



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
NATIONAL EXAMINATIONS COUNCIL OF TANZANIA



**CANDIDATES' ITEMS RESPONSE ANALYSIS
REPORT FOR THE ADVANCED CERTIFICATE OF
SECONDARY EDUCATION EXAMINATION
(ACSEE), 2022**

ACCOUNTANCY



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153 ACCOUNTANCY

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FOREWORD

The National Examinations Council of Tanzania is pleased to issue this Candidates' Items Response Analysis Report (CIRA) for the Advanced Certificate of Secondary Education Examination (ACSEE) 2022. The report provides feedback to students, teachers, parents, policy makers and the public in general on the performance of the candidates.

The Advanced Certificate of Secondary Education Examination (ACSEE) marks the end of the two years of Advanced Secondary Education. It is a summative evaluation which, among other things, shows the effectiveness of the education system in general and the education delivery system in particular. The candidates' responses to the examination questions indicate what the education system was able or unable to offer to the candidates in their two years of Advanced Secondary Education.

The report provides an opportunity to prospective candidates and teachers to learn from the previous candidates' strengths and weaknesses in attempting various examination questions. Moreover, the report will enable the educational administrators, school managers and other education stakeholders to identify proper measures to be taken in order to improve the candidates' performance in future examinations.

The report shows the strengths and weaknesses of the candidates in answering examination questions by using statistical data from the candidates' scores for individual questions and selected extracts of candidates' responses.

The Council would like to thank the examiners and all those who participated in the preparation of this report.



Athumani S. Amasi
EXECUTIVE SECRETARY

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1.0 INTRODUCTION

The examination for Accountancy had two papers, namely: 153/1 Accountancy 1 and 153/2 Accountancy 2. The papers were set in accordance with the 2009 Accountancy syllabus and Revised Examination Format of 2019. The examination was done in May 2022.

Each paper consisted of eight (8) questions distributed in two sections; A and B. The candidates were required to attempt any seven (7) questions in each paper by answering all questions in section A and three (3) questions from section B. Each question in section A had ten (10) marks and in section B, each question has twenty (20) marks.

A total of 1,380 candidates sat for the examination out of whom 1,374 (99.93%) passed and 06 (0.07%) failed. The candidates who passed scored the following grades; grade A, 131 (9.53%) candidates, grade B, 356 (25.90%) candidates, grade C, 503 (36.58%) candidates, grade D, 301 (21.89%) candidates, grade E, 75 (5.45%) candidates and grade S, 8 (0.58%) candidates. This performance is higher by 2.22 per cent compared to the candidates' performance of 2021, where 1,322 (97.71%) candidates passed out of 1,353 who sat for the examination.

The report will be useful to teachers, students and other education stakeholders in taking measures to improve the teaching and learning of Accountancy. Report examines the requirement of each question and highlights the strengths and weaknesses observed in the candidates' responses. Selected extracts of candidates' responses are included to enable education stakeholders to see some of the candidates' responses to the questions. The analysis of candidates' performance on individual questions is presented in the next sections.

The analysis of the candidates' responses on each question has been carried out so as to provide feedback to students, teachers, education administrators, policy makers, and other education stakeholders on the candidates' achievements of the stipulated teaching and learning objectives in the Accountancy subject syllabus. It is anticipated that the feedback provided will enable education stakeholders to take appropriate measures to improve the teaching and learning of Accountancy in secondary schools in the future.

2.0 ANALYSIS OF THE PERFORMANCE OF THE CANDIDATES ON EACH QUESTION

The candidates' performance for each question in each of the Accountancy papers is analyzed by indicating the competencies tested and the requirement of the question. In addition, the performance of the candidates is shown by indicating the percentage of those who attempted the question and the percentage of those who had good, average and weak performance based on their responses. The performance on a particular question is considered to be good if the percentage of candidates who correctly responded to it ranges from 60 to 100, average if the percentage ranges from 35 to 59 and weak if it ranges from 0 to 34. Furthermore, green, yellow and red colors are used in graphs/charts to indicate good, average and weak performance respectively.

2.1 Analysis of the candidates' performance in 153/1 Accountancy 1

The paper assessed eight (8) topics which are: *The Nature and Context of Accountancy*, *Adjustments (Accrued and Prepayments)*, *Investment Accounts*, *Depreciation and Disposal of Non-Current Assets*, *Branch Accounting*, *Preparation of Financial Statements*, *Financial Statements Analysis and Interpretation* and *Correction of Accounting Errors*. The topics were assessed in eight (8) questions. The candidates' response analysis for each question is as follows:

2.1.1 Question 1: The Nature and Context of Accounting

The question comprised four items constructed from the topic of *The Nature and Context of Accounting*. The total marks allotted to this question were 10. Specifically, the question required the candidates to briefly describe the following accounting terms:

- (a) Objectivity
- (b) Prudence
- (c) Substance over form
- (d) Materiality

A total of 1,380 (100%) candidates responded to the question. Their performance is summarised in Figure 1.

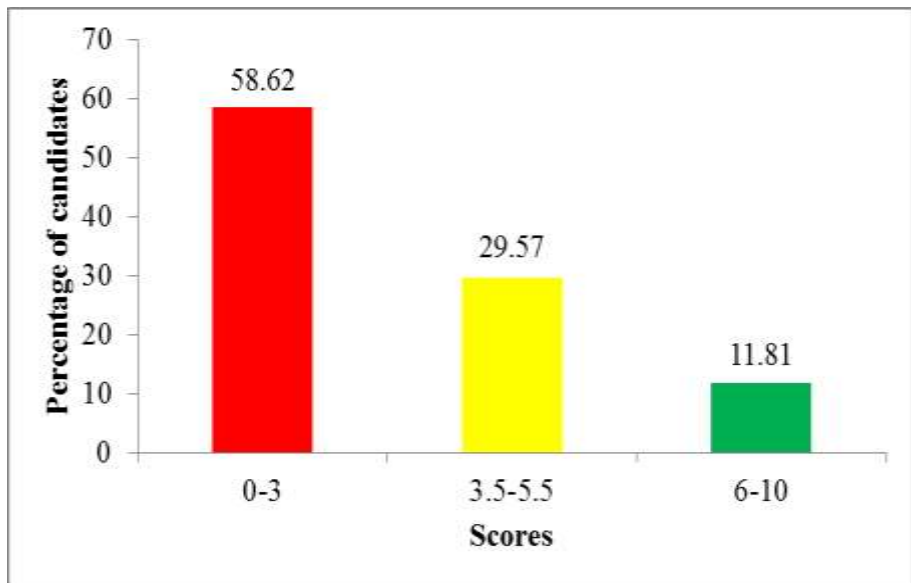


Figure 1: *The performance of the candidates on Question 1*

Figure 1, shows average performance of the candidates where 809 (58.62%) failed by scoring from 0 to 3 marks and only 571 (41.38%) candidates passed by scoring 3.5 to 10 marks.

The candidates who performed poorly in this question (58.62%), provided irrelevant explanations of the given concepts. For example, one candidate wrote, *Objectivity is the one of the principle of account that must be a certain goal must be achieved in any business.* This explanation was not correct because, *objectivity* is not a principle of account but an accounting concept which means maintaining the accounting from personal bias. That means the accounting transactions should be supported with written documents such as cash memo and invoices. Another candidate wrote *Prudence as one of the principle that consider all prospective loss and leave all prospective profit.* This was not correct because prudence is a principle of accounting which requires a business to exercise a good degree of caution when estimating the income and expenses.

Another term which had wrong explanations was *Substance over form.* *Subsistence over form* it deals with information in the financial statements to represent transactions in accordance with their commercial substance and not their legal form. One candidate wrote incorrect answer about subsistence over form that, *all the business*

involving money must be recorded in the books of account perpendicularly with the date and day occurred.

Last term was *Materiality* which was wrongly explained as a principle of accounting that state the cost of applying the principle must be relatively low. It was an incorrect explanation because *materiality* refers to the material items which should be reported properly in the financial statements. These responses mean that the candidates misunderstood the concepts or had poor knowledge about them Extract 1.1 is an example of a poor response from one of the candidates.

1.	(a) Objectivity
	-This refers to the accounting principle which states the main aim of preparing financial statement is ^{to} determining profit, this means accounting principle of objectivity helps to determine the objectives of the management.
1	(b) Prudence
	-This refers to the practice of accounting convention to provide fairly true appropriations to the management during recording financial transactions. For prudence, the businessmen should not overstate the success of the business. This accounting convention is also known as <u>Conservatism</u>
1	(c) Substance over form
	-This refers to the accounting principle which states that substances recorded in the accounting books should be relative to that posted on the financial books, which are Income statement and financial position.
1.	(d) Materiality
	-This refers to the accounting principle which states that all accounting transactions should be in material details, that means non-material details do not find place in the accounting records when recording financial transactions.

Extract 1.1: A sample of incorrect response to question 1

In extract 1.1 the candidate provided irrelevant explanations on: Objectivity, Prudence, substance over form, and Materiality.

The candidates with average performance in this question were 408 (29.57%). These were able to explain two or three of the concepts correctly but they did not score higher marks because of lack of clarity in their explanations.

The candidates who performed well in this question 163 (11.81%) were able to give clear explanations on four of the accounting principles items and concepts. These responses could be attributed to the candidates' adequate knowledge of the subject matter and ability to address objectivity, prudence, substance over form, and materiality concept as shown in extract 1.2.

(a) Objectivity :- Refers to the accounting principle which explains that for every transaction which has taken place should be supported with legal evidence and not amount paid for the product or service. It helps to avoid transaction which have not evidence to reduce fraud in the business activities or transactions.
(b) Prudence :- Refers to the accounting convention which explain that there should not only be anticipation of possible gains but also loss should be provided for. Prudence convention also explains, the value of assets should not be overstated or liabilities should not understated in the financial statements in order the financial statement should show true and fair view. Examples of anticipation of possible loss such as provision for depreciation.
(c) Substance over form :- This is the accounting convention which explains the recognition of the assets as asset should be recognized to the with economic benefits and not legal owner of the assets. It shows that assets should be recorded in the financial statement of an individual who obtain economic benefits or profits and not the legal owner of the asset.
(d) Materiality :- This is the accounting convention which explain as that accountant should present only material information which can influence the decision of the financial users and not immaterial information. This helps to avoid information which do not affect the decisions of financial users and avoid unnecessary information. And the immaterial information can be aggregated and where influence decision making should be presented.

Extract 1.2: A sample of good responses to question 1

2.1.2 Question 2: Recognition of Revenue and Expenses

The question aimed at assessing the candidates' competence in recognising of revenues and expenses. Specifically, the question required the candidates to use the information provided to prepare Rent revenue and Advertisement expenses accounts, to determine the amount of revenue that will appear in the company's income statement for the year ending 31st December 2020 and to determine the amount of cash paid for advertisements in 2020.

A total of 1,380 (100%) candidates responded to the question and their performance is summarised in Figure 2.

Figure 2 is a summary of the candidates' scores in question 2.

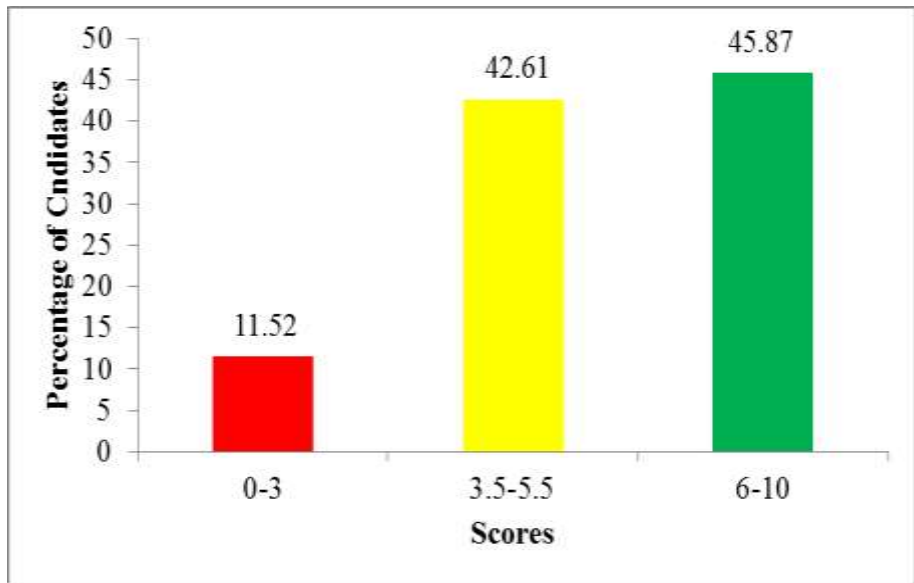


Figure 2: *The Performance of the Candidates on Question 2*

Figure 2, shows good performance of the candidates where 1,221 (88.48%) candidates passed by scoring 3.5 to 10 marks and 159 (11.52%) failed by scoring 0 to 3 marks.

The candidates who performed well in this question were 633 (45.87%) were able to calculate Rent revenue and Advertisement expenses correctly. These candidates were able to identify the accounts as they were able to prepare Rent revenue and Advertisement expenses accounts. Their responses indicate that they had knowledge of the

principle of double entry and its application in recording different transactions. In addition, the candidates demonstrated satisfactory knowledge about adjustment and how to prepare Rent revenue and Advertisement expenses accounts. Also, they showed a good understanding of revenue and expenses from the given information. Extract 2.1 is a sample of a response from a candidate performed well in this question.

