

INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN CERTIFICATE IN ACCOUNTING AND FINANCE (CAF) EXAMINATIONS EXAMINERS' COMMENTS	
SUBJECT Introduction to Accounting (IA)	SESSION Spring 2019

Passing %

Question-wise							Overall
1	2	3	4	5	6	7	
49%	52%	59%	65%	30%	13%	60%	48%

General comments

Performance in all questions were satisfactory except for Q.6 (Correction of errors). Majority of the students either did not attempt this question or could not even secure easy marks in the question. It seems that students had skipped the topic or prepared half-heartedly because it was examined in the last attempt.

Students should understand that attainment of full marks in a question is challenging. However, each question contains sufficient achievable marks. If they attempt all questions, they could be able to secure all such easy marks. In this paper, 11% students were just short of 9 or less marks and could have crossed the line had they attempted all questions in the paper.

Question-wise common mistakes observed

Question 1

- Cash and Bank amounts were calculated instead of taking closing balances from cash book.
- Instead of showing all accounts separately in the trail balance, some accounts were merged. For example, drawings account was merged with capital, return inward with sales, etc.
- Balance was shown on the wrong side.
- Closing stock was included in the trial balance.

Question 2(a)

Explanation of one user group was repeated in other user groups.

Question 2(b)

Students listed the documents but did not provide any explanation.

Question 3

- In information (i), the adjustment of advance was not shown.
- Effects were shown for information (iv) though there was no business transaction.

Question 4

- 50 units obtained under promotion scheme on December 7 were either not included in quantity purchased or an amount was added in purchase cost although they were obtained free of cost.
- Transportation cost incurred on December 16 was not included in purchase cost.

Question 5

- Discount on cash purchases was not adjusted from purchases and other income.
- Gain on disposal on was either not computed or incorrectly computed for vehicle destroyed in accident.
- Several mistakes were made in bad and doubtful debt expense. For example, students could not correctly treat the given debit balance of provision for doubtful receivable.

Question 6

- Several types of errors were made in making correcting entries in respect of error (viii).
- Correcting entry was made for error (v) though it was not required as return inward and return outward were correct in trial balance. In fact, this error was only made in preparation of financial statements.
- Students could not identify the items that should be adjusted in cash book, were incorrectly included in the bank reconciliation statements. Student either prepared bank reconciliation statement or made totally opposite correcting entries in the cash book.
- While computing corrected gross profit, items which only affect net profit was also included.

Question 7

- While calculating Bonus to B, salary was not deducted from profit.
- In guaranteed profit adjustment, distribution of shortfall between A and C was made in the ratio of 3:1 instead of 3:2.
- Part (c) was not attempted by many students.

The End