

Examiner's Report

June 2017 Session

**Paper 1
Accounting and
Computerized Accounts**

General Comments

The overall performance in this session was more satisfactory than that of the last session. The passing rate was higher than before. Furthermore, the passing rate of Section C was similar to the last session. Candidates performed best in Question B2 but worst in Question B1 of this paper.

Time management has always been a major problem in examinations, candidates should therefore adopt better time management in accordance with the mark allocation and their own preferences. As this is the first paper of the AAT qualification examinations, the fundamental knowledge has to be solid for building up the basic knowledge required for higher level of accounting examinations.

Candidates should pay attention to the presentation of their answers. They should show their workings and reasoning clearly to support their answers. Clear presentation and detailed workings can help to gain partial marks even when the final answers are wrong. Candidates are also strongly advised to be well-prepared for all topics in the examination syllabus.

Section A – 15 Multiple-choice Questions

The overall performance in the multiple-choice questions was better than the last session. Candidates in general understood the basic concepts and principles of accounting. The multiple-choice questions usually cover a wide range of topics in the syllabus and include both conceptual and computational types. For better results, candidates are strongly advised to study the textbook and other references to acquire a good understanding of the accounting concepts and techniques.

Section B – 3 Optional Questions

Question B1

This was the least popular question and part (a) of it was not well answered. Many candidates confused the cash book with the bank reconciliation statement. Some candidates made careless mistakes in the basic calculations while others did not even know the formats of the cash book and the bank reconciliation statement.

Many candidates just left out part (b) completely. They failed to explain clearly the reasons for preparing a bank reconciliation statement in part (c). Candidates seemed to put more effort in numerical questions and ignored the essay questions. Their poor standard of English might also be a cause of difficulty in expressing their answers clearly. In addition, the results of part (d) were quite poor.

Question B2

This was a straightforward question on partnership and it was the most popular question. It tested candidates' ability to prepare the partners' current accounts and financial statements of a partnership. The overall result was good. Common mistakes made by candidates included:

1. failure to calculate correctly the interests on drawings;
2. failure to calculate correctly the salaries of the partners;
3. failure to calculate correctly the value of the motor van; and
4. failure to calculate correctly the profits to be shared by the partners.

Question B3

The result of this question was quite disappointing. In part (a), some candidates did not know how to prepare a subscription account at a specific date.

In part (b), some candidates were unable to show separately the bar opening inventories, bar purchases, bar closing inventories and bar expenses. They did not seem to understand the concept and nature of these accounts.

In addition, in parts (b), (c) and (d), some candidates did not present the accounts in vertical format which is commonly used for presentation of financial statements nowadays.

In part (d), many candidates did not know how to work out the opening accumulated fund.

Section C – 1 Compulsory Question

Question C1

This part was a hands-on test on candidates' ability to use MYOB accounting software to solve a practical case. As mentioned in the general comment, the passing rate was similar to the last session. The mean was below average. This indicates that the overall performance in this question has deteriorated.

This question aimed at testing candidates' ability to record transactions using MYOB which was considered as straightforward. The accounting transactions were simple and they were also commonly adopted in many previous sessions. However, some candidates did not know how to deal with it. In addition, some candidates did not even know what was meant by a general journal. This shows that some candidates were not familiar with the reporting function of MYOB.

Following the same marking approach as in previous sessions, no mark would be given if candidates used incorrect accounts in recording transactions since the relevant accounts had already been underlined in the appendix for easy reference. In addition, some candidates did not know how to adjust the number of days in receivables ageing (detail) report in part (c).

Candidates are strongly reminded that sufficient practice is the golden rule to get satisfactory result in MYOB question.

[END OF EXAMINER'S REPORT]