DR		RENT REVENUE A/C		CR	
R.	2019	Rent receivable accrued b/d	180,000	2019	
				Unearned rent revenue prepaid b/d	220,000
		Unearned rent revenue prepaid b/d	82,000		
				Rent receivable accrued b/d	245,000
		Income statement	5633,000	2020	
				Cash received	5430,000
			5895,000		5895,000
		Accrued b/d	245,000	Prepaid b/d	82,000
DR		ADVERTISEMENT EXPENSES A/C		CR	
		Prepaid b/d (2019)	268,000	Accrued b/d (2019)	392,200
	2020	Cash received	3210,000	Prepaid b/d	320,000
		Accrued b/d	145,000	To income statement	2910,000
			3623,000		3623,000
	2021	Prepaid b/d	320,000	2021	accrued b/d
					145,000

Extract 2.1: A sample of good responses to question 2

The candidates who scored from 3.5 to 5.5 marks (42.61%) were able to adjust some of the correct entries in the rent revenue and advertising account. It was also noted that, these candidates used appropriate formulas to compute some of the required amounts of revenues and

expenses. These responses imply that the candidates had adequate knowledge of adjustment accounting.

However, few candidates who had weak performance in this question scored from 0 to 3 (11.52%). Some of these candidates failed to prepare correct Rent revenue and Advertisement expenses accounts. This implies that they lacked knowledge of accounting, adjustment and the double entry system. Moreover, few candidates in this category could not determine accurately the amounts of the elements of Advertising account because they used wrong formulas to deduct the required information; as a result, they recorded wrong amounts of revenue and expenses. Extract 2.2 is a sample of a poor response from one of the candidates.

2.	KIAO	
	Dr	RENT RECEIVABLE account Cr
	Balance b/d	180,000
	Cash	5,430,000
		5,610,000
		Income statement 5,365,000
		Balance f/d 845,000
	Dr	Unearned rent revenue account Cr
	Balance b/d	220,000
		220,000
		Income statement 138,000
		Balance f/d 82,000
		220,000
	Dr	Accrued advertising account Cr
	Balance b/d	392,200
	Cash	3,210,000
		3,602,200
		Income statement 3,457,200
		Balance f/d 145,000
		3,602,200
		Prepaid Advertising -
	profit and loss	
	Balance b/d	
		Balance f/d 320,000
	Dr	Prepaid Advertising Cr
	Balance b/d	268,000
	profit and loss	52,000
		320,000
		Balance f/d 320,000

Extract 2.2: A sample of incorrect responses to question 2

In extract 2.2 the candidate entered wrong amounts in the Rent revenue and Advertisement expenses and made inappropriate adjustments.

2.1.3 Question 3: Investment Account

The question aimed at assessing the candidates' ability to prepare an Investment account. The question required the candidates to use the information provided to prepare 12 per cent Treasury Stock Investment Account for the financial year ending 31st December, 2019 and 2020.

A total of 1,380 (100%) candidates attempted the question and their performance is shown in Figure 3.

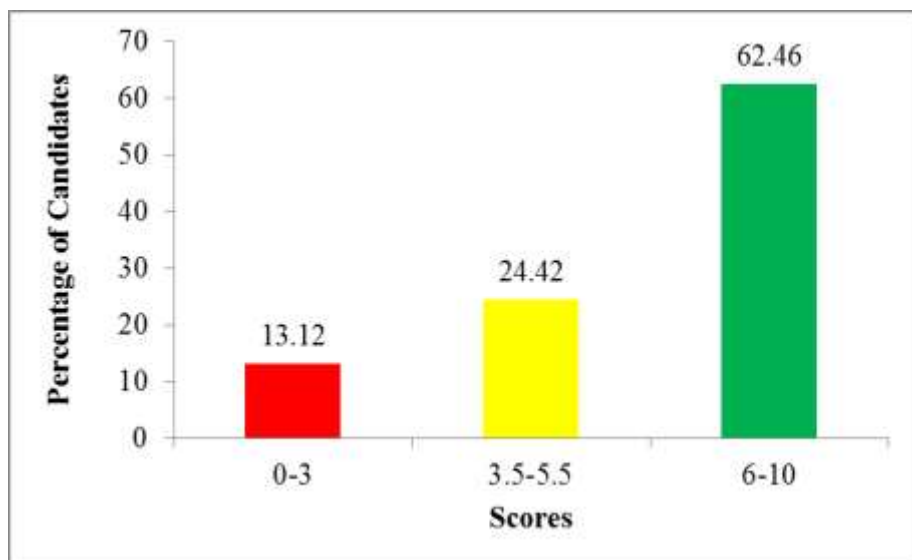


Figure 3: *The Performance of the Candidates on Question 3*

Figure 3, shows a good performance of the candidates where 1,199 (86.88%) candidates passed by scoring 3.5 to 10 marks and 181 (13.12%) failed by scoring 0 to 3 marks.

The data analysis shows that 862 (62.46%) candidates scored 6 to 10 marks. The majority of these candidates were able to prepare stocks Investment account. Also, they analysed and separated the elements of ex-interest and cum-interest with calculations of goods bought and goods sold and posted to proper columns namely nominal, interest and capital columns. Such responses suggested that candidates had

adequate skills and knowledge in preparing stocks Investment accounts. Extract 3.1 is a sample of a good response from one of the candidates.

3.	12% TREASURY STOCK INVESTMENT ACCOUNT (P)								
	DR				CR				
	DETAILS	N	I	C	DETAILS	N	I	C	
	2019				2019				
	Purchases	60,000	-	63,480	Transfer int	-	600	-	
	Interest adj	-	-	600	Bank Interest	-	8,400	-	
	Bank - Purchases	80,000	1,600	82,000	Sales	35,000	350	39,470	
	Profit on disposal	-	-	2,950	Balance b/d	105,000	3150	109,560	
	Total (Income)	-	10,900						
		140,000	12,500	149,030		140,000	12,500	149,030	
	2020				2020				
	Balance b/d	105,000	3150	109,560	Bank Interest	-	6,300	-	
	Purchase	40,000	400	44,460	Bank Sales	145,000	-	154,800	
	Transfer interest	-	1,450	-	Interest adj	-	-	1,450	
	Profit on disposal	-	-	3,230	Bank Interest	-	8,700	-	
	Total (Income)	-	10,000	-	Balance b/d	-	-	-	
		145,000	15,000	156,250		145,000	15,000	156,250	
	WORKINGS								
	110312019: Amount Paid =	63,480							
	Ex div Interest =	$60,000 \times 12\% \times \frac{1}{12} = 600$							
	Purchasing price =	$63,480 + 600 = 64,080$							
	3110312019: No half yearly interest received.								
	110612019: Amount paid =	82,000							
	Interest cum div =	$80,000 \times 12\% \times \frac{2}{12} = 1,600$							
	Purchasing price =	$82,000 - 1,600 = 80,400$							
	111112019: Amount Received =	39,820							
	Interest cum div =	$35,000 \times 12\% \times \frac{1}{12} = 350$							
	Selling price =	$39,820 - 350 = 39,470$							
	3110912019: Bank Interest =	$140,000 \times 12\% \times \frac{6}{12} = 8,400$							
	CGI =	$35,000 \times (63,480 + 600 + 82,000)$							
		140,000							
		= 36,520							
	Profit on disposal =	$39,470 - 36,520 = 2,950$							

Extract 3.1: A sample of a good response to question 3

In extract 3.1 the candidate managed to prepare correct stocks investment account for the financial years ended 31st December 2019 and 2020 accurately.

The candidates who scored 3.5 to 5.5 marks, 337 (24.42%) had an average performance. The analysis of their responses showed that they had limited knowledge of how to prepare Investment account as they correctly prepared the Investment account but failed to analyse and separate some of the elements of ex-interest and cum-interest with calculations of goods bought and goods sold hence some other amounts were not placed in the proper nominal, interest and capital columns.

The candidates who scored 0 to 3 marks 181 (13.12%) failed to interpret the demands of the question as they were not able to prepare correct Investment account. They could not differentiate between the amounts shown in nominal, interest and capital columns. As a result, they posted wrong amounts in those columns. Such responses indicate that these candidates had not mastered the preparation of Investment account. Extract 3.2 is a sample of a poor response from one of the candidates.

3. Dr 12% TREASURY STOCK INVESTMENT ACCOUNT CR								
DETAILS	N	I	C	DETAILS	N	I	C	
1-3-2019 Bank (Purchase)	63480		133480	Interest adjustment		60000		
1-6-2019 Interest adjustment		60000		31-3-2019 Bank (Interest)		3809		
Bank (Purchase)	83600	80000	3600	30-9-2019 Bank (Interest)		8825		
Profit for loss Income statement		1305		1-11-2019 Bank (Sales)	39820	35000	4820	
				31-12-2019 Balance fd		3218		
				Income statement		30,453		
						24,148		
	147080		127080		147080		127080	

1-8-2020	Bank (purchase)	44860	40,000	4860	31-3-2020	Bank (interest)	6436	
	Interest adjustment		145000		1-9-2020	Bank (sales)	154800	299800
	Profit on disposal					Interest adjustment	145000	
					30-9-2020	Bank (interest)	18415	
					31-12-2020	Balance f/d	4564	
						Income statement		
		154800		299800			154800	299800

Extract 3.2: A sample of incorrect responses to question 3

2.1.4 Question 4: Depreciation and Disposal of Non-Current Assets

The question was intended to assess the candidates' ability to prepare Provision for depreciation and Disposal of non-current assets. Specifically, the question required the candidates to use the information provided to prepare the Provision for depreciation on plants account for the four years ending 31st December 2017, 2018, 2019, 2020 and the Plants Disposal account for the years ending 31st December 2017 and 2020.

A total of 1,380 (100%) candidates attempted the question. Their performance is summarised in Figure 4.

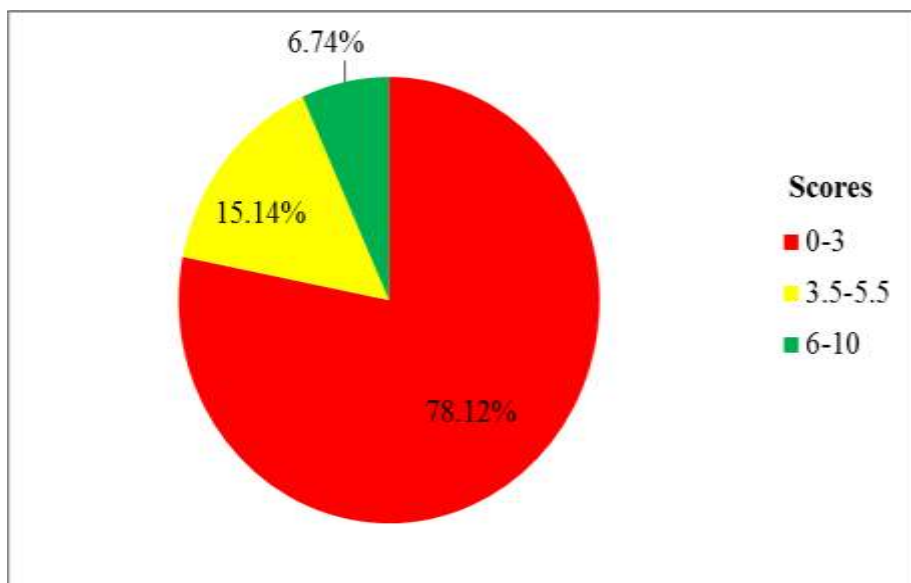


Figure 4: The Candidates' Performance in Question 4

Figure 4, shows that 1,078 (78.12%) failed by scoring 0 to 3 marks while only 302 (21.88%) passed by scoring 3.5 to 10 marks.

The most notable weakness displayed by the candidates who scored 0 to 3 marks 1,078 (78.12%) is limited knowledge of the subject matter. The candidates failed to compute accurately the amounts of depreciation and disposal of plant accounts. Further analysis suggested that they lacked knowledge of the procedures and techniques needed in the computation of Depreciation of fixed assets and Disposal account. Extract 4.1. Is a sample of poor responses from one of the candidates who failed to record correct transactions concerned with Provision for Depreciation and its Disposal accounts.

DR PROVISION FOR DEPRECIATION ON PLANTS %c		CR						
4.	31-12-2017 Disposal 108000	31-12-2017						
	Bal c/d 250400	P&L	358400					
		2018 Bal b/d	250400					
		P&L	286720					
	2018 Bal c/d 537120							
	537120		537120					
	2019 Bal c/d = 766495	2019 Bal b/d	537120					
		P&L	229375					
	766495		766495					
	2020 Bal c/d 949996	2020 Bal b/d	766495					
	949996	P&L	183501					
		2021 Bal b/d	949996					
Workings:								
DEPRECIATION TABLE								
Plants	Cost	2015	2016	2017	2018	2019	2020	Disposal
1/1/2015	200,000	60,000	48,000	-	-	-	-	
2015 2800,000 x 20% = 560,000								
2016 (2800,000 - 560,000) x 20% = 448,000								
2017 (2800,000 - 1008,000) x 20% = 358400								
2018 (2800,000 -) x 20% = 286,720								
2019 (2800,000 -) x 20% = 229,375								
2020 (2800,000 -) x 20% = 183,501								
= 1057996								

Extract 4.1: A sample of incorrect responses to question 4

A total of 209 (15.14%) candidates performed moderately. These candidates were able to prepare the required accounts and most of their entries of Provision for Depreciation on plant and Disposal accounts were posted correctly. However, they failed to compute the Provision for Depreciation on plant account and Disposal account. Hence their scores were average ranging from 3.5 to 5.5 marks.

On the other hand, only 93 (6.74%) candidates scored 6 to 10 marks which were the highest marks in this question. These candidates demonstrated adequate knowledge and competence in accounting for depreciation and disposal of non-current assets. Most of them correctly opened the required accounts, analysed the information provided in the question into entries which should be recorded in the Provision for Depreciation on plant and plant Disposal accounts. Also, they computed the amounts of depreciation charges correctly and made correct entries for them in the accounts. However, some of them made minor omissions of some entries, incorrect posting of entries in the accounts and incorrect calculations of depreciation charges which led to computation of incorrect balances of the accounts. Hence, their scores varied from 6 to 10 marks. Extract 4.2 is a sample of a good response from one of the candidates.

