

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN	
EXAMINERS' COMMENTS	
SUBJECT Introduction to Accounting	SESSION Certificate in Accounting and Finance (CAF) Examination - Spring 2020

Passing %

Question-wise								Overall
1	2	3	4	5	6	7	8	
55%	14%	58%	62%	44%	40%	28%	19%	33%

General:

An overall passing ratio of 33% is consistent with the last result. 16% examinees were short of 9 or fewer marks which could have easily been obtained if they had covered all areas of the syllabus. The highest score was 90 marks.

Performance in Q2 and Q8 was poor. Q2 was based on format of statement of profit or loss which seems to have been completely overlooked by examinees. Whereas, Q8 was based on "Correction of error" which is continuously being examined in last three attempts. It seems that examinees had skipped this topic or prepared half-heartedly on the assumption that this topic would not be examined in this attempt.

It was observed that examinees spent too much time on completing the question and resultantly they were not able to attempt all question. Examinees are strongly advised to switch to the next question after they have spent reasonable time on a question.

Question-wise common mistakes observed

Question 1

- Repair cost, overhead allocated cost and/or safety equipment cost were included in the cost of the plant.
- Examinees used incorrect residual value, useful life and/or number of months for calculating depreciation.

Question 2

Though few examinees even scored full marks, but on overall basis, examinees had no knowledge of the area examined in the question. Majority of the examinees either did not attempt the question or secured zero marks.

Question 3

- Effects of information (v) were left un-attempted or were limited to the recording of rent expense only.
- In respect of information (vi), effects were restricted to receipt of cash with corresponding decrease in receivable only.

Question 4

MCQs number (iii), (iv) and (ix) were least well answered.

Question 5

- Goods in transit on 30 January were recorded in inventory ledger card though goods arrived in warehouse in February.
- Accounting entries were made on periodic basis instead of perpetual basis.
- Purchase of 25 January was treated as a cash transaction.
- Entry for 100 expired units was not made.

Question 6

- 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 of at least one account was shown on the wrong side.
- Balance of capital account was not computed from opening balances.

Question 7

- On overall basis, examinees lack the concept of double entry system and often only single effect of an entry was taken to statement of profit or loss.
- Examinees computed 20% of appropriated profit transferred to capital accounts as percentage of the remaining profit distributed in the ratio of 3:2.
- Presentation of partners' capital and current account balances in the statement of financial position was incorrect.
- Goods issued to A were deducted from closing stock instead of purchases.
- Several types of errors were made in making adjustments for additional information (vii) and (viii). Please refer ICAP's suggested solution for correct treatment.

Question 8

- Examinees unnecessarily prepared correcting entries and wasted their precious time. Examinees who only made correcting entries could not secure any marks.
- Examinees did not adjust net profit for the year and only adjusted assets and liabilities.
- Depreciation was re-calculated for all property, plant and equipment instead of only adjusting it for changes made in property, plant and equipment.
- Effects of matters (iv) and (v) were least well answered.

The End