

RESUMÉ OF BUSINESS SUBJECTS

1. STANDARD OF THE PAPER

For the Business Subjects, all the Chief Examiners asserted that the standard of the papers compared favourably with that of the previous years and all the questions set were clear, without ambiguity and within the scope of the various syllabuses. The level of difficulty and details of requirements was also comparable to that of previous years.

On the performance of the candidates, the reports of the Chief Examiners varied. An improved performance was recorded for Financial Accounting while the Chief Examiner for Principles of Cost Accounting said a few candidates performing excellently.

On the other hand, the Chief Examiner for Clerical Office duties said performance was average while that of Business Management reported that candidates' performance was lower than last year's. The report for Typewriting indicated that candidates' performance was not encouraging.

2. SUMMARY OF CANDIDATES' STRENGTHS

- **Orderly Presentation of Answers**

The Chief Examiners for Business Management, Financial Accounting and Principles of Cost Accounting commented that candidates' answers were well organised with an excellent presentation especially in the practice questions.

- **In-depth Knowledge of Topics**

The Chief Examiners for Principles of Cost Accounting and Business Management noted that a few candidates displayed an in-depth knowledge of the topics in the respective subject areas.

- **Precise and Concise Answers**

The Chief Examiner for Principles of Cost Accounting commented that most of the candidates avoided lengthy introductions and their answers were clear and straight to the point.

- **Correct Headings and Monetary denomination**

The Chief Examiner for Financial Accounting further reported that most candidates provided correct headings for the accounts being prepared and indicated monetary denominations as expected.

- **Adherence to Rubrics and Attempting All Questions**

The Chief Examiners for Typewriting noted that candidates managed to finish their speed test and attempted all tasks. The Chief Examiners for Business Management and Financial Accounting and typewriting also commended the candidates for following the rubrics by attempting the required number of questions and completing their tasks.

3. A SUMMARY OF CANDIDATES' WEAKNESSES

- Lack of Adequate Preparation

All the Chief Examiners for Business Management, Clerical Office Duties, Financial Accounting and Principles of Cost Accounting, stated that from some candidates' answers it can be concluded that they were not adequately prepared to write the papers. Solutions to questions portrayed poor knowledge of the topics and it was clear that they were just guessing.

- Poor Command of the English Language

All the Chief Examiners reported that a good number of candidates had a problem with expressing themselves clearly and meaningfully using the English Language. This, coupled with poor spelling, made the candidates' answers meaningless and disjointed. This prevented candidates from obtaining higher marks.

- Inability to respond to Specific Requirements of the Questions

All the Chief Examiners stated that while candidates did not have difficulty in listing and stating their answers, most candidates were unable to respond appropriately to the demands of the question such as explain, distinguish, or differentiate. This can also be linked to their inability to express themselves well.

- Lack of In-depth knowledge in Certain Topics

The Chief Examiners for Business Management, Clerical Office Duties and Principles of Cost Accounting reported that some candidates lacked in depth knowledge in certain topics. This prevented them from earning maximum marks for the questions. The Chief examiner for Financial Accounting also reported that candidates were unable to classify items.

- Non-adherence to the Requirements of the Questions and Lack of Understanding

It was reported by the Chief Examiners for Financial Accounting, Principles of Cost Accounting, Typewriting and Business Management that some candidates did not take to read and understand the requirements of the questions before attempting to answer. Also some candidates did not attempt the required number of questions or did not follow the instructions/rubrics

4. SUGGESTED REMEDIES

The Chief Examiners suggested the following remedies for the weaknesses documented.

- Extensive preparation for the examination

All the Chief Examiners mentioned that there is the need for all candidates to prepare adequately for the examination and candidates should be guided to understand the topics. Teachers should thus endeavour to cover all the topics in the syllabus.

- Understanding the demands of the question

Candidates must take their time to read the rubrics and the questions carefully to understand the requirements before answering. They must learn to select the questions they are well prepared for and follow instructions.

- Improving usage of the English Language

Candidates must read widely and work more exercises in order to improve upon their communication skills. They must also learn to write their answers in clear and simple language to avoid ambiguities.

- Showing Detailed Working and Correct Headings

Candidates must show all workings leading to their final answers as marks are mostly awarded for workings. Candidates must also learn to use the correct headings and titles for their diagrams and presentations.

- Working of more exercises

There is the need for candidates to go through more exercises in their spare time. Also teachers/instructors must give student more exercises as practice makes perfect.

BUSINESS MANAGEMENT

1. GENERAL COMMENTS

The standard of the paper compared favourably with those of the previous years. However, the candidates' performance was below that of the previous year.

2. SUMMARY OF CANDIDATES' STRENGTHS

Some of the students did well to explain concepts like decentralization. Leadership, corporate social responsibility and parties to a cheque. A few candidates also gave relevant examples to explain the points they raised. Some of the students are to be commended for writing legibly.

3. SUMMARY OF CANDIDATES' WEAKNESSES

Most of the candidates could not answer the case study questions.

Some of the candidates did not read over their answers. There were omission or inclusion of words that rendered their answers to questions very bad.

Some of the candidates deviated from the required answers. Most of them also lacked understanding of concepts like globalization, economic integration and decentralization. They could not explain the various documents used in international trade.

Most of the candidates displayed poor expression of sentences.

4. SUGGESTED REMEDIES FOR THE WEAKNESSES

Candidates must be encouraged to read widely on the topics in the syllabus. They must also be encouraged to cultivate the habit of reading to improve upon their vocabulary and expressions.

The candidates need to be taken through a lot of class exercises and tests to help them master the concepts in Business Management. They must be helped, more especially, on how to answer case study questions.

Finally, students must be advised to read over their answers and improve upon their handwriting.

5. DETAILED COMMENTS

QUESTION 1 (CASE STUDY)

This was the "Case Study" which candidates had to read and use application to answer the questions.

(a)(i) Explain decentralization

It is the transfer of decision making power and assignment of accountability and responsibility to all levels of organization.

Most candidates said decentralization is whereby demand for the banks products made it successful; and others wrote – decentralisations whereby organization gives freedom or right to the people in the organization.

(ii) **State 3 benefits that the bank derived from decentralization.**

- **decisions were taken quickly**
- **it motivated staff**
- **it brought better control and supervision**
- **it reduced the burden on top executives**

Candidates wrote that the bank recorded high profit; customer's requests were promptly attended to etc.

(b) List 4 services that could be provided by the bank

- accepting deposits
- honouring payments
- advising customers etc.

Some candidates wrote or listed the following police service, fire service, Prison service, and others said the bank should reduce interest on loans.

(c) **State 3 factors that contributed to the initial success of Home Touch Bank**

Ltd.

- decentralization of decision making
- provision of a variety of financial banking products
- prompt action on customer's request

Candidates copied directly from the passage – all decisions were taken without approval from head office etc.

(d) **Suggest three 3 recommendations that will help revive Home Touch Bank**

Ltd.

- there should be decentralization
- branch managers should be allowed to take decision within their functional areas ect.

QUESTION 1

Candidates copied a lot of things from the passage as answers to the question. eg. There should be reduction in the banks' products; there should be increase in demand for the banks 'products etc.

Candidates treated the "Case Study" as comprehension exercise by lifting answers from the passage and ended up performing woefully.

QUESTION 2

- (a) **What is a product? – It is a bundle of utilities that satisfy consumers' need or wants.**
- (b) **State and explain any four reasons for the failure of a new product –poor timing, competition, products of detest high production cost, inappropriate pricing.** This was a popular question and candidates who attempted it did well.

A few candidates however defined product as anything offered, at the market for sale. This category of candidates stated the reasons for the failure of a new product with out explanation.

