



**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF NIGERIA**

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**INSIGHT**

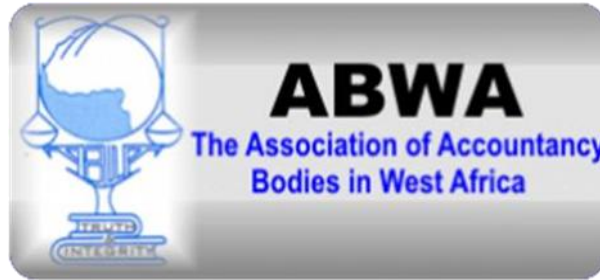
**SEPTEMBER 2024 ATSWA EXAMINATION  
PART I**

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

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**THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA**



**ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA  
SEPTEMBER 2024 EXAMINATIONS (PART 1)**

**BASIC ACCOUNTING**

**PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER  
EXAMINATION INSTRUCTIONS**

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

**TUESDAY, SEPTEMBER 24, 2024**

**DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO**

**ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA  
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA**

**PART I EXAMINATIONS – SEPTEMBER 2024**

**BASIC ACCOUNTING**

**Time Allowed: 3 hours**

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

**ATTEMPT ALL QUESTIONS IN THIS SECTION**

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

1. Which of the following best defines “**Accounting**”?
  - A. As an activity performed by Accountants
  - B. A system comprising several interrelated and interdependent parts
  - C. As a technique of management
  - D. As a discipline
  - E. As a process of handling information of economic value, which is useful and adaptive to varying situations
  
2. Which of the following is referred to as book of prime entry?
  - A. Ledgers
  - B. Sales Invoice book
  - C. Cash book
  - D. Payment Voucher
  - E. Petty Cash book
  
3. The core objective of accounting is to
  - A. Keep records of transactions
  - B. Produce a Trial Balance
  - C. Maintain records of assets and liabilities
  - D. Provide financial information to users for decision making
  - E. Maintain register for non-current assets

4. Which of the following is an ethical requirement for a Chartered Accountant?
- A. Highly sociable
  - B. Very wealthy
  - C. Ensure confidentiality
  - D. Be political conscious
  - E. Absolutely popular
5. Which of the following is **NOT** a source document used for recording in the books of original entry?
- A. Debit Note
  - B. Cheque Counterfoils
  - C. Journal Proper
  - D. Remittances Advices
  - E. Bin Cards

**Use the following information to answer questions 6 and 7:**

A Non-Current Asset was acquired at a cost of ₦9,000,000 and the sum of ₦1,000,000 used for its installation and commissioning. The depreciation policy is 10% per annum on reducing balance basis. You are required to:

6. Calculate the cumulative depreciation for the period of **FOUR** years
- A. ₦4,690,000
  - B. ₦4,000,000
  - C. ₦3,600,000
  - D. ₦3,439,000
  - E. ₦3,095,100
7. Calculate the carrying amount at the end of year **FIVE**
- A. ₦6,561,000
  - B. ₦5,904,900
  - C. ₦5,520,000
  - D. ₦5,314,410
  - E. ₦4,095,100
8. Which of the following is a characteristic of an asset according to the IASB framework?
- A. A resource controlled by an entity
  - B. Must have a debit and credit entry
  - C. Should arise from future events
  - D. An aid to income generation for more than two years
  - E. Easily converted to cash

9. The professional code of ethics for professional Accountants include the following, **EXCEPT**
- A. Professional competence
  - B. Professional behaviour
  - C. Professional License to operate
  - D. Integrity
  - E. Objectivity
10. The memorandum of every company limited by shares contains the following, **EXCEPT**
- A. Alterations of its Capital Structure
  - B. The company's name
  - C. The country where its registered office is to be situated
  - D. The objects of the company
  - E. The liability of its members
11. Which of the following does **NOT** form part of company's statutory books?
- A. The register of interest in shares
  - B. Directors service contracts
  - C. Minutes books
  - D. Accounting records
  - E. Company contract records
12. Which of the following is **NOT** a form of Loan Notes?
- A. Secured
  - B. Bearer
  - C. Redeemable
  - D. Preference
  - E. Naked
13. Which of the following is **NOT** a mode of fund transfer?
- A. SWIFT
  - B. Standing Order
  - C. Bank Teller Lodgments
  - D. NIBBS
  - E. USSD Code

14. Which of the following is **NOT** an attribute of an Account?
- All accounts are reflected in the Trial Balance
  - An account possesses a Title
  - The end product of all accounts is the profit or loss statement
  - It is a permanent record of Assets and Liability
  - It represents an accounting equation
15. Which of the following deductions is governed by legislation?
- Co-operative Contribution
  - Salary Advance
  - Loan deductions
  - PAYE
  - Union dues
16. Wages paid to a workman in a shoe making shop shown as a debit item in the Trial Balance is treated as
- Debit to Profit or Loss as an expense
  - Prime cost
  - Cost of goods sold
  - Administrative expenses
  - Selling expenses

**Use the following information to answer questions 17 to 19:**

In a trading concern, the following information were extracted from the books of accounts:

|                   |           |
|-------------------|-----------|
|                   | <b>N</b>  |
| Opening Inventory | 200,000   |
| Closing Inventory | 300,000   |
| Carriage outwards | 100,000   |
| Purchases         | 6,000,000 |
| Turnover          | 7,500,000 |

17. Determine the cost of goods sold
- ~~N~~6,300,000
  - ~~N~~6,200,000
  - ~~N~~6,000,000
  - ~~N~~5,900,000
  - ~~N~~5,800,000

18. What is the value of goods available for sale?
- A. ₦6,300,000
  - B. ₦6,200,000
  - C. ₦6,000,000
  - D. ₦5,900,000
  - E. ₦5,800,000
19. The gross profit is
- A. ₦1,800,000
  - B. ₦1,600,000
  - C. ₦1,500,000
  - D. ₦1,400,000
  - E. ₦1,300,000
20. Which of the following does **NOT** form part of the acquisition cost of a Non-current asset?
- A. VAT
  - B. Cost of Installation
  - C. Transportation cost
  - D. Cost of Testing and commissioning
  - E. Interest on Loan used to acquire the Asset
21. The depreciation of a Non-Current asset is **NOT** due to which of the following factors?
- A. Wasting factor
  - B. Time factor
  - C. Depletion
  - D. Obsolescence
  - E. Inadequacy
22. The Trade Receivables Control account balance of a Trader stood at ₦500,000; Allowance for doubtful debts is ₦50,000. What is the Trade Receivables figure to be shown in the Statement of Financial Position, if allowance for Discount allowed on Receivables is 10%?
- A. ₦450,000
  - B. ₦427,500
  - C. ₦425,000
  - D. ₦405,000
  - E. ₦400,000



23. Which of the followings is **NOT** found in the credit side of the Sales Ledger Control Account?
- A. Credit sales
  - B. Discount allowed
  - C. Bad debts written off
  - D. Bill receivable
  - E. Set-off
24. Which of the following is **NOT** a reason for a dishonoured cheque?
- A. Stale cheque
  - B. An Order cheque
  - C. Insufficient balance
  - D. Amount in words and figures differ
  - E. Improper identification of Payee
25. In preparing accounts from a single entry book keeping, a statement showing the list of Assets and Liabilities at the beginning of the financial year is referred to as
- A. Statement of financial position
  - B. Statement of affairs
  - C. Asset register
  - D. Net assets
  - E. Trial balance
26. The following are examples of Not-for-profit entities, **EXCEPT**
- A. Local government authorities
  - B. Research and Scientific organisation
  - C. Media organisation
  - D. Trade associations
  - E. Clubs and associations
27. The maximum number of a partnership of a firm of Chartered Accountants is
- A. 20 members
  - B. 30 members
  - C. 40 members
  - D. 50 members
  - E. Unlimited

28. In the Non-current assets sub-system in a computerised accounting system, which of the following forms part of data for the INPUT system
- Date of acquisition
  - Asset register
  - Asset classification
  - Non-current asset ledger
  - Capitalisation policy
29. What is the cost of sales, given that sales is Le8,000,000 with a mark-up of  $33\frac{1}{3}\%$ ?
- Le 6,150,000
  - Le 6,000,150
  - Le 6,000,000
  - Le 5,336,800
  - Le 5,000,150
30. The suite of programs that facilitates the optional use of the computer hardware and provide suitable environment for the running of users' programs is called
- Application packages
  - Word processing
  - Systems programs
  - Accounting package
  - Executive programs

**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**

- An accounting reporting system that analyses the environmental impact of an entity's activities upon the stakeholders, is referred to as .....
- A symbolic representation of transactions in the process of preparing financial accounting is .....
- Indebtedness of a business that are repayable beyond one accounting period is termed .....

4. Given the following data, determine the profit or loss for the year ended March 31, 2022

|       |                                 |          |
|-------|---------------------------------|----------|
| (i)   | Equity - 1/4/2020 – 31/3/2021   | ₦250,200 |
| (ii)  | Equity – 1/4/2021 – 31/3/2022   | ₦430,500 |
| (iii) | Drawings – 1/4/2021 – 31/3/2022 | ₦45,000  |

5. Two groups that make up Not-for-Profit entities are ..... and .....

6. The main purpose of forming a partnership business is .....

7. The qualitative characteristics of accounting information which enhance the ability to influence economic decisions of users is known as .....

8. The General Ledger basically contains ..... and ..... accounts

**Use the following information to answer questions 9 and 10.**

The following transactions took place in the business of Amebo Enterprises:

|                 |                                 |              |
|-----------------|---------------------------------|--------------|
| (i) 1/1/2021    | Cash sales                      | GH¢1,800,000 |
| (ii) 10/1/2021  | Purchased stationery for cash   | GH¢80,000    |
| (iii) 18/1/2021 | Payment of office rent for cash | GH¢500,000   |
| (iv) 25/1/2021  | Purchase goods on credit        | GH¢400,000   |

9. The cash balance in the cash account on 1/2/2021 is .....

10. The value of transactions posted to the debit side of the cash account as at 31/01/2021 is .....

11. An account in which errors arising from change given to a cash customer is known as .....

12. **TWO** elements of financial statement that are reported in the statement of financial position are ..... and .....

13. **TWO** most popular Electronic card products (Debit card) used in e-banking are ..... and .....

14. An error which reverses errors in another book of account is known as .....

15. A trial balance that is re-prepared after errors are located and adjustments made for accruals and pre-payments is referred to as .....

16. Using the Halsey Premium plan, what is the total earnings of an employee, given that?

Standard Time: 250 hours  
 Wage rate per hour: L\$15  
 Actual time taken: 220 hours

**Use the following information to answer Questions 17 and 18.**

Takoradi, a businessman, started business with a Capital of ₦200,000 as at 1/7/2020. The balance on this account at year end has risen to ₦265,000. During the year, he brought in additional Capital of ₦50,000 while drawings amounted to ₦45,000.

- 17. The Net worth of the business as at June 30, 2021 is .....
- 18. The Profit or loss for the period is .....
- 19. ----- is a network connecting computers to computers sharing information globally.
- 20. An equivalent of the Articles and Memorandum of association of a company in a not-for-profit entities is referred to as .....

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

**QUESTION 1**

The following Trial balance was extracted from the books of Johnny Cole Enterprises for the year ended June 30, 2022.

|                  | Dr.<br>₦         | Cr.<br>₦         |
|------------------|------------------|------------------|
| Sales            |                  | 774,500          |
| Sales returns    | 21,000           |                  |
| Purchases        | 328,600          |                  |
| Discount allowed | 7,400            |                  |
| Payables         |                  | 148,400          |
| Receivables      | 756,000          |                  |
| Bank Overdraft   |                  | 31,400           |
| Capital 1/7/2021 |                  | 125,000          |
| Suspense account |                  | <u>33,700</u>    |
|                  | <u>1,113,000</u> | <u>1,113,000</u> |

A further examination of the books of accounts, the following errors were discovered:

- (i) The total in the Purchases Day Book was ~~₦~~421,500 while the figure used when posting to the purchases account was ~~₦~~221,500.
- (ii) An invoice from a supplier for goods to the value of ~~₦~~85,000 was omitted from the books.
- (iii) During the bank reconciliation process, it was revealed that ~~₦~~1,051,400 earned as interest during the year has not been accounted for.
- (iv) Sales returns of ~~₦~~15,600 was treated correctly in the customer's account but credited to the sales returns account as ~~₦~~5,600.
- (v) A review of the ledgers revealed that receivables were overcast by ~~₦~~254,900.
- (vi) Cash drawing by Johnny Cole of ~~₦~~21,700 was credited as cash sales in error.

**You are required to prepare:**

- a.
    - i. Journal entries to correct the above errors. (6 Marks)
    - ii. Suspense account to clear the difference in the trial balance. (2 Marks)
  - b. Adjusted Trial balance. (4½ Marks)
- (Total 12½ Marks)**

## **QUESTION 2**

- a.
    - i. What is business? (1½ Marks)
    - ii. State **FIVE** characteristics of business. (5 Marks)
  - b. State **SIX** Users of accounting information explaining their information needs. (6 Marks)
- (Total 12½ Marks)**

## **QUESTION 3**

The following transactions were extracted from the books of ELOZINO TRADING COMPANY as at December 31, 2021. All payments were made by cheque and all receipts paid into the bank. The company maintains a petty cash float of L\$42,000.

|                          | <b>L\$</b> |
|--------------------------|------------|
| Dec 2 Cash at bank       | 40,000     |
| Dec 2 Petty Cash in hand | 2,800      |

|        |  |         |
|--------|--|---------|
| Dec 3  | Drew cheque for petty cash use.  | 39,200  |
| Dec 5  | Received from Kojo a cheque in settlement of his account receivable of L\$65,200 less 5% discount. |         |
| Dec 6  | Settled Marafa's account payable of L\$51,800 less 5% discount.                                    |         |
| Dec 8  | Transferred to current account from deposit account  | 140,000 |
| Dec 10 | Paid Moruf   | 9,600   |
| Dec 16 | Paid cheque for motor spare parts  | 16,000  |
| Dec 17 | Paid Emeka   | 7,600   |
| Dec 24 | Paid Jullie  | 8,100   |
| Dec 27 | Paid Karo  | 8,400   |
| Dec 29 | Payments from Petty Cash during the month were:  |         |
|        | Stationery   | 16,000  |
|        | Trade expenses   | 4,000   |
|        | Sundry purchases   | 18,400  |

**You are required to:**

- a. Prepare two column cash book (discount and bank column only) for the month ended December 31, 2021. (7½ Marks)
  - b. Prepare petty cash book for the same period. (5 Marks)
- (Total 12½ Marks)**

**QUESTION 4**

The following is the Trial balance of Bature Trading Enterprises for the year ended March 31, 2022.

|                         | <b>Dr.</b><br><b>GH¢'000</b> | <b>Cr.</b><br><b>GH¢'000</b> |
|-------------------------|------------------------------|------------------------------|
| Sales                   |                              | 95,400                       |
| Purchases               | 76,000                       |                              |
| Carriage inwards        | 3,600                        |                              |
| Inventories 1/4/2021    | 8,000                        |                              |
| Returns                 | 5,100                        | 3,500                        |
| Administrative expenses | 5,400                        |                              |
| Payables                |                              | 4,100                        |
| Bank                    | 6,500                        |                              |
| Receivables             | 12,900                       |                              |
| Delivery Van            | 23,000                       |                              |
| Capital                 |                              | <u>37,500</u>                |
|                         | <u>140,500</u>               | <u>140,500</u>               |

**The following additional information is available:**

- (1) Inventories as at March 31, 2022 amount to GH¢13,000,000.
- (2) Mr. Bature withdrew goods valued at GH¢17,000,000 for himself, family and friends.