04.	Provision for depreciation table R.B.M 2017							
Cost	2015	2016	2017	2018	2019	2020	Depreciated	
2,500,000	740,000	352,000	281,600	225,280	180,224	-	1,779,104	
300,000	60,000	48,000	28,400	-	-	-	108,000	
Total	800,000	400,000	281,600	225,280	180,224	-		

DR		PROVISION FOR DEPRECIATION Acc		CR	
1/1/2017 Disposal	108,000	1/1/2017 Balance b/f		1200,000	
31/12/2017 Balance b/f	1373,600	31/12/2017 Profit and loss	221,600		
				<u>1,421,600</u>	<u>1,421,600</u>
31/12/2018 Balance b/f	1598,880	1/1/2018 Balance b/f		1373,600	
		31/12/2018 P & L	225,280		
				<u>1598,880</u>	<u>1598,880</u>
31/12/2019 Balance b/f	1779,104	1/1/2019 Balance b/f		1598,880	
		31/12/2019 Profit and loss	180,224		
				<u>1779,104</u>	<u>1779,104</u>
31/12/2020 Disposal	1779,104	1/1/2020 Balance b/f		1779,104	
DR		Plant Disposal Account		CR	
Plant	300,000	provision for depreciation	108,000		
Profit on disposal	48,000	Bank		240,000	
				<u>240,000</u>	<u>240,000</u>
Plant	2500,000	provision for depreciation	1779,104		
Profit on disposal	2,279,104	Bank		3,000,000	
				<u>4,279,104</u>	<u>4,279,104</u>

Extract 4.2: A sample of good responses to question 4

2.1.5 Question 5: Branch Accounting

This question was intended to assess the candidates' ability to prepare relevant books of accounts for the head office and branches. Specifically, the question required the candidates to use the information provided to prepare the following accounts: Branch stock account with two columns for recording the goods at invoice price and cost price respectively, goods sent to branch, branch debtors and branch income statement for year ending 31st December, 2019. A total of 1,174 (85.07%) candidates attempted the question and their performance is summarised in Figure 5.

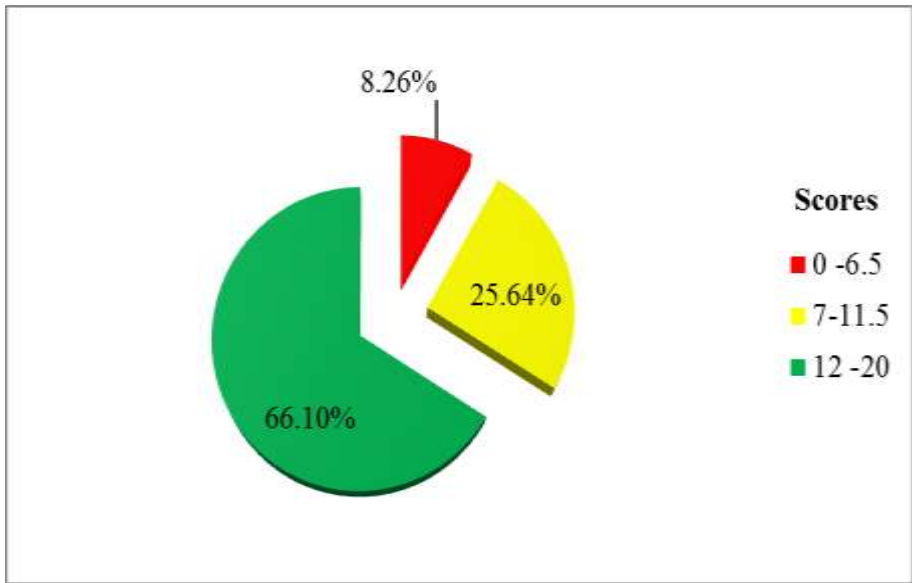


Figure 5: *The Performance of the Candidates on Question 5*

Figure 5, shows good performance of the candidates where 1,008 (91.74%) candidates passed by scoring 7 to 20 marks and 97 (8.26%) failed by scoring 0 to 6.5 marks.

The analysis of candidates' performance shows that 707 (66.10%) candidates had good performance. These candidates were able to open all of the required accounts i.e., Branch stock with two columns for recoding goods at invoice price and cost price, goods sent to branch, Branch debtors and Branch income statements accounts.

However, some candidates under this category were not able to make the necessary adjustments while others could not record all of the given transactions in the respective accounts. Moreover, there were few candidates who failed to record the correct amount of expenses and shortage in the branch income statement. These led to loss of some marks to these candidates; hence, the variations in their scores, which ranged from 12 to 20 marks. These good responses to the question are represented by extract 5.1 below.

DR		BRANCH		STOCK A/c		CR	
DETAILS	RAISE	MEMO	DETAILS	RAISE	MEMO		
Balance b/d	64,000	10,000	Credit sales	450,000	450,000		
Goods sent	400,000	300,000	Goods returned	24,000	30,000		
Branch return	10,000	10,000	Balance b/d	112,000	140,000		
Branch return	3000	3000	mortgage	-	30,000		
Goods profit	109,000	-					
	586,000	590,000		586,000	590,000		
Balance b/d	112,000	140,000					
b)							
DR		GOODS SENT ACCOUNT				CR	
DETAILS	AMOUNT	DETAILS	AMOUNT				
Branch stock	24,000	Branch stock	400,000				
Branch debtor	12,000						
To trading A/c	364,000						
	400,000					400,000	
c)							
DR		BRANCH DEBITORS				ALL	
DETAILS	AMOUNT	DETAILS	AMOUNT				
Balance b/d	30,000	Discount allowed	15,000				
Credit sales	450,000	Return inward	10,000				
		Branch return	15,000				
		Cash received from branch	395,000				
		Balance b/d	75,000				
	470,000		470,000				

Extract 5.1: A sample of good responses to question 5

In extract 5.1 the candidate prepared correct transactions of branch stock with two columns for recording goods at invoice price and cost price, goods sent to branch and branch debtors, hence he scored 20 out of the 20 allocated marks for this question.

On the other hand, 301 (25.64%) candidates who scored from 7 to 11.5 marks. These exhibited adequate knowledge of branch account since they were able to prepare accounts for Goods sent to branch and Branch stock with two columns. They also posted different entries

correctly. However, omission of some transactions and reversal of some entries characterised their responses such that they could not score higher marks.

Moreover, candidates who scored from 0 to 6.5 marks were 97 (8.26%) some of whom failed to prepare any of the required accounts. This indicates that the candidates were not competent in branch accounting. Other candidates were able to compute the correct amounts of some transactions but they reversed most of the entries when posting to the specified accounts. In the same vein, some other candidates recorded the transactions in wrong accounts. This means that the candidates lacked knowledge of the principle of double entry and its application in recording the financial transactions. For example, some entered branch expenses in the goods sent to branch account instead of the branch income statement. This suggests that the candidates lacked analytical skills. Also, a considerable minority of the candidates did not prepare some of the required accounts. Extract 5.2 is one of the poor responses from a candidate's script.

$\frac{\text{cost 25}}{100} = \frac{1}{4} \text{ to margin } \frac{1}{5}$						
5. DR BRANCH STOCK A/c CR						
Details	Base	Memo	Details.	Base	Memo	
Bal b/d	80,000	64,000	Sales credit	450,000	450,000	
Goods sent	500,000	400,000	Goods returned to H/O	20,000	24,000	
Goods returned by cust	10,000	8,000	Cash received	345,000	316,000	
Cash received	395,000	316,000	Goods returned to H/O	15,000	12,000	
			Shrinkage	350,000	766,000	
			Bal c/d	140,000	112,000	
	985,000	1,364,000		985,000	1,364,000	
Bal b/d	140,000	112,000				
DR Goods sent to Branch A/c CR						
Branch stock (Goods returned)	30,000		Branch stock (Goods returned by cust)	10,000		
Branch stock (return to H/O)	15,000					

Extract 5.2: A sample of incorrect responses to question 5

In extract 5.1 the candidate entered incorrect transactions of the Branch Stock with two columns for recording goods at invoice price and cost price and Goods Sent to Branch.

2.1.6 Question 6: Preparation of Financial Statements

This question was intended to assess the candidates' competence in preparing of Income statement in accordance to International Accounting Standards. Specifically, the question required the candidates to prepare Harun Adams Income statement for the year ending 31st December, 2019 by using the information given from the Trial balance and additional information extracted from the books of Harun Adams.

A total of 1,334 (96.7%) candidates attempted the question. Their performance is illustrated in Figure 6.

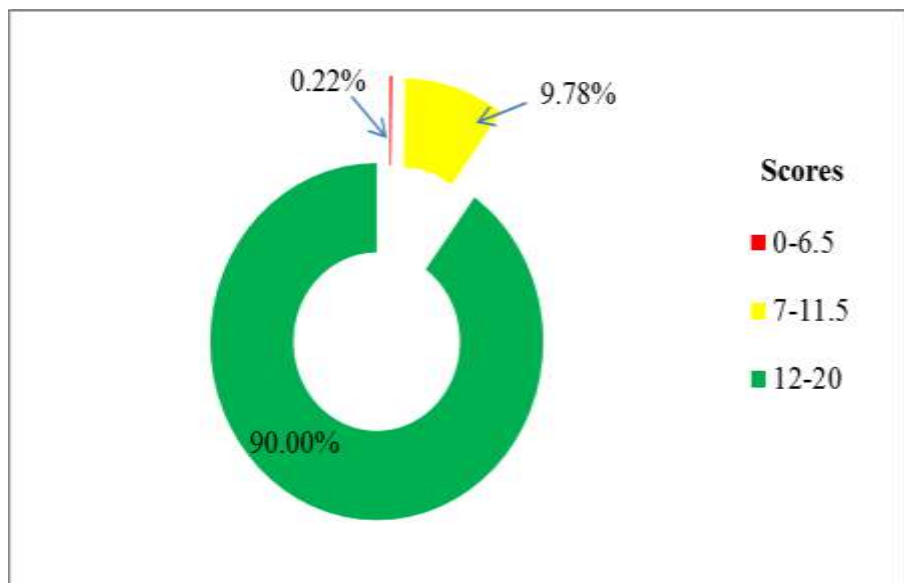


Figure 6: *The Performance of the Candidates on Question 6*

Figure 6, shows good performance of the candidates whereby 1,331 (99.78%) candidates passed by scoring 7 to 20 marks and only 3 (0.22%) failed by scoring 0 to 6.5 marks.

A total of 1,201 (90.00%) candidates had good performance according to Figure 6. The analysis of their responses shows that the majority of the candidates in this group prepared Income statement in their proper formats and they analysed the information provided in the question

into elements of the Income statement. Also, these candidates prepared year-end adjustments accurately in most of the elements of Income statements and made a proper presentation of the incomes and expenses in the Income statement of Harun Adams for the year ended 31st December, 2019 respectively.

However, some candidates made minor errors and omissions of some elements of income statement. Others made incorrect year-end adjustments. These errors caused the variation in scores from 12 to 20 marks. Good responses to the question indicated that candidates were competent in preparing Income statement. Extract 6.1 is a sample of good responses from a candidate.

G.		Harun Adams Income Statement as at 31 st December, 2019.	
	Sales		124450,000
	less: Return inward		136,000
	Net sales		124,264,000
	less: Cost of goods sold.		
	opening - invt	8000,000	
	add: purchase	8604,000	
	add: wages	8,250,000	
	carriage inward	156,000	
		94450,000	
	less: Return outward	135,000	
	Net purchases	94,317,000	
	cost of goods Av for sale	102,317,000	
	less: closing - invt	7,550,000	
	Cost of goods sold.		94,767,000
	Gross profit		29,497,000
	Add: Income.		
	Bad debt Recovery	45,000	
	Discount received	138,000	183,000
			29,680,000
	Less: Expense		
	Provision for bad debts	274,000	
	Rent (200000 - 20000)	1750,000	
	Interest on loan (accrued)	100,000	
	Bank charges	100,000	
	Bad debts	256,000	
	carriage outward	546,000	
	Discount allowed	48,000	
	Salaries	3,500,000	
	Travelling expense	10,400,000	
	General expense	8,055,000	

6.	Gas, electricity and water	2,560,000	
	Travel, wages and commission	5,480,000	
	Printing and stationery	640,000	
	Depreciation:		
	Plant and machinery	550,000	
	Furniture and fittings	25,000	18,945,000
	Net profit		10,735,000

Extract 6.1: A sample of good responses to question 6

Further analysis revealed that 130 (9.78%) candidates had average performance. These were able to prepare the extract of Income statement. They were also able to compute the amounts of provision for doubtful debts, and other adjustments like wages, depreciations of plant and machinery, furniture and fittings. Also they made appropriate adjustments for accruals and prepayments for rent and interest on loan. A reasonable number of their accounting entries were accurate but some of their recorded amounts were wrong, hence causing the candidates to score average marks. These responses indicate that the candidates had satisfactory knowledge of accounting for income statements.

A very small number of candidates had a weak performance: i.e.3 (0.22%). These failed to make adjustments of provision for doubtful debts and calculations of amounts of depreciations of plant and machinery, furniture and fittings. Also, they could not open all of the required accounts hence they omitted most of the required accounts. Another weakness observed from these candidates is that they were not able to compute the correct entries to make the adjustments for accruals and prepayments, hence they entered unadjusted amounts in Income statement. These responses suggest that the candidates lacked knowledge of adjustment of financial statements in accounting. Extract 6.2 is a sample of poor responses from one of the candidates.