QUESTION 3

Candidates were asked to explain the following documents used in international trade.

Export Order, Bill of Lading, Consular Invoice, Certificate of Origin and Certificate of Insurance.

It was not a popular question because only a few people attempted it. Surprisingly the few who attempted it did very well.

QUESTION 4

- (a) **What is a cheque?**
- (b) **Identify and explain the parties to a cheque**
- (c) **Outline three essential features of a valid cheque**

This was a very popular question.

It was answered very well and many candidates scored the full marks. In the "c" part where candidates were asked to give three features, some gave four and others gave, five correct features.

Only a handful of candidates in their explanations took pay to be drawee and vice versa.

QUESTION 5

(a) Reasons for the failure of public corporations:

- **Interference from politicians**
- **Public corporations record consistent losses**
- **Mismanagement of resources**
- **Recruitment of wrong people**
- **Lack of effective supervision**

(b) Advantages of limited liability companies

- large capital
- perpetual existence
- transfer of shares
- engagement of experts
- limited liability
- economics of scale

Candidates who attempted this question did better at the “b” part than the ‘a’ part. On the whole they did quite well.

QUESTION 6

(a) What is leadership – It is how a manager is able to influence his/her subordinates to achieve organizational goals.

(b) Explain 3 types of leadership styles

- autocratic – does not seek the opinion of subordinates
- democratic – involves subordinates in decision making.
- laissez-faire – subordinates are given large degree of freedom to establish their own objectives and make decisions on their own.

(c) Sources of power – Instead of writing on coercive power, legitimate power, Referent power, expert power, reward and information powers some candidates wrote on Democratic Power, Authority Power, Worldly Power and Divine Power and scored no work.

Majority of candidates who attempted this question did not do well.

QUESTION 7

The question was in three part:

- (a) Explain economic integration**
- (b) Distinguish between common market and economic union**
- (c) Explain three causes of globalization**

Expected answers:

- (a) Economic integration is a form of International Corporation among nations to foster their economic interests.
- (b) Common market is an arrangement whereby participating countries have the same internal and external tariffs. Whereas Economic Union has common tariffs on imports from-on-member countries.
- (c) Causes of globalization include:
 - (i) Technology: advances in technology have resulted in increased production and therefore new market will therefore have to be found.
 - (ii) Transportation system: improved transportation system or net network has made it very easy to move goods around the globe.
 - (iii) Information and communications technology including internet which enable individuals and organizations to order and pay for goods.

The question was not popular. The few candidates who attempted it did not explain the term 'Economic integration' neither did they show a distinction between 'Common Market and Economic Union'.

A candidate wrote that 'A common market is a place where ordinary foodstuff like cassava, plantain, pepper, and order things are sold and bought, whereby Economic Union is when all the union in the economy met'

QUESTION 8

The question was in two parts.

- (a) What is corporate social responsibility?**
- (b) State and explain four ways in which a business can be socially responsible.**

EXPECTED ANSWERS:

- (a) Corporate social responsibility refers to the obligation of the organization to protect and/or enhance the society in which it operates.
- (b) ways in which a business can be socially responsible include:
 - (i) Satisfying employees: - provision of good working environment and facilities for the employees.
 - (ii) Protecting the environment:- ensuring that its activities do not pollute the environment.
 - (iii) Taxation: - by paying its taxes promptly etc.
 - (iv) Employment: - by employing same members of the community
 - (v) Scholarship: - by awarding scholarships to brilliant but needs students.
 - (vi) Provision of social amenities to the community – eg. Schools, water etc

The question was not popular. Those candidates who attempted it did not perform well.

Unfortunately, water, electricity, roads etc, as main points, and ended up scoring only three out eight (8) marks.

CLERICAL OFFICE DUTIES

1. GENERAL COMMENTS

Questions adhered to standards and compared favourably to those of the previous years.

The general performance of candidates could be described as average.

2. A SUMMARY OF CANDIDATES' STRENGTHS

Some questions were well answered because candidates understood them well.

3. A SUMMARY OF CANDIDATES' WEAKNESSES

The greatest weakness of candidates was their inability to identify the problems in the case study.

4. SUGGESTED REMEDIES FOR THE WEAKNESSES

Instructors of the subject are to adopt new strategy (i.e. practical approach) of teaching. Teachers should encourage candidates to study the subject comprehensively. Again candidate should be exposed to the subject over a period of time to prepare them adequately to write and pass the subject.

5. DETAILED COMMENTS

CASE STUDY

1. (a) **Candidates were expected to name and explain the source of recruitment the job seekers were using before the company (Fadugu Telecommunications Company) advertised.**

Expected answers included the following;

- i. Unsolicited application.
- ii. Unsolicited application is where applicants write letters to companies seeking for jobs without any advertisement declaring vacant positions.

*Candidates were able to provide good answers.

- b) **Candidates were expected to suggest **five** activities that may be involved in the employment procedure at Fadugu.**

Expected answers should include:

- i. Declaration of vacant positions.
- ii. Receipt of application letters
- iii. Short listing
- iv. Interview
- v. Selection
- vi. Offer of appointment
- vii. Referees
- viii. Medical test

- ix. Police clearance/criminal checks
- x. Induction/training courses
- xi. Advertisement.

*This question was well answered.

- c) (i) Candidates were to identify the department that processes the letters of application of the job seekers.

The expected answer is

Human Resource Management/ Personnel Department.

*Candidates easily identified the department.

- (ii) Candidates were to list **five** other functions the department performs.

The expected answers should include;

- i. Recruitment and selection of staff
- ii. Performance appraisal of employees
- iii. Staff discipline
- iv. Staff welfare
- v. Staff promotion
- vi. Induction and training of staff
- vii. Fixing of wages and salaries
- viii. Industrial relations and grievance handling
- ix. Maintenance of staff records
- x. Designing job specifications
- xi. Manpower planning.

*This question was well answered as candidates clearly understood it.

- (d) Candidates were to state **eight** items that may be found in the newspaper advertisement of Fadugu Telecommunications Company.

The answers should include:

- i. The name and address of the company
- ii. Name of vacant position
- iii. Educational background
- iv. Experience
- v. Age
- vi. Mode of application
- vii. Addressee's address
- viii. Conditions of service
- ix. Recommendation
- x. Closing date
- xi. Marital status

xii. Hobbies/interests

*Most candidates were able to state a few of the items listed above.

2. (a) The question expects candidates to outline four causes of health hazards in an office.

Expected answers are as follows:

Causes of health hazards in the office are:

- i. Non-use of protective clothing during working hours.
- ii. Poor ventilation at the place of work.
- iii. Non-use of appropriate tools and equipment to perform a task.
- iv. Insanitary working environment.
- v. Overcrowding in the office.
- vi. Exposure to excessive noise.
- vii. Poor lighting system in the office.
- viii. Non-observance of health regulations.
- ix. Stress and overload of work.
- x. Ignorance of workers about health hazards.

(b) Candidates were to state four ways an office can prevent fire accident.

Answers should include:

1. Install fire extinguishers
Handle highly inflammable substances with extra care
2. Regular checks to detect electrical and non-electrical faults
3. Regular maintenance of office equipment
4. Regular education of office staff about possible causes of fire.
5. Installation of fire alarms
6. Avoidance of overload of socket/power point
7. Switch off electrical appliances at the end of each work day
8. Ensure that all electrical installations are handled by expert.

*Candidates mixed up answers for 2(a) and 2(b).

3. (a) (i) This is a common recall question. Candidates were to state what an index in filing is.

The answer should be a device/means of finding the position of records in a filing system quickly and easily.

(ii) Candidates were to list four types of index.