**You are required to determine for the financial year:**

- |                           |            |
|---------------------------|------------|
| a. Revenue                | (1½ Marks) |
| b. Cost of Sales          | (4½ Marks) |
| c. Net profit             | (1½ Marks) |
| d. Current Assets         | (2 Marks)  |
| e. Equity and Liabilities | (3 Marks)  |
- (Show all workings)* **(Total 12½ Marks)**

**QUESTION 5**

- a. Briefly state the importance of reconciliation of Payables control account and the Payables Ledgers. (3 Marks)
- b. **Jaguda business Ventures**, who vested the responsibility of keeping the Accounts Payable ledger to Accounts clerk is having differences between the balance shown in the Accounts Payable ledger and the Accounts payable control account. The balance in the Payable control account was Le3,887,440 while the Accounts payable ledger stood at Le 3,849,520 as at December 31, 2021. A review of the records revealed the following errors:
  - (i) A credit balance of Le55,440 on the supplier's ledger had been set-off.
  - (ii) A credit balance of Le150,480 had been omitted from the list of balances.
  - (iii) The purchase day book was undercast by Le240,000
  - (iv) A cheque payment of Le434,320 was posted to the control account as Le362,320

**You are required to:**

- i. Prepare the Payables Control account. (6½ Marks)
  - ii. Carry out a reconciliation of the payables control account and the payables ledger. (3 Marks)
- (Total 12½ Marks)**

**QUESTION 6**

- a.
    - i. List **FIVE** Accounting packages commonly in use. (2½ Marks)
    - ii. State **FIVE** advantages of using Accounting packages in a computerised accounting system. (5 Marks)
  - b. Explain **FIVE** factors to be considered when deciding on which Accounting package to buy or use. (5 Marks)
- (Total 12½ Marks)**

## SECTION A: PART I

### MULTIPLE-CHOICE SOLUTIONS

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

### WORKINGS ON MULTIPLE CHOICE QUESTIONS

Questions 6 and 7:

|                                       | N                 |
|---------------------------------------|-------------------|
| Cost of N9,000,000 + 1,000,000 =      | <u>10,000,000</u> |
| Year 1 Depreciation 10,000,000 X10% = | 1,000,000         |
| Year 2 Depreciation 9,000,000 x 10% = | 900,000           |



|  |                           |                  |
|--|---------------------------|------------------|
| Year 3 Depreciation                            | $8,100,000 \times 10\% =$ | 810,000          |
| Year 4 Depreciation                            | $7,290,000 \times 10\% =$ | <u>720,000</u>   |
| <b>Accumulated Depreciation at end of yr 4</b> |                           | <b>3,439,000</b> |
| Year 5 Depreciation                            | $6,561,000 \times 10\%$   | 656,100          |
| Accum. Depreciation at end of yr. 5            |                           | 4,095,100        |

**Carry amt at the end of year 5 =  $10,000,000 - 4,095,100 = \underline{\underline{\text{N}5,904,900}}$**

**Questions 17 to 19:**

|                                 |                  |                         |
|---------------------------------|------------------|-------------------------|
| Turnover                        | 7,500,000        |                         |
| Opening Inventory               | 200,000          |                         |
| Purchases                       | <u>6,000,000</u> |                         |
| <b>Goods available for sale</b> | <b>6,200,000</b> |                         |
| Closing Inventory               | <u>300,000</u>   |                         |
| <b>Cost of goods sold</b>       |                  | <b><u>5,900,000</u></b> |
| <b>Gross profit</b>             |                  | <b>1,600,000</b>        |
| Carriage outwards               |                  | <u>100,000</u>          |
| <b>Net Profit</b>               |                  | <b><u>1,500,000</u></b> |

**Question 29:**

|                      |   |
|----------------------|---|
| Mark-up              | $33\frac{1}{3}\%$   |
| Margin               | $\text{Mark up}/100 + \text{Markup} = 0.3333/1.3333 = 25\%$   |
| Sales                | $= \text{Le } 8,000,000$  |
| <b>Cost of Sales</b> | <b><math>= 8,000,000 \times 100 - 25\% = 8,000,000 \times 75\% = \text{Le} \\$6,000,000.00</math></b> |

**Examiner's comments**

The MCQ were drawn from all aspects of the syllabus. The questions were attempted by all candidates and the performance was above average. However, candidates are advised to ensure total coverage of the syllabus.

## **SECTION A: PART II**

### **SHORT-ANSWER SOLUTIONS**

1. Social and Environment Accounting/ Reporting
2. Accounting Code
3. Non-current liability
4. ~~N~~225,300
5. (i) Government entities (ii) Non-government entities.
6. Profit/Pooling of Resources
7. Relevance.
8. Real and Nominal
9. ~~N~~1,220,000 or ~~N~~1,720,000
10. ~~N~~1,800,000
11. Cash over or Short or cash surplus
12. Assets, Liabilities and Equity (any two)
13. (i) Pass Card (ii) Master Card (iii) Verve (Visa) card (any two)
14. Compensating error
15. Extended Trial Balance
16. L\$3,525
17. ~~N~~65,000
18. ~~N~~60,000
19. Internet
20. Constitution/ By-law

### **WORKINGS TO SHORT ANSWER QUESTIONS**

#### **Question 4:**

Using the accounting equation;

$$\text{Equity}_1 + \text{Profit} - \text{Drawings} = \text{Equity}_2$$

$$\text{Profit} = \text{Equity}_2 - \text{Equity}_1 + \text{Drawings}$$

$$\text{Profit} = \text{N}430,500 - \text{N}250,200 + \text{N}45,000 = \underline{\underline{\text{N}225,300}}$$

## Question 9 and 10

### Cash Account

|        |             | ₦                |         |             | ₦                |
|--------|-------------|------------------|---------|-------------|------------------|
| 1/1/21 | Sales       | 1,800,000        | 1/10/21 | Stationery  | 80,000           |
|        |             |                  | 1/18/21 | Office rent | 500,000          |
|        |             |                  | 1/31/21 | Balance c/d | 1,220,00         |
|        |             | <u>1,800,000</u> |         |             | <u>1,800,000</u> |
| 2/1/21 | Balance b/d | 1,220,000        |         |             |                  |

### Question 16:

Using the Halsey premium plan:

$$\begin{aligned}\text{Total earnings} &= \text{L\$}15 \times 220 + 50\% (250 - 220 \times \text{L\$}15) \\ &= 3,300 + 225 = \text{L\$}3,525\end{aligned}$$

### Question 17 and 18:

|                      | ₦                    |
|----------------------|----------------------|
| Closing Capital      | 265,000              |
| Less Opening Capital | <u>200,000</u>       |
| <b>Net worth</b>     | <b>65,000</b>        |
| Drawings             | 45,000               |
| Additional Capital   | <u>(50,000)</u>      |
| <b>Net Profit</b>    | <b><u>60,000</u></b> |

### Examiner's comments

The questions were well attempted, being a compulsory question. Candidates' performance was average. Candidates are encouraged to prepare well and cover all aspect of the syllabus in order to boost performance.

**SECTION B**  
**SOLUTION 1**

**a. (i) JOHNNY COLE ENTERPRISES**  
**JOURNAL ENTRY**

|  | <b>Dr</b> | <b>Cr</b> |
|--|-----------|-----------|
|  | <b>₦</b>  | <b>₦</b>  |
| (i) Dr. Purchases account<br>Cr. Suspense account.<br>Being an undercast of the Purchases daybook                          | 200,000   | 200,000   |
| (ii) Dr. Purchases account<br>Cr. Payables.<br>Being invoice from supplier omitted from the books.                         | 85,000    | 85,000    |
| (iii) Dr. Bank<br>Cr. Interest Income.<br>Being Interest income not posted in the Cash book.                               | 1,051,400 | 1,051,400 |
| (iv) Dr. Sales returns (5,600 + 15,600)<br>Cr. Suspense account<br>Being Sales returns of 15,600 wrongly credited as 5,600 | 21,200    | 21,200    |
| (v) Dr. Suspense account<br>Cr. Receivables<br>Being overcasting of Receivables Ledger now revised                         | 254,900   | 254,900   |
| (vi) Dr. Sales<br>Cr. Bank<br>Being Cash drawings wrongly credited to Sales account.                                       | 21,700    | 21,700    |

**a. (ii) Suspense Account**

|             | <b>₦</b> |               | <b>₦</b> |
|-------------|----------|---------------|----------|
| Receivables | 254,900  | Balance b/f   | 33,700   |
|             |          | Purchases     | 200,000  |
|             |          | Sales Returns | 21,200   |
|             | 254,900  |               | 254,900  |
|             | 254,900  |               | 254,900  |

b.

**JONNY COLE ENTERPRISES  
ADJUSTED TRIAL BALANCE  
For the period ended June 30, 2022**

| DETAILS           | CLOSING BALANCE  |                  | ADJUSTMENTS      |                  | REVISED TRIAL BALANCE |                  |
|-------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|
|                   | DR<br>₪          | CR<br>₪          | DR<br>₪          | CR<br>₪          | DR<br>₪               | CR<br>₪          |
| Sales             |                  | 774,500          | 21,700           |                  |                       | 752,800          |
| Sales returns     | 21,000           |                  | 21,200           |                  | 42,200                |                  |
| Purchases         | 328,600          |                  | 200,000          |                  | 613,600               |                  |
|                   |                  |                  | 85,000           |                  |                       |                  |
| Discount allowed  | 7,400            |                  |                  |                  | 7,400                 |                  |
| Payables          |                  | 148,400          |                  | 85,000           |                       | 233,400          |
| Receivables       | 756,000          |                  |                  | 254,900          | 501,100               |                  |
| Bank balance      |                  | 31,400           | 1,051,400        | 21,700           | 998,300               |                  |
| Capital           |                  | 125,000          |                  |                  |                       | 125,000          |
| Interest received |                  |                  |                  | 1,051,400        |                       | 1,051,400        |
| Suspense account  |                  | 33,700           | 254,900          | 200,000          |                       |                  |
|                   |                  |                  |                  | 21,200           |                       |                  |
|                   | <u>1,113,000</u> | <u>1,113,000</u> | <u>1,634,200</u> | <u>1,634,200</u> | <u>2,162,600</u>      | <u>2,162,600</u> |

**Examiner's comments**

The Part (a) of this question tests candidates' ability to effect corrections of errors using journal entries and suspense account, while part (b) tests candidates understanding of the preparation of Adjusted Trial Balance. About 80% of candidates attempted the question, while about 70% of the candidates scored the required pass mark. The common pitfall is candidates' lack of understanding of the double entry principles of book-keeping. Candidates are advised to be conversant with the principles of double entry accounting.

**SOLUTION 2**

a. (i) **DEFINITION OF BUSINESS**

Business is an activity engaged in to provide goods and services to meet the needs of society. Business could be legal or illegal.

Business could also mean an economic system where goods and services are exchanged for one another or for money.

It is a commercial activity that aims to make profit from its operations.

Business connotes an integrated set of activities and assets that is capable of being

conducted and managed for the purpose of providing a return to investors or owner with a corresponding risk.

(ii) **CHARACTERISTICS OF BUSINESS**

Business possesses certain attributes or characteristics as shown below:

1. Business exists to provide society's needs and desires.
2. It exists to make profit.
3. It generates profit by supplying goods and services to other parties.
4. Business possesses an element of risk in its operations.
5. The profit earned by the business belongs to the owners (e.g. sole proprietorship, partnership and shareholders in a case of a company)
6. Profit made is subject to taxation.
7. Business supports the environment where it operates through corporate social responsibility.
8. Accounting records of business is kept based on the entity concept.

b. **USERS OF ACCOUNTING INFORMATION.**

- (1) **Owners of the business/investors:** These are Sole traders, partners and shareholders. They need accounting information to assess how efficiently the management is performing –they want to know how profit able the business is and how much of this profit they can withdraw for their own use. It will also allow shareholders to make appropriate investment decisions such as buying and selling of shares, deciding on whether to dispose some or all the shares, or to acquire more of the entity's shares.
- (2) **Management:** These are the people who manage the affairs of the business for the owners. In a limited liability company, they are the member so the board of directors and other management. They need accounting information to ascertain the efficiency of the policy they formulate and to plan and control their sources of the business.
- (3) **Trade Payables:** These are the people who supply goods to the business on credit. The trade payables want to know the ability of the business to pay, or the goods supplied to the business promptly. They will be interested in the liquidity of the business.
- (4) **Customers:** These are the people who purchase the goods or services provided by the business. The customers want to know whether the business will continue to be a liable source of supply; though they will also be interested in the quality of the products of the business.

- (5) **Tax authority:** Accounting Profits determine the basis of computing tax. The tax authority wants to determine the tax payable by the entity and its employees.
- (6) **Employees of the entity:** Existing employees need accounting information to enable them to decide how secure their job is and the ability of the business to pay good salaries and provide good welfare facilities.
- (7) **Lenders:** These include the banks and other loan payables. Financial statements enable them to decide whether more credit facility can be granted and whether the company will be able to pay interest and principal when they fall due. They are interested in the liquidity and of the entity's profitability as well as reliability of its underlying assets.
- (8) **Government:** Government needs accounting information to enable it to formulate fiscal policies.
- (9) **Financial Analysts:** They analyze financial statements for their clients in order to help them make informed decisions. Financial analysts include stockbrokers, credit agencies and financial reporters.
- (10) **The Public:** Members of the general public (individuals, trade unions and associations, Political parties, African unions, International Monetary Funds (IMF) etc. need accounting information for various purposes. They use the available financial information to take decisions on whether or not to deal with an entity determine their level of involvement in its activities.

### **Examiner's comments**

The question requires candidates to define the term Business and state its characteristics. About 85% of candidates attempted this question, while about 75% scored above average mark. The major pitfall is the shallow definition of business and their inability to explain the information needs of users of accounting information. Candidates are advised to pay attention to every aspect of the syllabus and use other recommended books for study and revision.

