

RÉSUMÉ OF BUSINESS SUBJECTS

1. STANDARD OF THE PAPER

All the Chief Examiners agreed that the standard of the papers compared favourably with those of the previous years. They noted that the level of difficulty of the papers was maintained consistently and all the questions were within the WAEC examination syllabus.

2. PERFORMANCE OF CANDIDATES

The Chief Examiners for Financial Accounting 2, Principles of Cost Accounting 2, Clerical Office Duties 2 and Typewriting observed that the candidates' performance was better than that of the previous year. It was noted however, that the candidates' performance in Business Management was slightly below that of the previous year.

3. SUMMARY OF CANDIDATES' STRENGTHS

- (a) The Chief Examiner for Financial Accounting noted the following commendable features of most candidates:
 - (i) They presented precise answers;
 - (ii) They provided correct headings and indicated monetary denominations;
 - (iii) They displayed an improvement in the preparation of both the Adjusted Cash Book and the Bank Reconciliation Statements.
- (b) The Chief Examiner for Principles of Cost Accounting also listed the following strengths:

Candidates were able to;

- (i) list the good qualities of Cost Accounting information;
 - (ii) explain Standard Costing and the various standards used in industries;
 - (iii) prepare a Job Cost Sheet and determine the unit cost of production;
 - (iv) calculate the re-order level and the other stock levels.
- (c) The Chief Examiner for Business Management also observed that most of the candidates performed very well on the questions on the Case Study, Principles of Insurance and tools for monetary control. Besides, most of the candidates answered the required number of questions, displayed legible handwriting and expressed their answers in clear language.
 - (d) The Chief Examiner for Clerical Office Duties noted that the candidates showed
 - (i) clear understanding of the Case Study.
 - (ii) good definition of terms and mastery of the subject.
 - (e) The Chief Examiner for Typewriting stated the following strengths of candidates:

- (i) consistency in style of production works.
- (ii) use of correct date for the letter.
- (iii) correct ruling of tabular work, line spacing in letter and tabulation.
- (iv) correct use of paper, alignment and underscoring.

4. A SUMMARY OF CANDIDATES' WEAKNESSES

- (a) The Chief Examiner for Financial Accounting 2 reported that some of the candidates did not adhere to the rubrics of the questions.

He also noted the inadequate coverage of the following topics:

- (i) Characteristics of accounting information;
 - (ii) Accounting ratios;
 - (iii) Preparation of accounts relating to depreciation.
- (b) The Chief Examiner for Principles of Cost Accounting 2 reported that candidates had difficulty in explaining the following topics explicitly:
 - (i) Why overhead absorption rate should be predetermined;
 - (ii) The difference between overhead apportionment and absorption;
 - (iii) Budgetary control and the objective of preparing Cash, Production, Sales and Capital Expenditure Budgets.
- (c) The Chief Examiner for Business Management noted that candidates could not explain:
 - (i) Certificate of deposit;
 - (ii) The characteristics of Negotiable Instruments;
 - (iii) The role of managers.
- (d) The Chief Examiner for Clerical Office Duties reported that some of the candidates displayed poor grammatical expressions and lack of understanding of the questions.
- (e) Finally, the Chief Examiner for Typewriting noted that some candidates were unable to:
 - (i) complete the speed work;
 - (ii) understand the rubrics and marginal instructions;
 - (iii) use punctuation and capitalization.

5. SUGGESTED REMEDIES FOR THE WEAKNESSES

The Chief Examiners suggested that candidates must:

- (i) adhere to the rubrics of the papers;
- (ii) be given sufficient exercises to do;
- (iii) be encouraged to read extensively on both the subject matter and other relevant literature.

BUSINESS MANAGEMENT

1. STANDARD OF THE PAPER

The Chief Examiner reported that the standard of the paper compared favourably with that of the previous year.

2. PERFORMANCE OF CANDIDATES

The Chief Examiner stated that the candidates' performance was slightly below that of the previous year.

3. SUMMARY OF CANDIDATES' STRENGTHS

The Chief Examiner stated that most of the candidates answered very well the questions on:

- (i) the Case Study
- (ii) principles of insurance
- (iii) tools for monetary control

The Chief Examiner also enumerated the following strengths of candidates: legible handwriting, answered the required number of questions and expressed their answers in clear language.

4. SUMMARY OF CANDIDATES' WEAKNESSES

The Chief Examiner noted that some of the candidates could not explain:

- (i) certificate of deposit;
- (ii) characteristics of negotiable instruments;
- (iii) the different roles of managers.

The Chief Examiner also reported that most of the candidates' lack understanding of basic management concepts and principles.

5. SUGGESTED REMEDIES FOR CANDIDATES' WEAKNESSES

The Chief Examiner suggested that candidates must be:

- (i) encouraged to get the prescribed textbooks and syllabus;
- (ii) taken through the topics thoroughly to enable them to master the topics;
- (iii) given sufficient exercises to answer and the exercises must be marked and discussed promptly in class;

- (iv) encouraged to read extensively the prescribed textbooks and other novels to improve on their vocabulary.

6. DETAILED COMMENTS

QUESTION 1

Question (1) was a case study. This is a compulsory question. Candidates were asked to:

- (a) state two approaches adopted by the Managing Director which led to the initial success of the firm.**
- (b) state three challenges facing the firm.**
- (c) explain three promotional activities used by the new entrants to gain a share of the market.**
- (d) give three recommendations the new Managing Director could do to improve on the performance of the firm.**

The performance of candidates, on the whole, shows clear understanding of the passage. In the (a) part of the question, candidates correctly stated the approaches adopted by the Managing Director that led to the initial success of the firm.

In the (b) part, most of the candidates' performance was just average. Answers such as poor planning, good decision making, poor promotional activities and inadequate income for staff are irrelevant.

In the (c) part, while some candidates could not identify the promotional activities, others just listed the promotional activities without explaining them.

In the (d) part of the question, most of the candidates provided the expected answers.

The suggested answers are:

- (a) Approaches adopted by the Managing Director were:**
 - i. involvement of employees in decision-making;
 - ii. good co-ordination of activities of the various branches;
 - iii. setting up of good structures;
 - iv. motivated employees;
 - v. a strong brand name.
- b. Challenges faced by Tight fit Designs were:**
 - i. loss of customers or market share;
 - ii. loss of some key staff;
 - iii. declining revenue;
 - iv. competition from new entrants.
- c. Promotional activities used by the new entrants are:**

- i. **Advertising:** This is a non-personal form of promotion aimed at informing and or persuading customers to patronize a company's products.
 - ii. **Personal selling:** Involves the use of sales force to promote a company's products.
 - iii. **Sales promotion:** This involves the use of incentives such as samples, discounts, gifts to encourage customers to buy more of a product.
 - iv. **Publicity:** Non-paid form of promotion of a company and its products.
- d. The new Managing Director of Tight Fit Designs should:
- i. give free samples or offer discounts/price reduction;
 - ii. provide incentives to motivate existing staff;
 - iii. employ more sales force;
 - iv. engage in aggressive advertising;
 - v. introduce authorized distributors;
 - vi. embark on publicity;
 - vii. conduct market research;
 - viii. introduce new products;
 - ix. offer credit sales.

QUESTION 2

Question (2) was in two parts. The candidates were asked to
(a) explain certificate of deposit and
(b) outline six characteristics of a negotiable instrument.

Some of the candidates who attempted the (a) part of the question had difficulty explaining correctly what certificate of deposit is. They were rather explaining either pay-in-slip or receipt of deposit of cash into either a current or savings account. Most of the candidates who answered the (b) part of the question did very well by outlining most of the relevant characteristics of a negotiable instrument.