The types are:

- i. Book /ordinary page index
- ii. Strip index

- iii. Wheel/rotary index
- iv. Visible card index
- v. Vertical card index
- vi. Punch edge card index.

*Candidates, in most cases, failed to identify the types of index available.

- 4. (a) The question requires candidates to define computer and the answer should be an electronic device used to process data at a very high speed, store it and retrieve in the form of organised information with maximum level of accuracy.
- (b) Candidates were expected to state **five** advantages of lateral filing.

ADVANTAGES of lateral filing

- i. It ensures easy storage of files/documents
- ii. It facilitates easy retrieval of files/documents
- iii. It saves office space
- iv. It allows for side by side or front to back filing
- v. It allows a number of files to be seen at a glance
- vi. It is easy to store a large volume of files.

*Questions on lateral filing indexing are poorly answered in most cases

- 5. (a) **Candidates were expected to state six items that should appear on a receipt.**

The answers should include:

- i. Name of the payee
- ii. Date of payment
- iii. Amount paid stated in words
- iv. Amount paid stated in figures
- v. Signature of the recipient
- vi. Balance to be paid
- vii. Name of the company issuing the receipt
- viii. Receipt number
- ix. Description of the goods and services paid for
- x. Signature of the person issuing the receipt
- xi. Address of the company issuing the receipt

*Candidates' performance can be described as average.

- (b) This question requires candidates to explain the following documents as used in business transactions.
 - i. Advice note
 - ii. Debit note
 - iii. Delivery note
 - iv. Letter of enquiry

v. Quotation

The answers should be:

ADVICE NOTE:

It is a document prepared by the seller and sent to the buyer to inform him about the dispatch of the goods ordered and it enables the recipient to check that the right goods have been sent.

DEBIT NOTE

It is a document sent to the buyer when goods sold to him have been under-charged on an invoice, to correct the under-charge.

DELIVERY NOTE

It is an accompanying document giving the descriptions and quantities of the goods supplied and also enables the recipient to check the correctness of the supply.

LETTER OF ENQUIRY

This is a trade letter sent by the buyer to a specific seller to find out about the goods available, their prices and terms of payment.

QUOTATION

It is a reply to the letter of enquiry sent by the seller to the buyer stating clearly his selling terms and delivery conditions.

*Candidates' performance was below average. While goods answers were given to letter of enquiry and debit note, the rest were poorly answered.

6. (a) Candidates were to list six functions of an office.

Expected answers should include:

FUNCTIONS OF AN OFFICE

- i. It receives information
- ii. It gives out information
- iii. It safeguards assets
- iv. It records information
- v. It analyses information
- vi. It processes information
- vii. It arranges information

***This is an easy question patronized by most candidates.**

(b) Candidates were to list five duties of each of the following personnel.

- (i) General clerk**
- (ii) Private secretary**

The answers should be

General Clerk

- i. Filing of documents
- ii. Collating and stapling of documents
- iii. Maintaining office records
- iv. Duplicating office records
- v. Reception duties
- vi. Preparing office tea
- vii. Operating the telephone switch board
- viii. General mailroom duties
- ix. Writing simple official letters
- x. Routing account work

Private Secretary

- i. Arranging meetings
- ii. Taking down minutes and reports
- iii. Receiving and transcribing dictation
- iv. Taking care of manager's petty cash
- v. Keeping the manager's diary
- vi. Arranging the manager's appointments and engagements
- vii. Making manager's travel arrangements, booking of hotels, etc
- viii. Receiving and entertaining visitors
- ix. Handling telephone calls
- x. Filing of manager's personal and business correspondences
- xi. Supervising junior secretarial staff

*Some good answers were provided for private secretary. That of general clerk was poor.

7.

(a) **Candidates were to state three features of courier services.**

The answers should include:

- i. They provide door-to-door service
- ii. Parcels and letters are delivered on time
- iii. They are fast and reliable
- iv. They provide proof of delivery
- v. There is guarantee security of mail/documents

***This was a relatively an easy question.**

(b) **Candidates were expected to explain the purposes of using each of the following postal services:**

- i. **Pose restante**
- ii. **Registered mail**
- iii. **Recorded delivery**

- iv. **Business reply service**
- v. **Private mail bag**

The answers should be:

Post Restante: this is used by travellers and visitors who have no permanent addresses to receive their mail at the post office.

Registered Mail: to provide extra security for valuable letters and parcels by post.

Recorded Delivery: to provide proof of dispatch and delivery to senders of correspondences.

Business Reply Service: to enable the sender of a correspondence to pay the cost of postage for the reply from its recipients.

Private Mail: to enable large institutions without letter boxes to collect their mail.

*Almost all candidates who attempted this question were unable to give the required answers.

8. (a) Candidates were to write the following abbreviations in full:

- (i) cc
- (ii) wef
- (iii) PTO
- (iv) NB

cc - carbon copy

wef - with effect from

PTO - please turn over

NB - Nota bene/ note well/note

(b)(i) Candidates were to explain **three** purposes of a meeting.

Purposes of a meeting

1. To deliberate over issues
2. To report on some activities
3. To inform members of the outcome of an investigation
4. To share knowledge and experience on how to solve a problem
5. To enable employees express their grievances to management
6. To enhance internal relations in an organisation
7. To give members of a meeting the sense of recognition
8. To help members participate in management

*Generally candidates failed to articulate the purposes of meetings.

(b) (ii) Candidates were to explain **three** requirements of a valid meeting.

Requirements of a valid meeting are:

1. It must be properly convened – appropriate notices should be circulated with agenda and the time for circulating must not be breached.
2. It must be properly constituted – there has to be a chairman and secretary and quorum formed and maintained throughout.
3. It must be properly conducted – it must have a legal backing and procedures of the conduct of a meeting followed.
4. It must be held in accordance with the stipulated rules and regulations.

*In the estimation of candidates, a valid meeting should have a quorum and nothing else.

FINANCIAL ACCOUNTING 2

1. GENERAL COMMENTS

The standard of the paper as well as candidate's performance is comparable to those of previous years. There has not been any remarkable change.

2. SUMMARY OF CANDIDATES' STRENGTHS

A summary of candidates' strengths i.e. commendable features/improvement noted in **candidates' answers which should be encouraged.**

- **Precision and Conciseness**

The answers to the theory questions in Section A; were precise and concise. Candidates avoided unnecessary preambles to solutions to theory questions.

- **Provision of correct headings and monetary denominations**

Majority of the candidates presented their answers correctly headed with appropriate monetary denominations indicated in the financial statements in Section B. This practice is commendable as it is in accordance with IFRS requirement in financial reporting.

Presentation/Arrangement of work

- **Arrangement of work**

Candidates' showed appropriate sub totals and brought balances in the various accounts they prepared. They also showed workings to their solutions. They also avoided unnecessary cancellation in their works.

- **Preparation of Departmental Accounts**

Candidates demonstrated remarkable improvement in the preparation of departmental accounts. The apportionments to the various departments were correctly made and the total columns provided as part of the answer.

Even though Question 5 on journal entries did not specifically ask for narrations candidates indicated them in accordance with the standard practice in accounting.

3. SUMMARY OF CANDIDATES' WEAKNESSES

- **Non-adherence to some requirements of the question.**

As had been pointed in previous reports, the tendency of some candidates not adhering strictly to the instructions of the paper still prevailed.

In Section A, candidates were required to answer two questions out of **four**.

However, several cases of candidates answer more than the required number of questions.