SOLUTION 3

**ELOZINO TRADING COMPANY**  
**CASH BOOK FOR THE MONTH ENDED DECEMBER 31, 2021**

| DATE       | PARTICULARS            | DISC.        | BANK           | DATE       | PARTICULARS           | DISC.        | BANK           |
|------------|------------------------|--------------|----------------|------------|-----------------------|--------------|----------------|
|            |                        | LS           | LS             |            |                       | LS           | LS             |
| 02/12/2021 | Bal b/f                |              | 40,000         | 03/12/2021 | Petty cash            |              | 39,200         |
| 05/12/2021 | Trade receivables-Kojo | 3,260        | 61,940         | 06/12/2021 | Trade payables-Marafa | 2,590        | 49,210         |
| 08/12/2021 | Deposit account        |              | 140,000        | 10/12/2021 | Moruf                 |              | 9,600          |
|            |                        |              |                | 16/12/2021 | Motor spare parts     |              | 16,000         |
|            |                        |              |                | 17/12/2021 | Emeka                 |              | 7,600          |
|            |                        |              |                | 24/12/2021 | Jullie                |              | 8,100          |
|            |                        |              |                | 27/12/2021 | Karo                  |              | 8,400          |
|            |                        |              |                | 31/12/2021 | Bal c/d               |              | 103,830        |
|            |                        | <b>3,260</b> | <b>241,940</b> |            |                       | <b>2,590</b> | <b>241,940</b> |
| 01/01/2022 | Bal b/d                |              | 103,830        |            |                       |              |                |

**B. PETTY CASH BOOK**

| Date | Receipts | Amount               | Date  | Payments     | Total                | Stationery           | Trade Exp           | Sundry Purchase      |
|------|----------|----------------------|-------|--------------|----------------------|----------------------|---------------------|----------------------|
|      |          | ₦                    |       |              | ₦                    | ₦                    | ₦                   | ₦                    |
| 2/12 | Bal. b/f | 2,800                | 29/12 | Stationery   | 16,000               | 16,000               |                     |                      |
| 3/12 | Bank     | 39,200               | 29/12 | Trade exp    | 4,000                |                      | <u>4,000</u>        |                      |
|      |          |                      |       | Sundry Purh. | 18,400               |                      |                     | 18,400               |
|      |          |                      | 31/12 | Bal. c/d     | <u>3,600</u>         |                      |                     |                      |
|      |          | <b><u>42,000</u></b> |       | <b>Total</b> | <b><u>42,000</u></b> | <b><u>16,000</u></b> | <b><u>4,000</u></b> | <b><u>18,400</u></b> |
|      | Bal. b/d | 3,600                |       |              |                      |                      |                     |                      |

**Examiner's comments**

This question tests candidates' knowledge of the preparations of two column cash book and petty cash book. About 80% of candidates attempted this question, while about 70% scored above the pass mark. Major pitfall resulted from candidates' inability to prepare petty cash book appropriately. Candidates are advised to start early preparation and cover adequately all aspects of the syllabus.



## SOLUTION 4

### BATURE TRADING ENTERPRISES

|                           |               |               |
|---------------------------|---------------|---------------|
|                           |               | N             |
| a. Revenue                | Working (i)   | <u>90,300</u> |
| b. Cost of Sales          | Working (ii)  | <u>54,100</u> |
| c. Net profit             | Working (iii) | <u>30,800</u> |
| d. Current assets         | Working (iv)  | <u>32,400</u> |
| e. Equity and liabilities | Working (v)   | <u>55,400</u> |

### WORKINGS:

#### BATURE TRADING ENTERPRISES

#### PROFIT OR LOSS ACCOUNT FOR THE PERIOD ENDED

|       |   | N'000        | N'000                |
|-------|---|--------------|----------------------|
|       | Sales   |              | 95,400               |
|       | Returns   |              | <u>(5,100)</u>       |
| (i)   | <b>Revenue</b>  |              | <b>90,300</b>        |
|       | Inventory   | 8,000        |                      |
|       | Purchases   | 76,000       |                      |
|       | Carriage  | <u>3,600</u> |                      |
|       |   | 79,600       |                      |
|       | Returns   | (3,500)      |                      |
|       | Drawings – Inventories                                    | (17,000)     | <u>59,100</u>        |
|       | Goods available for sale                                  |              | 67,100               |
|       | Less Inventories at end                                   |              | <u>13,000</u>        |
| (ii)  | <b>Cost of sales</b>                                      |              | <b>54,100</b>        |
|       | Gross profit ( <del>N</del> 90,300 – <del>N</del> 54,100) |              | 36,200               |
|       | Administrative expenses                                   |              | <u>5,400</u>         |
| (iii) | <b>Net profit</b>   |              | <b><u>30,800</u></b> |

#### BATURE TRADING ENTERPRISES

#### STATEMENT OF FINANCIAL POSITION, AS AT 31 MARCH 2022

|                             | N      | N      |
|-----------------------------|--------|--------|
| Non-current assets:         |        |        |
| Delivery Van                |        | 23,000 |
| (iv) <b>Current Assets:</b> |        |        |
| Inventories                 | 13,000 |        |
| Receivables                 | 12,900 |        |

|                                   |              |                      |
|-----------------------------------|--------------|----------------------|
| Bank                              | <u>6,500</u> | <u>32,400</u>        |
| Total Assets                      |              | <u>55,400</u>        |
| Equity                            |              | 37,500               |
| Net profit                        |              | 30,800               |
| Drawings                          |              | <u>17,000</u>        |
|                                   |              | 51,300               |
| Current liabilities – Payables    |              | <u>4,100</u>         |
| (v) <b>Equity and Liabilities</b> |              | <u><b>55,400</b></u> |

### **Examiner's comments**

Question tests candidates' ability to compute a set of key information relating to financial statements from a given Trial Balance. The attempt rate is about 70% and candidates scored above average mark as about 80% of candidates scored the required pass mark. The major pitfall by candidates was poor presentation of the Trading, Profit or Loss account and statement of financial position. Candidates are advised to be familiar with relevant formats and presentations.

### **SOLUTION 5**

#### **a. Importance of reconciliation of payables control account and payables ledger.**

The reconciliation of payables control account involves a comparison between the totals of the payables individual ledger accounts and the payables control account in the general ledger to ascertain if there is any difference.

Ideally, the total of payables control accounts should agree with the payables ledger balances. However, in practice, differences often arise due to inaccuracies in the posting of transactions.

The reconciliation of these accounts is of utmost importance to the practicing Accountant due to the following reasons:

- (i) It acts as a check on entries in the subsidiary ledgers.
- (ii) It reveals errors and corrective actions are taken early in order to make the financial statements free from errors.
- (iii) It makes it difficult to commit fraud because payables control accounts are usually under the control of a senior accounts officer.
- (iv) It enhances early completion of final accounts as it reduces the time of resolving errors.
- (v) It helps audit personnel in their audit review process as reliance can be placed on the company's records.

b. (i)

**JAGUDA BUSINESS VENTURES**  
**Payables Control Account**

|             | <b>Le</b>        |             | <b>Le</b>        |
|-------------|------------------|-------------|------------------|
| Set-off     | 55,440           | Balance b/f | 3,887,440        |
| Bank        | 72,000           | Purchases   | 240,000          |
| Balance c/d | <u>4,000,000</u> |             |                  |
|             | <u>4,127,440</u> |             | <u>4,127,440</u> |
|             |                  | Balance b/d | 4,000,000        |

**JAGUDA BUSINESS VENTURES**

(ii) Reconciliation of payables control account and the payables ledger accounts

|   |                         |
|---|-------------------------|
| Balance as per Payables ledger accounts | Le<br>3,849,520         |
| Add: Balance omitted                    | <u>150,480</u>          |
| Balance as per Payables control account | <u><b>4,000,000</b></u> |

**Examiner's comments**

This question tests candidates on the reconciliation of payables control account and payables ledger. This question was poorly attempted as it recorded 30% attempt rate; while about 40% of the candidates scored the required pass mark. The major pitfall is candidates' poor application of double entry principles. Candidates are encouraged to be well grounded in the application of double entry principles.

**SOLUTION 6**

a (i) **LIST OF ACCOUNTING PACKAGES**

- a. Quick Book;
- b. Sage;
- c. Tally;
- d. Oracle used in the banking industry;
- e. Formatted Excel/ spreadsheet
- f. Fresh books;
- g. Zoho books;

- h. Accpac.
- i. Peach tree

(ii) **ADVANTAGES OF ACCOUNTING PACKAGES.**

- (a) They make implementation of an application to be quicker and cheaper.
- (b) They provide standard approach to common applications.
- (c) They are efficient in terms of speed, accuracy and storage requirements.
- (d) They save programming efforts.
- (e) There is substantial reduction in systems efforts.
- (f) Source documents (receipts, invoices, debit and credit notes etcetera) can be printed automatically when they are needed.
- (g) They are simple to use by trained Accountants.
- (h) They are cost effective, they save money and other financial resources because a lot of costs, which should have been used to buy stationery and accounting staff would be saved.
- (i) Licensed application software gets regular updates to users.

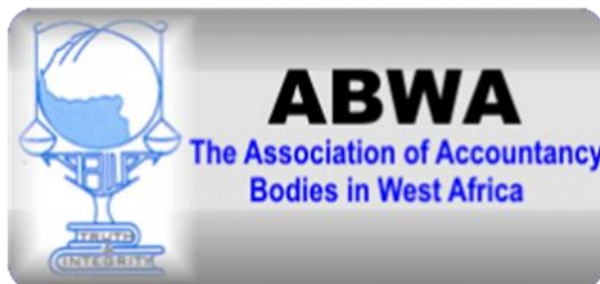
b. **FACTORS TO BE CONSIDERED WHEN DECIDING ON WHICH ACCOUNTING PACKAGES TO USE**

- a. Cost - This includes the cost of software, setting-up and operating the system.
- b. Flexibility– How easy is it to amend or otherwise update or upgrade.
- c. Types of processing - What is the input and output medium associated with the package.
- d. Timing of processing - How quickly will the package process information.
- e. Hardware required - This will include the type of computer system and other hardware components that will need to be acquired, for the package to work effectively in the organisation.
- f. Degree of reliability - How reliable is the package, in terms of information

- security and the need to provide timely information, based on the needs of the organisation.
- g. Integration with other systems- How efficient will the package be able to integrate with other existing systems in the organisation.
  - h. Users processing requirements- This will entail, for example, system memory requirements, upon which the application package can be installed

**Examiner's comments**

This question tests candidates' knowledge of Accounting packages. About 80% of candidates attempted this question; while candidates' performance is considered average as about 60% of candidates scored above the required pass mark. Candidates are encouraged to have basic knowledge of ICT concepts.

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

**PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER**

**EXAMINATION INSTRUCTIONS**

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

**WEDNESDAY, SEPTEMBER 25, 2024**

**DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO**

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

**ECONOMICS**

**Time Allowed: 3 hours**

**SECTION A: PART I                      MULTIPLE-CHOICE QUESTIONS                      (30 Marks)  
ATTEMPT ALL QUESTIONS IN THIS SECTION**

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

1. Economics as a social science can be described as the study of
  - A. Irrational behavior of economic agents
  - B. Rational behavior of economic agents
  - C. Human society
  - D. Science
  - E. Economic theory
  
2. Any point inside the production possibility curve depicts
  - A. Production efficiency
  - B. Full employment
  - C. Technological advancement
  - D. Expansion
  - E. Underemployment
  
3. The leftward shift of the demand curve for a normal good is caused by the following, **EXCEPT**
  - A. An increase in consumers' income
  - B. A fall in the price of close substitute
  - C. A rise in the price of complement
  - D. Expectation of future fall in price
  - E. Introduction of new and better substitute in the market
  
4. The upward movement along a normal supply curve is caused by which of the following?
  - A. A fall in the commodity's own price
  - B. A rise in the commodity's own price
  - C. A fall in the price of major input
  - D. A rise in the price of other good of the producer
  - E. A favorable natural event

5. The graph that illustrates the relationship between the quantity supplied of a good and its price is called
- A. Engel curve
  - B. Demand curve
  - C. Supply curve
  - D. Production curve
  - E. Indifference curve
6. Given that when a product price is \$50, quantity demanded is 9 units and a decrease in its price to \$49 causes the quantity demanded to increase to 10 units. What is the marginal revenue (MR) resulting from an increase in quantity demanded from 9 to 10 units?
- A. \$90
  - B. \$59
  - C. \$40
  - D. \$30
  - E. \$10
7. Which of the following is **NOT** a feature of an indifference curve?
- A. Concave to the origin
  - B. Convex to the origin
  - C. Does not intersect another one
  - D. The higher the indifference curve, the higher the level of utility
  - E. Has negative slope
8. At the mid-point of a straight-line demand curve, the elasticity of demand will be
- A. Zero
  - B. Unity
  - C. Infinity
  - D. Less than Zero
  - E. Greater than zero but one
9. If the total product and average product of a given number of labour is 610 units and 122 units respectively, the number of labour employed is
- A. 5
  - B. 50
  - C. 60
  - D. 488
  - E. 732



10. When the total product of labour employed increased from 520 units to 660 units and the units of labour increased from 4 to 6, the marginal product of labour is
- A. 60
  - B. 65
  - C. 70
  - D. 80
  - E. 170
11. Which of the following is **NOT** a function of an Entrepreneur?
- A. Owns the intellectual property of labour needed in the business
  - B. Bears the risk of business failure
  - C. Organises and combines the other factors of production
  - D. Provides the capital needed in the business
  - E. Principal decision-maker in the production process
12. When the total product of labour employed is at maximum, the marginal product is
- A. Greater than average product
  - B. Equal to average product
  - C. Positive
  - D. Zero
  - E. Negative
13. A perfect competitive firm attained equilibrium when
- A. Marginal revenue = Total cost
  - B. Marginal cost = Total cost
  - C. Marginal revenue = Marginal cost
  - D. Total revenue = Total cost
  - E. Average revenue = average cost
14. The average revenue of a perfect competitive firm is the same as
- A. Marginal revenue
  - B. Total revenue
  - C. Average cost
  - D. Marginal cost
  - E. Profit

15. Which of the following is **NOT** a condition for profit maximisation in perfect market?
- A. Price = Marginal cost
  - B. Marginal cost = Marginal revenue
  - C. Demand = Marginal cost
  - D. Average revenue = Marginal cost
  - E. Total revenue = Marginal cost
16. In a two-sector model of an economy, income is a function of
- A. Savings and Investment
  - B. Consumption and Investment
  - C. Consumption, Investment and Tax
  - D. Consumption and Government expenditure
  - E. Consumption, Investment and Government expenditure
17. The standard of living of two countries can be measured using
- A. Gross Domestic Product
  - B. Gross National Product
  - C. Net Disposable Income
  - D. Net National Product
  - E. Per Capita Income
18. Which of the following overestimates the value of national income?
- A. Unreported Income
  - B. Double counting
  - C. Incomplete statistical data
  - D. Wrong time of computation
  - E. Changes in the price of goods and services
19. The quantity theory of money stipulates that a reduction in the quantity of money in circulation would result in a
- A. Proportionate rise in price
  - B. Proportionate fall in price
  - C. Geometrical rise in price
  - D. Fixed price
  - E. Rise in the exchange rate

20. The velocity of money is represented as

- A.  $\frac{\text{money supply}}{\text{real GDP}}$
- B.  $\frac{\text{money supply}}{\text{nominal GDP}}$
- C.  $\frac{\text{money supply}}{\text{real GDP}}$
- D.  $\frac{\text{nominal GDP}}{\text{money supply}}$
- E.  $\frac{\text{nominal GDP}}{\text{real GDP}}$

21. Deposit money banks create money by

- A. Offering loans and advances to the public
- B. Underwriting quoted shares of companies
- C. Investing on securities or stocks
- D. Buying foreign exchange
- E. Issuing new bank notes

22. Which of the following is **NOT** a principle of taxation?

- A. Equality
- B. Convenience
- C. Exploitative
- D. Economy
- E. Flexibility

23. The type of tax that is usually levied on goods which are imported from other countries is

- A. Excise duties
- B. Capital gain tax
- C. Income tax
- D. Direct tax
- E. Import duties