The suggested answers are:

- (a) A certificate of deposit is a bank note or an instrument evidencing a promissory acknowledgment by a bank for a receipt of money with an agreement to repay it at a fixed date with interest.
- (b) Characteristics of a negotiable instrument are:
- i. It must be in writing;
 - ii. It must be signed by the maker or drawer;
 - iii. It must be an unconditional promise or order to pay;
 - iv. It must state a fixed amount of money;
 - v. It must be payable on demand or at a definite time;
 - vi. It must be payable to order or bearer, unless it is a cheque;

- vii. The parties to the instrument must be clearly stated.

QUESTION 3

Question (3) was in two parts. Candidates were required to explain

- (a) brand name and**
- (b) six reasons for branding.**

This was a popular question and most of the candidates who attempted it did very well.

The suggested answers are given as:

- (a) a brand name is used to identify and distinguish specific goods or services from others.
- (b) Reasons for branding
 - i. To create brand loyalty: Customers often have a high degree of loyalty to a popular, well established brand.
 - ii. To differentiate the product from others, especially in markets where products are fairly similar. It is important for a firm for its own product to be clearly distinguished from others. Successful branding helps to reduce marketing expenses.
 - iv. It allows flexibility when making pricing decisions. The greater the loyalty of consumers to a particular brand, the more room for manoeuvre a firm will have in its pricing decisions.
 - v. To help recognition of a product: A product with a strong brand loyalty is likely to be instantly recognized by most customers.
 - vi. It helps customers in selecting products.
 - vii. It can be used to modify existing product or introduce a new product.
 - viii. It enhances the image of the company.

QUESTION 4

Questions (4) has three parts. Candidates were asked to

- (a) explain Decisional, Informational and Interpersonal roles of managers**
- (b) list three characteristics of an entrepreneur and**
- (c) explain three management functions.**

In the (a) part of the question, most of the candidates' performance was poor. Instead of explaining the decisional, informational and interpersonal roles of managers, most of the candidates were explaining the words "decision," "information," and "interpersonal."

In the (b) part, instead of listing the characteristics of an entrepreneur, some of the candidates listed the advantages of a sole proprietor. However, most of the candidates explained very well the management functions in the (c) part which indicated that they are very familiar with the topic.

The suggested answers are:

- (a) Roles of managers:
- i. **Decisional role:** The manager plays this role when making changes in policies, resolving conflicts, or deciding how best to use resources.
 - ii. **Informational role:** This requires a manager to provide knowledge, news or advice to employees. A manager plays this role by holding meetings or finding other ways of letting employees know about important business activities.
 - iii. **Interpersonal role:** The manager plays this role by providing leadership within an organization or interacting with others outside the organization.
- (b) Characteristics of an entrepreneur are:
- i. They possess a greater need for independence and autonomy.
 - ii. They are able to perceive ambiguous situations in a positive and challenging way.
 - iii. They have the need to take charge, control and direct others.
 - iv. They have a lower need for social support.

Management Functions:

- (c)
- i. Planning is the management function concerned with anticipating the future and determining the best course of action to achieve organizational goal or it involves determination of a course of action to achieve desired results or objectives.
 - ii. Organizing means bringing the resources together and using them properly for achieving the objectives or plans. It also means arranging ways and means for the execution of a business plan.
 - iii. Staffing refers to manpower required for the execution or performance of a business plan. It involves recruitment, selection, appraisal, remuneration and development of managerial personnel.
 - iv. Directing deals with guiding and instructing people to do the work in the right manner.
 - v. Coordinating involves ensuring that work is carried out orderly among the departments and units within an organization.
 - vi. Controlling is the process through which management ensures that activities conform to planned activities. It is a continuous activity of a supervisory nature.

- vii. Motivation involves a manager encouraging his subordinates to give their best to organization. It means to encourage employees to take more interest and initiative in the work assigned to them.
- viii. Communication involves the exchange of facts, opinion, ideas and information between superior and subordinates. Managers use greater portion of their time on communication in order to direct activities of their subordinates.

QUESTION 5

Question (5) was in three parts. Candidates were asked to

- (a) explain recruitment**
- (b) list four internal sources of recruitment in an organization and**
- (c) state the advantages of internal recruitment?**

This is a popular question. In the (a) part, majority of the candidates explained very well the term “recruitment.” However, some of the candidates left out the salient points of “right people at the right time” in their explanation. In the (b) part, while some of the candidates were wrongly listing the external sources instead of the internal sources of recruitment, majority of them were listing three instead of four internal sources of recruitment. Most of the candidates did very well in stating the advantages of internal recruitment.

The suggested answers are:

- (a) Recruitment is the set of activities used to obtain sufficient number of the right people at the right time to meet the needs of the organization.

- (b) Internal sources of recruitment are:
 - i. posters;
 - ii. circulars;
 - iii. company’s website;
 - iv. company’s newsletter;
 - v. notice boards;
 - vi. employee recommendation;
 - vii. transfer;
 - viii. promotion.

- (c) Advantages of internal recruitment are:
 - i. it reduces the cost of recruitment and training;
 - ii. it saves time or its speeds up the recruitment process;
 - iii. it motivates existing employees and encourages them to work hard;
 - iv. it develops employees’ loyalty and commitment;

- v. it reduces labour turnover;
- vi. it improves relations between management and employees;
- vii. it safeguards the culture of the organization.

QUESTION 6

Question (6) was in three parts. Candidates were asked to

- (a) explain three types of agents: Broker, Auctioneer and Factor.**
- (b) differentiate between ‘del credere agent’ and ‘commission agent’**
- (c) give three actions a principal could take against his agent for accepting bribe in carrying out his work.**

This is not a popular question with candidates. Only a few candidates attempted this question. Most of them could neither explain clearly the three types of agents in part (a) nor differentiate between a “del credere agent” and a “commission agent” in the (b) part. However, most of the candidates answered the (c) part of the question very well by stating that the principal could dismiss or sue the agent.

The suggested answers are:

- (a) Explanation of types of agents:
 - i. **Broker:** This is an agent who brings the principal into a contractual relationship to buy from or sell goods or services to a third party.
 - ii. **Auctioneer:** This is an agent authorized or empowered by law to sell goods for his principal at a public auction to the highest bidder.
 - iii. **Factor:** This is an agent who is employed to sell goods delivered to him by the principal for a commission. He has possession of the goods and can sell in his own name.

- (b) *Del credere agent* is an agent who, for an extra commission, promises to indemnify his principal against any loss which may arise as a result of the buyer’s inability or refusal to pay for the goods supplied to him whereas *Commission agent* is a merchant who buys and sells goods on commission. This agent usually exercises physical control over and negotiates the sales of the goods which are handled by him.

- (c) The actions the principal could take against his agent are:
 - i. summarily dismiss the agent;
 - ii. sue the agent for breach;
 - iii. recover any secret profit from the agent;
 - iv. refuse to pay the agent his agreed commission.

QUESTION 7

Question (7) was in two parts. Candidates were required to

- (a) differentiate between ‘data’ and ‘information’ and**
- (b) outline six uses of computers in business.**

This was the most popular question to majority of the candidates. Most of the candidates did very well except a few candidates who wrote on the advantages instead of the uses of computers.

Candidates were expected to limit their answers to usage in business activities.

The suggested answers are:

(a) *Data* consists of raw facts and figures that are processed into information whereas *Information* is summarized or otherwise manipulated data that is useful for decision making.

