

Common mistakes



Top 3 poorly answered questions

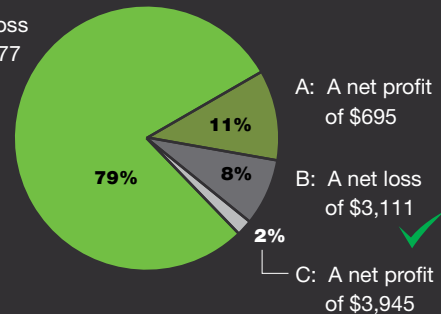
Among the 30 multiple-choice questions in the July 2012 session of the AAT Foundation Examination Paper 1, the three questions in which candidates performed worst were:

✓ Correct Answer

Q.9

The draft accounts of Angel Company for the year ended 31 March 2012 reported a net loss of \$1,486, which did not include an accrued expense of \$1,625 and a prepaid deposit of \$834. What should be the correct net profit or loss for the year?

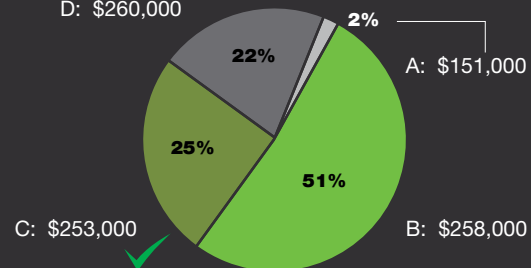
D: A net loss of \$2,277



Q.8

Charming Co. is a watch company. The closing inventory includes ten watches which cost \$25,800 each. The company expects to spend a total of \$7,000 to repair these watches before they could be sold for \$26,000 each. At what value should the ten watches be included in the closing inventory?

D: \$260,000



Q.19

Which of the following practices can align the interests of managers with those of owners or shareholders?

- (1) Appointing independent professional accountants
- (2) Introducing share options for senior management
- (3) Concentrating ownership and shareholding in the company
- (4) Distributing more dividends to shareholders

D: All of the above