06: INCOME STATEMENTS AS AT 31 Dec 2019	
Sales	124,450,000
Less: return inwards	136,000
	124,264,000
Less: cost of sales	
open stock	200,000
Add: Net purchase	
purchase	86,046,000
less: return out	135,000
	85,911,000
	92,911,000
Add: Carriage out	546,000
	94,457,000
Less: Closing stock	7,550,000
	86,907,000
	37,357,000
Gross profit	37,357,000
Add: Discount received	138,000
	37,495,000
Less: EXPENSES	
Bank charges	
Rent	2,250,000
Salaries	7,500,000
wages	8,250,000
Travelling expenses	1,040,000
Carriage inwards	136,000
Discount allowed	48,000
Gas electricity and water	2,056,000
Labour and commission	5,560,000
Printing and Stationary	640,000
Bad debt	255,000
provision for bad debt	740,000

Extract 6.2: A sample of incorrect responses to question 6

In extract 6.2 the candidate entered wrong amounts in the income statement.

2.1.7 Question 7: Financial Statements Analysis and Interpretation

The question was intended to assess the candidates' competence on computation of relevant accounting ratios. Specifically, the question required the candidates to use the financial ratios provided to prepare Kangaroo Ventures Income Statement for the year ended 31st March 2020 and the Statement of Financial Position as at 31st March, 2020.

A total of 407 (29.49%) candidates attempted the question. Their performance is summarised in Figure 7

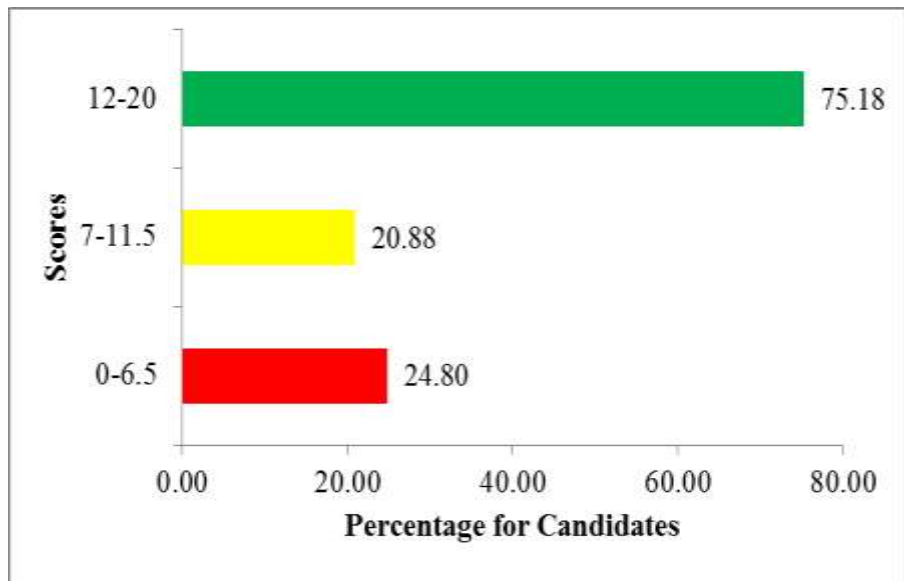


Figure 7: *The Performance of the Candidates on Question 7*

Figure 7 shows good performance of the candidates where by 306 (75.18%) candidates passed by scoring from 7 to 20 marks and 101 (24.80%) failed by scoring 0 to 6.5 marks.

In this question, 221 (54.30%) candidates scored from 12 to 20 marks. These candidates demonstrated mastery of the relevant formulas as they were to use them to compute the required accounting ratios. They used them correctly and extracted data from the financial ratios provided. Hence they computed the required accounting ratios accurately. However, a few of them confused the uses of the formulas in computing different amounts to be posted to the Income Statement and Statement of Financial Position. Other candidates could not recall the relevant formulas and, therefore they skipped recording some of

the amounts. These errors and omissions of some items caused the variation of the scores from 12 to 20 marks. Extract 7.1 is a sample of a good response from one of the candidates.

Income Statement of Kangaroo venture as at 31 st March 2020		
Sales	240,000,000	
less: cost of goods sold		
Opening stock	21,000,000	
Add: purchases	174,000,000	
cost of goods Av	195,000,000	
less: closing stock	15,000,000	
cost of goods sold	180,000,000	
7	Gross profit	60,000,000
	less: Sundry expense	38,400,000
	Net profit	21,600,000
Statement of financial position of Kangaroo venture as at 31 st March 2020		
Non-current Assets	108,000,000	
Add: current assets		
Stock	15,000,000	
Bank	9,000,000	
Debtors (Acc. Receivable)	29,000,000	
	48,000,000	
less: current liabilities	12,000,000	
working capital	36,000,000	
Net capital Employed	144,000,000	
financed by		
Capital	122,400,000	
Add: Net profit	21,600,000	
Net capital Employed	144,000,000	

Extract 7.1: A sample of good responses to question 7

In extract 7.1 the candidate demonstrated a good understanding of income statement and statement of financial position and scored 20 out of 20.

Moreover 85, (20.88%) candidates had an average performance. These candidates were able to address the demands of the question hence they used appropriate formulas and were able to extract the relevant data from the given financial ratio. However, their computed amounts to be posted to financial statements had a mixture of correct and incorrect amounts which is an indication of limited computational skills. The candidates showed limited skills in applying appropriate formulas.

On the other hand, the candidates who performed poorly in this question 101 (24.80%) had various weaknesses. Some of them failed to identify the appropriate formulas to be used to compute the required accounting ratios. Others were able to identify the appropriate formulas but they failed to extract the relevant data from the financial ratio provided in the question. It was also observed that some candidates applied wrong data in correct formulas; consequently, they computed wrong amounts. Other candidates confused the formulas for different accounting ratios and made inaccurate computations of the required amounts. Extract 7.2 is a sample of incorrect response from one of the candidates.

7.	Income Statement of Kangaroo Venture for the year ended 31 st March 2020	
	Sales	360 000 000
	<u>less cost of sales</u>	
	Opening Stock	21 000 000
	Purchases	255 000 000
	COGS	276 000 000
	<u>less closing stock</u>	<u>6 000 000</u>
	Gross Profit	900 000 000
	<u>less Expenses</u>	
	Sundry expenses	38 400 000
	Net profit	8 961 600 000

Statement of Financial position as at 31 st March 2020	
Non current Asset	
Current Asset	
Closing Stock	6000000
Account Receivable	36000000
Bank	
Current liabilities	
Capital	
At Net profit	896160000

Extract 7.2: A sample of incorrect responses to question 7

In extract 7.2 shows a sample of a response from a candidate who failed to compute accounting ratios and consequently prepared incorrect financial statements.

2.1.8 Question 8: Correction of Accounting Errors

The question aimed at assessing the candidates' ability to correct accounting errors by using Journal entries and Suspense account. Specifically, the question required the candidates to use Kidao's Trial balance as at 30th April, 2020 and the accounting errors discovered to prepare Journal entries and Suspense account to correct the errors, and Kidao's corrected Trial Balances as at 30th April, 2020.

A total of 1,224 (88.70%) candidates attempted the question and their performance is shown in Figure 8.

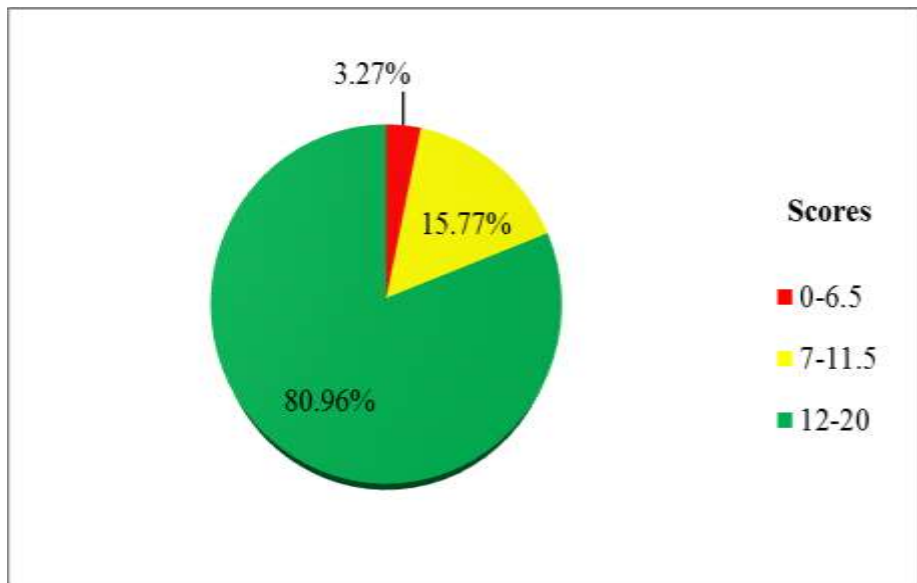


Figure 8: *The Performance of the Candidates on Question 8*

Figure 8, shows good performance of the candidates where 1,184 (96.73%) candidates passed by scoring 7 to 20 marks and 40 (3.27%) failed by scoring 0 to 6.5 marks.

There were 991 (80.96%) candidates who scored from 12 to 20 marks. This demonstrated ability to correct the accounting errors. They also managed to open and posting Journal entries, prepare Suspense account and Kudos corrected Trial balance as at 30th April 2020. A gain, most of them managed to identify the accounts affected by the given accounting errors and made appropriate entries in the general journal to correct them.

These candidates also made appropriate adjustments to the suspense accounts and used appropriate formulas to compute the required amounts of sales, discount allowed, fixtures and creditors in their responses to the question. Their responses indicated that they candidates had adequate knowledge on how to make correction of accounting errors and prepare a corrected trial balance. Extract 8.1 is a sample of a response from a candidate who scored 20 out of 20 of the marks allocated to the question.

8. THE JOURNAL			
S/NO	DETAILS	DR	CR
1.	Sales a/c	35000	
	Suspense a/c		35000
	Sales have been overcasted by 35000/- now corrected.		
2.	Discount allowed a/c	10000	
	Suspense a/c		10000
	Being discount allowed under casted by 10000/- now corrected.		
3.	Fixtures a/c	85000	
	Suspense a/c		85000
	Being purchase of fixtures not posted to fixtures a/c now posted.		
4.	Suspense a/c	16600	
	Creditors a/c		16600
	Being credit purchases not posted to creditors a/c now posted.		
5.	Creditors a/c	49000	
	Drawings a/c		49000
	Being payment made to Creditors debited to drawings a/c now corrected.		

8	DR.	SUSPENSE	ALC.	CR
	Balance b/d	113400	Sales	85000
	Creditors	16600	Discount allowed	10000
			Fixtures	85000
		<u>130000</u>		<u>130000</u>
KIDAO'S CORRECTED TRIAL BALANCE AT AT 30 th APRIL 2020				
	DETAILS		DEBIT	CREDIT
	Sales			8670000
	Purchases		6240000	
	Discount allowed		40500	
	Discount received			41000
	Salaries and wages		316800	
	General expenses		59500	
	Fixtures		1085000	
	Stock		1249000	
	Debtors		812000	
	Creditors			521100
	Creditors			472100
	Bank balance		879000	
	Drawing f		403000	
	Capital			1701700
			<u>10884800</u>	<u>10884800</u>

Extract 8.1: A sample of good responses to question 8

In extract 8.1 a candidate accurately prepared the Journal entries, Suspense Accounts and Kudos corrected Trial Balance as required.

A total of 193 (15.77%) candidates who scored from 7 to 11.5 in this question. These were able to address the demands of the question as they prepared the journal entries and suspense accounts. However, they did not correct Kudo Trial balance as at 30th April 2020. Also, some of the accounts and amounts entered into the journal were not correct; hence they scored average marks. This average performance indicates that the candidates had satisfactory knowledge on how to make correction of accounting errors and prepare corrected Trial Balances.

Further 40 (3.27%) candidates had weak performance. These candidates scored 0 to 6.5 marks. The candidates were not able to identify some of accounts to be affected by the given accounting errors. They either used irrelevant accounts or debit amount which should have to be credited and vice versa. This indicates that they lacked knowledge of the principle of double entry system.

Moreover, some candidates did not prepare the Journal Entries, Suspense Accounts and Kudos corrected Trial balance as at 30th April 2020. This not only shows the candidates failure to interpret the demands of the question but also suggests that the candidates lacked knowledge about the difference between ledger accounts and journal entries. Other candidates used wrong formulas to calculate the required information; as a result, they recorded wrong amounts in their journal Entries, Suspense Accounts and Kudos corrected Trial balance as at 30th April 2020. Extract 8.2 is a sample of incorrect response from one of the candidates.

JOURNAL ENTRIES		
DETAILS	DR	CR
a) Sales day book	35,000	
Suspense		35,00
b) Suspense A/c	10,000	
Discount allowed		10,000
c) Fixture A/c	915,000	
Cash book A/c		915,000
d)		
e) Suspense A/c	455,500	
drawing A/c		455,500
SUSPENSE ACCOUNT		
Difference per T-13	113,400	Sales day book 35,000
Discount Allowed	10,000	
drawing	455,500	
30 th APRIL 2020 KIDAO CORRECT TRIAL BALANCE		
DETAILS	DR	CR
Sales		26240,000
Purchases	2,705,000	
Discount allowed	30,500	
Discount received		41,000
Salaries and wages	316,800	
Annual expenses	59,500	
Fixture	1,00,000	

Extract 8.2: A sample of incorrect responses to question 8

In extract 8.2 a candidate entered wrong amounts in Suspense account and in the Journal entries and posted wrong amounts while preparing the corrected Trial Balance.

