not paying Ogun across the counter because Ogun presented a crossed cheque (with two parallel lines thereon and '& co.' in between, which was not payable across the counter but must be paid into an Ogun's account.
- ii. Other reasons for which the bank would have refused to pay Ogun are:
 - If the account did not have sufficient fund
 - If the issuer had issued a countermand
 - If there was a subsisting garnishee or court order preventing payments
 - If the bank had notice of the customer's death
 - If the bank had notice of the customer's mental disorder
 - If the bank had notice of the bankruptcy/insolvency

- (b) The duties of a trustee are the duties to:
- i. Ensure that the trust instrument and his appointment are regular or valid.
 - ii. Not delegate his duty under the trust to another person.
 - iii. Not be partial to any of the trustees.
 - iv. Act in accordance with the trust instrument.
 - v. Act in utmost good faith.
 - vi. Not to allow his interest to conflict with his duty.

Examiner's comment

This question tests candidates' understanding of types of cheque and their implications, reasons for which a bank could refuse to honour a cheque, and the duties of a trustee.

Attempt rate was about 65%, and performance was average.

Candidates' major pitfall was their insufficient understanding of the duties of a trustee, and the implication of a crossed cheque.

Candidates are advised to pay attention to the rule on cheques and the duties of trustees as explained in the ICAN Study Text in their future preparation.

THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
MARCH 2025 EXAMINATIONS (PART 1)****COMMUNICATION SKILLS**

PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER

EXAMINATION INSTRUCTIONS

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

WEDNESDAY, MARCH 26, 2025

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 2025**

COMMUNICATION SKILLS

Time Allowed: 3 hours

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

ATTEMPT ALL QUESTIONS

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

1. The two sub-divisions of receiving skills in human communication are
 - A. Listening and reading
 - B. Listening and hearing
 - C. Reading and memorising
 - D. Talking and listening
 - E. Writing and reading
2. Which of the following is **NOT** a barrier to effective communication?
 - A. Environmental factors
 - B. Clear aim or objective
 - C. Choice of wrong medium
 - D. Wrong timing
 - E. Wrong choice of words
3. Which of the following is **NOT** required in effective communication?
 - A. Verbosity
 - B. Clarity
 - C. Preciseness
 - D. Correctness
 - E. Completeness
4. A message that is unable to elicit the appropriate receiver's understanding is said to be
 - A. Ambiguous
 - B. Specific
 - C. Meaningless
 - D. Inadequate
 - E. Ubiquitous

5. Which of the following is **NOT** a feature of communication?
- A. Promotes understanding
 - B. Involves more than one individual
 - C. Enhances human relation
 - D. Enhances information transmission
 - E. Is limited to writing
6. Which of these is **NOT** an oral means of communication?
- A. Word of Mouth
 - B. Face-To-Face
 - C. Memorandum
 - D. Telephone Conversation
 - E. Meetings
7. Which of the following is **NOT** an element of the communication process?
- A. Encoding
 - B. Conception
 - C. Channel
 - D. Decoding
 - E. Provision
8. The following are factors to be considered in deciding a suitable channel in communication, **EXCEPT**
- A. Speed
 - B. Cost
 - C. Colour
 - D. Confidentiality
 - E. Distance
9. Which of the following is **NOT** a principle for effective communication?
- A. Clarity of purpose
 - B. Essentiality
 - C. Choice of Words
 - D. Appropriate timing
 - E. Feedback
10. Which of the following authors has **NOT** developed a communication model?
- A. De Fleur
 - B. Wilbur Schram
 - C. Du Bois
 - D. Claude Shannon
 - E. Warren Weaver

11. Which of the following is **NOT** an example of non-verbal communication?
- A. Body language
 - B. Proxemics
 - C. Paralinguistic features
 - D. Proxy-linguistic features
 - E. Personal appearance
12. The following are advantages of written communication, **EXCEPT**
- A. It provides written record and evidence of receipt.
 - B. It is capable of transmitting complex ideas.
 - C. It tends to be formal and distant
 - D. It hinders comprehension.
 - E. It disseminates information to dispersed receivers.
13. Which of the following is **NOT** a type of visual aid?
- A. Objects and Models
 - B. White Board
 - C. Musical Notes
 - D. Diagrams and Charts
 - E. Tables and Graphs
14. There are types of Informal Communication network
- A. 2
 - B. 3
 - C. 4
 - D. 5
 - E. 6
15. Which of the following is **NOT** a main function of informal communication?
- A. Providing information
 - B. Providing speculation
 - C. Spreading rumours
 - D. Providing unofficial stance
 - E. Providing verifiable fact
16. Which of the following does **NOT** promote positive personal relationships in an organisation?
- A. Demonstrating an attitude of inequality
 - B. Focussing on solving problems
 - C. Being honest
 - D. Showing concern for others
 - E. Listening with an open mind