(a) Uses of computers in business:

- i. managers and employees share information about their work through the use of computers;
- ii. selling on-line - Some companies market their goods through the internet and consumers are able to shop online;
- iii. advertising - Computers are used to process transactions and documents in a business;
- iv. cash withdrawals and deposits;
- v. storing business information/data;
- vi. manufacturing;
- vii. security surveillance;
- viii. designs;
- ix. diagnosing problems and prescribe solutions

QUESTION 8

The question (8) was in two parts. Candidates were asked to explain

- (a) the following principles of insurance: contribution, proximate cause and subrogation**
- (b) tools for monetary control.**

It was also a popular question. Most of the candidates who answered the (a) part of the question provided the correct explanations of the given principles of insurance. Their explanations were clear and concise with illustrations. In the (b) part, some of the candidates were able to identify/state the tools of monetary control, however, they failed

to explain the two uses of monetary tools which are to either increase or decrease volume of money in circulation.

The suggested answers are:

- (a) i. **Contribution:** This is a principle of insurance that prevents an insured from making profit where he had insured the item damaged with more than one insurance company. The insured will not be paid the sum insured by all the company. They will only contribute pro-rata to compensate him.
- ii. **Proximate cause:** This principle states that only the losses or liabilities which arise from the direct and immediate cause of the event insured against are indemnified. This is a situation where an insured cannot claim compensation if a property which he has insured against fire has been stolen.
- iii. **Subrogation:** Under this principle, after the insurance company has paid compensation on a property, it has the right to take over the property concerned, so that the insured does not make a gain in the process of being indemnified.
- (b) Tools for monetary control include:
- i. **Open market operations:** This is an arrangement where central banks influence the money supply by either selling treasury bills to withdraw money from circulation or buy back treasury bills to pump money back into the economy.
- ii. **Bank rate:** This is the rate at which central banks lend money to commercial banks. If the rate is high the commercial banks also charge high interest rate and thus discourage customers from borrowing and if the interest rate is low this will encourage customers to borrow.
- iii. **Reserve ratio:** This is the amount of liquid assets to be kept by a commercial bank by the order of the central bank. If the central bank wants to increase lending, the reserve ratio will be reduced while reserve ratio will be increased to reduce lending.
- iv. **Special deposit:** This is a deposit collected from commercial banks by the central bank. This reduces the amount of money available for lending by commercial banks.
- v. **Special Directives:** This comes in the form of rules or policies, regulating the areas Commercial Bank lend to and the amount that can be lent in line with government policy.
- vi. **Moral suasion:** This comes in the form of appeal to commercial banks either to lend or not to lend to the economy as a whole or a sector of the economy. Though it is an appeal, strict sanction awaits those who break the law.

CLERICAL OFFICE DUTIES

1. GENERAL COMMENTS

Questions adhered to standards and compared favourably to those of the previous years. The entry figures have progressively declined over the years. The general performance, though not too bad, could have been better.

2. A SUMMARY OF CANDIDATES' STRENGTHS

Candidates adhered to the rubrics of the paper. Questions on the factors to consider before purchasing a new office machine and methods of payment available to an organisation were well answered because candidates understood them well.

3. A SUMMARY OF CANDIDATES' WEAKNESSES

Many candidates still think that the subject is just about reading and could therefore be read and pass. Unfortunately, this is not the case. Some hours of exposure is necessary for a candidate to pass.

The case study is still a challenge to most candidates.

Very few candidates attempted Q7 because it involved calculation however those who attempted it, they did well by finding the expected closing balance of GHC 500.00.

4. SUGGESTED REMEDIES FOR THE WEAKNESSES

Extensive preparation for the examinations is very key to candidates'.

Instructors of the subject are to adopt new strategy (i.e. practical approach) of teaching. Teachers should encourage candidates to study the subject comprehensively.

5. DETAILED COMMENTS

CASE STUDY

- (a) (i) The question requires candidates to state the position of Miss Salome in Bambella Travel Agency.

The answer is receptionist or front office executive/personnel.

Majority of candidates failed to get the answer right.

- (ii) This question asked candidates to suggest two types of visual aids that could be found in Miss Salome's office.

The answers should be any of the following:

- i. Maps,
- ii. Pictures,
- iii. Diagrams of aircraft,
- iv. Globe.

Candidates were not able to provide the required answers however few of them wrote maps as one of their responses.

(iii) Candidates were required to mention the book Miss Salome needed for doing her work and to list four items of information contained in it.

The expected answer is Visitors book/reception register.

The answers for the second part should include:

- i. Visitors' name;
- ii. Visitors' address;
- iii. Visitors' phone/contact address;
- iv. Purpose of visit;
- v. Date of visit;
- vi. The officer visited;
- vii. The time of arrival;
- viii. The time of departure;
- ix. Visitors' signature.

Candidates were able to provide the expected answers.

- (b) The question requires candidates to provide two items of information to be found in the following reference sources:
- i. Telephone Directory
 - ii. Atlas
 - iii. ABC World Airways guide
 - iv. Tourists' Guide.

The answers should include:

1. Telephone Directory
 - i. Names of telephone subscribers
 - ii. Addresses of subscribers
 - iii. Telephone numbers
 - iv. Area codes/country codes
2. Atlas
 - i. Maps of countries and continents
 - ii. Population

- iii. Temperature
 - iv. Time zone
 - v. Physical features
3. ABC World Airways Guide
- i. Arrival of international and local flights
 - ii. Departure of International and local flights
 - iii. Information on fares
 - iv. Information on cargo rates
 - v. Information on ticket offices/Travel Agencies
4. Tourists Guide
- i. Hotel facilities
 - ii. Tourists' sites
 - iii. Maps

Answers to the (b) part of the question were not encouraging as most candidates could not provide the required number of responses or information.

- (c) (i) Candidates were expected to name the other bank document used in the transaction. The answer is pay-in-slip/deposit slip.
- (ii) The question requires candidates to state two uses of a bank statement.

The answers should include:

- (a) It shows the cash flow of the business;
- (b) It shows withdrawals made from the agency's current account;
- (c) It shows charges and collections made by the bank on the account;
- (d) It shows the details of amounts paid into the current account;
- (e) It indicates the bank balance;
- (f) It can be used for account reconciliation.

Candidates were not able to provide the expected responses.

2. This question required candidates to state:

- (a) two disadvantages of line organization structure.
- (b) three advantages of:
 - Functional organization structure
 - Matrix organization structure

Expected answers should include:

Disadvantages of Line organization structure

- i. There is lack of specialization.
- ii. Supervisors are overloaded.
- iii. It is difficult to have personnel with all-round skills.
- iv. Communication is inadequate because it flows from top to down.

Advantages of functional organization structure

- (a) There is better division of work leading to specialization.
- (b) There is greater efficiency among workers.
- (c) Employees have the chance to develop their talents.
- (d) There is effective co-ordination of efforts of the various departments.

Advantages of matrix organization structure

- a) It is very flexible in making changes.
- b) There is free flow of information leading to fast decision making.
- c) It gives workers sense of belonging.
- d) It enables all the various departments to work together for the success of the organization.

Few candidates attempted this question. They were able to provide the expected responses to the (a) and (b)(i) part of the of the question.

3. (a) Candidates were expected to give factors to be considered before purchasing new office machine.

The factors are:

- (i) the cost of the machine;
- (ii) the availability of spare parts on the market;
- (iii) the durability of the machine;
- (iv) the performance of the machine;
- (v) availability of an expert to operate the machine;
- (vi) availability of an expert for the maintenance of the machine;
- (vii) the ability of the machine to reduce cost of production and improve organizational efficiency/the possibility of reducing production cost;
- (viii) accommodation for the machine/floor space.

- (b) Candidates were to state ways of taking care of office machines.