2.2 Analysis of the candidates' performance in 153/2 Accountancy 2

The paper consisted of eight (8) questions from eight (8) topics namely: *Auditing, Hire Purchase Accounting, Stock Valuation, Company Accounts, Containers Accounts, Cost Accounting, Partnership Accounting* and *Payroll Accounting*. The candidates' response analysis for each question is as follows:

2.2.1 Question 1: Auditing

In general, the question was intended to measure the candidates' competence in Auditing opinion. Specifically, it required the candidates to briefly explain the following accounting terms:

- (a) Audit opinion
- (b) Qualified audit opinion
- (c) Unqualified audit opinion
- (d) Adverse audit opinion

A total of 1,380 (100%) candidates attempted this question and their performance is summarised in Figure 9.

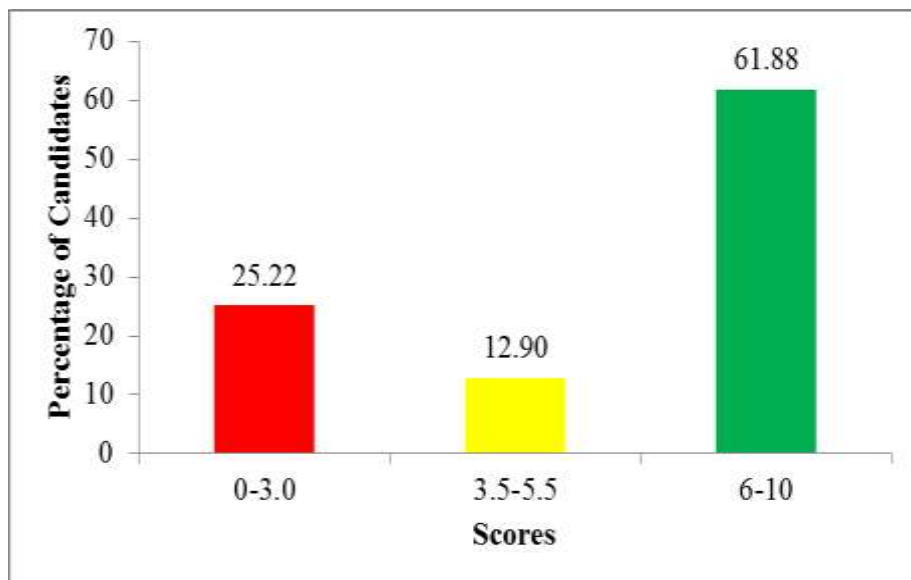


Figure 9: *The Performance of the Candidates on Question 1*

Figure 9 shows good performance of the candidates where 1,032 (74.78%) candidates passed by scoring 3.5 to 10 marks and only 348 (25.22%) failed by scoring 0 to 3 marks.

The candidates who performed well (6 to 10 marks) explained the given Auditing terms correctly. Their scores ranged from 6 to 10 marks depending on the level of relevance, clarity support provided in their answers. Extract 9.1 is a sample of good responses from one of the candidates.

Qn 1	
(a)	Audit Opinion This is the view or result that is obtained from the work of an audit after systematic checking of the books of accounts and Financial Statements. The audit Opinion may neither be qualified opinion, unqualified Opinion or adverse audit Opinion.
(b)	Qualified audit Opinion This is an audit opinion that does not show a clear and fair view of the audit report or results after the checking of books of accounts and the Financial Statement of the firm or company.
(c)	Unqualified audit Opinion This is an audit opinion that shows and presents a clear and fair view of the audit work after checking the Financial Statements of the business. This Opinion a clear, fair view or report is obtained.
(d)	Adverse audit Opinion This is an audit Opinion which presents and shows true and fair view of the audit report but it is not presented to the company or business. This audit Opinion shows the accuracy of Financial Statements

Extract 9.1: A sample of good responses to question 1

The candidates with average performance (3.5 to 5.5 marks) were able to provide reasonable explanations about the given auditing opinion terms. However, they wrote relevant and clear explanations on one or two of the given terms. Their scores ranged from 3.5 to 5.5 marks depending on the level of errors and clarity of their explanations. Their average performance implies that they had satisfactory understanding about audit opinion and its categories.

The candidates who scored low marks (0 to 3 marks) lacked knowledge of auditing terminologies, especially audit opinion. Candidates under this category could not explain all the given terminologies. Some candidates failed to write clear explanations because of lack of proficiency in English language. They wrote meaningless sentences or phrases: for example, one candidate explained the term Unqualified opinion *as a statements directly show the efficiently of audit opinion*. This is incorrect because in unqualified audit opinion the auditor gives a true and fair view of affairs of client entity. Another candidate explained audit opinion as *opinion which concern with certain department at the firm or company*. This is wrong because advice opinion states that the audited accounting records and financial statements do not show a true and fair view of the affairs of the client entity. Extract 9.2: Shows incorrect responses from one of the candidates.

1.	a) Audit opinion; Are details provided by an auditor after an auditing work but not well processed.
	b) Qualified audit opinion; Are official report provided by an auditor about an audit work conducted.
	c) Unqualified audit opinion; Are report provided by an auditor but not yet qualified.
	d) Adverse audit opinion;

Extract 9.2: A sample of incorrect responses to question 1

2.2.2 Question 2: Hire Purchase Accounting

This question was intended to measure the candidates' ability to prepare financial statements of Hire purchase. Specifically, it required the candidates to use the information provided to prepare; Mawenzi enterprise's Hire purchase income statement for the year ended 30th April 2019 and the Statement of financial position as at 30th April, 2019 by (Ignore depreciation of non-current assets).

A total of 1,380 (100%) candidates responded to the question and their performance is summarised in Figure 10.

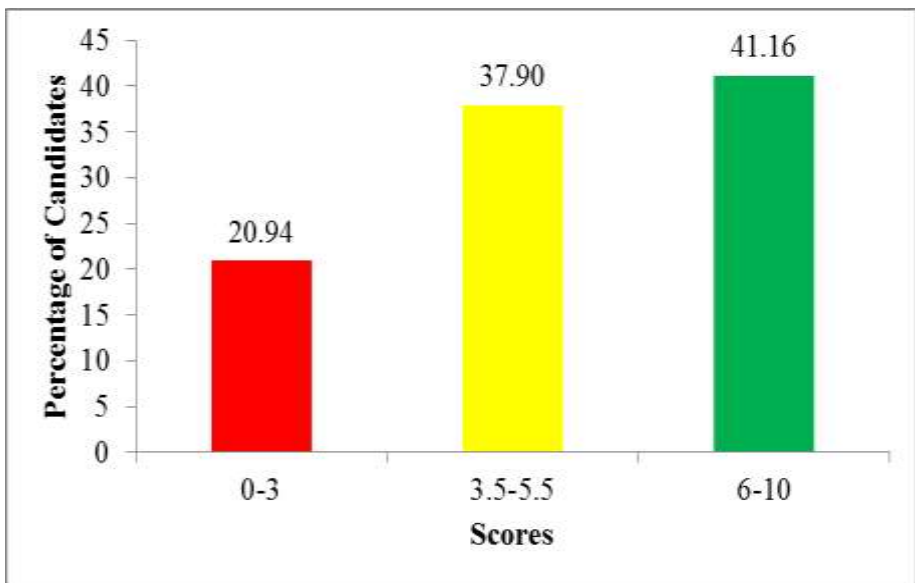


Figure 10: *The Performance of the Candidates on Question 2*

Figure 10 shows a good performance where 1,091 (79.06%) candidates passed by scoring 3.5 to 10 marks and 289 (20.94%) candidates failed by scoring 0 to 3 marks.

A total of 568 candidates (41.16%) had good performance, which means that they had good knowledge of the subject matter. They used appropriate rates to prepare Hire Purchases Income statement and the Statement of financial position. This response indicates that candidates were well competent in preparing the Hire purchases income statement and Statement of financial position. This is evident because, their presentation of the revenue/incomes, expenses, assets and liabilities in the financial statements were correct.

However, there were few candidates who omitted and misclassified some of the elements of Financial statements; hence, their presentation included a mixture of correct and incorrect items. Their scores varied from 6 to 10 marks depending on the level of errors and omissions in their responses. Extract 10.1 is a sample of good response from one of the candidates.

2.	John:			
	Cost Price = 600,000			
	H/P Price = 1,000,000.			
	DR.	H/P DEBTORS ACCOUNT		CR.
	H/P sales	950,000,000	Cash collected	418,000,000
			Balance b/d	532,000,000.
		<u>950,000,000</u>		<u>950,000,000</u>
	INCOME STATEMENT FOR THE YEAR ENDED 30 th APRIL 2019.			
	H/P sales		950,000,000	
	LESS: COGS			
	Purchases	600,000,000		
	Less: closing stock	30,000,000		
				590,000,000
	Gross profit			380,000,000
	Less: Unrealized Profit			212,800,000
	Realized Profit			167,200,000
	Less: Expenses			
	Rent, rates and insurance	22,500,000		
	Wages	43,000,000		
	General expenses	51,350,000		
				116,850,000
	Net Profit			<u>50,350,000.</u>

2.	STATEMENT OF FINANCIAL POSITION AS AT 30 th APRIL 2019.	
	Non-Current Assets	50,000,000
	less:	
	current Assets.	
	Stock	30,000,000
	Debtors	532,000,000
	less: Unrealized Profit	212,800,000
		319,200,000
	Bank	53,150,000
		402,350,000
	less: Current liabilities	
	Sundry trade creditors	5342,000,000
	WORKING CAPITAL	360,350,000
	CAPITAL EMPLOYED	410,350,000
	Financed by:	
	Capital	380,000,000
	Add: Net Profit	50,350,000
		430,350,000
	less: Drawings	20,000,000
	CAPITAL EMPLOYED.	410,350,000

Extract 10.1: A sample of good responses to question 2

Further analysis revealed that 523 (37.90%) candidates had average performance. These candidates were able to open the required Financial statements in their proper formats, but some errors and omission were noted in their responses. Their scores varied from 3.5 to 5.5 marks. Their average performance suggests that they had satisfactory knowledge and competence in accounting for Hire purchases.

There were 289 (20.94%) candidates who failed by scoring 0 to 3 marks. Most candidates in this category failed to interpret the question. The candidates failed to classify the elements of financial statements into incomes, expenses, assets and liabilities. Consequently, some mixed the revenues, expenses, assets and liabilities in their Income statement and the Statement of financial position. Some other candidates prepared ledger accounts Hire purchase sales, Hire purchase debtors and Hire purchase interest suspense accounts instead of financial statements. Likewise, some candidates in this group

omitted most of the elements of the financial statements in both Income statement and Statement of financial position.

On top of that, there were some candidates who presented financial statements in horizontal format contrary to the requirement of International Accounting Standard 1 (IAS 1). These responses indicate that the candidates were not competent in preparing of financial statements of Hire purchases. Extract 10.2 is a sample of incorrect response from one of the candidates.

2		Mainenzi Enterprises 30/4/2019	
		Hire purchase Income Statement for year end	
	sales		950,000,000
	less: cogs		
	opening stock		
	add: Purchases	600,000,000	
	cogs	600,000,000	
	cash collected	413000,000	
	less: closing stock		45130,000
	Gross profit		
	less: expenses		
	Rent & Rates & insurance	22,500,000	
	Wages	43000,000	
	General expenses	51350,000	
	Depreciations		
	Net profit		4600,000,000

Extract 10.2: A sample of incorrect responses to question 2

In Extract 10.2, the candidate prepared the Income statement by computing a wrong amount and did not prepare the Statement of financial position. Also the items like wages, cash collected, closing stock, gross profit and net profit were presented wrong figures.

2.2.3 Question 3: Stock Valuation

This question assessed the candidates' competence in preparing an Income statement of stock and calculating amount of insurance claim. Specifically, the question required the candidates to use the information provided to prepare Debtors and creditors control and a statement showing the value of the stock destroyed by fire and calculate the amount of Mr .Katembo's claim from the insurer.

A total of 1,380 (100%) candidates attempted the question. Their performance is summarised in Figure 11.

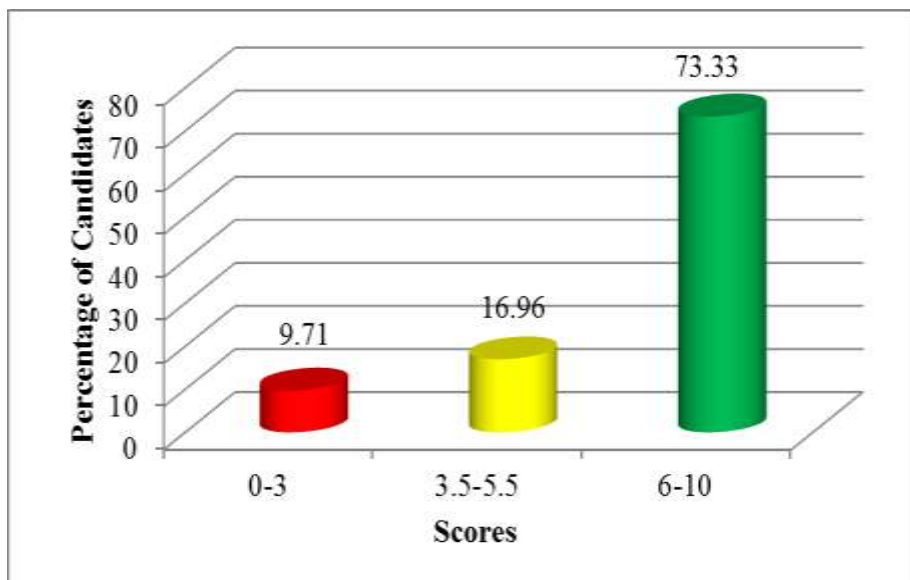


Figure 11: *The Performance of the Candidates on Question 3*

Figure 11 shows good performance of the candidates where 1,246 (90.29%) candidates passed by scoring 3.5 to 10 marks and 134 (9.71%) failed by scoring 0 to 3 marks.