17. Which of the following is **NOT** a type of conflict in an organisation?

- A. Interpersonal
- B. Intrapersonal
- C. Inter-communal
- D. Inter-organisational
- E. Inter-group

18. Which of the following is **NOT** a way of solving conflicts?

- A. Scheduling a meeting
- B. Acting promptly
- C. Focusing on the person, not the problem
- D. Implementing the solution
- E. Formalising the solution

19. Which of the following is **NOT** a conflict management style?

- A. Accommodating
- B. Avoiding
- C. Collaborating
- D. Competing
- E. Not compromising

20. Which of the following does **NOT** hinder effective listening?

- A. Appropriate receptive poise
- B. Speech lag
- C. Lack of cooperation with the speaker
- D. Loss of concentration
- E. Relaxing while listening

SECTION A: PART II

SHORT ANSWER QUESTIONS

(20 MARKS)

ATTEMPT ALL QUESTIONS

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

1. A statement that appears to contradict itself is called
2. A may function as the main verb in a sentence.
3. Communication is only complete when there is
4. Communication is generally classified into major categories.
5. Communication is concerned with the and receiving of information.
6. There are basic elements of the communication process.
7. Sales, progress and administrative reports are examples of report.
8. A message is transmitted from a sender to a receiver through a(n)

9. Interference with the effective implementation of a communication process is
10. A write-up that gives the reader a preview of the content of a report is known as a (n)
11. An electronic means of sending an exact copy of a document by scanning it is called
12. The transmission of written messages via computers is called
13. A shows images through a transparent material projected unto a screen by the operator.
14. Another name for body language is
15. This sentence "I see the man yesterday" has a error.
16. The channel for routing directives and policies in an organisation from superior to subordinate for implementation is labelled communication.
17. An essay in which a fact or statement is used to support a proposition is known as a (n) essay
18. Reading complements writing, just as listening complements
19. The elimination of unwanted stimuli in the listening process is called
20. An itemised summary of intended expenditure with expected revenue is called

SECTION B

COMPULSORY

(30 MARKS)

SUMMARY

Ninety-seven percent of the world's water is contained in the ocean. Snow, ice, bodies of fresh water, and groundwater comprise the rest. What they lack in volume, these freshwater sources make up life-sustaining value. Humanity may depend on the ocean to regulate the climate and recycle oxygen and carbon dioxide, but our dependence on fresh water is more direct. Water is one of the most basic needs of life: many organisms cannot live without water.

Just as we take the air we breathe for granted, we seldom consider our dependence on fresh water. We worry far too infrequently about how its pollution will affect our lives, in part because water comes to us so cheaply and easily---at least in the industrialized world. With the twist of a knob, it gushes from kitchen taps and showerheads. Throughout much of the world, people use it as if there were a never-ending supply: on a typical day, each American uses more than 100 gallons. Less than 2 percent of that goes for essential like drinking and cooking. The bulk of it is used for bathing, laundry, and dishwashing (32 gallons), and flushing (24 gallons) This kind of use---and abuse of fresh water is hard to fathom in places like India,

where less than six gallons is available per person, per day. In many Third World nations, rural villagers spend up to six hours retrieving water from distant, and often polluted, streams.

Fresh water's importance can't be minimised. Wars have been waged over its control and billions of dollars have been spent worldwide, in struggles to change its course, bend and shape its flow to irrigate fields and generate power. People have built millions of dams, irrigated hundreds of millions of acres, carved deep canals, created hundreds of thousands of public and private water utilities, drained a hundred million acres of wetlands, and drilled millions of wells----all with the goal of sustaining life, and accommodating the planet's sprawling population.

Bodies of fresh water can take hundreds of years to cleanse themselves of the pollutants we dump into them. However, many become overpopulated and 'die' before they can 'recycle' their waters.

So far, no 'dead' ocean has been reported, rendered lifeless from human abuse. But hundreds of lakes and rivers around the world have been read their last rites in just the past two decades. The challenge now is to resurrect them and keep others from a similar fate.

Fresh water pollution has a direct effect on man, through the cooking water we take for granted. Many people don't even know that the water comes from two sources: surface water (springs, streams, rivers, lakes) and ground water (underground aquifers).