- Specific requirements such as; “list” (Question 1a), “State” (Question 2b); “Explain” (Question 2c and 3a) and “Distinguish” (Questions 3b) were strictly not complied with. For instance, in Question 1b, descriptions of the items were not required as was done by some candidates.
- In section B, Question 7, the requirements did not include preparation of statement of affairs as at 31/12/2013 and/or Balance sheet as at 31/12/2013. These statements were still prepared by some of the candidates.
- Few candidates ignored the directions to candidates as indicated on the cover page of the answer booklets.
- Inadequate coverage of subject matter:
- Just as in previous years, solutions to questions on accounting ratios and partnership accounts revealed inadequate preparation on these topics.

Lack of understanding of certain topics

- In Question 4(a), specific ratios such as current ratio, Gross Percent %, were wrongly stated as falling into the main groups of accounting ratios. Candidates’ understanding of interpretation of ratios was tested in Question 4(b). The result was abysmal.
- The few candidates who attempted Question 8 on partnership showed lack of understanding of the topic. Some even treated capital and current balances as appropriation of profit in the profit and loss appropriation account.
- **Inability to properly classify items in the manufacturing Accounts,**

In the preparation of manufacturing Accounts in Question 6, classification of items which make up prime cost and factory overhead totals couldn’t correctly be made. Items such as factory fuel and description of equipment were wrongly treated as components of prime cost and direct factory expenses as a factory overhead item.

4. SUGGESTED REMEDIES

- **Adherence to rubrics of the question.**

Candidates should adhere to the instructions as stated on the question paper. For example, Attempt five questions in all, two in Section A and three from Section B means exactly that. The examinee is not at liberty to change instructions. Teachers should emphasize the foregoing in the preparation of students for the examination.

- **Arrangement of work: Details of workings.**

A cardinal rule in accounting practice examination that should be observed by candidates is that all workings must be shown since marks are awarded for details. Valuable marks are thus lost when only the final figures are shown. For example, the manufacturing Account in Question B will disclose for manufacturing wages details as follows (each item attracting a tick ie 3 ticks)

Manufacturing wages	Le 16,500
Add: Accruals	4,000
	20,000

Instead of entering the aggregate figure of Le 20,500 only which would attract a tick.

- **Coverage of the syllabus.**

The scanty answers provided to Questions 4 (Accounting ratios) and 8 (Partnership Accounts) suggest that the topics had not been well covered by the candidates.

Instructions should not guide students on grasping the formulae for computing the various ratios, but equally must emphasize the interpretation of each ratio. Practical scenarios may be adopted in this direction.

In partnership Accounts, the preparation of Profit and Loss appropriation Account and Partners' Capital and Current Accounts in columnar form should be given greater attention. The purpose of each account should be clearly spelt out. Students should be guided with comparative questions on preparation of accounts of a sole proprietorship and that of partnership for them to appreciate the differences between them.

- **Compliance with requirements**

Instructions should emphasize implications requirements such as 'state', 'list', 'explain', 'what is to students. They should be guided through assignments, group work to appreciate the significance of each.

Example: A question may be set using different requirements such as

- State four accounting concepts
- Explain four accounting concepts
- What are accounting concepts?

DETAILED COMMENTS

QUESTION 1

This was a three – part question on source documents and uses of subsidiary books.

The first part tested Candidates on the meaning of source documents. Candidates were expected to state that a source is:

- An original document evidencing a business transaction.
- Forms the basis of entries in the books of accounts.
- Provides basic details about a transaction.

Variations of the explanations are acceptable but must include the three basic points outlined above. A lot of the Candidates were able to explain the first two points but omitted the third point.

Candidates should note that source documents are not the same as journal.

The second part of the question required Candidates to state six types of the source documents.

Majority were able to state the following types:

- Cash receipts
- Sales invoice
- Purchase invoice
- Credit Note
- Debit Note

Incomplete answers such as cheques, statements petty cash instead of cheques Stubs/Counterfoils, bank statements and petty cash vouchers respectively were prevalent.

Few candidates described the documents which of course attracted no additional marks.

The third part of the question required candidates to state three uses of subsidiary books ie.

What are subsidiary books generally used for? The question therefore did not ask for identification of various subsidiary books and the use of each. Majority of the Candidates however, produced answers to that effect. Examples: Purchases day book is used to record credit purchases; Sales day book is used to record credit sales.

Candidates were expected to state that subsidiary books are used:

- As the primary record of transactions since they are the first to be written direct from the source documents.
- To provide greater details about transactions than the ledgers will do
- As backup for entries made into the ledger
- As means of classifying data obtained from business documents. It was a popular question. Average performance was recorded.

QUESTION 2

The question was on aspects of bank reconciliation statement. The first asked for the meaning of bank reconciliation statement. Candidates were expected to state that:

- It is a statement prepared by a bank's current account holder on receipt of a bank statement.
- It is prepared to bring the firm's cash book (bank column) balance into agreement with its bank statement balance.

- Candidates focused on the second part, but even with that, the cash book (bank column) was simply stated as cash book writing the ‘bank column’.
- The ‘b’ part of the question required candidates to state three reasons for preparing a bank reconciliation statement. Most Candidates got two reasons. A third not mentioned is they are prepared in order to explain any difference between the balance as per the bank column of the cash book and the bank statement balance.
- The ‘c’ part of the question asked for explanation of the following terms:
 - i. Unpresented cheques
 - ii. Standing order
 - iii. Credit transfer
- For two marks awarded per question, detailed descriptions were not expected. Concise answers required and these were presented for unpresented cheques and standing orders. Only an aspect of credit transfers that these are payments made direct into a customer’s account in the bank was stated. The other part that they are made by third parties was omitted. It was a fairly popular question. Performance was above average.

QUESTION 3

This was a two – part question. The first part tested candidates on various terminologies associated with not- for- profit making organisations.

Candidates were to explain the following terms:

- i. Accumulated fund**
- ii. Subscription in arrears**
- iii. Receipts and payments account**
- iv. Income and expenditure accounts**
- v. Entrance fees**

The additional points missing from majority of candidate’s answers were:

i. Accumulated Fund:

It is the difference between the total assets and total liabilities of a not-for-profit making organisation at any point in time.

ii. Subscription in arrears:

It is the amount of subscription that is outstanding or has not been paid by a member as at **the time preparing the accounts of the club**

iii. Receipts and Payments Account:

The debit side shows details of opening cash/bank balances and all cash receipts while the credit side indicates all cash/bank payments and their balances.

iv. **Income and Expenditure Account:**

It records only revenue expenditure and revenue receipts and it discloses a balance as surplus or deficit.

The 'b' of the question was on distinction between shares and debentures. Candidates were not expected to explain the terms separately but to show clear differences between them such as:

- Shares attract dividends while debentures attract fixed interest.
- Holders of shares are part owners of the company while holders of debentures are creditors to the company.
- Shares are fractions or proportions of members' interest or investments in a company while debentures are written acknowledgement of a long term loan given to a company.

It was quite a popular question which recorded average performance.

QUESTION 4

This was a question on accounting ratios. The first part expected candidates to state four broad groupings of accounting ratios. The classifications which should be listed without descriptions and examples of each group are:

- i. **Profitability Ratios/ Performance Ratios**
- ii. **Liquidity Ratios/Solvency Ratios**
- iii. **Efficiency Ratios/Asset Ratios/Activity Ratios**
- iv. **Capital Structure Ratios/Gearing Ratios/leverage**
- v. **Security ratios/Investor Ratios/Shareholder Ratios**

Few candidates attempted this question and performed poorly. Examples of ratios such as Current ratio, Gross Profit Percentage, ROCE were incorrectly stated as the answer.

The second part tested the understanding of the ratios. Nine statements were stated and candidates were expected to identify which ratio relates to each of them. The style of the question is a departure from previous ones on the topic which was mainly on computation of specific accounting ratios.