Ways of taking care of office machines include:

- i. the machines should be dusted or cleaned regularly;
- ii. they should be serviced as and when due;
- iii. they should be repaired as soon as they break-down or become faulty;
- iv. when not in use, office machines should be switched off to avoid electric surge;

- v. operators of the machines should be properly trained;
- vi. manufacturer's instructions as contained in the manual should be adhered to;
- vii. the surroundings of the machine should be kept clean;
- viii. the machines should be covered when not in use;
- ix. the machines should be kept away from liquids/solutions;

Candidates' responses for the factors to be considered before purchasing a new office machine were mainly the cost, quality and durability of the machine

- 4. (a) Candidates were required to explain Human Relations.
- (b) Candidates were to list the personal qualities of an office worker.

The answer for (a) should be:

HUMAN RELATIONS is the way and manner in which office workers interact and relate with one another at their work place and how they treat their customers.

Candidates' responses highlighted the interactions among the various parties in an organisation which was correct.

The personal qualities of an office employee include the following:

- i. good appearance;
- ii. good educational background;
- iii. pleasant personality;
- iv. honesty and sincerity;
- v. dependability/reliability;
- vi. politeness/etiquette;
- vii. tact/diplomacy;
- viii. self-discipline;
- ix. punctuality;
- x. physical fitness/good health;
- xi. intelligence;
- xii. resourcefulness;
- xiii. hard work/perseverance;
- xiv. consistency;
- xv. punctuality;
- xvi. initiative;
- xvii. loyalty;
- xviii. hospitability.

Generally, candidates provided the right answers. This is one question which an intelligent candidate who might have not studied the subject could obtain a pass mark.

5. (a) Candidates were required to list methods of payment available to an organization.

The answers should include:

- i. Cash payment;
- ii. Payment by cheque;
- iii. Standing order;
- iv. Credit transfer;
- v. Money transfer;
- vi. Bank draft;
- vii. Direct debit;
- viii. Mobile money;
- ix. Credit/Debit card.

Candidates who attempted this question provided expected answers except some few ones who deviated by stating wages, salaries and commissions as their answers.

(b) Candidates were expected to explain the under-listed types of tax regime:

- i. Goods and services tax/value added tax
- ii. Income tax
- iii. Property tax

- i. Goods and services tax/ value added tax

It is the tax levied on the value or price of a product at each stage of its production and or distribution.

- ii. Income tax

This is a government levy imposed on individuals or families based on certain percentages of their earnings.

- iii. Property tax

This is a tax levied both on the value of a land and the value of any building or other improvement on it.

Candidates were able to explain income tax and property tax but could not give correct explanation to the goods and services tax.

(c) Candidates were expected to state the objectives of government for collecting taxes

The objectives are:

- i. To provide government with revenue;
- ii. To protect local/infant industries;
- iii. To assist government in redistribution of income;
- iv. To provide public utilities;
- v. To prevent dumping;
- vi. To reduce competition of certain goods;
- vii. To control inflation.

Answers to the (c) part was adequate and the most common objective of government for collecting taxes as provided by candidates was to develop infrastructure.

6. (a) Candidates were expected to state the duties of the Chairman at a meeting

The expected answers should be:

- i. Ensuring that the meeting is properly constituted;
- ii. Maintaining law and order among members;
- iii. Ensuring that motions and resolutions are properly worded;
- iv. Ensuring that the meeting is properly adjourned or closed as the case may be;
- v. Presiding over the meeting;
- vi. Ensuring fairness among members especially by allowing the minority to express their views;
- vii. Ensuring that every item on the agenda is adequately treated.

Candidates were able to provide the expected answers.

- (b) Candidates were required to outline activities of the secretary in preparing for a meeting.

The expected answer should be:

- i. Preparing the notice of meeting;
- ii. Preparing the agenda of the meeting in consultation with the chairman;
- iii. Preparing draft minutes of the previous meeting for the chairman's perusal;
- iv. Getting a venue for the meeting;
- v. Sending copies of the notice of meeting to members;
- vi. Ensuring that the venue is made ready for the meeting;
- vii. Getting every item that would be required at the meeting ready.

Many candidates provided activities necessary during the meeting such as taking of notes and compiling attendance which are not correct.

7. Candidates were provided with transactions to enter into the petty cash book.

The expected entries should be as follows:

PETTY CASH BOOK FOR JOSSY APPIAH

Receipt	Date	Details	Total	Stationery	Postage	T & T	Office Tea
500.00	Aug. 1						
500.00	6 th	1 crt. envelopes	100.00	100.00			
	8 th	Postage stamps	50.00		50.00		
	10 th	Taxi fare	20.00			20.00	
	12 th	Provision	60.00				60.00
	15 th	1pkt carbon paper	15.00	15.00			
	18 th	Bus fare	10.00			10.00	
	23 rd	Postage	80.00		80.00		
	30 th	Taxi fare	50.00			50.00	
115.00		Bal c/d	385.00				
385.00	Sept. 1	Bal. b/d	115.00 500.00	115.00	130.00	80.00	60.00

Very few candidates attempted this question, but it is worthy to note that all those who attempted it did well. They were able to draw the table with the items and dates correctly entered.

Addition of figures were also accurate.

FINANCIAL ACCOUNTING 2

1. STANDARD OF THE PAPER

The standard of the paper is comparable to those of previous years. There was no significant change in the format of the paper. The level of difficulty of the paper has been maintained consistently.

2. PERFORMANCE OF CANDIDATES

Candidates' performance was better than that of the previous year.

3. SUMMARY OF CANDIDATES' STRENGTHS

(i) Precision and Conciseness

Candidates' answers to the theory questions in Section A were precise and concise.

(ii) Provision of correct headings and indication of monetary denominations.

In Section B Financial Accounting Practice, majority of the candidates presented their answers correctly headed with appropriate monetary denominations indicated in the financial statements. This practice is in accordance with IFRS requirement on financial reporting and is commendable.

(iii) Preparation of Bank Reconciliation Statements

Candidates' preparation of Bank Reconciliation Statement and the Adjusted Cash Book showed that candidates have grasped the topic.

4. SUMMARY OF CANDIDATES' WEAKNESSES

(i) Non-adherence to Rubrics

The requirements of the question in Section A and B were not strictly adhered to by some candidates. This concern has been emphasized in previous reports. Candidates were expected to answer two questions in Section A and three out of five in B. There were, however, several cases of candidates who attempted more than the required number of questions.

(ii) Deviation and Provision of Irrelevant Material

Requirements such as 'list', 'mention and 'state were not strictly complied with. For instance, Question 3(c) expected candidates to state how specific incomes and expenses given in the question are apportioned in departmental accounts. Some candidates

included in their answers unnecessary materials such as description of the bases and how they are treated in the books.

There were also isolated cases of preparation of Statement of Affairs as at 31/12/16 even though it was not required.

(iii) Inadequate coverage of Topics in the syllabus

The scanty and incomprehensible answers given to the questions on characteristics of accounting information, accounting ratios and preparation of accounts relating to depreciation showed inadequate coverage of some topics.

Additionally, explanation of the components of cost in a manufacturing account showed lack of preparation on the part of candidates.

5. SUGGESTED REMEDIES FOR THE WEAKNESSES

(i) Adherence to the requirements of the question

Teachers should emphasize the foregoing in the preparation of candidates for the examination.

(ii) Coverage of the syllabus

Tutors need to engage students more on topics such as accounting records and accounting information, use of accounting ratios, explanation of components of cost in a manufacturing account and preparation of depreciation accounts since candidates' answers suggest that the topics had not well been covered by them.

(iii) Compliance with requirements

Tutors should emphasize the meaning of such words as 'state, 'list, 'explain' to their candidates. They should be guided through assignments and group work in order for them to appreciate the significance of each.