24. Which of the following is **NOT** a source of financing budget deficits?

- A. Internal borrowing
- B. External borrowing from multilateral creditors
- C. Drawing down on external reserves
- D. Buying of government securities
- E. Printing of currency

25. Which of the following expresses the average change in the price of commodity purchased by final consumers over a period of time?
- A. Wholesale price index
  - B. Retail price index
  - C. Import price index
  - D. Producer price index
  - E. Consumer price index
26. Which of the following describes inflation induced by rising cost of production?
- A. Demand-pull inflation
  - B. Cost-push inflation
  - C. Cost-driven inflation
  - D. Sunk cost inflation
  - E. Cost inflation
27. Which of the following does **NOT** explain why trade takes place between countries?
- A. Differences in factor endowments
  - B. Differences in language
  - C. Comparative cost advantage
  - D. Differences in skills and technical knowhow
  - E. Differences in climate conditions
28. Which of the following limits specified quantity of goods to be imported into a country?
- A. Quota
  - B. Import tariff
  - C. Specific tariff
  - D. Import duty
  - E. Embargo
29. Which of the following is **NOT** an indicator of an economically developed nation?
- A. High level of literacy
  - B. High per capita income
  - C. A high proportion of labour in the primary sector
  - D. Low death rate
  - E. Low dependency ratio

30. Which of the following is **NOT** true of the features of developing countries?
- A. Low standard of living
  - B. High life expectancy
  - C. Dependence on agricultural production
  - D. High level of infant mortality
  - E. Low levels of productivity

**SECTION A: PART 11**

**SHORT ANSWER QUESTIONS**

**(20 Marks)**

**ATTEMPT ALL QUESTIONS**

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

1. The slope of production possibility curve is known as. ....
2. If a given change in price results in a more than proportionate change in quantity supplied then, supply is .....
3. A table showing a set of market prices for a good and the corresponding set of quantities that would be supplied, other things being equal is .....
4. The law of diminishing marginal utility suggests that the amount of commodity 2 that the consumer is willing to give up for additional units of commodity 1 diminishes as the amount of commodity 1 .....
5. Assignment of different parts of production process to different people in order to improve efficiency is called.....
6. The policy that involves removal of official barriers to competition in an industry that was initially monopolistically organised is known as .....
7. Man-made resource used up in production process is called .....
8. From the following short run cost function  $STC = 100 + 5q^2 + 3q^3$ , the marginal cost is .....
9. A market structure in which there are many buyers and single seller is called.....
10. The largest part of aggregate expenditure in national income determination is .....



## QUESTION 2

- a. Distinguish between 'Labour' and 'Entrepreneur' as factors of production. (5 Marks)
- b. Explain briefly **FIVE** functions of an Entrepreneur. (7½ Marks)
- (Total 12½ Marks)**

## QUESTION 3

- a. Briefly explain **FOUR** characteristics of perfect competitive market. (6 Marks)
- b. The table below presents the demand for commodity Y in a perfect competitive market.

| Quantity ( $q_Y$ ) | Price (N) | Total revenue (N) | Average revenue (N) | Marginal revenue (N) |
|--------------------|-----------|-------------------|---------------------|----------------------|
| 1                  | 2         |                   |                     |                      |
| 3                  | 2         |                   |                     |                      |
| 6                  | 2         |                   |                     |                      |
| 10                 | 2         |                   |                     |                      |
| 18                 | 2         |                   |                     |                      |

### Required:

- i. Copy and complete the table for Total Revenue, Average Revenue and Marginal Revenue. (4 Marks)
- ii. Plot the outcome in (i) to obtain the nature of Total Revenue, Average Revenue and Marginal Revenue curves of the firm. (2½ Marks)
- (Total 12½ Marks)**

## PART II:

## MACRO - ECONOMICS

### ATTEMPT ANY TWO QUESTIONS

## QUESTION 4

- a. Distinguish clearly between Gross Domestic Product and Gross National Product (5 Marks)
- b.  $Y = C + I + G + (X - M)$   
 $C = a + bY_d$   
 $Y_d = Y - T$

- i. Derive the equilibrium national income (2<sup>1</sup>/<sub>2</sub> Marks)
  - ii. If  $a = 110$ ,  $b = 0.5$ ,  $I = \text{₦}50\text{b}$ ,  $G = \text{₦}74\text{b}$ ,  $X = \text{₦}32\text{b}$ ,  $M = \text{₦}48\text{b}$ ,  $T = \text{₦}10\text{b}$ , Calculate the equilibrium national income. (1<sup>1</sup>/<sub>2</sub> Marks)
  - iii. Obtain the government expenditure multiplier and tax multiplier. (2 Marks)
  - iv. Determine the amount of government expenditure that is needed to restore the economy at full employment level, if the full employment national income level is  $\text{₦}502\text{b}$ . (1<sup>1</sup>/<sub>2</sub> Mark)
- (Total 12<sup>1</sup>/<sub>2</sub> Marks)**

### QUESTION 5

- a. Explain clearly the distinction between demand for money and supply of money. (5 Marks)
  - b. State and explain **FIVE** factors influencing the supply of money in an economy. (7<sup>1</sup>/<sub>2</sub> Mark)
- (Total 12<sup>1</sup>/<sub>2</sub> Marks)**

### QUESTION 6

- a. What do you understand by the term international trade? (2 Marks)
  - b. Discuss **THREE** gains from International Trade. (4<sup>1</sup>/<sub>2</sub> Mark)
  - c. State **FOUR** reasons for imposing trade restrictions. (6 Marks)
- (Total 12<sup>1</sup>/<sub>2</sub> Marks)**



## SECTION A

### PART I MULTIPLE – CHOICE

#### SOLUTIONS

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

#### MCQ 6

$$MR = \frac{\text{Change in Revenue}}{\text{Change in Quantity}}$$

$$\begin{aligned} \text{Change in Revenue} &= (49 \times 10) - (50 \times 9) \\ &= (490 - 450) \\ &= 40 \end{aligned}$$

$$\begin{aligned} \text{Change in Quantity} &= 10 - 9 \\ &= 1 \end{aligned}$$

$$\begin{aligned} \therefore \text{MR} &= \frac{40}{1} \\ &= \underline{\underline{40}} \quad \text{C} \end{aligned}$$

### MCQ 9

$$\text{Average Output} = \frac{\text{Total output}}{\text{No of Labour}} \quad (\text{let the No of Labour be } x)$$

$$\begin{aligned} 122 &= \frac{610}{x} \\ 122x &= 610 \\ x &= \frac{610}{122} \end{aligned}$$

$$x = \underline{\underline{5}} \quad \text{A}$$

### MCQ 10

$$\text{Marginal Product of Labour} = \frac{\text{Change in Output}}{\text{Change in Labour}}$$

$$\begin{aligned} \text{Change in Output} &= (660 - 520) = 140 \\ \text{Change in Labour} &= (6 - 4) = 2 \end{aligned}$$

$$\therefore \text{Marginal Product of Labour} = \frac{140}{2} = \underline{\underline{70}} \quad \text{C}$$

### Examiner's comments

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 80% of them scored pass marks. Effective coverage of the entire syllabus is required for candidates to score well in this part.

## SECTION A: PART II

### SHORT-ANSWERS SOLUTIONS

1. Marginal rate of transformation
2. Price elastic/Elastic
3. Supply schedule
4. Increases
5. Division of labour
6. Deregulation
7. Capital
8.  $Mc = 10q + 9q^2$
9. Monopoly
10. Consumption expenditure/consumption
11. Accelerator principle
12. Liquid asset
13. ~~₦~~50,000
14. Personal income tax/Poll tax
15. Recurrent expenditure
16. Demand pull inflation
17. Dumping
18. Trade protectionism/trade barriers/trade restrictions
19. Abuja, Nigeria
20. Developing countries/Less developed countries

### SAQ No. 13

$$\begin{aligned}\text{Money Multiplier Formula} &= \frac{1}{r} \quad \text{where } r \text{ is reserve ratio} \\ &\frac{1}{0.20} = 5 \\ \therefore \text{Money created} &= \text{₦}10,000 \times 5 \\ &= \underline{\underline{\text{₦}50,000}}\end{aligned}$$

### Examiner's comments

This part of the paper is equally compulsory. The questions were fairly selected from both branches of Economics – Microeconomics and Macroeconomics. The candidates' performance is quite poor as some questions were not answered correctly. To be able to score well in this part, a candidate needs a good understanding of all topics in the syllabus.

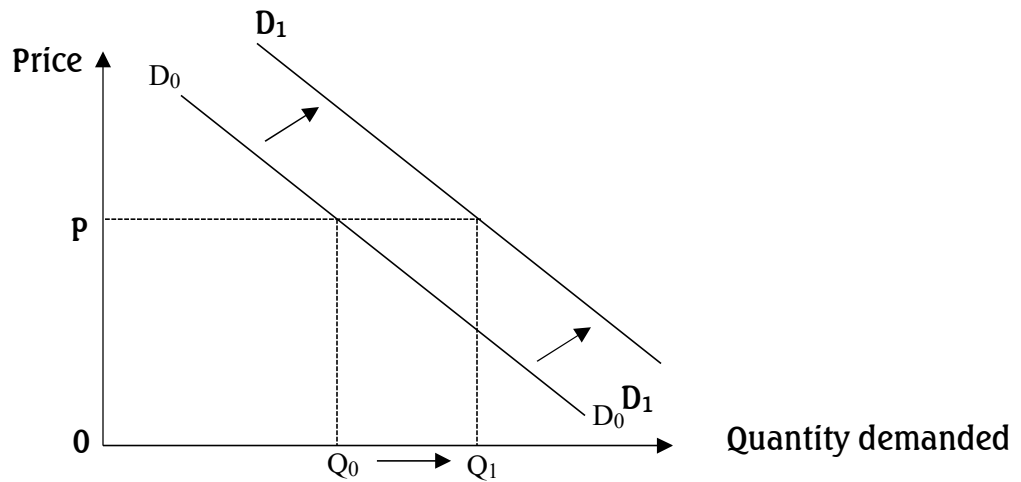
**SECTION B**

**PART I – MICROECONOMICS**

**SOLUTION 1**

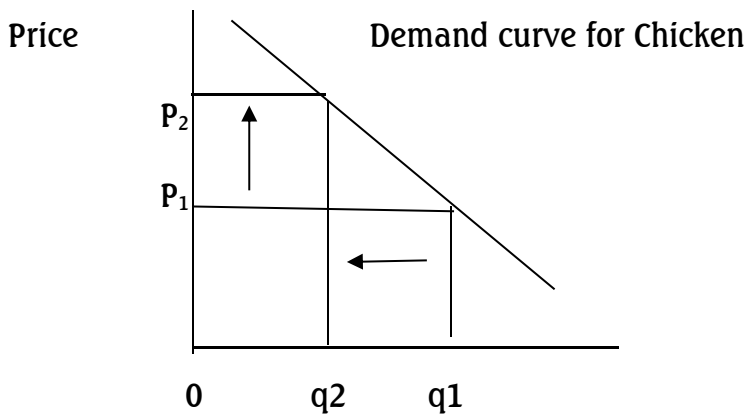
a)

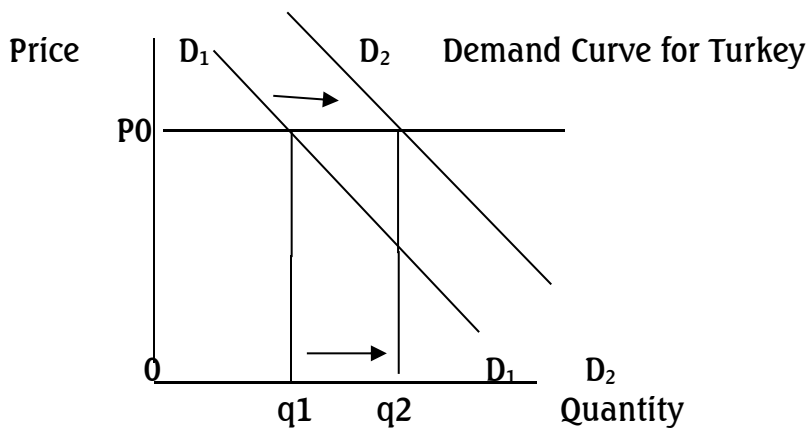
(i) The upward review of the minimum wage will lead to increase in the purchasing power of the consumers. Normal goods are goods whose demands increase as income of consumers increase. Therefore, all things being equal, the consumers will be able to demand for more normal goods at every price level, this result in an outward shift of the demand curve. This is illustrated in the diagram below.



Effect of increase in consumers' income on demand for a normal

(ii) The effects of an increase in the price of Chicken on the market condition for Turkey when the price of Turkey remain unchanged are illustrated in the diagram below;





From diagram A above, an increase in the price of Chicken when then the price of Turkey remained the same will results to a decrease in the quantity demanded of chicken because some consumers will substitute it for Turkey which is relatively cheaper. This is illustrated as an upward movement in the demand curve for chicken as the price rises from  $p_1$  to  $p_2$  and the quantity demanded fall from  $q_1$  to  $q_2$ . On the other hand, the increase in the price of chicken will cause an increase in demand for Turkey since some consumers will substitute Chicken for Turkey. This is illustrated as a rightward shift in the demand curve for Turkey from  $D_1D_1$  to  $D_2D_2$  as shown in figure 2 above.

#### b) Causes of Abnormal Demand Curve

The positively demand curve slopes from left to right signifying that more quantity is bought at a high price. There are certain commodities that always react in that manner.

- i. **Goods of ostentation or Luxury goods:** These are types of commodities that despite their expensive nature, people still buy more of them, because of the prestige that people derive from consuming them. Examples are luxury goods such as expensive wristwatch, expensive clothing materials, jewelries, gold, and sport cars etc., which are purchased as a mark of distinction in the society. When the prices of these goods rise, the demand for them may increase instead of falling.
- ii. **Fear of future rise in price:** The demand curve will assume a positively slope shape if people were of the view that the price of certain goods will increase in future, they will buy more of the commodity at higher price now. While on the other hand, if people feel that the price of the product will fall in future they will buy less of the commodity even if the price at present is low.
- iii. **Inferior goods or Giffen goods:** These are goods whose demand varies inversely proportional with the change in its price. That is to say that demand decreases when the income of the consumer increases. A decrease in the price of the goods (inferior), cannot lead to increase in the quantity demanded for those goods, rather, the consumer will consider it as inferior, and s/he goes for goods higher than that.

- iv. **Ignorance of the consumer:** If the consumer is ignorant about the rise in price of goods, he may buy more at a higher price. Consumer may be deceived by branding and advertisement.

### **Examiner's comments**

This question on the theory of value tested candidates' knowledge of changes in demand as opposed to changes in quantity demanded and identified exceptions in the laws of demand and supply. About 10% of the candidates attempted the question, while about 30% of them scored at least 50% of the marks allocated to the question. Their performance here was not impressive.

### **SOLUTION 2**

- (a) **Labour** is the human resource and effort used in production. There is hardly a production without labour. Labour can be skilled, meaning specialized, intellectual or mental knowledge used in production. It can also be unskilled, meaning physical or mental effort undertaken by individuals in production. The reward to labour is wage or salary. Labour can be geographically and occupationally mobile and it is impossible to separate both the ownership and use of labour.