Most of the globe's fresh water lies underground. Spread beneath the surface of the ground, these water systems range in volume from the Ogallala Aquifer, which lies beneath more than 98,000 square miles of farm country in Texas, Oklahoma, New Mexico, Kansas, Nebraska, and Colorado, to the thousands of pond-sized sources that supply a single town or neighborhood. Wells are tapped into these aquifers, which aren't underground reservoirs, but vast systems of well-soaked, permeable rock.

Springs that feed many lakes and rivers rise from aquifers, too. Yet these underground water sources remain largely unprotected---some contend that preserving them is the most important environmental job of all.

(Adapted from *Saving The Earth: A citizen's Guide to Environmental Action* by Will Steger and John Bowermaster 1990 pp 191-193).

- a. Give the passage a suitable title. (3 Marks)
- b. In **TWO** short sentences, state two importance of water. (6 Marks)
- c. In **ONE** short sentence, state how water is obtained in many Third World nations. (3 Marks)
- d. In **TWO** short sentences, state two ways how water has been controlled. (6 Mark)
- e. In **ONE** short sentence, state the direct effect of pollution on man. (3 Marks)
- f. In **TWO** short sentences, state the two sources of freshwater. (6 Marks)
- g. In **ONE** short sentence, state the source of spring water. (3 Marks)

(Total 30 Marks)

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

There are **FIVE** ways of generating ideas when an essay is to be written.

Required:

- a. List the **FIVE** ways involved. (5 Marks)
- b. Discuss briefly **FOUR** of the ways listed in (a) above. (10 Marks)

(Total 15 Marks)**QUESTION 2**

- a. Identify any **FIVE** sources of conflict in an organisation. (5 Marks)
- b. Explain briefly each of the sources of conflicts identified in (a) above. (10 Marks)

(Total 15 Marks)**QUESTION 3**

A written speech is a highly structured form of address in which a speaker addresses an audience. It is a formal writing, and expected to have certain features.

Required:

Explain briefly any **FIVE** features of a good speech.

(Total 15 Marks)**QUESTION 4**

As the Auditor in an Advertising Agency, write a memo to all Unit Heads, intimating them of the audit visitation schedule and the need to prepare for the audit of their financial accounts.

(Total 15 Marks)

SECTION A - PART 1

MULTIPLE CHOICE SOLUTION

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

Examiner's comment

This part is compulsory for all candidates. Questions here cover the whole syllabus. Concepts, terms and principles relating to Communication Skills are tested here. The performance of candidates was very good as about 75% of them scored 50% and above of the allocated marks. However, candidates can still do better if they familiarise themselves with more of the principles, terms and concepts peculiar to the subject. They should make good use of ATSWA Study Text and past questions and answers.

SECTION A: PART II

SHORT ANSWER SOLUTION

1. Paradox
2. Verb Phrase
3. Feedback
4. Two
5. Sending
6. Six
7. Business
8. Channel/Medium
9. Barrier
10. Abstract/Executive Summary
11. Fax
12. Electronic mail/e-mail
13. Overhead projector
14. Kinesics
15. Tense
16. Downward
17. Argumentative
18. Speaking
19. Filtering
20. Budget

Examiner's comment

This part is also compulsory for all candidates. Questions also cover the whole syllabus. Terms, concepts and principles related to Communication Skills are tested in this part too. The performance of candidates was average as about 50% of them 50% and above of the marks allotted.

Candidates should endeavour to study ATSWA Study Text and make use of past questions and answers.

SECTION B

SUMMARY

SOLUTION

- a. Different sources of water.
- b.
 - i. Water is important for drinking and cooking.
 - ii. Water is important for bathing, laundry, dishwashing and flushing.
- c. Water is obtained from distant and often polluted streams
- d.
 - i. Water is controlled through irrigation.
 - ii. Water is controlled through damming.
- e. The direct effect of pollution on man is either sickness or death.
- f.
 - i. One source of fresh water is surface water.
 - ii. Another source of fresh water is ground water.
- g. The source of spring water is aquifers.

Examiner's comment

The question is designed to test candidates' understanding of reading for specific information or main points. The question is compulsory for all candidates. The performance of the candidates was average as only 50% of them scored 50% and above of the marks allocated.

Candidates' shortcomings were:

- a. Inability to sieve main points from the given passage;
- b. Lack of the technique for answering summary questions;
- c. Poor expression;
- d. Inability to adhere to instructions.

Candidates' performance can be enhanced for better performance in future examinations if they:

- a. Cultivate the ability of reading wide;
- b. Learn how to read for specific information in given passages;
- c. Familiarise themselves with the technique of answering summary questions.
- d. Adhere to simple instructions.