(iv) Arrangement of work: Details of workings

Candidates need to be informed that marks are awarded for workings and therefore they should not only record the final figures.

6. DETAILED COMMENTS

QUESTION 1

This was a three-part question. The first part required candidates to mention three disadvantages to a business that does not keep proper accounting records. The majority of the candidates who attempted the question were able to identify two of them, that is:

- Inability to ascertain accurate profit or loss;
- It could lead to loss of vital business records.

Other disadvantages are:

- It could lead to wrong assessment of taxes;
- It makes it difficult to prepare financial statements;
- It could lead to difficulty in planning business activities;
- Fraud and dishonesty will not easily be detected.

The second part of the question asked for an explanation of the following characteristics of accounting information:

- Relevance
- Comparability
- Consistency
- Reliability

The relevant answers were:

- **Relevance**
Accounting information is relevant if it is useful for the intended purpose.
- **Comparability**
This means that accounting information should be capable of being compared with those of similar entities and from one period to another.
- **Consistency**
This requires accounting information to be prepared following similar procedures and methods.
- **Reliability**
This characteristic requires accounting information to be verifiable and factual.

The third part of the question required candidates to state two limitations in the use of accounting.

It was poorly attempted. The only limitation that was cited by a few of the candidates was that the use of historical cost reduces the relevance of accounting information in making current decisions.

QUESTION 2

This was a two-part theory question on Manufacturing Account. The first part expected candidates to explain with examples, the following components of cost in a Manufacturing Account.

- (i) Direct material cost;
- (ii) Direct labour cost;
- (iii) Factory overhead.

This part of the question was fairly answered by most of the candidates who attempted it.

Expected answers from candidates were as follows:

- * Direct material cost.
This is the cost of physical inputs/raw materials that can easily be traced to the units produced. For example, cost of wood for producing furniture.
- * Direct labour cost.
This is the cost of human effort that is used in the processing of materials that can be traced to the finished product.
- * Factory overhead
This refers to indirect production costs that are incurred in the processing of goods. For example, factory rent.

Part 'b' required candidates to describe three types of stocks in a manufacturing concern. Candidates were able to identify the three types, that is, raw materials, work-in-progress and finished goods. The descriptions were, however, sketchy. For instance, raw material was described as opening stock and closing stock of goods used in production. A preferred description would be raw materials are unprocessed materials that constitute the initial input in the manufacturing process.

For work-in-progress, candidates were expected to state that "These are partially processed materials in the production process that require further processing". It was a popular question and the performance was average.

QUESTION 3

This was a three-part question on departmental accounts. In the first part, candidates were expected to state business organizations which have the need to prepare Departmental Accounts. The only type given by most candidates was "large general stores having separate departments or sections such as household appliances, frozen foods, books/stationery".

Other organizations are:

- * firm of chartered accountants which have audit, tax and business consultancy departments;
- * Insurance companies with life, marine, motor and burglary departments.

In part 'b', candidates were expected to state two reasons for preparing departmental accounts. Performance in this section was very good with the following reasons featuring in almost all the answers.

- * to ascertain the profit or loss for each department
- * to compare the profit or loss for each department over the years.

Part 'c' of the question required candidates to state how nine income and expense items given in the question are apportioned in Departmental Accounts. A good performance was recorded. Few candidates incorrectly classified the items into administration, selling and distribution, and production costs.

It should be noted, however, that:

The following wrong answers were common:

- (i) depreciation is apportioned on the basis of cost or book value of the fixed asset in each department.
- (ii) in proportion to the sales of each department.

It was the most popular and well attempted question in Section A.

QUESTION 4

The question was in two parts. In part 'a', candidates were to list six users of accounting information.

It was well answered. The majority of the candidates were able to state the number required. Other users which were not stated are financial analyst, trade associations, investors and auditors.

In part 'b', candidates were to state the formula and the use of each of the following ratios:

- (i) Quick ratio

- (ii) Net profit margin
- (iii) Total assets turnover
- (iv) Creditors payment period (in days)

Candidates were able to state the formulae for Quick ratio and Net Profit margin. The formulae for both the assets turnover and creditors payment period (in days) were inaccurately stated. The following were the expected answers:

- The formula for Total Assets Turnover is
$$\frac{\text{Sales} \times 100}{\text{Total assets}}$$
- The formula for Creditors payment period in days is
$$\frac{\text{Trade Creditors} \times 365 \text{ days}}{\text{Credit Purchases}}$$

The other aspect of the question expected candidates to state the use of each of the ratios. Most of the candidates, however, described the ratios invariably restating the formula for each.

The following answers were expected:

- Quick ratio
It is used to measure the ability of a business to pay its short-term debts from current assets after eliminating inventories.
- Net profit margin
It is used to determine the net profit earned on each cedi sales made by the business.
- Total assets turnover
It is used to measure how efficiently a business can use its assets to generate sales.
- Creditors payment period (in days)
It is used to measure on the average the number of days that the business takes to pay its trade creditors.

It was not a very popular question. Performance was below average.

QUESTION 5

This was a practice question on depreciation. It tested candidates' ability to compute depreciation charges on motor vehicles acquired on different dates in a year and subsequent disposal of one of them. The following accounts were to be prepared for the transactions.

- (a) Motor Vehicle Account
- (b) Provision for Depreciation on Motor Vehicle

(c) Motor Vehicle Disposal Account

Candidates were expected to apply the company's policy of:

- Calculating depreciation from the date of purchase and a separate account prepared.

In applying the company's policy, the depreciation charged for 2013 for instance would be:

$$\begin{array}{rcl} 10\% \text{ of GH}\phi 800,000 & = & \text{GH}\phi 80,000 \\ 10\% \text{ of GH}\phi 400,000 \times 6/12 & = & \underline{\text{GH}\phi 20,000} \\ & & \underline{\text{GH}\phi 100,000} \end{array}$$

However, if (IAS 16) is applied, full year's depreciation is charged on assets in use at the end of year 2013 is

$$10\% \times \text{GH}\phi (800,000 + 400,000) = \text{GH}\phi 120,000$$

The marking scheme made provision for either of the two methods.

It was evident that calculation of the depreciation charged on the motor vehicle acquired in the course of the year posed a major challenge, likewise the preparation of the Provision for Depreciation on Motor Vehicle Account and the Motor Vehicle Disposal Account.

The double entry application in the preparation of the accounts was poorly executed. It was not a popular question. Performance was below average.

QUESTION 6

This was a practice question on bank reconciliation statement. Prior to the preparation of the statement, candidates were tested on their ability to prepare an adjusted cash book.

The majority of the candidates were able to prepare the adjusted cash book and subsequently the bank reconciliation statement. Few candidates lost valuable marks for incorrect description of items in the revised cash book.

It was the most popular and well attempted question in Section B.

QUESTION 7

This was a practice question on the preparation of a sole trader's

- (a) Statement of affairs at the beginning of the year (1/1/16)
- (b) Trading and Profit and Loss Account for the year ended 31/12/16;
- (c) Balance sheet as at 31/12/16.

These were to be based on a summary of the traders' cash book and additional information on his assets and liabilities at the beginning and end of the year.

The preparation of the statement of Affairs entailed adding up all the assets and deducting the total of the liabilities to arrive at the opening capital. The items should be well described not simply stating the totals of assets and liabilities. It was a well attempted question with candidates adopting either the vertical or horizontal format.