**Entrepreneur** is a special factor of production that is in charge of the organisation of the other three factors of production (land, labour and capital) in order to produce goods and services. He bears the risk involved in the business and manages the business for profit making. The entrepreneur's reward is profit or dividend.

(b) **Functions of Entrepreneur include the following:**

- i. The entrepreneur is the owner of the business and provides the capital. The ownership of business may be one person or a group of persons who have provided the capital.
- ii. The entrepreneur organizes and combines the other three factors of production to produce goods and services which are used to satisfy human wants.
- iii. The entrepreneur bears the risk of business failure when there is any. On the other hand, if there are any benefits or profits, he enjoys them.
- iv. The entrepreneur is the principal decision-maker, though this may be shared with other people. He makes the broad decision of policy and the nerve-centre of management control.
- v. Entrepreneurs are the engines of economic growth in every nation because they produce majority of the goods and services that significantly impact on economic growth.
- vi. The entrepreneur raises the funds needed in running the business. This he does through various sources of funds available to him.

## Examiner's comments

This question on the theory of production tested candidates' knowledge of the factors of production and their rewards as well as functions of the entrepreneur as a factor of production. Almost all the candidates attempted the question, while about 80% of them scored at least 50% of the marks allocated to the question. Candidates scored good marks here.

### SOLUTION 3

#### a) Characteristics of perfect competitive market

**i. Large number of buyers and sellers:**

There are many buyers and sellers in the market to the extent that no single buyer or seller can influence the product price. Thus, all buyers and sellers are described as price-takers

**ii. Homogeneous product:**

The products of all firms must be identical in the eyes of the consumers. Hence, it makes no difference which firm they purchase from, and especially since no factor other than price will influence their purchasing decision.

**iii. Perfect mobility of resources:**

There must be perfect mobility of factors of production so that firms can move freely into or out of the market (i.e. free entry and exit).

**iv. Perfect knowledge of all relevant information:**

All buyers and sellers must have adequate knowledge of existing market conditions. That is, the firms must know technological conditions of production, price of inputs and price at which the product can be sold, while all buyers must know where they can get the product to buy and at what price.

**v. Market price is fixed**

Firms in the market have zero control over price. Price is basically determined by the forces of demand and supply in the industry.

#### b) i) Complete the table for Total Revenue, Average Revenue and Marginal Revenue

| Quantity ( $q_T$ ) | Price<br>(N) | Total revenue<br>(N) | Average revenue<br>(N) | Marginal revenue<br>(N) |
|--------------------|--------------|----------------------|------------------------|-------------------------|
| 1                  | 2            | 2                    | 2                      | -                       |
| 3                  | 2            | 6                    | 2                      | 2                       |
| 6                  | 2            | 12                   | 2                      | 2                       |
| 10                 | 2            | 20                   | 2                      | 2                       |
| 18                 | 2            | 36                   | 2                      | 2                       |

### Formular

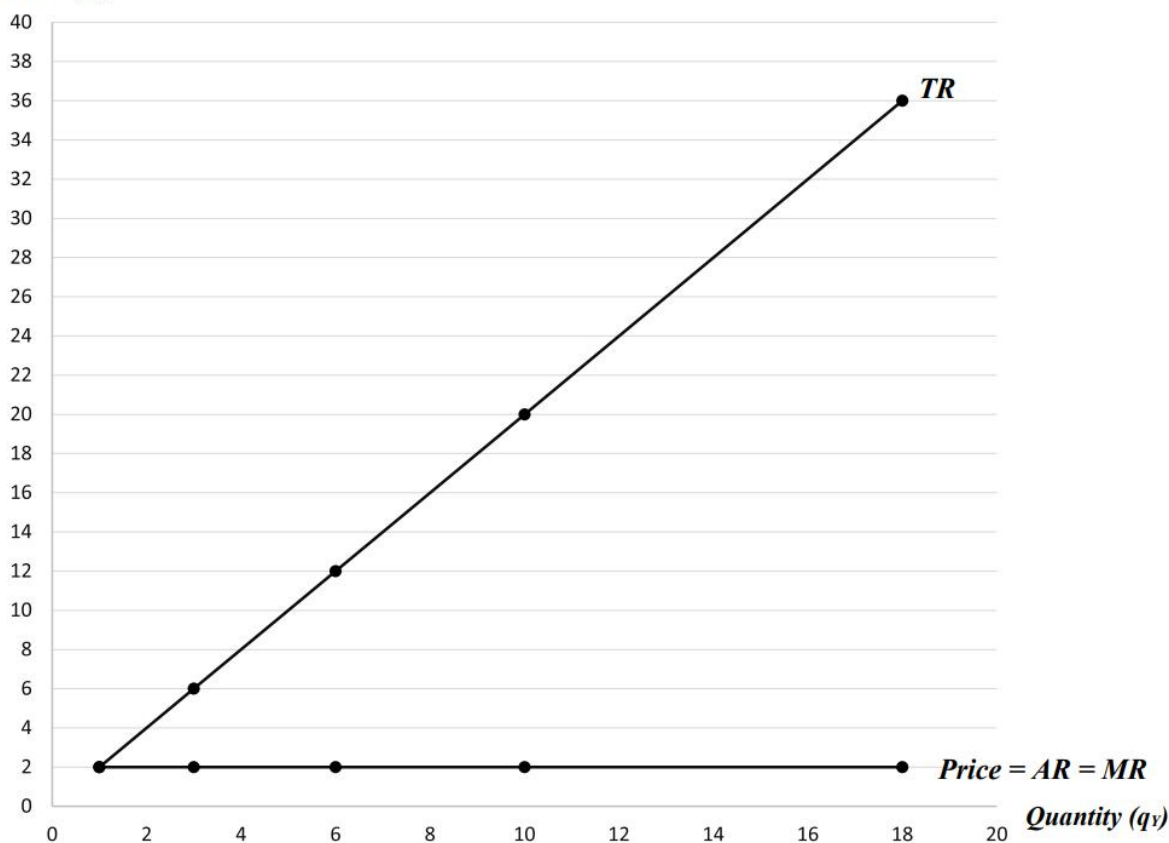
(i)  $TR = P \times Q$

(ii)  $AR = TR/Q$

(iii)  $MR = \frac{\Delta TR}{\Delta Q}$

- (ii) Plot the outcome in (i) to obtain the nature of Total Revenue, Average Revenue and Marginal Revenue curves of the firm.

Revenue (₹)



Total revenue, Average revenue and Marginal revenue

### **Examiner's comments**

The question on market structure and pricing basically tests candidates' knowledge of the characteristics of a perfect competitive market as one of the major market structure in the economy. It also tests basic concepts of total revenue, average revenue and marginal revenue, and their calculations. Candidates attempt in this question was high and their performance was fairly good.

### **SOLUTION 4**

- a) Gross Domestic Product (GDP) measures the total output in the domestic economy. It is the total monetary value of all final goods and services produced within a country during a specified period of time usually a year. It includes all the output produced by the residents of a country either they are citizens or foreigners. It excludes earnings of citizens abroad.



**GDP = GNP – Net income from abroad.**

Gross National Product (GNP) is the market value of all final goods and services produced by the nationals of a country during a specified period of time usually a year. It follows from this definition that all goods and services produced by the nationals of a country (within or outside) are embodied in the GNP. It excludes income earned by foreigners in one's country.

**GNP = GDP + Net Income from Abroad**

Net income from abroad = Income earned by citizens abroad – Income earned by foreigners in home country.

**b)**

**(i)**  $Y = C + I + G + (X - M)$

$$C = a + b Y_d$$

$$Y = a + b Y_d + I + G + (X - M)$$

$$Y_d = Y - T$$

$$Y = a + b(Y - T) + I + G + (X - M)$$

$$Y = a + bY - bT + I + G + (X - M)$$

$$Y - bY = a - bT + I + G + (X - M)$$

$$Y(1 - b) = a - bT + I + G + (X - M)$$

$$Y = \frac{a - bT + I + G + (X - M)}{1 - b}$$

- (ii)** If  $a = 110$ ,  $b = 0.5$ ,  $I = \text{N}50\text{b}$ ,  $G = \text{N}74\text{b}$ ,  $X = \text{N}32\text{b}$ ,  $M = \text{N}48\text{b}$ ,  $T = \text{N}10\text{b}$ , Calculate the equilibrium national income.

$$Y = \frac{110 - 0.5(10) + 50 + 74 + 32 - 48}{1 - 0.5} = \frac{213}{0.5} = \text{N}426 \text{ billion}$$

- (iii)** Government Expenditure Multiplier

$$\frac{\Delta Y}{\Delta G} = \frac{1}{1 - b} = \frac{1}{1 - 0.5} = 2$$

Tax Multiplier

$$\frac{\Delta Y}{\Delta T} = \frac{-b}{1 - b} = \frac{-0.5}{1 - 0.5} = -1$$

**(iv)**

$$K = \frac{\Delta Y}{\Delta G}$$

$$\Delta Y = Y_f - Y$$

$$2 = \frac{\Delta Y}{\Delta G}$$

$$\Delta Y = \text{N}502\text{b} - \text{N}426\text{b}$$

$$\Delta G = \frac{\Delta Y}{2} = \frac{76}{2} = \text{N}38\text{b}$$

$$\Delta Y = \text{N}76\text{b}$$

Therefore, the government expenditure should be increased by ₦38 billion to restore the economy at full employment level of ₦502 billion.

Note:  $Y_f$  = full employment national income.

### **Examiner's comments**

This question on National income (Macroeconomics) basically tests candidates' knowledge of the concepts of Gross domestic product (GDP) and Gross national product (GNP) and their computations. The other part of the question examines how equilibrium national income is determined using the multiplier effects of changes in national income. The candidates performance in question 4b (iv) was poor and this part reduced their scores for the question.

### **SOLUTION 5**

- a) Demand for money otherwise referred to as *liquidity preference* means the desire of people to hold their resources or wealth in the form of cash (currency notes and coins) instead of interest – yielding assets. The British economist, John Maynard Keynes identified three reasons for demand for cash balances or why people hold money. It also refers to the amount of money that the public is willing to hold during a given period of time.

Money held for transactions and precautionary motives are called active balance while the one held for speculative motive is called idle balance. The total demand for money is the summation of transactions, precautionary, and speculative demands.

Supply of money or money stock refers to the total amount of money in circulation in a country at a given period. Various definitions or variants of money supply exist. That is, M1, M2. The supply of money in an economy includes the total Bank deposits. The supply of money is controlled by the central bank and influenced by monetary policy, which aims to promote price stability and economic growth.

#### **b) Factors influencing the supply of money:**

- (i) Open market operations
- (ii) Reserve requirements
- (iii) Discount rate
- (iv) Credit control system
- (v) Special deposits

#### **Open Market Operations (OMO)**

This is when the control of money supply is achieved through buying and selling of government securities by Central Bank to achieve the desired level of money stock in the economy. To reduce money supply, the central bank will sell

securities in the open market and to increase money supply, it will purchase government securities.

### **Reserve requirements**

The central bank can set the reserve requirements ratio for commercial banks, which dictates the percentage of deposits that banks must hold in reserve and cannot lend out. A lower reserve requirement allows banks to lend more, increasing the money supply, while a higher requirement reduces lending and decreases the money supply.

### **Discount Rate**

This refers to the minimum lending rate set by the central bank on its loan to other banks. Changes in interest rates affect borrowing and lending activities. Lower interest rates make borrowing cheaper, encouraging individuals and businesses to take loans, thus increasing the money supply. Higher interest rates have the opposite effect, discouraging borrowing and reducing the money supply.

### **Credit Control System**

It involves issuance of credit guidelines to commercial and merchant banks to direct their credit facilities to certain sectors of the economy to control the amount of money available for lending and, by extension, the total money supply.

### **Special Deposits**

These are tools used by Central banks as part of their monetary policy to control the money supply. They refer to mandatory deposits that commercial banks are required to place with the central bank, usually as a temporary measure to control inflation or excessive liquidity in the economy.

### **Examiner's comments**

This question on money and banking aspect of the macroeconomics part of the syllabus tests candidates' knowledge of the concepts of demand for money and supply of money, and the factors that influences supply of money in an economy. About 90% of the candidates attempted the question, while about 40% of them scored at least 50% of the marks allocated to the question. The technicality of taking supply of money to mean supply of goods and services affected their scores negatively.

### **SOLUTION 6**

- a) International trade refers to the exchange of goods and services between countries. Goods sold to other countries are referred to as **exports** and goods bought from them are dubbed **imports**. International trade also involves movement of capital between countries.
- b) **Advantages or Gains from international trade includes:**
  - i. It leads to increase in total world production of goods and services. International trade based on comparative cost advantage allows countries to specialise in what they can do best. This allows for increase in output

and invariably increases in the volume of total world output.

- ii. It leads to efficiency in use of world resources. International trade is based on specialization in what you can do best. This means that each country involved in international trade uses the resource available to her in the most efficient way and hence world resources are efficiently used.
- iii. It leads to availability of variety of goods and services. International trade makes citizens of nations to consume goods and services their resources cannot be used to produce.
- iv. International trade leads to economies of scale. International trade leads to increased output and firms involved in producing for exports may enjoy cost reducing advantages that go with increased output.
- v. International trade brings about interdependence. This, politically, may help a nation to be conscious of the existence of other nations. The interdependence of nations helps promote good neighbourliness.

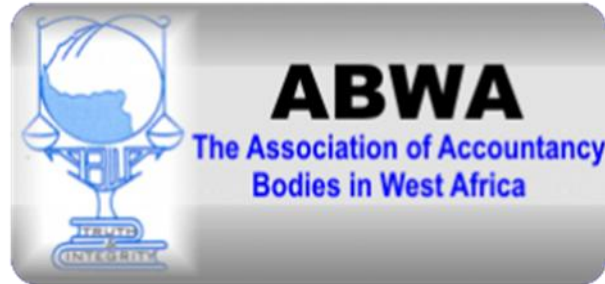
**c) Reasons for Trade restrictions are:**

- i. **The protection of infant firms:** Infant industries are those firms which are young. The absence of economies of scale to them makes their unit cost of production higher than older and efficient firms in other countries. Protection may be justified during the early growth of an infant firm. As the infant firms grow, skills and productivity, as well as economies of scale will grow, so increasing the firms' relative competitive advantage.
- ii. **To protect domestic labour against cheap foreign labour:** The theory of comparative cost advantage assumes that factors of production are both fully employed and mobile within countries. If large-scale unemployment exists within a country, protection may be used to increase employment.
- iii. **Protection against dumping:** It could be looked at as the export of commodities priced below cost of production. Dumping is generally looked upon as an unfair trading practice and for that reason, industries fearing competition from dumped goods asks for tariffs to protect them. An export subsidy is a salient form of dumping. Export subsidies are direct payments made or the granting of tax relief and subsidized loans to the nation's exporters or potential exporters so as to stimulate the nation's exports. These make the nation's export price competitive on the international markets.
- iv. **National Security:** Some key industries such as agriculture and industries producing goods that are important for the defence of the country must be maintained. Countries therefore protect these industries.
- v. **To raise revenue:** Tariffs are sometimes justified as a means of raising revenue for the government, but in modern economies this is a

comparatively unimportant source of government revenue.