The analysis indicates that 1,012 (73.33%) candidates had good performance. These candidates were able to prepare debtors and creditors control accounts by determining the correct amount of credit sales and credit purchases for the period from 1st June to 7th June, 2018 which was 770,000 and 480,000 respectively. Also, they accurately prepared a Statement of the value of stock destroyed by fire and calculate Mr Katembo's amount of insurance claim.

However, errors and omissions were also observed in their responses. Because of these, the candidates' scores varied from 5.5 to 10 marks. The good performance could be attributed to the candidates' adequate knowledge and competence in Stock Valuation. Extract 11.1 is a sample of good responses from a candidate.

DR	DEBTORS CONTROL ACCOUNT		CR
Balance b/d	460,000	Receipt from debtors	570,000
Credit sales	770,000	Discount allowed	10,000
		Balance c/d	650,000
	<u>1,230,000</u>		<u>1,230,000</u>
Balance c/d	650,000		

DR	CREDITORS CONTROL ACCOUNT		CR
Payment to creditors	512,000	Balance b/d	540,000
Discount received	18,000	Credit Purchases	480,000
Balance c/d	490,000		
	<u>1,020,000</u>	Balance c/d	1,020,000
			<u>1,020,000</u>

b/ INCOME STATEMENT for the year ended 31st June 016

	Lk.	Lk.
Opening stock	200,000	
Add: Purchases	480,000	
	<u>1,100,000</u>	
less: Stock donated to charity	21,000	1,066,000
less: COG of goods sold		
Gross profit	770,000	
less: Gross profit ($\frac{3}{5} \times 770,000$)	154,000	616,000
Closing stock		150,000
less: Salvage stock value		60,000
DESTROYED STOCK		<u>390,000</u>

WORKINGS:

Mark-up = $\frac{2}{102} = \frac{1}{51}$

Mark-up \rightarrow Margin = $\frac{1}{51} \times 100 = \frac{100}{51}$

c/ Claim = $\frac{\text{Destroyed stock}}{\text{Closing stock}} \times \text{Gross profit}$

$$\text{Claim} = \frac{390,000}{450,000} \times 770,000$$

$$\text{Claim} = 36,400$$

\therefore The amount that Mr. Katembo will claim from the insurer = 36,400

Extract 11.1: A sample of good responses to question 3

In extract 11.1, the candidate correctly prepared the Debtors and Creditors control account and statement of the value of stock destroyed

by fire. It also shows that the candidates correctly calculated the amount claimed from insurance as Tshs 36,400.

There were 234 candidates (16.96%) who had an average performance. These were able to adhere to some of the demands of the question. They prepared Debtors and Creditors control accounts and obtained the correct credits sales and purchases. However, some could not prepare the income statement to show the value of stock destroyed by fire. Also, it was noted that candidates under this category could not calculate the amount of Mr. Katembo's insurance claim. This score ranged from 3.5 to 5.5 marks.

On the other hand, 134 (9.71%) candidates had poor performance. These candidates failed to adhere to the requirements of the question. The majority of them were not able to prepare the debtors and purchase control accounts and to calculate the value of stock destroyed by fire and the amount of the insurance claim.

There were, other candidates who recorded correct amounts with wrong narrations. These candidates demonstrated a lack of analytical skills in classifying the accounts. Also, other candidates reversed some entries in their accounts. This indicates that the candidates lacked knowledge of principle of double entry and its application in recording financial transactions. Extract.11.2 is a sample of incorrect response from one of the candidates.

Qn3		
STATEMENT AS TO SHOW VALUE OF CLOSING STOCK		
Opening stock		620,000
add. purchases	480,000	
D. received	18,000	
	498,000	498,000
COGAS		118,000
less: closing stock. (COGS)		
Stock Sales	770,000	
add. Stock donated	40,800	
	810,800	
add. D. allowed	10,000	
	820,800	
less: Gross profit	160,160	656,640
		461,360
less: Stock destroyed		60,000
Value of closing stock		401,360

3c	Amount of claim
	Sum of insured residual cost:
	Closing Stock
	420,000 x 461,360
	461,360
	= 420,000
	∴ Mr. Katembo can claim from the
	insurer 420,000 /-

Extract 11.2: A sample of incorrect responses to question 3

In extract 11.2 the candidate did not prepare Debtors and Purchase control accounts to determine amount of sales and purchases respectively. He/she directly embarked on preparing a statement of the value of stock destroyed by fire and calculating the amount claimed by Mr. Katembo from the insurer.

2.2.4 Question 4: Company Accounts

The question was intended to assess the candidates' ability to prepare accounting entries for issued shares. Specifically, the question required the candidates to record the given transactions in the company's Bank, Ordinary share allotment, Ordinary Share capital and Ordinary share premium accounts and prepare an extract of the company's Statement of financial position.

A total of 1,380 (100%) candidates attempted the question. Their performance is shown in Figure 12.

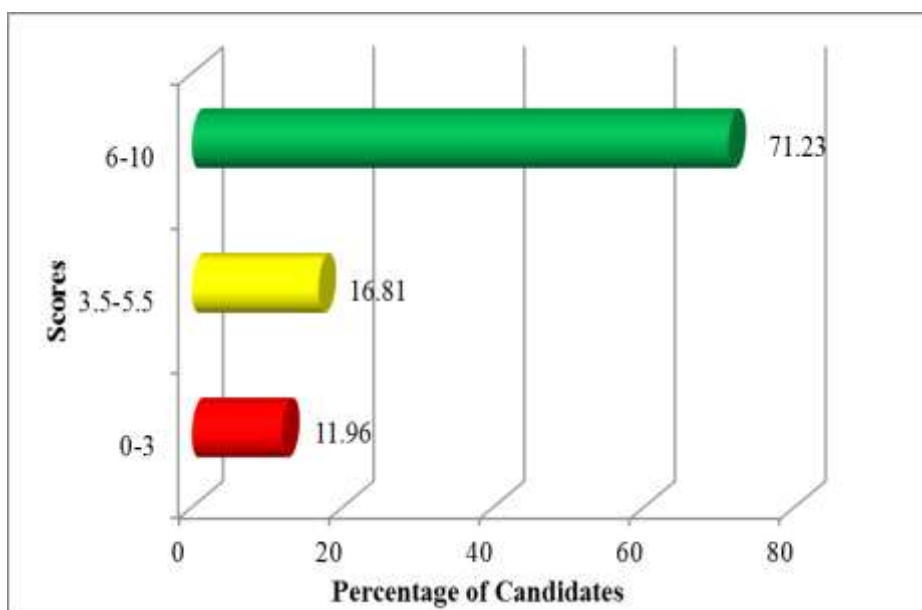


Figure 12: *The Candidates' Performance in Question 4.*

Figure 12 shows good performance of the candidates where 1,215 (88.04%) candidates passed by scoring 3.5 to 10 marks and 165 (11.96%) failed by scoring 0 to 3 marks.

The analysis of data shows that 983 (71.23%) candidates scored 6 to 10 marks. These candidates managed to prepare Bank, Ordinary share allotment, Ordinary share capital and Ordinary share premium accounts. They also prepared a correct company Statement of financial position. Moreover, they computed the amount of money receivable on application, allotment, first call, second call and the amount of share premium accurately. On top of that, they made correct entries in the Bank, Share application, Share allotment, First call, Second call and

Ordinary share capital accounts. Despite these good answers, some of the candidates in this category made errors and omissions and wrongly posted some entries in the accounts, which caused their scores to vary from 6 to 10 marks. Extract 12.1 is a sample of a good response from one of the candidates.

4.	DR	BANK ACCOUNT	CR
		Ordinary share application 450,000	Ordinary share application 150,000
		Ordinary share allotment 500,000	Balance c/d 1,200,000
		first call 250,000	
		second call 150,000	
		<u>1,350,000</u>	<u>1,350,000</u>
	DR	ORDINARY SHARE ALLOTMENT ACCOUNT	CR
		Ordinary share capital 300,000	Bank 500,000
		Share premium 200,000	
		<u>500,000</u>	<u>500,000</u>
	DR	ORDINARY SHARE CAPITAL ACCOUNT	CR
		Balance c/d 1,000,000	Ordinary share application 300,000
			Ordinary share allotment 300,000
			first call 250,000
			second call 150,000
		<u>1,000,000</u>	<u>1,000,000</u>
			Balance b/d 1,000,000
	DR	SHARE PREMIUM ACCOUNT	CR
		Balance c/d 200,000	Ordinary share allotment 200,000
			Balance b/d 200,000
		STATEMENT OF FINANCIAL POSITION	
		CURRENT ASSETS	
		Bank	<u>1,200,000</u>
		financed by	
		Ordinary share capital	1,000,000
		Share premium	200,000
			<u>1,200,000</u>

Extract 12.1: A sample of good responses to question 4

In extract 12.1 the candidate accurately prepared the Bank, Ordinary Share Allotment, Ordinary Share Capital, Ordinary Share Premium Accounts and Company Statement of Financial position.

On the other hand, the candidates who performed averagely were 232 (16.81%). These were able to prepare the Bank, Ordinary share allotment, Ordinary share capital and opened the required ledger accounts but some of their entries in the relevant accounts contained inappropriate narrations, wrong posting and reversed entries which led their marks to range from 3.5 to 5.5 marks.

Besides, the analysis shows that 165 (11.96%) candidates who scored low marks that ranged from 0 to 3. These did not have adequate knowledge of the subject matter. Their responses were characterised by a mixture of correct and incorrect answers. Most of them did not prepare the Bank, Ordinary share allotment, Ordinary share capital, Ordinary share premium accounts and Company Statement of Financial position.

Also, there were candidates who recorded inaccurate amounts in the following accounts; Application, Allotment, first call, second call and Share premium accounts. Moreover, their accounts contained inappropriate narrations, omissions and reversed entries. Others could not establish the amounts to be banked on each of the application, allotment and call instalments. On top of that, some candidates could not open all of the required accounts as they skipped three to four of the required accounts. This indicates that the candidates were not competent in the preparing of accounting entries for the company accounts. Extract 12.2 is a sample of incorrect response from one of the candidates.

4.	DR	BANK ACCOUNT.	CR.
	Share allotment	500,000	Ordinary share premium 200,000
			Balance c/f
		<u>500,000</u>	300,000
			<u>500,000</u>
	DR	Ordinary share allotment a/c	CR
	Ordinary share capital	300,000	Bank
	Premium	200,000	
		<u>500,000</u>	
			<u>500,000</u>
	DR	Ordinary share capital	CR.
	Ordinary share premium	200,000	Ordinary share allotment
	Balance c/f	100,000	300,000
		<u>300,000</u>	
			<u>300,000</u>
	DR	Ordinary share premium	CR
	Bank	200,000	Ordinary share capital
			200,000

Extract 12.2: A sample of incorrect responses to question 4

Extract 12.2 is a response from a candidate who prepared the Bank account, Ordinary share allotment account, Ordinary share capital account, and Ordinary share premium account with incorrect data and failed to prepare Company statement of financial position as demanded by the question.

2.2.5 Question 5: Containers Accounts

The question was intended to assess candidates' ability to prepare Containers accounts using the suspense method. Specifically, the question required the candidates to use the information provided to prepare the Containers stock and Containers suspense accounts for the year ending 31st December, 2019.

A total of 1,371 (99.3%) candidates attempted the question and their performance is illustrated in Figure 13.

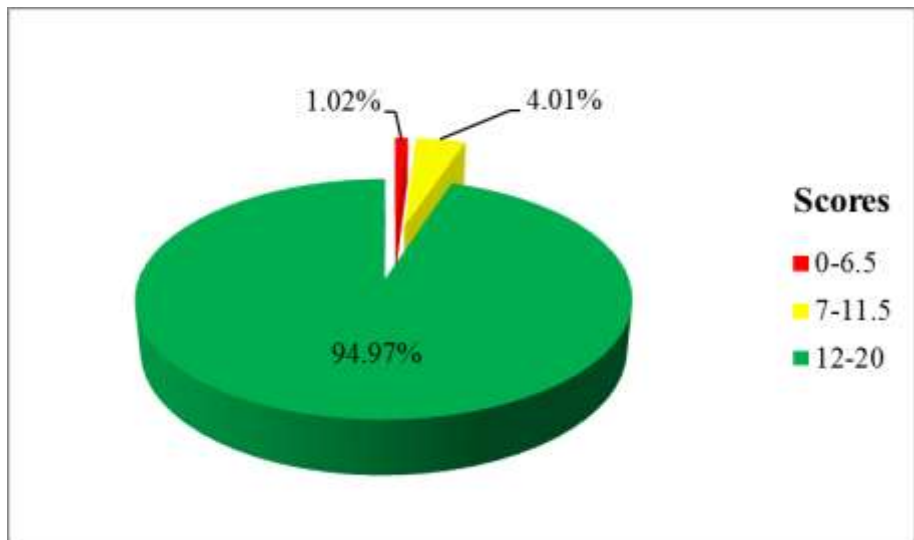


Figure 13: *The Performance of the Candidates on Question 5*

Figure 13 shows that 1,357 (98.98%) candidates passed well by scoring 7 to 20 marks and 14 (1.02%) failed because they scored low marks.

The analysis of candidates' responses shows that 1,302 (94.97%) had good performance. These candidates were able to prepare the required accounts accurately. Also, most of them managed to record and post the transactions from the Containers stock on the Containers suspense account and determined the correct profit on container usage of TZS 1,820,400. Few candidates under this category lost some marks because their accounts contained incorrect narrations, amounts, postings and omission of some entries. Their scores ranged from 12 to 20. Extract 13.1 is a sample of a good response from one of the candidates.