SECTION C

SOLUTION 1

- (a)
 - i. Association of Ideas
 - ii. Disassociation of Ideas
 - iii. Composition of Ideas
 - iv. Decomposition of Ideas
 - v. Compounding of Ideas
- (b)
 - i. **Association of Ideas:** This is a process of generating ideas when the presence of an idea in the mind stimulates other thoughts and ideas. It is when one idea could bring about other ideas. For example, the word 'business' can generate other ideas like barbing salon, fashion designing, furniture making, supermarket, pharmacy, etc. All these other words are related to business. In essay writing, then, the association of ideas is a fertile ground for developing a topic.
 - ii. **Disassociation of Ideas:** The process of drawing an idea away from another is called disassociation. This is particularly useful when we are concerned with what separates, rather than what unites them. Disassociation, then, is a means used in generating ideas for contrastive essay writing.
 - iii. **Composition of Ideas:** A composed idea may not necessarily be a replica of all the features of its constituent parts. The essential point here is that two or more ideas have been brought together and the resulting idea has its own unique identity. Review essays usually exploit this means of generating ideas.
 - iv. **Decomposition of Ideas:** An idea is said to be decomposed, when a deliberate attempt is made at splitting up an idea into its constituent parts. This means of generating ideas may also be referred to as simplification of ideas. For example, "car" can be split up into steering, bonnet, tyre, engine, chassis, etc.
 - v. **Compounding of Ideas:** Compounding is a process of generating ideas, through which the two or more original ideas still retain their individual identities in the new one. A compound idea, then, could easily be split into the smaller units that make it up.

Examiner's comment

The question is designed to test candidates' understanding of one aspect of essay writing – the process involved in generating ideas for an essay. About 60% of the candidates attempted this question. Their performance was poor as only 30% of them scored 50% and above of the marks for this question. Most of the candidates

were ignorant of this process which accounted for the poor performance. Candidates should familiarise themselves with the Essay chapter in the ATSWA Study Text, make use of past questions and answers for better performance in future examinations.

SOLUTION 2

a. Sources of Conflict

- i. Nature of Work
- ii. Money
- iii. Job
- iv. Goals
- v. Authority and Power
- vi. Individual differences
- vii. Cultural Differences
- viii. Social Change
- ix. Conflicting roles
- x. Different personal values
- xi. Unpredictable policies
- xii. Clash of interest
- xiii. Environmental factors

- i. **Nature of Work:** The nature of the work individuals are engaged in can constitute a source of conflict. If the socio-technical system of the job does organise people in a particular way that leads to lack of control or alteration in the pace of work; or if nobody is responsible for coordinating the entire process, this will bring about conflict.
- ii. **Money:** The ratio of profit to wages – a conflict between workers and managers or among workers may arise where a sum of money is to be shared and the percentage is unacceptable to either of the groups.
- iii. **Job:** Rates of pay are sometimes different for each job category and sometimes one group claims a job, possibly to safeguard their future security or loss of earnings, and would not want the job to be given to others. The right to do the job can lead to disagreement between groups on the verge of demarcation lines between jobs. This ugly situation frequently occurs.
- iv. **Goals:** When groups within an organisation work at cross-purposes, this will breed conflict. For example, conflict may occur between marketing and finance managers as their goals, policies and interests often differ. Also, when certain managers believe machinery perform better than certain individuals, and thus request for laying off of staff, this may also lead to conflict.

- v. **Authority and Power:** When workers are pressing for more, say, in taking certain decisions which affect their lives, and management is not willing to give in to them, this may lead to a conflict situation. In addition, subordinates may resent the fact that there is always a superior above them and they are not allowed to take certain decisions or express authority and power.
- vi. **Individual differences:** In an organisation, human beings are not alike in their nature, interest, attitude and aspirations. Because of these basic differences, conflicts ensue especially when the different individuals cannot accommodate each other.
- vii. **Cultural Differences:** The way of life of people differs from one culture to another. This cultural difference among people sometimes cause tension and can lead to conflicts in the organisation. For example, when two people from different cultural backgrounds are engaged in an organisation, there is the likelihood each worker may want his/her cultural belief to prevail, thus leading to conflict.
- viii. **Social Change:** In an organisation, there is usually a difference between the way the old and new generations react to social change. The way the new generations reacts to, for instance, moral norms may be different from that of the old. When this happens, there may be conflict. Two managers of different generations will have different views, and this may cause conflict within the organisation.
- ix. **Conflicting roles:** Role conflict occurs when an employee may be expected to perform a duty outside of his normal role in the organisation even when there is someone else to play that role. When this happens, he/she might be uncomfortable executing such assignment. If the employee, however, goes ahead to execute the job, he may step on another employee's toe and then conflict or power tussle may arise.
- x. **Different personal values:** Every individual has personal values. Thus, when an individual is required to do things outside of his values, conflict may ensue. If an employee is asked to perform a task that is against his moral or ethical belief, this may not go down well with such an employee. Thus, this may bring about conflict.
- xi. **Unpredictable policies:** In a situation where a change in rules and regulations or policies is not communicated to employees, there is bound to be confusion, and this may lead to conflict.
- xii. **Clashes of interests:** In an organisation, interests of the organisation sometimes clash with those of the employees or subordinates; when this happens, conflict is inevitable.

