

# **Examiner's Report**

**December 2018 Session**

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**Paper 1  
Accounting and  
Computerized Accounts**

## **General Comments**

This examination was not difficult. The topics tested in this session focused on the preparation of journal entries to correct the suspense account, manufacturing accounts and revaluation account of a partnership. The overall passing rate was better than the previous session.

In general, candidates performed quite well in the computational questions but some seemed reluctant to answer the essay-typed questions which covered the conceptual issues of the syllabus. Some candidates failed to show their workings and reasoning clearly to support their answers. Candidates should note that clear presentation and workings might help them to gain partial marks.

Inefficient time management was a major problem of some candidates. Therefore, candidates should adopt better time management based on the marks allocated to each question. Furthermore, candidates are strongly advised to be well prepared for all examinable topics.

## **Section A – 15 Multiple-choice Questions**

The questions in this section usually cover a wide range of topics in the syllabus and include both conceptual and computational types. Since marks allocated to Questions A11 to A15 were doubled, they were logically expected to be more difficult than the first ten questions. Candidates are advised to study the basic concepts and principles of accounting thoroughly rather than just grasping some basic techniques for calculations.

## **Section B – 3 Optional Questions**

### **Question B1**

This question was the most popular question among the candidates. It focused on correction of errors and suspense account. The question was also quite satisfactorily answered. The mean and the passing rate are the highest in Section B. However, some candidates did not read the questions carefully and they did not include relevant narratives for the journal entries. Some candidates knew neither how to write up the suspense account nor prepare the related journal entries.

### **Question B2**

This was also a popular question but the performance was the worst. In part (a), some candidates were not good at preparing the manufacturing account and they could not show separately the prime cost, the factory costs of goods produced and the transfer price of finished goods. In part (b), some candidates were not able to present the statement of profit or loss in the correct format. In part (c), many candidates could not explain the meaning of work-in-progress inventory account.

### **Question B3**

This was a simple question and it tested candidates' ability to prepare the revaluation account as well as the partners' capital accounts of a partnership. Common mistakes made by candidates include the failures to calculate correctly:

- (1) the goodwill adjustment among partners;
- (2) the gain on revaluation; and
- (3) the capital balances of the partners after revaluation.

In addition, some candidates did not know how to present a statement of financial position for the partnership.

## **Section C – 1 Compulsory Question**

### **Question C1**

The overall performance was acceptable. Some candidates used incorrect accounts to record transactions. No mark would be given even if the amounts were correct because the accounts that should be used or amended had already been underlined in the appendix for reference of candidates. Candidates should make sure that they use the correct accounts to record business transactions.

This question aimed at testing candidates' ability to record accounting transactions using MYOB software which was considered as straightforward and simple. However, many candidates did not know how to print the general journal report as well as the bank register for the month of March 2018. This shows that they were not well-prepared and not familiar with the reporting function of MYOB.

Many candidates could not complete all parts, therefore candidates are advised to practise more in order to ensure better time management.

**[ END OF EXAMINER'S REPORT ]**