The part 'b' on the preparation of the Trading and Profit and Loss Account was poorly attempted. The majority of the candidates could not prepare the accounts to arrive at the credit sales, credit purchases and the insurance expense figures. In account form, they are as follows:

Total Debtors Account

	₦		₦
1/1/16 Balance b/d	2,000	31/12/16 Cash	20,000
31/12/16/ Credit Sales	<u>21,000</u>	Balance c/d	<u>3,000</u>
	<u>23,000</u>		<u>23,000</u>

Total Creditors Account

	₦		₦
31/12/16 Cash	12,000	1/1/16 Balance b/d	1,000
Balance c/d	<u>500</u>	31/12/16 Credit Purchases	<u>11,500</u>
	<u>12,500</u>		<u>12,500</u>

Insurance Expense Account

	₦		₦
31/12/16 Cash	1,000	1/1/16 Balance. b/d	2,000
Balance c/d	<u>6,000</u>	31/12/16 P/L A/c	<u>5,000</u>
	<u>7,000</u>		<u>7,000</u>
		1/1/17 Balance b/d	6,000

In part 'c', the preparation of the balance sheet was fairly well attempted.

It was a popular question which recorded an average performance.

QUESTION 8

The question was on accounts of Not-for-profit making organizations. The aspects of it which were tested involved the preparation of:

- (a) Subscriptions Account
- (b) Bar Trading Account
- (c) Income and Expenditure Account

Average performance was recorded in the preparation of the Subscriptions Account. The areas of difficulty were the double entry application of subscriptions in arrears and in advance at the beginning and end.

It should be noted that subscriptions-in-arrears at the beginning of the period is a current asset and should be brought down on the debit of the account. Subscriptions paid in advance is a current liability and should be brought down on the credit side of the account.

The account is prepared as follows:

Subscriptions Account			
	Le		Le
1/1/16 Balance b/f	3,900	1/1/16 Balance b/d	8,400
31/12/16 Income & Exp. A/c	60,100	31/21/16 Bank	54,500
Balance c/d	<u>6,300</u>	Balance c/d	7,400
	<u>70,300</u>		<u>70,300</u>
1/1/17 Balance b/d	7,400	1/1/17 Balance b/d	6,300

The preparation of the Bar Trading Account in part 'b' recorded a below average performance. The majority of the candidates could not prepare the Bar Debtors Account to arrive at bar credit sales but wrongly used the bar sales of Le 13,040 as equivalent to total bar sales. The bar expenses needed to be adjusted to obtain the figure to the Bar Trading Account i.e. $Le (2000 + 370 - 540) = Le 1,830$.

The Income and Expenditure Account required to be prepared in part 'c' was fairly well attempted. Its preparation is akin to preparing the Profit and Loss Account. The account

is debited with revenue expenditure and credited with revenue receipts with adjustments being made for prepayment and accruals as appropriate.

A few candidates wrongly posted income items to the debit side of the Income and Expenditure Account and posted the expenditure items to the debit side of the account.

It was quite a popular question and the overall performance was slightly above average.

QUESTION NINE

The question was on the preparation of final accounts of a sole trader. The style of the question did not depart from the previous ones. The items in the Trading Account should appropriately be arranged as follows:

OBINAH

Trading and Profit and Loss Account for the year ended 31st December 2016

	₦	₦	₦
Sales			1,200,000
Less Sales returns			<u>15,000</u>
			1,185,000
Less: <u>Cost of Goods Sold</u>			
Opening stock		300,000	
Add Purchases	1,050,000		
Less Return outwards	<u>18,600</u>	<u>1,031,400</u>	
		1,331,400	
Less Closing stock		<u>360,000</u>	<u>971,400</u>
Gross profit			213,600

Workings should be shown for Salaries, Rates, and Telephone, Provision for doubtful debt and Depreciation on furniture and machinery. Valuable marks were lost for failure to show detailed workings.

For Example: Salaries	90,000
Add Accruals	<u>15,000</u>
P/L A/c	<u>₦105,000</u>

If shown without **working, it would attract only a mark.**

The balance sheet items should properly be classified under fixed assets, current assets and current liabilities.

It was a popular question and the performance was average.

PRINCIPLES OF COST ACCOUNTING 2

1. STANDARD OF THE PAPER

The standard of the paper was similar to that of previous years. All the questions were within the WAEC examination syllabus and the requirements of the questions were clearly stated. The questions covered all aspects of the syllabus and were designed to test candidates' knowledge and understanding of the syllabus as well as their ability to apply the principles in practical situations.

Candidates' performance was also comparable to that of previous years. While some candidates performed excellently others performed poorly. Majority of the candidates however performed above average.

2. SUMMARY OF CANDIDATES STRENGTHS

Candidates were able to;

- (i) list the qualities of good Cost Accounting information and state the differences between financial accounting and cost accounting.
- (ii) explain standard costing and the four types of standards used in industries.
- (iii) prepare a job cost sheet to compute the cost of producing a unit of product.
- (iv) apply marginal costing technique to calculate variable cost per unit, contribution per unit, fixed cost as well as break-even point in units and value.
- (v) calculate re-order level, maximum, minimum stock and average stock levels.

3. SUMMARY OF CANDIDATES WEAKNESSES

Candidates were not able to;

- (i) explain why overhead absorption rate should be predetermined.
- (ii) explain over-absorption and under-absorption and the difference between overhead apportionment and absorption.
- (iii) explain budgetary control and the objective of preparing the cash, production, sales and capital expenditure budgets.
- (iv) apply service costing to prepare the terminal bill for boarding and day students.
- (v) prepare a schedule of earnings for production and a payroll sheet for four workers.

4. SUGGESTED REMEDIES FOR THE WEAKNESSES

- (i) The teaching and learning of the topic on overheads should be improved.
- (ii) More emphasis should be placed on the explanation on budgets as well as the objectives for the preparation of the various budgets.

- (iii) The application of the service costing technique in computing cost in the various service industries should be emphasized.
- (iv) More attention should be given to the teaching and learning of the various methods of computing wages and the preparation of payroll.

5. **DETAILED COMMENTS**

Question 1

This question was on introduction to cost accounting. Candidates were required to:

- list five qualities of good cost accounting information in part (a) and
- State five differences between financial accounting and cost accounting in part (a).

Candidates were able to;

- list the qualities of good cost accounting information
- explain the differences between financial accounting and cost accounting.

Candidates were expected to answer the question as follows:

(a) Good Cost Accounting information should be:

- Clear and understandable to all users;
- Relevant for the intended purpose;
- Available at the time it is needed;
- Economical that is cost of obtaining the information should not exceed the expected benefits;
- Objective and free from personal bias;
- Capable of being verified;
- Obtained from a reliable source.

(b) Differences between Financial Accounting and Cost Accounting.

Financial Accounting	Cost Accounting
(i) Financial Accounting statements are legally prepared by companies.	Cost Accounting information is prepared by the firm. It is optional.
(ii) Information is used for both internal and external use.	Information is purely for internal use.
(iii) Information is based on past or historical cost and revenue.	Past and current data is used to predict the future.
(iv) Reports are made on the profitability of a business.	Information is provided for ascertainment and control of costs.
(v) Financial statements are prepared for the entire organization.	Cost statements may be prepared for any section of an organization.
(vi) There are guidelines and principles that should be followed in the preparation of statement.	Cost statements are prepared to suit the need of an organization.

Question 2

This was a question on overheads. Candidates were required to

- explain why overhead absorption rate should be predetermined
- explain over-absorption and under-absorption of overheads
- state the difference between apportionment and absorption of overheads.

Candidates were unable to

- explain why overhead absorption rate should be predetermined
- explain over-absorption and under-absorption
- show the difference between apportionment and absorption of overheads

Candidates were expected to answer the question as follows:

(a) Reason why overhead absorption rate should be predetermined:

Overhead absorption rates are predetermined because actual overhead rates are determined only at the end of the production period. Those goods that are produced and sold before the end of the production period will be costed using predetermined rates.