5 In the books of Mienbeni Breweries Limited.							
Workings							
IR = T2s 250							
RR = T2s 150							
VR = T2s 100							
PR = T2s 200							
ii) Dr Container Stock % (IN/2s) Cr							
Details	Qty	Rate	Amount	Details	Qty	Rate	Amount
Bal b/d				cont kept	9000	150	1,350,000
- warehouse	8000	100	800,000	Hiring charge			260,000
- customers	16000	100	1,600,000	Destroyed	200		
Purchases	12000	200	2,400,000	Scrapped	100		400
Profit on cont			1,820,400				
				Bal b/d			
				- warehouse	12700	100	1,270,000
				customers	14000	100	1,400,000
	36000	-	6,620,400		36000	-	6,620,400
1120 Bal b/d							
- warehouse	12700	100	1,270,000				
customers	14000	100	1,400,000				
Dr Container Suspense % (IN/2s) Cr							
Details	Qty	Rate	Amount	Details	Qty	Rate	Amount
Returned	19000	150	2,850,000	Balance b/d	16000	150	2,400,000
Retained	9000	150	1,350,000	cont sent	26000	250	6,500,000
Hiring charge			260,000				
Bal b/d	14000	150	2,100,000				
	42000	-	8,900,000		42000	-	8,900,000
				1120 Bal b/d	14000	150	2,100,000

Extract 13.1: A sample of good responses to question 5

Extract 13.1 is a sample of response from a candidate who prepared accurately Container stock account and Suspense account for the year ended 31st, December 2019.

Further analysis of the candidates' responses indicates that 55 (4.01%) candidates had an average performance with scores ranging from 7 to 11.5 marks. These candidates demonstrated adequate competence in preparing Containers accounts as they were able to open the required

accounts and record most of the transactions correctly. However, some candidates in this category omitted some of the transactions from the accounts and had incorrect narrations and amounts for some transactions. In addition, other candidates reversed one or two of the entries in the containers stock account or the containers suspense account.

Only 14 (1.02%) candidates had weak performance. These candidates failed to prepare the required accounts accurately. They prepared normal T-accounts without columns for recording the quantity/units, rate and value/amounts of the containers. Others incorrectly computed the amounts of hiring profit, profit on sale of scrapped containers and profit on retained containers. Further analysis indicates that some candidates failed to apply the principles of double entry in recording transactions. They recorded some items once, reversed some of the entries or posted some entries to the wrong side of the accounts.

Moreover, some candidates recorded incorrect amounts in the Containers stock account. Consequently, their reported profits on containers usage were incorrect. The analysis of responses further shows that some candidates incorrectly computed the values of the containers sent out to customers and those which were returned by the customers. These errors made the Containers suspense accounts fail to balance. The scores of the candidates under this category ranged from 0 to 6.5 marks indicating that the candidates are not competent on preparation of Containers accounts. Extract.13.2 is a sample of incorrect response from one of the candidates.

5. Dr CONTAINERS STOCK ACCOUNT Cr								
Details	Qty	Rate	Amount	Details	Qty	Rate	Amount	
Bal b/d	8000	0.5	4000	Cases destroyed	200	0.5	100	
Purchases	12000	1	12000	Cases mtd	100	-	400	
Cases return	19000	0.5	9500	Bal c/d	38700	0.5	19350	
	39000		25500		39000		25500	
Bal b/d	38700	0.5	19350					

5. Dr CONTAINER SUSPENSE ACCOUNT Cr								
Details	Qty	Rate	Amount	Details	Qty	Rate	Amount	
Cases return	19000	0.75	14250	Bal b/d	16000	0.75	12000	
Profit	9000		19750	Cases sent	26000	1.25	32500	
Bal c/d	14000	0.75	10500					
	42000		44500		42000		44500	
				Bal b/d	14000	0.75	10500	

Extract 13.2: A sample of incorrect responses to question 5

Extract 13.2 is a sample of response from a candidate who prepared Container stock account and Container suspense account with wrong amounts, rate and amount columns.

2.2.6 Question 6: Cost Accounting

This question assessed the candidates' competence in preparing a Cash budget. Specifically, the question required the candidates to use the information provided to prepare Chipata company Ltd.'s quarterly Cash budget for the year ending 31st December, 2019.

A total of 130 (9.42%) candidates attempted the question. Their performance is summarised in Figure 14.

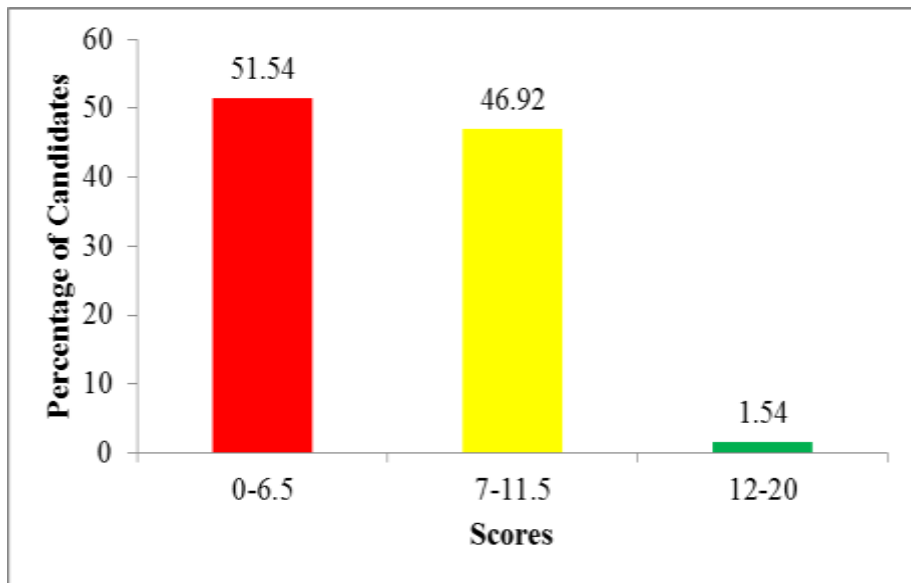


Figure 14: *The Performance of the Candidates on Question 6*

Figure 14 shows average performance of the candidates where 63 (48.46%) candidates passed by scoring 7 to 20 marks and 67 (51.54%) failed by scoring 0 to 6.5 marks.

The data from Figure 14 shows that 67 (51.54%) candidates had poor performance ranged from 0 - 6.5 marks. The reason for poor performance include the candidates' inability to understand the requirements of the question. For example, some candidates failed to calculate the amount of sales and purchases per the given quarter because they could not use the following formula; ($\frac{1}{3}$ of previous quarter + $\frac{2}{3}$ of current quarter sales) for sales and ($\frac{1}{3}$ of previous quarter's purchases + $\frac{2}{3}$ of current quarter purchases) for purchases.

Moreover, there were some candidates who prepared the cash budget but they did not enter all the required data, which lead to incomplete records. Also, some candidates omitted most of the data like receipt/sales, purchases and other payments like rent, wages, insurance and other expenses. Other candidates recorded some entries in wrong a column. Extract 14.1 is a sample of a poor response from one of the candidates.

6. CASH BUDGET FOR THE YEAR ENDED 31 st Dec, 2019.				
Details	Jan-March	April-June	July-Sept	Oct-December
Balance b/d	9,600	57,800	85,000	180,200
Add: Cash Inflow:				
- Sales	132,000	136,000	168,000	144,000
- Motor vehicle sold	-	-	20,000	-
TOTAL CASH INFLOW	141,600	213,800	273,000	324,200
Less: Cash outflow:				
Purchases	72,000	96,000	89,000	96,000
Rent	1,600	1,600	1,600	1,600
Wages	7,200	7,200	7,200	7,200
Insurance Premium	3,000	-	-	-
Equipment purchased	-	13,500	-	-
Motor vehicle purchased	-	10,500	-	-
TOTAL CASH OUTFLOW	83,800	128,800	92,800	104,800
Balance b/d	57,800	85,000	180,200	219,400

Extract 14.1: A sample of incorrect responses to question 6

In extract 14.1 the candidate failed to prepare correct cash budget correctly as he/she posted incorrect figures in the balance b/d (sales, purchases, wages, equipment and motor vehicle).

Candidates who had average scores in this question 61 (46.92%) were able to fulfil some of the requirements of the question. They prepared the quarterly cash budget although some of them failed to calculate the amount to be posted as the opening balance.

Only 2 candidates (1.54%) had good results. These candidates were able to prepare the Cash Budget and they were able to post some of the entries correctly. They lost some marks because some of their accounts had incorrect statements, amounts, postings and omission of some entries in their cash budgets.

2.2.7 Question 7: Partnership Accounting

The question intended to assess the candidates' competence in preparing the accounts concerned with revaluation of partnership assets. Specifically, the question required the candidates to use the information provided to prepare the Revaluation account, Cash

account, Partners' capital accounts and the new firm's Statement of Financial Position on 1st January 2019 after Teddy's retirement.

A total of 1,261 (91.38%) candidates attempted the question and their performance is reflected in Figure 15.

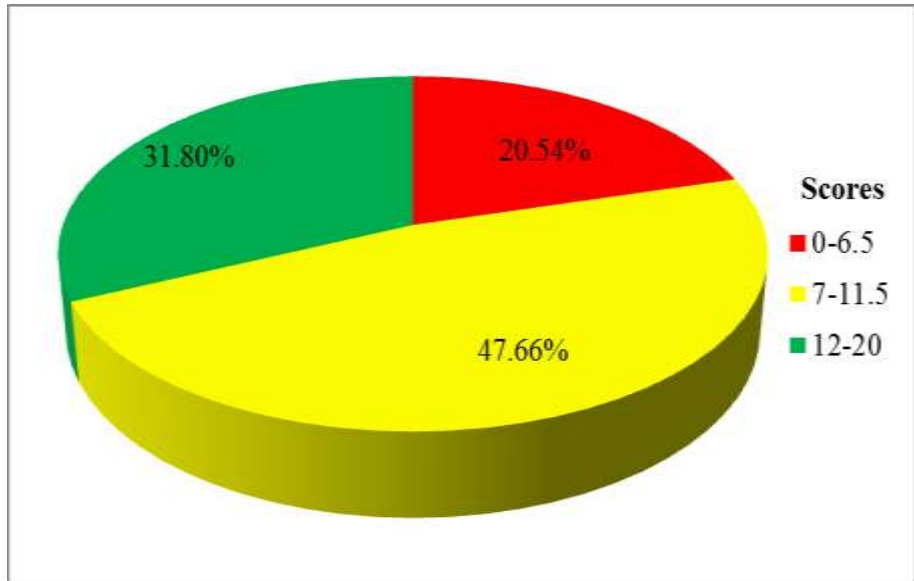


Figure 15: *The Performance of the Candidates on Question 7*

Figure 15 shows a good performance of the candidates where 1,002 (79.46%) candidates passed by scoring 7 to 20 marks and 259 (20.54%) failed by scoring 0 to 6.5 marks.

The analysis of the candidates' responses shows that 401 (31.80%) candidates scored 12 to 20 marks. These candidates were able to prepare the Revaluation account, Cash account, Partner capital account, and Financial position for the year 2019 after Teddy's retirement, given transactions in the books of Peter, Teddy and Mariam. Most of them made correct entries in the relevant accounts. Only few candidates posted some entries to the wrong side of the account. This indicates that the candidates had adequate knowledge and competence in Accounting for Partnership. Extract 15.1 is a sample of good answer from a candidate in question 7

7. DR		REVALUATION ACCOUNTS		CR
Plant	30,000	Owing expenses	5000	
		Patent	10,000	
		Partner capital		
		Peter	7500	
		Teddy	5000	
		Miniam	2500	15000
	<u>30,000</u>			<u>30,000</u>

DR		PARTNER CAPITAL ACCOUNTS						CR
PARTICULAR	Peter	Teddy	Miniam	PARTICULAR	PETER	TEDDY	MINIAM	
Goodwill	72000	-	48000	Balance B/d	120,000	100,000	90,000	
Revaluation	7500	5000	2500	Goodwill	30,000	20,000	10,000	
Loan	-	155,000	-	Goodwill	60,000	40,000	20,000	
				Cash	19500	=	30500	
Balance 1/1	150,000	-	100,000					
	<u>219,000</u>	<u>160,000</u>	<u>150,500</u>		<u>210,000</u>	<u>160,000</u>	<u>150,500</u>	
				Balance B/d	150,000	-	100,000	

DR		CASH ACCOUNTS		CR
Balance B/d	5000	Balance B/d	55,000	
Partner capital				
1450 Peter	14500			
30500 Miniam	30500			
	<u>55,000</u>			<u>55,000</u>
Balance B/d	55,000			

7. FINANCIAL POSITION ON 1 st JAN 2019.	
Non current asset	
Plant	270,000
Plant	40,000
TOTAL NON CURRENT ASSET	310,000
CURRENT ASSET	
Cash	55,000
Stock	110,000
Debtors	95,000
	<u>260,000</u> 260,000
LESS: CURRENT LIABILITIES	
Creditors	100,000
Bill payable	50,000
Expenses owing	15,000
Working capital	165,000 95,000
Capital employed	405,000
Financed by	
Capital account	
Partner	150,000
Teddy	100,000
	<u>250,000</u>
LONG TERM LIABILITIES	
Loan	155,000
	<u>405,000</u>

Extract 15.1: A sample of good responses to question 7

Further analysis of the candidates' responses indicates that 601 (47.66%) candidates performed averagely by scoring 7 to 11.5 marks. These candidates adhered to the requirements of the question by opening the required accounts. They correctly opened Revaluation and Cash accounts, but in their partnership capital accounts and statements of financial position they recorded some

reversed entries in the wrong side of the accounts. These errors and omissions hindered them from scoring good marks.

On top of that, the candidates who had poor performance in this question 259 (20.54%) were not able to prepare the Revaluation, Cash and Partner capital accounts even Statement of financial position. Others opened the required accounts but entered a mixture of correct and incorrect amounts and could not apply the principle of double entry in recording and posting entries in the accounts as required.