Few candidates attempted this question. Answers suggest guess work by candidates. For instance, Current ratio and Gross Profit Percentage were repeatedly stated as being applicable to a lot of the substances.

The ratios identifiable with the statements are as follows:

- i. Return on Capital Employed (ROCE)
- ii. Stock turnover; Inventories Days; Stock turn or Turnover of stock.
- iii. Debtor Days; Receivable days; Average Collection Period; Debtors Collection Period
- iv. Creditor Days; Payable Days; Average Payment Period; Creditors Payment
- v. Gross Profit Margin; Gross Profit Percentage; Gross profit to Sales Ratio; Gross Profit Sales

- vi. Current Ratio or Working Capital Ratio
- vii. Quich Ratio Acid – Test Ratio
- viii. Net Profit Margin; Net Profit Ratio; Net Profit Percentage; Net Profit to Sales Ratio, Net Profit Sales.
- ix. Interest Cover.

QUESTION 5:

This was a practice question of an entity whose trial balance failed to agree. The undisclosed difference was placed in Suspense Account.

Subsequently, the errors accounting for the difference was discovered. Candidates were therefore required to prepare in the first part of the question, journal entries to correct the errors and in the second part a Suspense Account.

In the ‘a’ part majority of the candidates were able to correctly pass five out of the seven journal entries. The two problem areas were items (iv) and (v). Candidates incorrectly stated the entries as follows:

	Dr.	Cr.
	\$	\$
Iv . Suspense Account	410	
Damilols’s Account		410
Instead of		
Damilola’s Account	410	
Suspense Account		410

Discount received from Damilola not posted now corrected.

V. Supplier’s Account	750	
Suspense Account		750
Instead of		
Supplier’s Account/Trade Creditors A/C	180	
Suspense Account		180

Value of goods returned understated in Supplier’s Account now corrected.

Candidates should note the following:

- Only errors which affect the agreement of the trial balance are corrected through the Suspense Account.
- Conventionally, debit entries are written first when preparing a journal followed by credit entries not vice – versa as few candidates did.
- The heading of ‘a’ should read “The Journal or “General Journal” NOT Journal Account or Journal Entries.

The ‘b’ part, the entries in the Suspense Account were incorrectly described. The same item, Suspense, was stated therein instead of the corresponding account. Example

Suspense Account

	\$
I. Suspense	1000

Instead of:

	Suspense Account
	\$
i. Salako Account	1000

The difference in the Suspense Account should be described as 'Difference in the Trial Balance' (in this case \$740) NOT as balance carried down.

It was a popular question. An average performance was recorded.

QUESTION 6

The question was on preparation of a company's Manufacturing Trading and Loss Account. In the Manufacturing Account, Candidates were expected to demonstrate their understanding of the classification of components of prime cost and factory overheads leading to the ascertainment of cost of production.

The additional task was the transfer of goods manufactured to Sales department at Cost plus 10%.

The prime Cost of Le 205400 arrived at by adding Cost of raw materials consumed (Le 173,500), manufacturing wages (le 16,500 + 4000) and direct factory expenses (Le 11,400). Majority of the candidates wrongly treated the direct factory expenses of Le 11,400 as a factory overhead item. The factory overheads were fuel Le 15000 and depreciation of equipment Le 12,000 (not equipment of Le 12,000).

10% should be applied on the factory cost of production of Le 228,400 ie Le 22,840 termed as manufacturing profit to be transferred to the Profit and Loss Account.

The Total (Le 228,400 + 22,800) of Le 251,240 the value of goods transferred to the Trading Account. It was mistakenly described as Purchases by a lot of the candidates apparently confusing it with that of a trading account of a trading enterprise.

The profit and loss account discloses two profits brought down ie manufacturing profit of Le 22840 on manufacturing (from the manufacturing Account) and gross profit of Le 240,760 trading from the trading Account.

It was a fairly popular question. Performance was on the average.

QUESTION 7

The question was on preparation of trial accounts of a retailer who did not keep proper books of the accounts. From the balances extracted from the books and additional information provided, candidates were to prepare:

- a. **Statement of affairs as at 01/01/2013**

b. Income Statement for the year ended 31/12/2013 and

c. Bank Account

The 'a' part was well attempted. It entailed listing all the assets as on 1/1/13, with no liability as at that date. The total assets of D 94,350 on that date was the same as capital. Candidates were at liberty to prepare the statement in vertical or horizontal form but certainly not merely adding the figures without any description of the items such as Capital = D (70,000 + 8,200+5,100+9'500+150+1,400)

$$=94,350$$

The 'b' part was poorly attempted. Candidates could not deduce the sales and purchases figures. These could be ascertained in statement form as follows:

Sales = shop takings + Takings not banked +Amount received from debtors

$$= D96,500 + D500 \times 12 + D408 + D1400$$

$$= D104,308$$

Purchases = Inventory purchased + Owings to suppliers

$$= D70500 + D7600$$

$$= D78,100$$

The miscellaneous expenses of D962 should be adjusted by the amount paid out of taking of D408 resulting in D1370 ie D962 + D408.

The 'c' part, even though quite simple was poorly attempted. The Bank account was to be debited with the balance as at 1/1/13 of D1,400 and all the items under money paid to the bank.

The account should be credited with payments made by cheque. The balancing figure of D22,418 is the bank balance as at 31/02/13

It was not a popular question was on the average.

QUESTION 8

The question tested Candidates' understanding of the preparation of simple partnership accounts relating to Profit and Loss Appropriation Account and Capital Accounts.

Candidates were not restricted in the 'a' part to any format. Either the vertical or the conventional format could therefore have been employed.

In the profit and Loss Appropriation Account should be shown:

	GH□	GH□
Net profit b/f		158,000
Less loan interest (Tuga)		2,500
(5% × GH□ 100,000 × 6/12)		
Adjusted profit before appropriation		155,500
Less Appropriation		
Partners Salaries		
Govu	25,000	
Kano	25,000	50,000
		105,500
Share of residual profits:		
Govu $\frac{2}{5} \times 105,500$	42,000	

Tuga $1/5 \times 105,500$	21,000	
Kano $2/5 \times 105,500$	42,200	105,500

The following incorrect treatments were noticed in candidates' preparation of the Profit and loss Appropriation Account.

- Salary of GH¢2000 to Kano
- Capital and current account balances treated as appropriation of profit
- Loan of GH¢100,000 advanced by Tuga, a partner applied against profit.

In the 'b' part, the requirement was specific; the preparation of Partners' Current Accounts in column or form. Separate accounts were therefore not to be shown likewise' capital account. The question Tuga's current account opening balance is a debit and not credit account. It was list popular question in the section B.

QUESTION 9

The question tested candidate's ability to prepare Department Trading profit and loss Account for three departments. The test was on how to apportion common expenses on the basis stated in the question. It was a straight forward question with no prepayment and accrued expenses. It should be noted that balance sheet for each department was not applicable. It was popular and well answered question.

PRINCIPLES OF COST ACCOUNTING

GENERAL COMMENTS

All questions were of the required standard and was comparable to those of previous years' examinations. All the questions were within the limits of the WAEC examination syllabus and was designed to test candidates understanding of the relevant topics and their ability to apply the principles. The level of difficulty and details of requirements was also comparable to that of previous years.

Candidates' performance also followed the usual trend with some showing deep understanding of the subject and turning out very good performances while some as usual performed abysmally. Majority of candidates scored average marks.

Some question like question 1 on materials and question 7 on overheads were very popular with candidates and were quite well answered by those who attempted them while others were not that popular.

The graph of candidates' performance would show a normal distribution with the bulk of candidates in the average range.