(b) Over-absorption and under- absorption of overheads:

Over-absorption of overheads is the situation where overhead absorbed using predetermined rates are higher than actual overheads incurred.

Over absorption of overheads is caused by using too high rate or underestimating the basis of absorption.

Under absorption of overheads is the situation where overheads absorbed using the predetermined absorption rate is lower than the actual overhead incurred.

- (c) Overhead apportionment is the distribution of common cost like rent, rate which relate to the business as a whole to all departments on some equitable basis such as floor space and number of employees while overhead absorption is the recovery of overheads to products and services by allotting overheads to cost units.

Question 3

This question was on standard costing. Candidates were required to

- explain standard costing
- explain four types of standards used in industries

Candidates were able to;

- correctly explain standard costing
- Explain the four types of standard used in industries though some candidates listed the standards without explaining them.

Candidates were expected to answer the question as follows

- (a) Standard costing:
Standard costing is the preparation and use of standard costs, their comparison with actual costs and the analysis of variances to their causes and point of incidence.
- (b) Types of standards:
- (i) Ideal standard: This is the standard based on perfect operating conditions and does not give room for any losses.
 - (ii) Attainable standard: This standard is based on efficient but not perfect operating conditions. This standard gives allowances for normal operating losses.
 - (iii) Basic standard: This standard is designed to be used over a long period of time. It remains unchanged from year to year unless some physical features of relevant operation are altered.
 - (iv) Current standard: This is a standard established for use over a short period of time and it relates to current conditions.

Question 4.

This was a theory question on budgeting and budgetary control. Candidates were required to;

- explain budgetary control
- explain the objective for preparing the cash, production, sales and capital expenditure budgets

- candidates were able to explain budgetary control correctly

- candidates were, however, not able to explain the objective for the preparation of the cash, production, sales and capital expenditure budgets

Candidates were expected to answer the question as follows:

- (a) Budgetary control: This is the establishment of budgets relating the responsibilities of executives to the requirements of a policy and the continuous comparison of actual with budgeted results, either by individual action. The objectives of that policy to provide a basis for its revision.
- (b) The objective of preparing the following budgets:
 - (i) The objective of preparing the cash budget is to be able to plan cash receipts and payments so as to be able to make decision on either raising of further capital or to invest surpluses.
 - (ii) The objective of preparing the production budget is to plan production in terms of quantity and cost of products, to meet expected sales demand and considering the resources available.
 - (iii) The sales budget is prepared to meet forecast demand and to consider available resources and production capacity.
 - (iv) Capital expenditure budget is prepared to plan investment in long term assets to meet expected expansion in operation and considering the cash and other resources available.

Question 5.

This question was a practice question on job costing. Candidates were required to prepare statements to show;

- the cost of producing one unit of a product.
- profit on an order for 250 units of the product at a margin of 25%.

Candidates were able to correctly compute the details of cost of producing a unit of the product and present the statement in a suitable form.

Candidates were, however, not able to compute the profit on the sale of the order for 250 units of the product at a margin of 25%.

Candidates were expected to prepare the statements as follows:

Enjoyment Limited
Statement of Unit Cost of Producing Sweet Dee

	GH¢	GH¢
Direct materials:		
Pee 4kg @ GH¢6	24	
Kay 5kg @ GH¢9	<u>45</u>	69
Direct Labour:		
Grade A 12hours @ GH¢12	144	
Grade B 6hours @ GH¢4	<u>24</u>	168
Direct Expenses	<u>24</u>	
Prime Cost Per unit		261
Overhead – 25% of direct labour (25% of 168)		<u>42</u>
Production cost per unit		<u>303</u>

Statement of Profit on sale of 250 units of Sweet Dee

	GH¢
Cost of production (250units x GH¢303)	75,750
Profit on cost ($\frac{25}{75}$ x GH¢75,750)	<u>25,250</u>
SALES	<u>101,000</u>

Question 6

This was a practice question on marginal costing. Candidates were required to calculate the following from a given information;

- variable cost per unit
- contribution per unit
- fixed cost
- break-even point in units and value
- units to produce and sell to achieve a target profit of D300,000

Candidates were able to compute the following correctly

- variable cost per unit
- contribution per unit
- fixed cost
- Break-even point in units and sales value.

- Candidates were however not able to calculate the units to produce and sell to achieve the target profit of D300, 000.

Candidates were expected to answer the question as follows:

Dodzi Manufacturing

(a) Increase in production = 38,000 – 24,000 = 14,000 bags
 Increase in cost = D1,800,000 – D 1,296,000
 = D504,000

Variable cost per unit = $\frac{D504,000}{14,000bags}$ = D36 per bag

(b) Contribution per unit = Selling Price – Variable Cost
 = D51 – D36
 = D15

(c) Fixed Cost = Total Cost – Variable Cost
 = D1,800,000 – (D36 x 38,000)
 = D432,0000

OR

= D1,296,000 – (D36 x 24,000)
 = D432,000

d) Break Even Point in units = $\frac{\text{Fixed Cost}}{\text{Contribution per unit}}$
 = $\frac{D432,000}{D15}$
 = 28,800 bags

e) Break Even Sales = $\frac{\text{Fixed Cost} \times \text{Selling Price}}{\text{Contribution per unit}}$
 = $\frac{D432,000 \times D52}{D15}$
 = D1,468,800

f) Production to achieve Targeted Profit = $\frac{\text{Fixed Cost} + \text{Target Profit}}{\text{Contribution per unit}}$
 = $\frac{D432,000 + D300,000}{D15}$
 = 48,000 bags

Question 7.

This was a practice question involving service costing. Candidates were required to prepare the terminal bills for boarding and day students separately.

- Candidates were able to calculate feeding, electricity, water, transportation and hostel fees for boarding students and electricity, water and transportation cost for day students.
- Candidates were not able to calculate uniform, maintenance, incidentals, tuition and administration cost for boarding and day students.

Candidates were expected to prepare the bills as follows:

Grace International School
Terminal Bill for Boarding Students

	Le
Feeding	180.00
Electricity	10.00
Water	5.00
Transportation	2.50
Uniforms	10.00
Hostel fees	45.00
Maintenance	2.50
Incidentals	5.00
Tuition	200.00
Administration	<u>18.00</u>
	<u>478.00</u>

Terminal Bill for Day Students

	Le
Electricity	6.00
Water	3.00
Transportation	4.50
Uniforms	10.00
Maintenance	2.50
Incidentals	5.00
Tuition	200.00
Administration	<u>18.00</u>
	<u>249.00</u>

Question 8

This was a practice question on inventory control. Candidates were required to calculate the following inventory control levels:

- Re-order level;
- Maximum stock level;
- Minimum stock level;
- Average stock level.

Candidates were able to calculate all the required inventory control levels correctly. The computation of the re-order, maximum, minimum, and average stock levels were all done very well.

Candidates were expected to answer the question as follows:

Alabi Company Limited

- a) Re-order level $= \text{Maximum Usage} \times \text{Maximum Lead Time}$
 $= 550,000 \times 4$
 $= \underline{2,200,000 \text{ units}}$
- b) Maximum Stock Level $= \text{ROL} + \text{EOQ} - [\text{Min Usage} \times \text{Min Lead Time}]$
 $= 2,200,000 + 600,000 - [350,000 \times 2]$
 $= \underline{2,200,000 \text{ units}}$
- c) Minimum Stock Level $= \text{ROL} - [\text{Average Usage} \times \text{Average Lead Time}]$
 $= 2,200,000 - [450,000 \times 3]$
 $= \underline{850,000 \text{ units}}$
- d) Average Stock Level $= \frac{\text{Maximum Stock Level} + \text{Minimum Stock Level}}{2}$
 $= \frac{2,100,000 + 850,000}{2}$
 $= \underline{1,475,000 \text{ units}}$

Question 9.