- xiii. **Environmental factors:** Downward fluctuations in the market in terms of hike in the prices of products are a threat to workers' security. Such problems may cause conflicts within the union, if the rank and file do not think their leaders are doing sufficient to secure their jobs.

Examiner's comment

This question is to test candidates' knowledge of one aspect of communication ethics – sources of conflicts in an organisation. About 45% of the candidates attempted the question. Their performance was below average as about 35% of them scored 50% and above of the available marks. Many of the candidates were unable to identify sources of conflicts in an organisation as demanded by the question; arising from their inability to interpret the question correctly.

Candidates should familiarise themselves with the section of the syllabus on Communication Ethics. They should also make use of ATSWA question papers and answers.

SOLUTION 3

Features of a good speech:

- a. **Clarity:** Clarity is an essential feature of a good speech. A speech should be clear and unambiguous for the audience to understand it easily. The speech becomes ineffective if it is not clear enough to express its meaning to the audience.
- b. **Definite Message:** The message of the speech should be definite and relevant to the subject matter.
- c. **Conciseness:** The audience becomes impatient with a long speech. Hence, speech should be as concise as possible, long enough to cover the subject matter.
- d. **Interesting:** A speech should be delivered in an interesting and pleasing manner to ensure audience motivation. In order to make the speech interesting, various anecdotes, examples, quotations, and jokes can be injected into it. The speaker can introduce light humour to reduce boredom.
- e. **Audience:** Speech is delivered to a specific audience. Therefore, the speaker should actively consider the expectations, interest, and nature of the audience. There should be a pre-analysis of the audience by the speaker.
- f. **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.
- g. **Free from Emotions:** A good speech should be delivered in an unbiased and unemotional way. The speaker's emotion may drive him away from the main theme.

- h. **Use of Body Language:** A good speech should naturally be presented with adequate and relevant body language. Therefore, at the time of delivering a speech, the speaker should use various nonverbal cues.
- i. **Audience Participation:** A good speech is one that encourages and ensures audience participation by faithfully going along with the delivery. That means the audience will ensure their attention through effective listening, expressing their solidarity with the speech and the person delivering it.
- j. **Interesting opening remarks/introduction:** A speaker wins or loses audience attention in the first few minutes he starts his speech. If he impresses his audience with his opening remarks, he wins them over as speech delivery involves a heart-to-heart dialogue.
- k. **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. The speaker must consider the linguistic, educational, cultural and social background of the audience as these will affect audience participation.
- l. **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. Though, there is no harm in learning from great orators, the speaker's original style should be maintained.

Examiner's comment

The question is designed to test candidates' knowledge of one aspect of speech making – the features of speech. About 60% of the candidates attempted the question. Their performance was below average as only 35% of them scored 50% and above of the allocated marks. Candidates' shortcoming here was their lack of understanding of the demand of the question.

Candidates are to study this section on Speech Making in the ATSWA Study Text and make use of past questions and answers for improved performance in future.

SOLUTION 4

Adelad Advertising Agency 9 – 11, Henshaw Lane, Lagos Memorandum	
FROM: Internal Auditor	TO: All Unit Heads
SUBJECT: Preparation for Annual Audit	DATE: September 28, 2023
This is to notify all Unit Heads that the Financial Audit for this organisation is scheduled to hold in October 2023.	

In preparation for this exercise, there shall be visits to all units in the second week of October as scheduled below:

Marketing and Sales	-	October 9
Production	–	October 10
Logistics	–	October 11
Human Resources	–	October 12

Each unit is expected to make available all records from the period September 2022 – September 2023.

Six copies of all documents should be made available for the Audit team.

Examiner's comment

This question is set to test candidates' understanding of one aspect of the methods of correspondence in an organisation – Memorandum. About 30% of the candidates answered the question. Their performance was poor as only about 25% of them obtained 50% above of the marks allocated. Most candidates did not know the format of a memorandum, so they were answering the question in form of a letter.

Candidates must familiarise themselves with the section on Correspondence in the ATSWA Study Text and make use of past questions and answers for better performance in future examinations.