SUMMARY OF CANDIDATES STRENGTHS

Candidates strengths observed included the following:

- Candidates preparation for the examination appears better judging from the trend of responses to questions
- Candidates answered questions directly and did not indulge lengthy introductions.
- Some candidates showed good understanding of certain questions and were able to apply practical situations to illustrate answers.
- Many candidates were able to present their work in an orderly manner and show workings leading to the final answers.
- Some candidates also showed in-depth knowledge of topics especially in the essay type questions.
- Many candidates also attempted the required number of questions for the paper which is very encouraging.
- Q1 on materials and specifically on storekeeping and stocktaking and question 4 on Cost Accounts were particularly well answered from the theory section though question 4 was not that popular with candidates.
- Candidates also performed very well on question 6 on cost classification and question 7 on overhead absorption among the practice questions.

SUMMARY OF CANDIDATES WEAKNESSES

The following weakness were observed among candidates:

- It was evident that candidates did selective preparation for the examination. This was evident from the lack of knowledge of the certain topics. Candidate generally avoided certain questions or performed poorly on them.
- Lack of good examination planning. Many candidates did not take their time to read and select the questions they could answer well before stating the paper as evident in the several attempts and cancellations before attempting new questions.
- The poor command of the English language also prevented some candidates from earning maximum marks especially in the essay type questions as candidates could not express the points well enough.
- Lack of understanding of questions. Some candidates did not take their time to read and understand the exact requirements of the question before attempting to answer it and this resulted in many cases in complete deviation from the responses required.
- Some candidates did not attempt the required number of questions or did not follow the rubrics and ended up answering more that the required number from the different sections leading to the cancellation of some answers from some sections.
- Candidates' performance on question 2, a theory question on standard costing and question 9 were particularly poor.

SUGGESTED REMEDY

- Candidates are advised to prepare adequately for the examination. Poor preparation for the examination results in candidates providing poor answers to questions even where they understand the questions
- Candidates are also advised to read the instructions for the paper carefully and ensure that they fully understand the rubrics before they commence
- Candidates are also advised not to rush to answer questions but to carefully read through all the questions and select the ones that they are best prepared for.
- For theory questions, candidates are advised to give examples to support answers even if the question does not require them since examples clear and doubts about the candidates' intentions.
- Candidates are also advised to attempt the required number of questions and if possible not to waste too much time on any one question especially if all the questions carry equal marks
- Candidates are also advised to write their answers in clear and simple language to avoid any ambiguities.
- Candidates are also advised to show all workings leading to final answers because marks are mostly awarded for workings.

DETAILED COMMENTS

QUESTION 1.

This was an essay type question on materials and specifically on storekeeping and stocktaking.

Candidates were required to list five duties of a storekeeper in the first part of the question.

second part of the question required candidates to explain periodic and continuous stocktaking and state two advantages of each of the two methods of stocktaking.

Candidates were expected to list the duties of the storekeeper to include

- i. Securing the stores from theft and fire
- ii. Protecting materials from damage and deterioration
- iii. Maintaining proper records on materials.
- iv. Receiving materials into store after inspection
- v. Issue of materials against proper authorization
- vi. Keeping store safe, tidy and in a congenial manner
- vii. Initiating material requisition when materials reach re order level
- viii. Reporting on wastes scrap and slow moving items
- ix. Organizing storage in a logical manner to enable easy and fast retrieval of items when needed.

Periodic stocktaking was to be explained as the physical count of materials which is done at regular intervals e.g. once or twice a year.

Continuous stocktaking is explained as the system whereby a section of the stock is counted daily such that, over the year, all items are counted at least once.

Advantages of periodic stocktaking includes the following

- i. Clerical work is reduced
- ii. Less expensive since stock is counted occasionally
- iii. Stock figures are more accurate and reliable than other systems
- iv. Less interruption of work since stock count is done usually at the end of the year

Advantages of the continuous stocktaking includes the following

- i. Early detection of fraud, theft and damages.
- ii. Discrepancies are detected on time and resolved
- iii. Slow and fast moving items are also detected and reported on time
- iv. It enhances stock control
- v. No loss of customers since activities do not stop for the purpose of stock count.

Candidates' performance on this question was very impressive. Many candidates were able to give all five duties of the storekeeper, though some candidates were only able to give two or three correct duties. Some wrong duties give included that he controls the activities of the business and that he purchases materials when stock levels reach the minimum stock level.

Candidates who attempted this question also explained periodic and continuous stocktaking very well and some of them earned the maximum marks for this part of the question. A few candidates however earned only part of the marks either because the explanation was incomplete or the language was poor.

Many candidates were also able to give the advantages of the periodic and continuous stocktaking correctly. Few candidates however reversed the advantages for the two systems of stocktaking and therefore lost marks.

QUESTION 2.

This question was an essay question on costing methods and specifically on process costing.

Candidates were required to state three characteristics of process costing, list three causes of losses in process costing and explain how normal and abnormal losses as well as abnormal gains are treated in process accounts.

Candidates were expected to state the characteristics of process costing to include the following;

- i. Goods produced are of a homogeneous nature
 - ii. Production involves a series of sequential processes
 - iii. The identity of individual orders are lost in the general flow of production
 - iv. Each process is treated as a cost center
 - v. The output of one process constitutes the input of the next process
 - vi. Some losses in processing are unavoidable
 - vii. The cost of normal process losses are borne by good production
 - viii. Uncompleted products at the end of the process are converted into equivalent units.
- b. Causes of losses in process costing was expected to include the following
- Spoilage, wastage, accidents, evaporation, unskilled labour, defective machines and tools and the use of poor quality materials.

- c. The various losses and gains were to be treated as follows

Normal losses are not costed but absorbed by good production. The quantity of normal loss is credited to the process account to reduce the quantity of units produced.

Abnormal losses are valued at the same rate as good production and debited to abnormal loss account and credited to process account.

Abnormal gains are valued the same as normal production and debited to the process accounts and credited to the abnormal gains account.

Full marks were awarded to candidates who were able to correctly mention the correct entry in the process accounts only.

The first part of this question involving the characteristics of process costing was quite well answered by candidates. Some candidates lost marks due to poor expression of the relevant points. E.g. the output of one process becomes the output of the next process.

Candidates were also able to correctly list the causes of losses in process costing and earn the 3 marks allocated.

Candidates performance on the last part was however very poor. Many candidates just explained the losses and abnormal gain without explaining how they are treated in the process accounts and thus lost all the marks for that part. Candidates who took their time to read the question however answered that part very well.

QUESTION 3.

This was a theory question on standard costing.

Candidates were required to explain standard costing, explain two components of a standard cost variance and state two advantages and two disadvantages of standard costing,

Standard costing was expected to be defined as the predetermined estimate of cost which is determined from management's standard of efficient operations.

The components of standard cost variance was to be explained as follows

- i. The value of the item which is expressed as price or rate variance
- ii. The quantity of the item which is expressed as usage or efficiency variance.

The advantages of standard costing includes the following;

- i. Promotes efficiency in operations
- ii. Reduces wastes and spoilage
- iii. Provides a suitable basis of performance evaluation
- iv. Provides a useful guide for fixing selling prices
- v. Motivates staff to increase productivity
- vi. Serves as a basis for rewarding hardworking employees

The disadvantages of standard costing includes the following

- i. Could be expensive and time consuming to install and operate
- ii. Standards could become outdated and unrealistic over time
- iii. Poor standards could lead to low productivity
- iv. Extremely high standards could discourage workers
- v. Standards may not be useful if it is too detailed and the users do not understand them.

Many candidates attempted this question, however the performance was quite poor.

Many candidates defined standard costing instead of standard cost and lost all the marks.