This was a practice question on labour remuneration. Candidates were required to prepare

- a schedule of earnings for four employees based on a differential piece rate method.
- a payroll sheet for four employees.

Candidates were not able to

- apply the differential piece rate method of calculating employees' earnings
- prepare the schedule of payment for the employees apart from Kwame who did not earn any differential wages

- prepare the payroll for the four employees apart from Kwame who did not earn income above the basic wages.

Candidates were expected to answer the question as follows:

KAYODE LIMITED
a) SCHEDULE OF PAYMENT FOR PRODUCTION

Employee	Up to 4,000	4,001 – 5,000	5,001 – 6000	Above 6,000	TOTAL
	Le	Le	Le	Le	Le
Kolawole	200,000	33,600	-	-	233,600
Kamara	200,000	60,000	17,500	-	277,000
Kwame	195,000	-	-	-	195,000
Kunte	200,000	60,000	70,000	8,000	338,000

b) **PAYROLL SHEET FOR KAYODE LIMITED**

Employee	BASIC PAY	TOTAL PAY	SSF	PROV. FUND	TAXABLE PAY	TAX	TOTAL DEDUCT.	NET TAX
	Le	Le	Le	Le	Le	Le	Le	Le
Kolawole	200,000	233,600	12,000	10,000	221,600	11,080	33,080	200,520
Kamara	200,000	277,500	12,000	10,000	265,500	14,050	36,050	241,450
Kwame	195,000	195,000	11,700	9,750	183,300	9,165	30,615	164,385
Kunte	200,000	338,000	12,000	10,000	326,000	20,100	42,100	295,900
TOTAL	795,000	1,044,100	47,700	39,750	996,400	54,395	141,845	902,255

TYPEWRITING

1. STANDARD OF THE PAPER

The standard of the paper is comparable to those of the previous years. Candidates performed creditably well in the various tasks, as they scored some high marks.

2. SUMMARY OF CANDIDATES' STRENGTHS

Candidates exhibited good strength in the following areas:

- (1) understanding of the rubrics and other marginal instructions;
- (2) consistency in style of production work;
- (3) use of correct date for the Letter;
- (4) correct typing of envelope;
- (5) correct use of cedi sign;
- (6) correct ruling of Tabular work;
- (7) correct use of line spacing in Letter and Tabulation;
- (8) good use of capitalization;
- (9) correct alignment and underscoring.

3. SUMMARY OF CANDIDATES' WEAKNESSES

Candidates, in spite of the positive strengths demonstrated, showed weaknesses in the following areas:

- (1) non-completion of Speed and Accuracy Test;
- (2) poor accuracy exhibited in the Speed and Accuracy Test;
- (3) poor use of hyphen and dash;
- (4) inconsistencies in the rendition of time;
- (5) poor alignment of figures and sentences;
- (6) inconsistencies in the style of display;
- (7) poor centering and underscoring of headings;
- (8) poor use of punctuation marks;
- (9) poor capitalization;
- (10) poor understanding of abbreviations;
- (11) unachieved speed level of 40 words per minute, which is a requirement for entry.

4. SUGGESTED REMEDIES

- (1) More time should be allocated on the school's timetable for the study of the subject.
- (2) More practice should be done with the typewriter using the touch system rather than the sight system.
- (3) More attention should be given to the typing of production work, that is, check on typographical errors, overtyping, alignment inconsistencies and good use of capitalization.
- (4) Candidates should start by typing the tasks they are comfortable with before moving on to tackle the more difficult ones. This will help them avoid spending too much time on more difficult task that will take all their time.
- (5) Good foundation of the English Language is a necessity and for that matter a student offering Typewriting must take his/her lessons in English Language seriously.

5. DETAILED COMMENTS

TASK 1: SPEED AND ACCURACY TEST

Candidates were required to type a passage in double-line spacing on plain A4 paper. Most candidates were unable to complete the Speed and Accuracy Test up to the 40 words per minute mark and therefore scored zero. However, some of them even though finished the typing, due to some omissions, they could not score the 5 marks allotted for accuracy. This is an indication of unachieved speed level.

TASK 2: MANUSCRIPT

This was a straightforward task to be typed in double line spacing on plain A4 paper. A greater number of candidates performed creditably well in this task, except a few candidates who might have not prepared well for the examination.

The following errors were identified:

- (1) typographical errors and overtyping;
- (2) poor use of line spacing instructions, that is, single line spacing used instead of double line spacing;
- (3) omission of words and lines and short workings, that is, non-completion of passage;
- (4) poor underscoring of heading;
- (5) poor line end division of words.

TASK 3: LETTER AND ENVELOPE

Candidates were required to type a mailable copy of a Letter, take a carbon copy, address an envelope and use the day's date.

Despite the fact that most candidates exhibited good typing skills in this task, some candidates committed the following errors:

- (1) typographical errors and a lot of overtyping;
- (2) reference number typed on the envelope and full stop typed at the end of the date;
- (3) poor rendering of date- wrong typing or not typed in full. For instance, instead of full date of 2nd May, 2018, they typed either 2-5-18 or 2/5/18 or completely omitted the date;
- (4) mistakes in the typing of the postal town, that is, 'Kaduna' wrongly typed as 'Kaduua';
- (5) lack of knowledge of typing headings in capitals and underscore;
- (6) misinterpretation of marginal instruction of 'delete' and typing of the whole line;
- (7) the listed items were wrongly typed as some numbers were not properly aligned;
- (8) inconsistent style of punctuation of Letter and Envelope;

TASK 4: INVITATION CARD

Candidates were required to type an invitation card in double line spacing on plain A5 paper and to centre each line. Some candidates used one and half line spacing and were not penalized because double line spacing on some machines appear to add half space which cannot be contained on a single sheet. Errors committed by candidates included:

- (1) poor rendering of spaced capitals;
- (2) unnecessary underscore of heading;
- (3) inconsistent style of display;
- (4) wrong typing of 'Makurdi' as 'Makundi';
- (5) poor horizontal centering;
- (6) poor capitalization;
- (7) poor rendering of hyphen as indicated on the question paper. Some, however, used dotted line which was accepted.

TASK 5: MENU

Candidates were required to type this task in double line spacing on plain A4 paper. The majority of candidates typed this task and scored very good marks. However, a few of them did not do well. Some of the errors identified were:

- (1) poor typing of headings;
- (2) upper case characters typed in lower case and vice versa;
- (3) use of single line spacing instead of double line spacing;
- (4) poor underscoring of headings.

TASK 6: TABULATION

Candidates were asked to type tabular statement in double line spacing on plain A4 paper and rule as shown. Many of those who typed this task did very well. However, the task appeared to be a problem-solving one as they were requested to arrange months serially as well as typing double-heading columns. Some of the errors identified were as follows:

- (1) mis-spelling of “February”, “September”, and “November” and also failure to render those abbreviations in full;
- (2) typing of two-line headings was not properly done. However, those who typed all on one line were accepted;
- (3) poor alignment of figures;
- (4) transposition sign wrongly interpreted;
- (5) failure of candidates to calculate the width of the table before starting the task and thereby creating larger space at the right column;
- (6) vertical lines passing through the work typed;
- (7) poor ruling of horizontal and vertical lines;
- (8) omission of footnote material.