**Examiner's comments**

This question on International trade and finance section of the syllabus tested candidates' knowledge of what international trade signifies; its gains and reasons for restrictions of international trade. About 100% of the candidates attempted this question, while the success rate stands at about 80%. Candidates understood this question and scored very good marks in this question.

**THE ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA****ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA  
SEPTEMBER 2024 EXAMINATIONS (PART 1)****BUSINESS LAW****PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER****EXAMINATION INSTRUCTIONS**

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

**TUESDAY, SEPTEMBER 24, 2024****DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO**

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

**BUSINESS LAW**

**Time Allowed: 3 hours**

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

**ATTEMPT ALL QUESTIONS**

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

1. Which Court has original jurisdiction in disputes between states?
  - A. High Court
  - B. Court of Appeal
  - C. Supreme Court
  - D. Industrial Court
  - E. Mediation Court
  
2. A tortious liability borne by one as a result of another's tortious acts is known as
  - A. Third party liability
  - B. Vicarious liability
  - C. Varied liability
  - D. Vivacious liability
  - E. Transferred liability
  
3. Statutes of limitation apply only to
  - A. Limited liability companies
  - B. Criminal offences
  - C. Cases on contracts
  - D. Civil matters
  - E. Tortious liabilities
  
4. Equity follows the
  - A. Trend
  - B. Culture
  - C. Legal system
  - D. Law
  - E. The Judiciary

5. In June, Mabel paid a tailor ₱5,000.00 to make a dress for her in July. What type of consideration is this?
- A. Executory consideration
  - B. Executed consideration
  - C. Futuristic consideration
  - D. Perfected consideration
  - E. Upfront consideration
6. An incorporated company should not enter into a valid contract unless the subject of the contract is
- A. Capable of being enforced
  - B. Intra vires its business
  - C. Ultra vires its business
  - D. Escalatable with its business
  - E. Supportable by available funds
7. A contract entered into in respect of a perished item but unknown to both parties is a contract made under
- A. Mutual mistake
  - B. Usual mistake
  - C. Legal mistake
  - D. Common mistake
  - E. Unilateral mistake
8. What is the effect of frustration on a contract?
- A. Brings the contract to an end
  - B. Suspends the contract
  - C. Puts performance on pause
  - D. Makes the contract mandatorily renegotiable
  - E. Puts the contract in abeyance
9. As an implied agent, who does an auctioneer represent?
- A. Both the owner of the auctioned goods and the purchaser
  - B. The purchaser of the auctioned goods
  - C. The owner of the goods only
  - D. All parties at the sale
  - E. The owner of the auction venue
10. An agent appointed only for a specific occasion is known as
- A. Factor
  - B. Consierge
  - C. Special agent
  - D. Sales agent
  - E. Estate agent



11. A contract under which a seller of goods agrees to transfer ownership of goods to another person for a price is known as
- A. An agreement to sell
  - B. A sale of goods
  - C. A contract of sale of goods
  - D. A transfer of goods
  - E. Ownership of goods
12. Under a hire purchase contract, when does title pass?
- A. When the hirer completes payment for the goods
  - B. When the hirer exercises his option to purchase
  - C. When the hirer pays the first installment
  - D. When the hirer pays the last installment
  - E. When the hire purchase agreement is signed
13. Under sale of goods law, what does *nemo dat quod non habet* mean?
- A. The seller can only transfer possession of goods
  - B. The seller cannot pass the title which he does not have
  - C. The property in the goods must be fit
  - D. The buyer enjoys a right to credit
  - E. The seller's voidable title is immaterial
14. Esther recovered ~~₦5~~ million under a comprehensive insurance cover valued at ~~₦4~~ million following a damage done to her car by Bridget whose insurer had also paid Esther ~~₦3~~ million for the damage. However, there is an insurance principle which prevents Esther from benefiting both from the policy and Bridget. What is the insurance principle?
- A. Utmost good faith
  - B. Insurable interest
  - C. Subrogation
  - D. Indemnity
  - E. Double insurance
15. A contract under which one party is under the control of the other party is known as
- A. A contract of service
  - B. A contract for service
  - C. A contract for military service
  - D. A contract for physical labour
  - E. An unlawful contract

16. Which of the following is **TRUE** of Limited Partnership?
- A. All partners must be involved in the running of the partnership business
  - B. The limited partner can dissolve the partnership by notice
  - C. The death of the limited partner cannot dissolve the partnership
  - D. There is no distinction between the partners and the partnership
  - E. There will be no need for a general partner
17. Chukwu, Emeka and Bola contributed ₦40,000, ₦30,000, and ₦20,000 respectively as capital of their partnership. They made a profit of ₦90,000. How will they share the profit according to the Partnership Act?
- A. ₦30,000 each
  - B. ₦40,000, ₦30,000, and ₦20,000.
  - C. Proportionate to their capital contribution
  - D. According to their seniority
  - E. Equally after ploughing back 50% of the total profit
18. Which of the following is **NOT** a function of the Corporate Affairs Commission?
- A. Administer the provisions of the Companies and Allied Matters Act 2020
  - B. Regulate and supervise the formation of companies
  - C. Incorporation of Co-operative Societies
  - D. Incorporation of clubs and societies
  - E. Establish company registries
19. Which statutory body regulates mergers in Nigeria?
- A. Federal Mergers Commission
  - B. Securities and Exchange Commission
  - C. Federal Competition and Consumer Protection Commission
  - D. Nigeria exchange (NGX)
  - E. Corporate Affairs Commission
20. Who among the following may petition the Court for winding up of a company?
- A. Securities and Exchange Commission
  - B. Economic and Financial Commission
  - C. Corporate Affairs Commission
  - D. Accountant General of the Federation
  - E. Federal Accounts Committee
21. Under which of the following condition may a company reduce its capital?
- A. To downsize
  - B. To Balance its Balance Sheet
  - C. To cancel the portion of the capital not represented by assets
  - D. To minimise waste
  - E. To satisfy the directors

22. Which of the following is **NOT** an invitation to treat?
- A. Display of goods
  - B. Price bargain
  - C. Advertisement of goods in a newspaper
  - D. Auction sale
  - E. Assumed life of the property
23. In an operating lease the period of lease is shorter than the
- A. Estimated life of the asset
  - B. Life of the company
  - C. Economic life of the asset
  - D. Life of the lessee
  - E. Assumed life of the property
24. What is the payee of a bill of exchange who is in possession of the bill called?
- A. The payee of the bill
  - B. The endorser of the bill
  - C. The holder of the bill
  - D. The bailor of the bill
  - E. The drawer of the bill
25. What is a bill of exchange in respect of which all rights have been extinguished called?
- A. Extinguished bill
  - B. Negotiated bill
  - C. Notarised bill
  - D. Bill acted upon
  - E. Discharged bill
26. For a statement to amount to a misrepresentation, it must **NOT** be a/an
- A. Statement of fact
  - B. Expression of opinion
  - C. Inducement
  - D. Intention of deceit
  - E. Demonstration of rectification
27. A plea of *non est factum* means
- A. It is my act
  - B. It is not my act
  - C. It is a collective act
  - D. It is a unilateral act
  - E. It is a counterpart

28. What is a company which engages in wholesale banking and investment management called?
- A special bank
  - Merchant bank
  - Universal banking
  - A discount house
  - Financial institution
29. Which of the following is one of the three certainties of trusts?
- Certainty of intestacy
  - Certainty of objects
  - Certainty of ownership
  - Certainty of possession
  - Certainty of testacy
30. A trust for the general benefit of the public is known as
- Public trust
  - Peoples trust
  - General trust
  - Express trust
  - Exclusive trust

**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 law enacted by the federal legislature in Nigeria is known as .....
- A defendant found liable in civil litigation may be subjected to payment of damages while in criminal trials a guilty person is fined or .....
- The type of agency created when the agent acts for commercial necessity is called.....
- Counteroffer is also known as.....
- Consideration in contract may be executed or executory but must not be .....
- An infant is liable to pay a reasonable price for .....
- There are three kinds of mistake in the law of contracts. They are unilateral mistake, mutual mistake, and .....

- 8. An oral contract of guarantee is .....
- 9. Adams is unable to perform a contract he signed because he was conscripted into the army. His reason for non-performance is known in law as .....
- 10. An agent with authority to negotiate and conclude a contract for the sale of goods without being in possession of the goods is .....
- 11. In an unconditional contract for the sale of specific goods in a deliverable state, property in the goods passes to the buyer when .....
- 12. A consumer credit transaction in which one party takes possession of the goods for his own use without any obligation to purchase it but only an option to do so is .....
- 13. In employment relations, the duty to carry out a lawful instruction lies with .....
- 14. Where an individual insures a property with three insurers but claims only from two of them, the third insurer shall be liable to the two insurers under the insurance principle of .....
- 15. The consequence of the minimum membership of a Limited Liability partnership falling below two for more than six months is .....
- 16. Apart from the Court, the body that has the power to investigate the affairs of a Limited Liability Partnership is known as .....
- 17. The personal property of a member of a company which is transferable as provided by the articles of association is .....
- 18. After incorporation, the document a bank requires to operate is .....
- 19. A bill of exchange is endorsed if .....
- 20. Trust is a concept of .....

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

**QUESTION 1**

a. In a democratic government, there are three arms of government.

**Required:**

State the functions of the **THREE** arms of government. (3 Marks)

b. The Constitution of the Federal Republic of Nigeria is supreme

**Required:**

Explain the supremacy of the Constitution. (5 Marks)

- c. Kokori, a chartered accountant, did not file the tax returns of his client on time despite being paid.

**Required:**

State the tort that Kokori has committed and the elements of the tort. (4½ Marks)

**(Total 12½ Marks)**

**QUESTION 2**

- a. Consideration is a core element in the formation of a valid contract not under seal.

**Required:**

Define consideration and state **THREE** rules on it. (5 Marks)

- b. Parties to a contract must possess the requisite legal capacity to enter into contract in Nigeria.

**Required:**

State **THREE** categories of person with limited capacity to enter into a contract in Nigeria (3 Marks)

- c. Andrew and Emeka signed a contract on Monday for Andrew to buy Emeka's Toyota Corolla car. At the time of signing the contract in Lagos on Monday, both Andrew and Emeka knew and believed that the car was parked in Andrew's compound in Port Harcourt. Unknown to both of them, that the car had been stolen on Sunday night.

**Required:**

Explain briefly to the parties, the status of the contract and the reason.

(4½ Marks)

**(Total 12½ Marks)**

**QUESTION 3**

- a. Adamu is a shipping agent with instructions from Evarista to ferry her consignment of imported apples from the Tin Can Island port in Lagos to Calabar port. The ferry developed engine problems mid-sea. The apples started going bad and would all perish in 24 hours which would cause Evarista a huge loss. Adamu then sold the perishing apples at half their market value without authorisation from Evarista with whom he could not establish communication.

Evarista is threatening to sue Adamu for the full price of the apples arguing that she never authorised the sales at half price.

**Required:**

Advise Adamu on his defence for selling the goods at half price, and also explain the type of agency involved. (4 Marks)

- b. Onome had paid twenty percent of the hire price on a bus he sold to Ambrose. Uche, the owner was present while the sale negotiations between Onome and Ambrose took place but did not object. A month after, Uche seized the bus from Ambrose on the ground that the bus belongs to him.

**Required:**

Advise the parties. (4½ Marks)

- ci. The relationship between an employer and employee is contractual.

**Required:**

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

- cii. Explain subrogation in the law of insurance. (2 Marks)

**(Total 12½ Marks)**

**QUESTION 4**

- a. Partnership is a relationship between persons in business with a view to making profit.

**Required:**

State the **THREE** types of partnership provided for under the Companies and Allied Matters Act, 2020. (3 Marks)

- b. A contract of ₦100 million awarded to Digitalia Nigeria Limited has just been revoked by the awarding authority, following a discovery that the name of Digitalia Nigeria Limited had long been struck off the register of companies by the Corporate Affairs Commission for failure to file annual returns.

Digitalia Nigeria Limited wants to sue the Corporate Affairs Commission for damages contending that the commission had no authority to strike out its name as such was ultra vires the functions of the commission.

**Required:**

Advise the Corporate Affairs Commission on its possible defence. (5 Marks)

- c. The liability of the members of a company may be limited by shares

**Required:**

- i. Define 'share'. (1½ Marks)
- ii. State **THREE** rights of a shareholder. (3 Marks)

**(Total 12½ Marks)**

**QUESTION 5**

- a. The relationship between a banker and its customer is that of trust.

**Required:**

- i. How must a banker treat its customer's account information? (1½ Marks)
  - ii. State **THREE** exceptions to a banker's duty of confidentiality to its customers. (3 Marks)
  - iii. Define a negotiable instrument made payable to bearer. (2 Marks)
- b. Ojodu Limited has not been able to hold its Annual General Meeting because of a stalemate created by the members' struggle for control. Jude, a member of the company requires your advice on how to hold the meeting.

**Required:**

- i. Advise Jude on what to do to ensure that Ojodu Limited holds its meeting. (2 Marks)
  - ii. What is the effect of Ojodu Limited holding a meeting suddenly without notifying Jude? (2 Marks)
- c. Different types of companies may be incorporated under the Companies and Allied Matters Act, 2020.

**Required:**

Define a company limited by guarantee. (2 Marks)

**(Total 12½ Marks)**

**QUESTION 6**

- a. A valid trust must have three certainties.

**Required:**

Explain briefly **TWO** certainties of a trust. (4 Marks)

- b. Equipment leasing facilitates business development.

**Required:**

- i. Define finance lease. (2 Marks)
- ii. The primary lease of a tractor by Ade Limited to Akim Ventures is almost ending. Which options does Ade Limited have? (4 Marks)



- c. Adim wrote to Tonye offering to sell his car to Tonye for the price of ₦2 million. Tonye replied, "I accept to buy the car for ₦1.8million"

**Required:**

Explain the status of the transaction between the parties under the law of contract.

(2½ Marks)

**(Total 12½ Marks)**

## **SECTION A: PART I**

### **MULTIPLE-CHOICE SOLUTIONS**

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

#### **Examiner's comment**

The questions were spread over the entire syllabus according to the set weighting.

All the candidates attempted the questions, and their performance was average. About 50% of the candidates exhibited lack of preparation for the examination.

Candidates are advised to study the ICAN ATSWA Study Text, which presents the topics in clear and intelligible terms.

## **SECTION A: PART II**

### **SHORT-ANSWER SOLUTIONS**

1. An Act
2. Imprisoned
3. Agency of necessity
4. Rejection
5. Past
6. Necessaries
7. Common mistake
8. Unenforceable
9. Frustration
10. Broker
11. The contract is made
12. Hire purchase
13. Employee
14. Contribution
15. Winding up
16. Corporate Affairs Commission
17. Shares
18. Banking license
19. The holder signs on the back of the bill
20. Equity

### **Examiner's comments**

The questions achieved a proportionate spread over the syllabus.

The attempt rate was 100%, and pass rate was about 50%.

Candidates' major pitfall was their inadequate preparation, which showed in their lack of understanding of basic terminologies of business law.

Candidates are advised to concentrate on their studies, working through the syllabus contents as presented by the ATSWA Business Law Study Text.