However, there were candidates who opened the required accounts but failed to identify which of the information provided in the question is to be recorded in the accounts. Consequently, the candidates wrote a mixture of correct and incorrect entries in both Cash and Revaluation accounts. This suggests that the candidates lacked knowledge of the subject matter and were not competent in applying the principle of double entry to record the financial transactions.

In addition, some candidates under this category entered a mixture of assets and liabilities in the Partners' capital accounts. The candidates made correct entries for the opening balances of the partners' capital accounts of TZS 120,000, 100,000 and 90,000 for Peter, Teddy and Mariam respectively. The rest of the entries in the Partners' capital accounts contained either inappropriate narrations or wrong amounts. Such poor responses indicate that the candidates were not competent in accounting for Revaluation of partnership. Extract 15.2 is a sample of an incorrect response from one of the candidates.

7		DR REVALUATION ACCOUNT				CR			
Goodwill	120,000	expenses arising		5,000					
Plant	270,000	patent		10,000					
		Loss on revaluation							
		Peter $\frac{3}{6} \times 375,000$		- 187,500					
		Teddy $\frac{2}{6} \times 375,000$		= 125,000					
	390,000	Naman $\frac{1}{6} \times 375,000$		62,500					
								318750 375000	
	<u>390,000</u>							<u>390,000</u>	
DR PARTNER CAPITAL ACCOUNT		CR							
Details	Peter	Teddy	Naman	Details	Peter	Teddy	Naman		
Goodwill	77000	-	49500	Balance f/d	129000	100000	90000		
Loss	187500	125000	62500	Current					
				Balance f/d	139500	95000	20500		
	399500	125000	110500		259500	100000	110500		
DR CASH ACCOUNT		CR							
Balance f/d	5000	Loan							
Capital	139500	Credit w						100,000	
	25000	Payable							
	205000	Balance f/d							
	<u>190,000</u>							<u>190,000</u>	

Extract 15.2: A sample of incorrect responses to question 7

In extract 15.2 the candidate entered wrong transactions and amounts in the Revaluation, Cash and Partner Capital accounts and its financial position.

2.2.8 Question 8: Payroll Accounting

The question was meant to assess the candidates' competence in preparing an employee's Payroll account. Specifically, the question required the candidates to use the information provided to prepare the Salary slips for the employees for the month of July, 2019.

A total of 1,378 (99.90%) candidates attempted the question and their performance is illustrated in Figure 16.

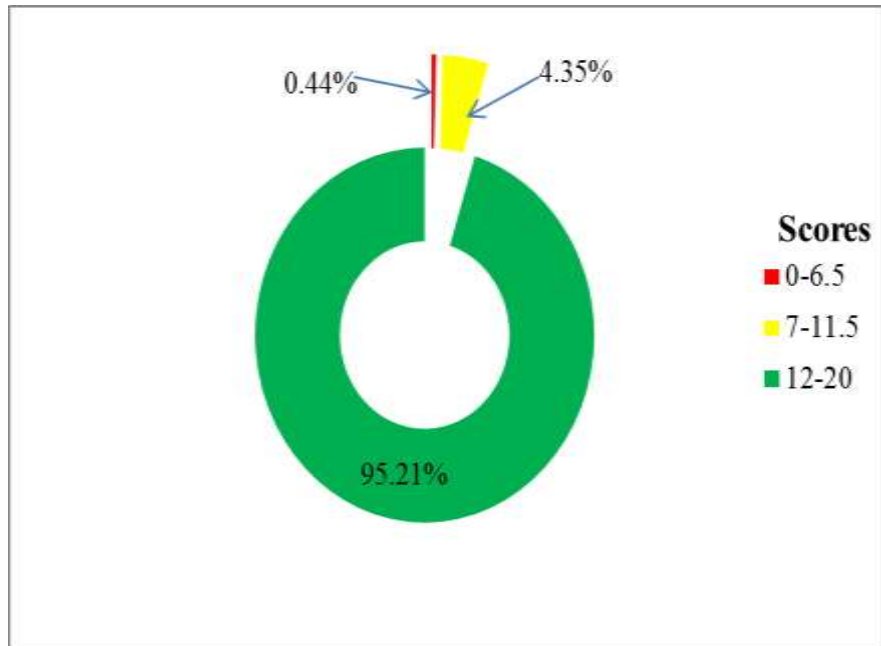


Figure 16: *The Performance of the Candidates on Question 8*

Figure 16 shows good performance of the candidates where 1,372 (99.56%) candidates passed by scoring 7 to 20 marks and only few of them 6 (0.44%) failed by scoring 0 to 6.5 marks.

The analysis of the candidates' responses shows that 1,312 (95.56%) candidates scored 12 to 20 marks. These candidates were able to prepare the Salary slips of employees and the Payroll. The candidates computed the correct amounts of basic salaries for the employees, monetary allowances, gross salaries and the amounts of deductions from the employee's salaries.

Also, they prepared Salary slips and Payroll and most of their accounting records were correct. These good responses to the question indicate that the candidates were competent on the preparation of employee's payroll salary slips. However, a few candidates in this category committed some errors and omissions of some entries in their salary slips and payroll. The errors and omissions caused their scores to vary from 12 to 20 marks. Extract 16.1 is a sample of a good response from one of the candidates.

8. In the books of Limao Gardeners Ltd				
SALARY SLIP				
Name of organization: Limao Gardeners Ltd				
Name of employees: Sakina, William, Hilder, Peter				
No: - Month: July Year: 2019				
	Sakina (TZS)	William (TZS)	Hilder (TZS)	Peter (TZS)
Basic salary	300000	450000	250000	480000
Add: Allowance				
Meal allowance	50000	50000	50000	50000
Transport allowance	100000	100000	100000	100000
Gross pay	450000	600000	400000	630000
less: Deductions				
Insurance premium	20000			
Salary advance		40000		
Car loan				50000
PAYE	50000 42500	35000 65000	45000 45000	105000
NSSF	30000	45000	25000	48000
SACCOs	15000	22500	12500	24000
Total Deductions	115000	202500	82500	227000
NET PAY	335000	397500	317500	403000
Workings				
PAYE				
Sakina: $(450000 - 400000) \times 10\% + 35000 = 42500$				
William: $(600000) = -90000$ $(600000 - 400000) \times 10\% + 35000 =$				
Hilder: $(400000 - 100000) \times 15\% = 45000$				
Peter: $(630000 - 600000) \times 50\% + 90000 = 105000$				

Extract 16.1: A sample of good responses to question 8

Further analysis indicates that 60 (4.35%) of the candidates scored 7.5 to 11.5 marks. These lost some considerable marks because of errors in their salary slips and payroll summaries (the salary slips and payroll summaries they prepared). They computed incorrectly the amounts of income tax and the employees' allowances. These incorrect figures led to the computation of incorrect amounts of the employees' net pay.

Only 6 (0.44%) candidates had weak performance. These candidates were not able to prepare the Salary slips and the Payroll salary slips of Limao Gardeners Ltd. These candidates failed to compute the amounts of basic salary, monetary allowances, gross salary, and the deductions from the employee's salaries. They

computed and recorded incorrect amounts of the employee's earnings and made incorrect deductions. Consequently, the computed employees' net pays for the month were also incorrect.

Additionally, some of the candidates confused between the salary slips and the payroll. They prepared a payroll summary instead of the salary slips. The observed errors and omissions in the candidates' responses caused their scores to range from 0 to 6.5 marks. This implies that the candidates had very limited knowledge and competence in preparing employees' payroll and salary slips. Extract 16.2 is a sample of an incorrect response from one of the candidates.

8	⊙	SALARY SLIP FOR JAEINA JULY Monthly	
		Basic salary	300,000
		Medi. allowance	
		Meal allowance	50,000
		Transport allowance	100,000 (150,000)
		Gross pay	150,000
		Life Insurance	20,000
		PFCS	20,000 (50,000)
		PAYE	10800 (158000)
		Net pay	100,000 134200
			13
		SALARY SLIP FOR WILLIAM JULY Monthly	
		Basic salary	450,000
		Medi. allowance	
		Meal allowance	50,000
		Transport allowance	100,000 (150,000)
		Gross pay less:	300,000
		PFCS	30,000
		Salary advance	40,000
		Net pay	

SALARY SLIP FOR HILDER New July	
Basic salary	250,000
Adm. allowance	
Meals allowance	50,000
Transport allowance	100,000 (150,000)
Gross pay	100,000
Income tax	10,000
SSSF	10,000

Extract 16.2: A sample of incorrect responses to question 8

In extract 16.2, the candidate omitted some of entries from the salary slips. However, all the amounts for basic salary, meals allowance are correct while the gross pay, PAYE, NSSF and net pay are incorrect.

3.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE PER TOPIC

The analysis of the candidates' performance on each topic indicates that 13 out of the 16 topics examined in 2022, topics had good performance, 2 topics had average performance and 1 topic had poor performance.

The candidates had good performance in the following topics: *Preparation of Financial Statements* (99.78%), *Payroll Accounting* (99.56%), *Containers Accounts* (98.98%), *Correction of Accounting Errors* (96.73%), *Branch Accounting* (91.74%), *Stock valuation account* (90.29%), *Accrued and prepayments* (88.48%), *Company Accounts* (88.04%), *Investment Accounts* (86.88%), *Hire Purchase Accounting* (79.06%), *Partnership Accounting* (76.46%), *Financial Statements Analysis and Interpretation* (75.18%) and *Auditing* (74.78%).

The analysis of candidates' responses further shows that the candidates' had average performance on the topic of *Cost accounting* (48.46%) and *The Nature and Context of Accountancy* (41.38%).

However, the analysis of candidates' responses to the examination questions shows that *Depreciation and Disposal of Non-Current Assets* topic had weak performance (21.88%). The candidates' performance per topic is summarized in Appendix A.

Comparison between the results of 2022 and those of 2021 shows that the performance has improved in the topics of *Preparation of Financial Statements*, *Payroll Accounting*, *Stock valuation account*, *Hire Purchase Accounting*, *Containers Accounts*, *Branch Accounting*, *Correction of Accounting Errors*, *Company Accounts*, *Investment Accounts*, and *Auditing* but it has decreased on the topics of *Partnership Accounting*, *Financial Statements Analysis and Interpretation*, *The Nature and Context of Accountancy* and *Depreciation and Disposal of Non-current assets*. According to the analysis, the fall in candidates' performances in these topics was because of failure to interpret the question correctly and inadequate competence in those topics.

4.0 CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The general, performance of the candidates in 153 Accountancy (ACSEE) 2022 was good. The analysis of the candidates' performance shows that 1,374 (99.93%) candidates passed the examination by scoring grades A to S. In 2021, 1,322 (97.71%) candidates passed the examination. The performance for 2022 has improved by 2.22 per cent from that of 2021. The comparison of the candidates' performance by grades between 2021 and 2022 is summarized in Appendix B.

The analysis of the candidates' responses in each topic indicates that the candidate's good performance is a result of adequate knowledge and competence of the candidates in the tested topics, ability to interpret the questions, ability to apply the principles related to the subject and ability to provide relevant and clear explanations of the accounting concepts in their responses.

However, the candidates with average performance demonstrated partial understanding of the tested accounting concepts and limited analytical and practical skills in the preparing accounting records and financial statements.

Meanwhile, the few candidates who had weak performance in the examination exhibited inability to interpret the questions correctly, lack of competence in the topics tested and very limited command of English language.

The analysis of the candidates' performance in each question shows that the candidates had the highest performance on question number 6 of paper 1 which was set from the topic in *Preparation of Financial Statements* (99.78%). The candidates' lowest performance was in question number 4 of paper 1 which came from the topic on *Depreciation and Disposal of Non-current assets* (21.88%). Appendix A shows the summary of the candidates' performance per topic.

4.2 Recommendations

In order to maintain the good performance of the candidates in Accountancy examinations in future, it is recommended as follows:

- (a) The topic with weak and average performance, namely *cost accounting, the nature and context of Accountancy and Depreciation and Disposal of Non-Current Assets*, should be taught with more emphasis by using a competence based approach and giving many questions to the candidates to enable them to familiarize with different requirements of questions.
- (b) Teachers should ensure all methods of calculating depreciation are well taught, but also they should provide of more assignments to students concerned with depreciation.
- (c) Since some candidates demonstrated poor mastery of English language, teachers should encourage students to develop a habit of reading a variety of texts written in English language like novels, articles, plays and newspapers. They should practice the language in order to improve their listening, speaking and writing skills in the English language.
- (d) Students should be given more assignments, quizzes, tests and internal exams to develop their ability to interpret the demands of questions.

The Summary of Candidates' Performance per Topic

S/n	Topic	ACSEE 2022			
		Question Number		Percentage of the candidates who scored 35 % or above	Remarks
		Paper 1	Paper 2		
1	Preparation of Financial Statements	6		99.78	Good
2	Payroll Accounting		8	99.56	Good
3	Containers Accounts		5	98.98	Good
4	Correction of Accounting Errors	8		96.73	Good
5	Branch Accounting	5		91.74	Good
6	Stock valuation account		3	90.29	Good
7	Accrued and prepayments	2		88.48	Good
8	Company Accounts		4	88.04	Good
9	Investment Accounts	3		86.88	Good
10	Hire Purchase Accounting		2	79.06	Good
11	Partnership Accounting		7	76.46	Good
12	Financial Statements Analysis and Interpretation	7		75..18	Good
13	Auditing		1	74.78	Good
14	Cost accounting		6	48.46	Average
15	The Nature and Context of Accountancy	1		41.38	Average
16	Depreciation and Disposal of Non-Current Assets	4		21.88	poor

Appendix B

Comparison of Candidates' Performance between 2021 and 2022