The explanation of the two components of a cost variance was also poorly done. Candidate gave either favorable and adverse variances or material and labour variances. Apparently candidates did not understand the requirements of the question.

Performance was however better in on the advantages and disadvantages of standard costing as candidates were able to correctly give the required answers

QUESTION 4.

This question was a theory question on Cost Accounts.

Candidates were required to differentiate between interlocking and integrated accounts.

Candidates were also required to state three causes of differences between cost accounting profits and financial accounting profits and list three items each that appear in

- a. Cost accounts only**
- b. Financial accounts only**

Candidates were expected to explain interlocking accounts as the system where separate set of accounts are kept for financial and cost accounts and the two linked by control accounts while integrated accounts is the system where a single set of accounts are kept with no distinction between cost and financial accounts.

The causes of differences between cost and financial profits are categorised into

- i. Differences in the treatment of items like depreciation and stock valuation
- ii. Pure financial transactions that appear only in financial accounts
- iii. Non finance items that appear in cost accounts only

Items that appear only in cost accounts include

- i. Imputed/notional cost; - rent, salary etc.
- ii. Cost of idle time
- iii. Cost of normal losses and waste
- iv. Over and under absorption of overhead
- v. Imputed interest on capital employed
- vi. Depreciation of fully depreciated assets

Items that appear only in financial accounts include

- i. Appropriation of profits and transfers to reserves
- ii. Financial charges;-interests, discounts, dividends etc.
- iii. Profits or loss on disposal of fixed assets
- iv. Provision for doubtful debts
- v. Goodwill written off
- vi. Taxation.

Though this question was not very popular with candidates, the performance of those who attempted was very good.

Most candidates were able to clearly differentiate between interlocking and integrated accounting systems and even explain how reconciliation is done in interlocking accounting.

The causes of differences between costing and financial profits was also quite well provided though examples of specific items were accepted for full marks.

Candidates' performance was quite encouraging. Candidates were able to prepare the contract account correctly apart from depreciation of plate which most candidates calculated on one year instead of ten months.

Many candidates also scored maximum marks for the contractee's account.

Candidates were however not able to obtain the expected profit on completion because many of them added the work done not certified to the deductions from the contract price and ended up with a lesser profit figure.

QUESTION 6.

This question was a practice question on cost classification. Candidates were required to classify a list of cost items into the following classes of cost;

- i. Direct materials cost**
- ii. Direct labour cost**
- iii. Direct expenses**
- iv. Prime cost**
- v. Production overheads**
- vi. Total cost of production**

Direct materials cost:

Direct materials	250,000	
Carriage on purchases	<u>10,000</u>	260,000

Direct labour cost:

Wages of machine operators	120,000	
Manufacturing wages	<u>80,000</u>	200,000

Direct expenses:

Royalties on production	25,000	
Cost of special mold	45,000	
Cost of hiring machine	<u>25,000</u>	<u>95,000</u>

Prime cost

555,000

Production overheads

Factory rent and rates	50,000	
Depreciation of machinery	20,000	
Wages of machine cleaners	10,000	
Machine repairs	15,000	
Warehouse wages	50,000	
Factory managers wages	15,000	
Lubricants for factory machine	5,000	
Insurance of factory machinery	10,000	
Factory cooling and lighting	5,000	
Warehouse repairs and maintenance	<u>10,000</u>	<u>190,000</u>
Total cost of production		<u>745,000</u>

Candidates performed quite well on this question. A good number of candidates scored the maximum marks for the question.

Some candidates lumped all wages under direct wages. The classification of direct expenses also posed problems for some candidates as they included all sorts of expenses with 'factory' in their description.

Some candidates were able to obtain the total production cost correctly though some of the details were wrong.

QUESTION 7.

This was a practice question on overhead absorption. Candidates were required to compute predetermined overhead absorption rates based on direct materials cost percentage, direct labour hours and machine hours.

Candidates were also required to compute the cost of a job using direct material cost percentage and machine hour rate of overhead absorption.

Computation of overhead absorption rates were expected to have been computed as follows;

$$\begin{aligned} \text{Direct materials cost percentage} &= \frac{\text{total budgeted overheads}}{\text{Direct materials cost}} \times 100 \\ &= \frac{100,000}{250,000} \times 100 = 40\% \end{aligned}$$

$$\begin{aligned} \text{Machine hour rate} &= \frac{\text{total budgeted overheads}}{\text{Machine hours}} \\ &= \frac{100,000}{40,000\text{hrs}} = 2.5 \text{ per machine hour} \end{aligned}$$

$$\begin{aligned} \text{Direct labour hour rate} &= \frac{\text{total budgeted overheads}}{\text{Direct labour hours}} \\ &= \frac{100,000}{50,000\text{hrs}} = 2.00 \text{ per direct labour hour} \end{aligned}$$

Cost of job using direct materials cost percentage

Direct materials	5,000
Direct wages	<u>4,000</u>
Prime cost	9,000
Overhead	<u>2,000</u>
Total cost	<u>11,000</u>

Cost of job using machine hour rate

Direct materials	5,000
Direct wages	<u>4,000</u>
Prime cost	9,000
Overhead	<u>3,750</u>
Total cost	<u>12,750</u>

Candidates' performance on this question was very good. Many candidates who attempted this question were able to score maximum marks. A few candidates were not able to compute the cost of the job using the rates calculated while others could not compute the budgeted overheads correctly and thus lost some marks.

QUESTION 8.

This question was on marginal costing. Candidates were required to statements showing the profit or loss for a company, using marginal costing and absorption costing techniques.

Under the marginal costing technique, candidates were expected to compute the total contribution by deducting variable cost of goods sold from sales revenue and obtain the profit or loss as follows;

Marginal costing approach

	<u>GH¢</u>	<u>GH¢</u>
Sales		600,000
Less variable cost		
Direct materials	150,000	
Direct labour	150,000	
Variable factory overheads	<u>50,000</u>	
Cost of production	350,000	
Less closing stock	<u>70,000</u>	
Production cost of goods sold	280,000	
Variable selling and distribution cost	<u>100,000</u>	<u>380,000</u>
Total contribution		220,000
Less fixed cost		
Fixed factory overheads	150,000	
Administration cost	<u>50,000</u>	<u>200,000</u>
Net profit		<u>20,000</u>

Candidates could alternatively use the unit cost approach to the same effect.

Under the absorption cost technique, the total cost of sales, including fixed cost is deducted from sales to obtain profit or loss as follows.

The absorption costing approach

Sales		600,000
Less variable cost		
Direct materials	150,000	
Direct labour	150,000	
Fixed factory overheads	150,000	
Variable factory overheads	<u>50,000</u>	
Cost of production	500,000	
Less closing stock	<u>100,000</u>	
Production cost of goods sold	400,000	
Variable selling and distribution cost	100,000	
Administration cost	<u>50,000</u>	<u>550,000</u>
Net profit		<u>50,000</u>

Candidates recorded a mixed performance on this question. A few candidates scored maximum marks but a majority of candidates committed one error or another that affected their performance.

Common errors committed by candidates include;

- i. subtracting the variable selling and distribution expenses from production cost instead of adding it and therefor obtaining a contribution of GHC420,000
- ii. adding variable selling and distribution cost to production cost before calculating closing stock
- iii. omitting administration cost from the computation of profit
- iv. Omitting to calculate closing stock in both approaches.

QUESTION 9.

This question was on budgeting and specifically cash budgeting. Candidates were required to prepare a cash budget for a three month period after preparing schedules for receipts from sales and payment for purchases for the same period.