## **SECTION B**

### **SOLUTION 1**

- (a) The legislature makes laws.  
The executive implements the laws made by the legislature and carry out the day-to-day activities of government.  
The judiciary which comprises of the Courts, interpretes the laws.
- (b) The Constitution of the Federal Republic of Nigeria is binding on all persons and authorities in Nigeria. It is the supreme law, and every other law that contradicts it is null and to the extent of the inconsistency.  
In addition, no part of Nigeria shall be governed except in accordance with the Constitution.
- (c) Kokori has committed the tort of negligence.  
The elements of negligence are as follows:
- i. Duty of care;
  - ii. Breach of the duty of care; and
  - iii. Injury to the client.

### **Examiner's comment**

The question tests candidates' understanding of the functions of the 3 branches of government, supremacy of the Constitution, and the elements of the tort of negligence in professional duties.

Attempt rate was 75% while pass rate was slightly above 50%.

Candidates did not show a good understanding of the functions of the branches of government, and negligence.

Candidates are advised to pay more attention to the identified areas of deficiency in their future preparation.

### **SOLUTION 2**

- (a) Consideration is the price which a party to a contract pays for the act or promise of the other part. It may consist of money, money's worth, or forbearance.

The rules of consideration are as follows:

- i. Consideration must be something of value in the eye of the law.
  - ii. Consideration need not be adequate but sufficient.
  - iii. Consideration must not be past.
  - iv. Consideration may be executory or executed.
- (b) The following persons have limited contractual capacity:
- Infants;
  - Drunken persons;

- Persons of unsound mind;
- Married women under customary law;
- Illiterates ; and
- Companies whose business clauses do not permit of the type of contract.

(c) The contract becomes void and a nullity.

This is because the subject of the contract in respect of which offer and acceptance took place was non-existent, a fact which was unknown to the parties.

### **Examiner's comment**

The question tests candidates' understanding of consideration and the rules on it in contract, persons with limited contractual capacity, and void contracts.

Attempt rate was 70%, and pass rate was a little above 50%.

The candidates' major pitfall was their limited knowledge of persons with limited capacity to contract, and the effect of mistakes in determining whether a contract is void or voidable.

Candidates are advised to study the ICAN Study Texts for a sufficient understanding of these areas of contract law.

### **SOLUTION 3**

(a) This question raises issues as to the conditions to be met for an agency of necessity to be implied in favour of an agent.

The position of the law is that agency of necessity could be implied in favour of an agent who goes out of his express scope of authority to act in a sudden emergency to protect the interest of his principal.

Adamu's action in selling the apples at half price was an act in good faith to protect the economic interest of Evarista from total loss at a time when there was loss of communication between the parties. For these reasons, Adamu has a good defence against Evarista's threatened suit.

(b) This question raises the issue as to when a hirer of goods can legally pass title in the hired goods to a third party. The position of the law is that until the hirer has fully paid the price and exercised his option to purchase the hired goods, ownership resides in the owner. Therefore, the hirer has no right to alienate the goods by sale to third parties – *Nemo dat quod non habet*.

Since Onome, the hirer in this case, has paid only twenty percent of the hire price, he is not yet the owner of the goods and therefore lacks the right to transfer ownership to Ambrose – a third party. However, since Uche, the owner of the bus, was present when the sale negotiations between Onome and Ambrose took place but did not object that Onome was not the owner of the bus, Uche in law, has conferred apparent authority on Onome to sell the bus through a representation to Ambrose that Onome is the owner of the bus and has the right to sell it. Consequently, Uche will not be able to recover the bus from Ambrose.

- (c) (i) The rights which an employer could exercise over his employee are the right to.....
- (ii) Subrogation is the right of an insurer on payment of the loss to succeed to the legal position of an insured to recover from a third party who is also liable to the insured in respect of the risk covered by the policy under which the insurer was liable. The principle is designed to prevent the insured from recovering more than the actual value of his loss from both the insurer and a third party.
- a. Employ the worker;
  - b. Discipline the employee;
  - c. Transfer the employee;
  - d. Promote the employee; and
  - e. Terminate the employment or dismiss the employee.

### **Examiner's comment**

The question tests candidates' understanding of agency of necessity; hire purchase and estoppels of an owner standing by while a hirer sells the subject matter, employer's rights, and subrogation in insurance law.

Attempt rate was 65% while pass rate was around 60%.

Candidates' major pitfall was lack of understanding of hire purchase and subrogation.

Candidates require more intense study of the areas identified in the ICAN Study Texts.

### **SOLUTION 4**

- (a) The **THREE** types of partnership provided for by the Companies and Allied Matters Act, 2020 are:
- i. General partnership;
  - ii. Limited Liability partnership; and
  - iii. Limited partnership.
- (b) By the combined effect of Sections 8 and 425 of the Companies and Allied Matters Act, the Corporate Affairs is invested with powers to strike off the names of companies. The law confers on the Commission the power to strike off the names of companies from the register as part of the Commission's functions, which makes failure to file annual returns a ground for striking off the name of a company.

The Corporate Affairs Commission is therefore advised that it can successfully set up the above provisions of the Companies and Allied Matters Act against the suit of Digitalia Nigeria Ltd.

- (c) i. Share is a proprietary interest in the share capital of a company, and except where a distinction is drawn between stock and share, includes stock.

ii. The rights of a shareholder are the right to:

- Be a member of the company.
- Attend meetings of the company.
- Receive notice of meeting.
- Vote or participate in decisions at meeting.
- Right to dividends

### Examiner's comment

The question tests candidates' understanding of types of partnership, the power of the Corporate Affairs Commission (CAC) to strike off the name of a company for failure to make Annual Returns to it, definition of share and the rights of a company member or shareholder.

Attempt rate was 70%, while pass rate was around 60%.

The major pitfall of the candidates was their lack of understanding of the powers of the CAC to strike out company names.

Candidates are advised to focus on the area of deficiency in their future preparations.

### SOLUTION 5

(a)

- i. A banker must keep its customer's account information confidential or secret.
- ii. The exceptions to a banker's duty of confidentiality are as follows:
  - Disclosure under the compulsion of law.
  - Public duty disclosure.
  - Disclosure in the interest of the bank.
  - Disclosure with customer's consent.
- iii. A negotiable instrument made payable to bearer is an instrument which entitles the person in possession of the instrument to receive the value on the instrument without proof of identity. It can be negotiated by delivery or endorsement.

(b)

- i. Since it is impracticable for the company to hold its Annual General Meeting due to a stalemate, Jude who is a member of the company, may apply to the Federal High Court to order the meeting --- (Okeowo v Migliore 1979)
- ii. A meeting of Ojodu Limited held without notifying Jude who is a member shall be null and void, and any decision taken at such a meeting shall not bind him --- (Kalu Onwuka V. Taymani 1965)

(c) A company limited by guarantee is one having the liability of its members

limited by the memorandum of association to such amount as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up.

### **Examiner's comment**

The question tests candidates' understanding of a banker's duty of confidentiality to its customers as well as the exceptions to the rule, the definition of negotiable instruments; failure of a company to hold a meeting and invite a member to it as well as the consequences; and the defining of a company limited by guarantee.

Attempt rate was 70% while pass rate was around 50%.

Candidates showed a poor understanding of the exceptions to the banker's rule of confidentiality as well as the rules of confidentiality as well as the rules on company meetings.

Candidates are advised to focus the areas of deficiency more in their future preparations.

### **SOLUTION 6**

(a) The following are the Certainties of a trust:

- Certainty of intention is the requirement that the maker of a trust must use words to show a clear intention to create a trust. He must avoid precatory words.
- Certainty of subject matter is a requirement that the subject matter must be clearly specified without ambiguity and the specific interest in the property to which a beneficiary is entitled under the trust.
- Certainty of objects is a reference to a clear identification of the beneficiaries of the trust.

(b)

- i. A finance lease is an agreement between the user of the leased asset (lessee) and the provider of finance (lessor) for most or all of the assets' expected useful life.
- ii.
  - Ade Limited could allow the lessee to continue the lease for an indefinite period in return for a low nominal rent.
  - Ade Limited could also allow the lessee, Akim ventures, to sell the assets on his behalf and remit only a small percentage of the proceeds (like 10%) to it.

(c) Adim made an offer to sell the car for ₦2 million. Tonye made a counteroffer to Adim by offering him a lower price ₦1.8million. Tonye rejected Adim's offer; thus, the parties have no contract.



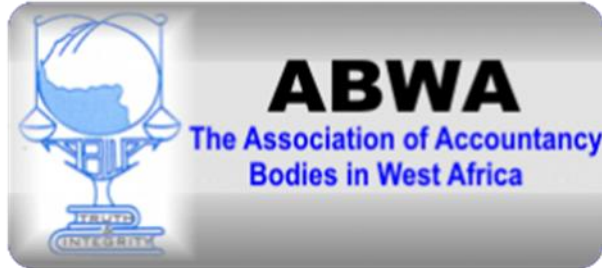
**Examiner's comment**

The question tests candidates' understanding of the 3 certainties of trust, finance lease and the options of the parties to it as well the implication of counter offer into an offer in contract.

Attempt rate was 75%, and pass rate was around 35%.

Candidates' major pitfall was their inadequate understanding of all aspects of the question.

Candidates are advised to focus more on diligent preparation for future examinations.

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

**PLEASE READ THESE INSTRUCTIONS BEFORE COMMENCEMENT OF THE PAPER**

**EXAMINATION INSTRUCTIONS**

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

**WEDNESDAY, SEPTEMBER 25, 2024**

**DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO**

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

**COMMUNICATION SKILLS**

**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. Communication does **NOT** take place through which of the following?
  - A. Speaking
  - B. Writing
  - C. Drawing
  - D. Singing
  - E. Raining
  
2. The following are synonymous with IMPARTING, **EXCEPT**
  - A. Infusing
  - B. Conveying
  - C. Reporting
  - D. Presenting
  - E. Broadcasting
  
3. Communication in organisations does **NOT** involve which of the following?
  - A. Intrapersonal communication
  - B. Downward communication
  - C. Upward communication
  - D. Diagonal communication
  - E. Lateral communication
  
4. 'It is raining cats and dogs' is
  - A. Idiomatic
  - B. Idiotic
  - C. Phrasal
  - D. Dialectal
  - E. Expressive

5. Which of the following is **NOT** a step to conflict resolution?
- A. Clarify the source of the problem
  - B. Establish a common goal
  - C. Rebuke a party to the conflict
  - D. Develop an agreement
  - E. Identify resolution barrier
6. Which of the following is **NOT** a type of conflict?
- A. Interpersonal conflict
  - B. Intergroup conflict
  - C. Intrapersonal conflict
  - D. Intragroup conflict
  - E. Intertribal subjugation
7. Which of the following does **NOT** describe human communication?
- A. Speech
  - B. Writing
  - C. Gesture
  - D. Kinesis
  - E. Creole
8. Which of the following is **NOT** a component of human language?
- A. Syntax
  - B. Semantics
  - C. Cybernetics
  - D. Morphology
  - E. Pragmatics
9. Which of the following is **NOT** a method of note taking?
- A. Lists
  - B. Outlines
  - C. Concept maps
  - D. Cornell
  - E. Tutoring
10. The abbreviation OTP in banking transaction means
- A. Over time payment
  - B. Over the counter payment
  - C. One-time password
  - D. One-time passcode
  - E. Over time password

11. Which of the following is **NOT** a purpose of speech making?
- A. To inform
  - B. To instruct
  - C. To persuade
  - D. To entertain
  - E. To confuse
12. Which of the following is **NOT** necessary in speech preparation?
- A. Carrying out research on the topic
  - B. Writing the speech
  - C. Having delivery practice sessions
  - D. Ignoring reception by the audience
  - E. Putting together visual aids
13. Which of the following is **NOT** a principle of public speaking?
- A. Perspiration
  - B. Perception
  - C. Visualisation
  - D. Inspiration
  - E. Discipline
14. Speech writing does **NOT** require which of the following?
- A. Writing an outline
  - B. Using conversation tone
  - C. Relying on a sloppy organisation of ideas
  - D. Using short sentences
  - E. Selecting an appropriate topic
15. A good speaker must **NOT** have which of the following?
- A. Confidence
  - B. Passion
  - C. Audience awareness
  - D. Intemperance
  - E. Ability to tell a story
16. Speech writing may **NOT** involve which of the following?
- A. The protocol
  - B. Introduction
  - C. Main body
  - D. Conclusion
  - E. Mirror method

17. Report writing may involve the following, **EXCEPT**
- A. Compliance with the topic
  - B. Information gathering
  - C. Outline preparation
  - D. Deviation from the topic
  - E. Drafting the report
18. Which of the following is **NOT** contained in a standard report?
- A. Title
  - B. Presentation
  - C. Summary
  - D. Introduction
  - E. Body
19. Which of the following is **NOT** relevant in terms of writing the minutes of a meeting?
- A. Date, time, and location of meeting
  - B. Reference list
  - C. Purpose of meeting
  - D. Names of attendees and absentees
  - E. Agenda items
20. Which of the following is **NOT** a digital communication tool?
- A. Email
  - B. Instant messaging apps
  - C. Telegraphy
  - D. File sharing platforms
  - E. Google docs

**SECTION A: PART II**

**SHORT ANSWER QUESTIONS**

**(20 Marks)**

**ATTEMPT ALL QUESTIONS**

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

1. She and I ..... good friends.
2. She is or I ..... able to do it.
3. A word formed from the combination of the abbreviation of the initial letters or part of a longer name or phrase is a(n) .....
4. As a figure of speech, the crown is a(n) ..... for royalty.

5. The practice of gathering information from different sources and platforms is .....
6. A punctuation mark used to form compound words is a(n) .....
7. A manner of speaking, other than use of words, to communicate particular meanings is .....
8. When a word reads the same backward as forward, it is called .....
9. The opening segment of an essay is the .....
10. The ..... portion of an essay carries the substance of the essay.
11. A compendious statement that presents the main points in a concise form is a(n) .....
12. A test of the ability of the reader to understand the sense of a given passage is .....
13. Information from subordinates to their superiors in an organisation is ..... Communication.
14. A word class that indicates action in a given sentence is a (n) .....
15. An expression that cannot stand on its own, consisting of one or more words forming a grammatical constituent of a sentence is a(n) .....
16. A(n) ..... is an expression whose meaning cannot be derived from the meaning of the words that make up the expression.
17. A list of meeting activities is a(n) .....
18. The chairman's vote that breaks a deadlock at a meeting is called the ..... vote.
19. The person who presides over a meeting is technically called the .....
20. A meeting cannot legally start until a(n) ..... is formed.

## **SECTION B**

## **COMPULSORY**

**(30 Marks)**

### **COMPREHENSION**

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

Experience had shown that carrying large quantities of gold, silver, or other metals proved inconvenient and risked loss or theft. The first use of paper money occurred in China more than 1,000 years ago. By the late 18<sup>th</sup> and early 19<sup>th</sup> centuries paper money and banknotes had spread to other parts of the world. The bulk of money in use came to consist not of actual gold or silver but of fiduciary money - promises to pay specified amounts of gold and silver. These promises were initially issued by

individuals or companies as banknotes or as the transferable book entries that came to be called deposits. Although deposits and banknotes began as claims to gold or silver on deposit at a bank or with a merchant, this later changed. Knowing that everyone would not claim his or her balance at once, the banker (or merchant) could issue more claims to the gold or silver than the amount held in safekeeping. Bankers could then invest the difference or lend it at interest. In periods of distress, however, when borrowers did not repay their loans or in case of over issue, the banks could fail.

Gradually, governments assumed a supervisory role. The specified legal tender, defining the type of payment that legally discharged a debt when offered to the creditor and that could be used to pay taxes. Governments also set the weight and metallic composition of coins. Later they replaced fiduciary paper money—that is, notes that are issued on the “fiat” of the sovereign government, are specified to be so many dollars, pounds, or yen, etc., and are legal tender but are not promises to pay something else.

The first large-scale issue of paper money in a western country occurred in France in the early 18<sup>th</sup> century. Subsequently, the French Revolutionary government issued assignats from 1789 to 1796. Similarly, the American colonies and later the Continental Congress issued bills of credit that could be issued in making payments. Yet these and other early experiments gave fiat money a deservedly bad name. The money was over issued, and prices rose drastically until the money became worthless or was redeemed in metallic money (or promises to pay metallic money) at a small fraction of its initial value.

Subsequent issues of fiat money in the major countries during the 19<sup>th</sup> century were temporary departures from a metallic standard. In Great Britain, for example, the government suspended payment of gold for all outstanding banknotes during the Napoleonic Wars (1797- 1815). To finance the war, the government issued fiat paper money. Prices in Great Britain doubled as a result, and gold coin and bullion became more expensive in terms of paper. To restore the gold standard at the former old price, the government deflated the price level by reducing the quantity of money. In 1821 Great Britain restored the gold standard. Similarly, during the American Civil War the U.S government suspended convertibility of Union currency (greenbacks) into specie (gold or silver coin), and resumption did not occur until 1879. At its peak in 1864, the greenback price of gold, nominally equivalent to \$100, reached more than \$250.

(Source : Milton Friedman Allan H. Meltzer.

<https://www.britannica.com/print/article/389170> accessed 1 July 2022)

- a. What are the **THREE** challenges that led to the creation of paper money? (6 Marks)
- b. Where and when did the use of paper money begin? (1 Mark)
- c. State **TWO** reasons responsible for bank failure in times of crisis. (2 Marks)
- d. What **THREE** measures did government introduce to check the crisis? (6 Marks)
- e. What is assignat? (1 Mark)



- f. State **THREE** reasons fiat money got a bad name. (6 Marks)
- g. How did Britain handle the problem of inflation arising from the suspension of paper money during the French wars? (1 Mark)
- h. What was the consequence of the American convertibility suspension on its currency, the dollar? (2 Marks)
- i. Replace each of the following words with another that will not alter the meaning of the context of use:
- i. Inconvenient
  - ii. Bulk
  - iii. Fiduciary
  - iv. Distress
  - v. Discharged
  - vi. Fiat
  - vii. Occurred
  - viii. Subsequently
  - ix. Outstanding
  - x. Similarly

(5 Marks)  
**(Total 30 Marks)**

**SECTION C****ANSWER ANY TWO QUESTIONS****(30 Marks)**

1(a) The following sentences contain one grammatical error each. Write out each sentence correctly but do not change the tense of the verb.

- i. John and his mother was there.
- ii. The king, with the whole of his bodyguard, were slain.
- iii. John as well as Harry bear witness to it.
- iv. Let you and I go together.
- v. Between you and we, it is very unlikely that this will happen.
- vi. Who are you referring to?
- vii. If I were he, I would not go.
- viii. This is one of the most remarkable events that has happened this century.
- ix. The crew were on board busy preparing to meet the coming storm.
- x. The stable has been broken up and the horses have been stolen.

**(5 Marks)**

(b) **Punctuate the passage below:**

War in the popular sense is a conflict between political groups involving hostilities of considerable duration and magnitude in the usage of the social science certain qualifications are added sociologists usually apply the term to such conflicts only if they are initiated and conducted in accordance with socially recognised forms they treat war as an institution recognised in custom or in law military writers usually confine the term to hostilities in which the contending groups are sufficiently equal in power to render the outcome uncertain for a time armed conflicts of powerful states with isolated and powerless people are usually called pacifications military expeditions or explorations with small states they are called interventions or reprisals and with internal groups rebellion or insurrections.

**(5 Marks)**

c) Define “antonym” and “synonym”, citing two examples of each. **(5 Marks)**

**(Total 15 Marks)**

2. Write short notes on the following figures of speech, giving an example in each case.

- a. Metonymy
- b. Synecdoche
- c. Metaphor
- d. Simile
- e. Irony

**(Total 15 Marks)**

3 a. Define ‘writing’ **(5 Marks)**

b. State **FIVE** steps you would take to write a paragraph. **(5 Marks)**

c. Given the topic sentence: Accounting is a profession that demands honesty.

**Required:**

Write a paragraph following the **FIVE** steps identified in (b) above. (5 Marks)  
**(Total 15 Marks)**

4 The following are **THREE** types of report:

- a. Feasibility (5 Marks)
- b. Progress (5 Marks)
- c. Research (5 Marks)

**Required:**

Explain briefly each of these reports and evaluate their usefulness.  
**(Total 15 Marks)**

## **SECTION A: PART I**

### **MULTIPLE CHOICE QUESTIONS**

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

#### **Examiner's comments**

This part is compulsory for all candidates. The questions cover all aspects of the Communication Skills paper. Candidates' performance was very good as about 75% of the candidates scored 50% and above of the allocated mark.

However, candidates need to further familiarise themselves with the concepts, terms and elements of the English Language to better their performance in this part.

**SECTION A: PART II**  
**SHORT ANSWER QUESTIONS**

1. Are
2. Am
3. Acronym
4. Metonym
5. Note-taking
6. Hyphen
7. Para-language/ body language/ gesture
8. Palindrome
9. Introduction
10. Body
11. Summary
12. Comprehension
13. Upward
14. Verb
15. Phrase
16. Idiom
17. Agenda
18. Casting
19. Chairman
20. Quorum

**Examiner's comments**

This part is also compulsory for all candidates. The questions, as in part 1, cover all aspects of the paper. The performance of the candidates was just average as about 45% of them scored 50% of the allocated mark.

For better performances in subsequent examinations, they should, as in Part 1, be familiar with terms and concepts that are peculiar to communication skills as well as with the elements of the English Language.

**SECTION B**  
**COMPREHENSION**

**COMPULSORY**

- (a) The three challenges were:
- i. The inconvenience of carrying large quantities of metallic money
  - ii. The risk of losing some of the metals
  - iii. The risk of thieves stealing them.
- (b) China; 1,000 years ago.
- (c) Inability of customers to repay and overissue of paper money.
- (d) Government introduced:
- i. Official medium of payment to the creditors.
  - ii. Official medium to pay taxes.
  - iii. Standardised weight of metallic composition of coins.
- (e) 'Assignat' was the paper money that France issued between 1789 and 1796.
- (f) The three reasons were:
- i. Over issuance of money.
  - ii. Rises in commodity prices which made the money worthless.
  - iii. Redemption of the paper money in metallic money at small fraction of the initial value.
- (g) Britain reduced the quantity of paper money in circulation.
- (h) The dollar lost value by 150% OR the dollar lost its value by one and a half times.
- i. Inconvenient - unsuitable/unpalatable/awkward/cumbersome
  - ii. Bulk – volume/magnitude/scale
  - iii. Fiduciary - depositary/depository/storehouse
  - iv. Distress - affliction/misery/agonypain/suffering
  - v. Discharged - removed/ terminated/eliminated
  - vi. Fiat – mandate/order/decreecommand/permission/authorisation
  - vii. Occurred – happened/transpired/tookplace/came about
  - viii. Subsequently - later/after/afterward/afterwards/later on/ thereafter
  - ix. Outstanding - undischarged/pending
  - x. Similarly - likewise/correspondingly/in like manner

## **Examiner's comments**

This section is equally compulsory for all candidates. This question is designed to test candidates' ability to read and understand the information contained in a given text. The performance of the candidates was just above average as about 55% of them scored 50% and above of the mark for this section.

The candidates' shortcomings included:

- Inability to read for understanding the content of the passage given;
- Lacking the technique of answering comprehension questions;
- Low level of vocabulary.

For a better performance in subsequent examinations, candidates must:

- Develop the habit of reading wide;
- Be able to discern or recognize relevant information contained in a given text or passage;
- Learn to understand the demand of each comprehension question;
- Be able to write in complete sentences or in appropriate phrases;
- Intensify their knowledge of vocabulary;
- Make use of ICAN study text, INSIGHT which contains solutions to the questions in the paper.

## SECTION C

### SOLUTION 1

a.

- i. John and his mother were there.
- ii. The king, with the whole of his bodyguard, was slain.
- iii. John as well as Harry bears witness to it.
- iv. Let you and me go together.
- v. Between you and us, it is very unlikely that this will happen.
- vi. Whom are you referring to?
- vii. If I were him, I would not go.
- viii. This is one of the most remarkable events that have happened this century.
- ix. The crew was now onboard and busy preparing to meet the coming storm.
- x. The stable has been broken open and the horses have been stolen.

b. War, in the popular sense, is a conflict between political groups involving hostilities of considerable duration and magnitude. In the usage of the social science, certain qualifications are added. Sociologists usually apply the term to such conflicts only if they are initiated and conducted in accordance with socially recognised forms. They treat war as an institution recognized in custom or in law. Military writers usually confine the term to hostilities in which the contending groups are sufficiently equal in power to render the outcome uncertain for a time. Armed conflicts of powerful states with isolated and powerless peoples are usually called pacifications, military expeditions, or explorations; with small states, they are called interventions or reprisals; and with internal groups, rebellion or insurrections.

c. An antonym is a word that has the opposite meaning of another word. Nouns, verbs, adjectives and adverbs have antonyms.

For example: small/big; happy/sad.

A synonym is a word that means exactly or nearly the same as another word in the same language. Nouns, adjectives, adverbs and verbs also have synonyms.

For example: rise/ascend; close/shut

### Examiner's comments

This question is designed to test candidates' knowledge of common errors, punctuation marks, and the difference between 'synonyms' and 'antonyms'. About 75% of the candidates attempted this question. The candidates' performance was poor as about only 30% of them scored 50% of the mark earmarked for the question.

Their shortcomings were inability:



- To detect grammatical errors in the sentences given;
- To understand the rules guiding the use of punctuation marks;
- To differentiate the meaning of 'synonyms' from that of 'antonyms'.

If candidates must do well in subsequent examinations, they should endeavour to pay attention to these areas in the syllabus.

## SOLUTION 2

(a) Metonymy is a figure of speech in which the name of an attribute or feature is substituted for the name of the object itself.

(b) When we say census is an exercise in nose-count or headcount, we are attributing the feature of population census to either nose-count or headcount. In the expression, "The pen is mightier than the sword", normally, the sword has more weight than the pen. The attribute of weightiness has been transferred to the pen.

(c) Synecdoche is the use of a part of an object to represent the whole object.

When a man says "I am behind the wheels", the word "wheels" here stands for "car". "Can I have a 'ride' with you?" The word "ride" is associated with "car" and it is therefore substituted for "car" in the sentence.

(d) Metaphor is a figure of speech in which one thing is directly called another thing in order to bring out the similarities between the two objects.

"The wrestler is a lion". This sentence points to the attribute of bravery not the physique that is common to both lion and the wrestler. "Ngozi is a pig". Voraciousness and sloppiness could only be common attributes of Ngozi and the pig.

(e) Simile is a literary device used to make an explicit comparison of two objects using "as" or "like". (1 Mark)

"Rose is as beautiful as a gazelle". In this sentence, the likely attributes of comparison are: gracefulness, swiftness and glistening eyes. "The wrestler is as brave as a lion". In this sentence, the bravery of the wrestler is compared with that of the lion.

(f) Irony is a literary device used in Greek tragedy by which the significance of a character's words or actions is clear to the audience or reader, but not to the character himself. (1 Mark)

"Tell the groom to keep his distance from the bride". It is ironical to ask a groom to stay away from his bride, with whom he is united.

"The more you look, the less you see", one is expected to see more. Here, the reverse is the case.

### Examiner's comments

This question is to test candidates' understanding of figures of speech. About 30% of the candidates attempted the question. Their performance was just average as about 45% of them scored 50% and above of the allocated mark. Many of the candidates were unable to explain what the listed figures of speech were. The examples given were not appropriate.

The candidates must ensure that they study this aspect of the Communication Skills syllabus if they want improvement in their performance in future.

### SOLUTION 3

- a. Writing is a deliberate, meaningful combination of the letters of the alphabet of a human language, punctuation and spaces to communicate thoughts and ideas in a readable form. It involves the representation of a human language through a system of physically inscribed, mechanically transferred or digitally represented symbols.
- b.
  - i. Choose a topic sentence.
  - ii. Explain the topic sentence.
  - iii. Develop the topic sentence.
  - iv. Give illustration as appropriate.
  - v. Conclude the paragraph.
- c. Accounting is a profession that demands honesty. This implies that an accountant should be trustworthy and dependable. A dependable person is one that can be relied upon and entrusted with valuables. For example, an accountant in an organization is expected to keep clean financial records. It is, therefore for anyone aspiring to be an accountant to have honesty as his watchword.

### Examiner's comments

The question is designed to test candidates' understanding of basic language skills. The skill that is tested here is 'writing'. About 30% of the candidates attempted the question. The performance was very poor as about 25% of them scored 50% and above of the mark for this question.

Candidates' shortcomings were:

- Inability to define 'writing' properly;
- Lack of knowledge of steps involved in writing a paragraph;
- Inability to state the steps involved in writing a paragraph affected the correctness of the paragraph written.

Candidates are advised to study the four basic language skills and the procedure for writing a good paragraph, if they want to do better in subsequent examinations.

## SOLUTION 4

- a. **Feasibility Report:** This is a report that gives consideration to the durability or otherwise, of a project. The report details the prospects and problems having put into consideration all observable risk factors, financial implications and overall benefits.

An investor who wants to start a textile industry must commission a feasibility study report to look into the cost and availability of machinery, the raw material and electrical and relevant infrastructure that will minimize cost of production to make the venture profitable. The essence of a feasibility report is to establish the prospect of profitability.

- b. **Progress Report:** This is the performance measuring report on a project in progress or a report on workers executing a project. It seeks to assess the performance of such workers to determine their suitability or otherwise for the assignment.

This type of report furnishes the management of the organisation with up-to-date information on the project or the workers. It gives the management the opportunity to evaluate and assess the progress of the project and the performance of employees in taking appropriate decisions.

- c. **Research Report:** This is a report form that attempts to find out facts in a scientific and systematic manner. A company that is underperforming may want to know why. An in-depth investigation may lead to the setting up of a research team to inquire into this phenomenon to checkmate it and to find ways of improving performance.

The desire to know something that is not clear to one may stimulate academic research which can lead to writing an academic research report. A research report illuminates an area of knowledge that is not clear. Whether in industries or academia, a research report helps in decision making and updating systems to operate more competitively.

### Examiner's comments

This question tests candidates' knowledge of the different types of reports and their usefulness. About 30% of the candidates attempted the question. Their performance was just average as about 40% scored 50% and above of the allocated mark.

Many of them had very little knowledge of the different kinds of reports, not to talk about their advantages or usefulness. To better their performance in this area of the syllabus, candidates should study well the different types of reports and their uses.

Generally, candidates should make copious use of ICAN Study Text, past question papers and solutions as published in the INSIGHT.