Candidates were expected to prepare the schedules as follows:

Schedule of receipts from sales	January	February	March
	D	D	D
Cash sales	11,000	12,500	12,000
Receipts from debtors	<u>9,500</u>	<u>10,450</u>	<u>11,875</u>
Total	<u>20,500</u>	<u>22,950</u>	<u>23,875</u>

Schedule of receipts	January	February	March
Receipts for current month	9,000	10,800	10,800
Receipts for previous month	<u>4,800</u>	<u>6,000</u>	<u>7,200</u>
Total	<u>13,800</u>	<u>16,800</u>	<u>18,000</u>

The cash budget is as follows:

CASH BUDGET FOR THE PERIOD JANUARY TO MARCH 2018

	January	February	March
Opening balance	550	6,950	4,800
Receipts from sales	20,500	22,950	23,875
Rent receivable	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Total cash	<u>22,550</u>	<u>31,400</u>	<u>30,175</u>
Payments to creditors	13,800	16,800	18,000
Expenses	1,800	1,800	1,800
Dividend	-	-	3,500
Equipment	<u>-</u>	<u>8,000</u>	<u>-</u>
Total payments	<u>15,600</u>	<u>26,600</u>	<u>23,300</u>
Closing balance	6,950	4,800	6,875

Alternative formats for the preparation of the cash budget were also accepted.

Candidates continue to perform poorly in question involving the preparation of budgets. Many candidates missed the preparation of the schedule of receipts from sales. Though candidates were able to calculate cash sales correctly, they deducted 5% from total sales instead of credit sales. Some candidates also failed to prepare the schedule of receipts but rather chose to show the details in the cash budget proper and therefore lost the marks for the schedule.

The schedule of payments for purchases was better prepared though.

The preparation of the cash budget itself was not better. Many candidates treated dividend payment as dividend received and a few candidates either treated the whole of expenses as payables instead of deducting depreciation from it. Some candidates even went ahead to add the depreciation to the expenses instead of deducting it. The other receipts and payment were mostly treated correctly though.

TYPEWRITING

GENERAL COMMENTS

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

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) Proper use of envelope;
- (5) Correct use of cedi sign;
- (6) Correct ruling of tabular work;
- (7) Correct use of line spacing in letter and Tabulation; and
- (8) Good use of capitalization.

SUMMARY OF CANDIDATES' WEAKNESSES

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

- (1) Non completion of Speed Test;
- (2) Poor accuracy exhibited in the Speed 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.

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;
- (3) More attention should be given to the typing of production work –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 one difficult task that will take all their time.

DETAILED COMMENTS

TASK 1: SPEED AND ACCURACY TEST

Some candidates were able to complete the Speed Test, whilst a greater number of them scored zero for short working. As some failed to type to the end, those who completed, however, made a lot of errors. The best score was 6 out of 10.

TASK 2: PROGRAMME

Candidates were required to type a fair copy of a programme as found in the test. A greater number of candidates typed this question. Surprisingly, candidates failed to type as it was displayed in the question. It appeared to be a difficult task for the candidates. Some of the errors identified were as follows:

- (1) Time was not properly aligned as expected;
- (2) The poor use of colons as dots;
- (3) Poor division of proper nouns like names e.g Mr.George Addo was typed as ‘Mr’ or ‘ Mr George’ on one line and ‘Addo’ was sent to the next line;
- (4) Poor style of display with very large right margin;
- (5) Lack of knowledge in the proper use of hyphen and dash;
- (6) Wrong use of underscore;
- (7) Overtyping and too much use of capitalization. E .g BREAKFAST, COFFEE BREAK, DINNER and DEPARTURE.

TASK 3: LETTER AND ENVELOPE

Candidates were required to type a letter. The manuscript was clear and it should not have posed a challenge to candidates. It was, therefore, not surprising a lot of candidates typed this task. Some candidates exhibited good typing skills, and they produced a good work; other candidates could not perform well in this task.

The following were some of the errors identified:

- (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, either the date is wrong or not typed in full;
- (4) Name of writer and designation punctuated;
- (5) Mixed style ,that is, blocked and centred style used;
- (6) Poor indentation of paragraphs where paragraphs were typed less than five character spaces;
- (7) Poor paragraphing where a clear line space was left between paragraphs and thus making work blocked as if it were one paragraph work;
- (8) Omission of lines and words coupled with poor rendition of continuation sheets; and
- (9) Double line spacing used instead of single line spacing.

TASK 4: MANUSCRIPT

This was a straightforward task to be typed in double line spacing. A lot 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 and one and half line spacing were used;
- (3) Omission of words and lines;
- (4) Wrong typing of 'cholesterol' as 'cholestrol', and 'debunk' typed as 'debuak';
- (5) Poor line end division of words like 'cooki-ng' and 'nev-er'; and
- (6) Lack of knowledge of correction signs.

TASK 5: TABULATION

Many candidates who typed this task performed well. However, some errors were identified as follows:

- (1) Cedi sign could not be typed well as most candidates used either the dollar sign or cent sign;
- (2) Candidates lacked knowledge in the use of dash and the use of hyphen;
- (3) Poor alignment of figures;
- (4) Transposition sign wrongly interpreted to cover the last column;
- (5) Instruction to transpose figures was ignored;
- (6) Some candidates failed to calculate the width of the table before starting the task and as a result creating larger space at the right column;
- (7) Poor ruling of vertical and horizontal lines.

TASK 6: NOTICE OF MEETING

The majority of candidates typed this task. Some performed creditably well, whilst others put up a poor performance. Some of the errors identified were:

- (1) Mixed style observed, that is, centered headings over indented paragraphs;
- (2) List of items typed inconsistently with the style;
- (3) Candidates typed 'Salas' as 'Sales' and 'Associate' as 'Association';
- (4) Failure to type 'Agenda' in spaced capitals as instructed;
- (5) Failure to obey rubrics to type in double line spacing;
- (6) Upper case characters typed in lower case;
- (7) Failure to render 'AOB', correctly as 'Any Other Business', as some candidates typed this as 'Any Other Memo' or 'Authority of Board'; and
- (8) Telephone numbers were wrongly typed.

RESUMÉ OF **TECHNICAL SUBJECTS**

1. **STANDARD OF THE QUESTION PAPERS**

The standard of the papers compared favourably with those of previous years. All the questions were within the syllabus. The standard was the same in content and level of difficulty.

2. **PERFORMANCE OF THE CANDIDATES**

According to comments by the Chief Examiners, performances of candidates were encouraging in Technical Drawing 3 in some schools, and very poor in others. Technical Drawing 2 performance was not bad. Performance in Auto Mechanics 3 was better, whilst there is a serious decline of performance in Auto Mechanics 2.

Candidates' performances in Woodwork 2 and 3 were satisfactory and slightly better respectively. Those of Building Construction 2 and 3 were reported to have improved although some candidates in Paper 2 appeared not to be ready for the examination.

In Information and Communication Technology 2, the Chief Examiner reported of an average performance whilst the Paper 3 showed localized brilliant performances. That is to say, candidates in some schools performed excellently whilst others produced very poor work. Performance in Electronics 2 was described as poor and in Electronics 3, it was at par with that of the previous year. Most candidates did not perform well in Metalwork 2 according to the Chief Examiner, but performance in Metalwork 3 was satisfactory.

3. **A SUMMARY OF CANDIDATES' STRENGTHS**

The Chief Examiners identified the following commendable features in candidates' work.

(1) **ORDERLY PRESENTATION OF ANSWERS**

It was mentioned in the reports of Metalwork 2, ICT 2, Building Construction 2 and 3 that an appreciable number of candidates adhered to the rubrics of their respective papers. Attempted questions were clearly numbered, handwritings were legible enough and most candidates attempted new questions on fresh pages.

(2) **APPRECIABLE KNOWLEDGE OF THE SUBJECT MATTER**