



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



**CANDIDATES' ITEM RESPONSE ANALYSIS
REPORT FOR THE ADVANCED CERTIFICATE OF
SECONDARY EDUCATION EXAMINATION
(ACSEE), 2020**

153 ACCOUNTANCY



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FOREWORD

The Candidates' Item Response Analysis Report for the Advanced Certificate of Secondary Education Examination (ACSEE) 2020 on Accountancy has been prepared in order to provide feedback to the students, teachers, parents, policy makers and other educational stakeholders on the performance of the candidates in the subject. The feedback provided will enable education administrators, school managers, teachers and other stakeholders to decide on appropriate measures in order to improve students' performance in future examinations.

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

The report highlights some of the reasons which made some of the candidates to score low marks in the questions. Such reasons include inadequate knowledge and practical skills of accounting concepts, misunderstanding question requirements and the failure to provide relevant and clear explanations or descriptions to the mentioned points. The report also highlights some of the reasons which made some of the candidates to perform high in some questions. Such reasons include adequate knowledge and practical skills in the respective concepts, the ability to understand question requirements and the provision of proper explanation and description.

The National Examinations Council of Tanzania would like to thank all staff members, examiners and others who participated in the preparation of this report.



Dr Charles E. Msonde

EXECUTIVE SECRETARY

1.0 INTRODUCTION

This report analyzes the candidates' performance in Advanced Certificate of Secondary Education Examination (ACSEE) for Accountancy. The examination items measured competences according to the 2009 Accountancy syllabus and the 2019 Revised Examinations Format.

The examination comprised of two (2) papers, 153/1 Accountancy 1 and 153/2 Accountancy 2. Each paper consisted of eight (8) questions which were divided into two sections; section 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 carried ten (10) marks and in section B each question carried twenty (20) marks.

According to the ACSEE 2020 results, a total of 1,346 candidates sat for 153 Accountancy examination out of which 1,324 (98.66%) candidates passed the examination with the following grades: A, 1.49 per cent; B, 11.18 per cent; C, 27.79 per cent, D, 35.99 per cent, E, 19.23 per cent, S, 2.98 per cent and 1.34 per cent failed. The performance of candidates in Accountancy examination in the year 2020 indicates an increase in the candidates' pass rate by 2.58 per cent compared to the year 2019 in which the number of candidates who passed the examination was 1,544 (96.08%).

In this report, the analysis of candidates' performance in questions 1 to 4 in both papers; Accountancy 1 and Accountancy 2 is categorized as poor, average and good if the scores range from 0 to 3 marks, 3.5 to 5.5 marks and 6 to 10 respectively out of the 10 marks allotted for each question. The analysis of candidate's performance for questions 5 to 8 in both papers is categorized as poor, average and good if the scores range from 0 to 6.5 marks, 7 to 11.5 marks and 12 to 20 respectively out of the 20 marks allotted for each question.

The performance in each question is rated poor, average or good if the percentage of candidates who scored from 35 per cent or above of the total marks of the question falls in the range of 0 - 34, 35 - 59 or 60 - 100 respectively. These three categories of performance are indicated by using green, yellow and red colours which denote the good, average and poor performance.

The report also presents the requirements for each question, the percentage of the candidates who attempted the question with their scores and the possible reasons for performance. Some extracts obtained from the candidates' examination scripts and graphs that indicate distribution of candidates' scores are included in this report for clarity. It is expected that this report will be useful to students, teachers and other education stakeholders to enable them to locate areas where the candidates face learning difficulties so as to make improvement in the teaching and learning process.

2.0 ANALYSIS OF THE PERFORMANCE OF THE CANDIDATES IN EACH QUESTION

2.1 Accountancy 1

2.1.1 Question 1: Recognition of Revenue and Expenses

The candidates were required to write brief explanations on Revenue, Expense, Prepayment and Accrual. The question intended to assess the candidates' understanding of the selected terms in accountancy.

The question was attempted by 1,334 (99.1%) candidates, out of which 92 (6.9%) scored from 0 to 3 marks, 212 (15.9%) scored from 3.5 to 5.5 marks and 1,030 (77.2%) scored from 6 to 10 marks. The candidates' performance in this question was good since the number of candidates who scored from 3.5 to 10 marks 1,242 (93.1%) was higher than the percentage of candidates who scored from 0 to 3 marks 92 (6.9%). Figure 1 shows the performance of the candidates in question 1.

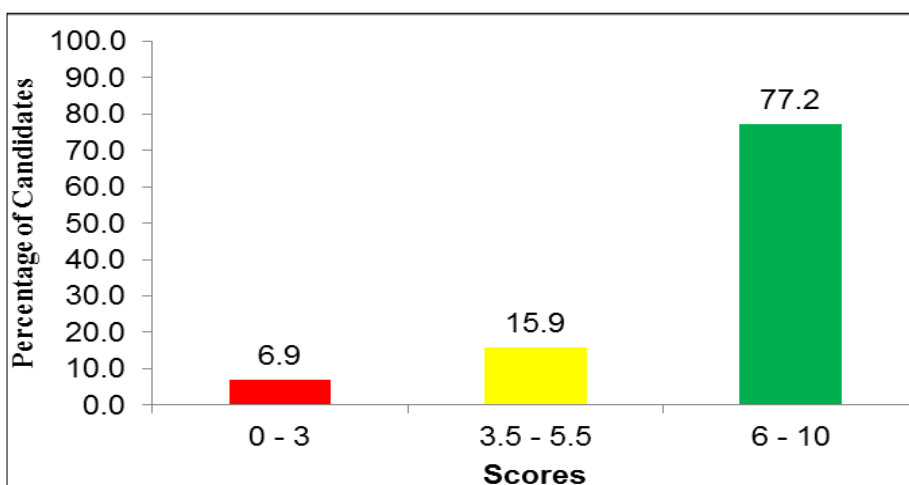


Figure 1: The performance of the candidates in Question 1

The analysis of candidates' responses in question one shows that 1,030 (77.2%) candidates scored from 6 to 10 marks. These candidates wrote clear explanations about the meaning of the accountancy terms given. The candidates also managed to provide relevant examples to support their explanations. However, some candidates misspelled some words and others could not answer one or two of the given terms; hence the variation of their scores from 6 to 10 marks. These responses indicate that the candidates had adequate knowledge of the meaning of the selected accounting terms. Extract 1.1 is a sample of a good response from one of the candidates.

1.	a) Revenue is any amount of money earned in the business from transactions taking place either received or not received but recognised by the business. Revenue include discount received and commission received always recorded in the Income statement adding the value of Gross profit. Revenues are recorded under nominal account having credit balance.
	b) Expense refers to the money spent out of the business when enjoying services such as electricity, and when payments are made like wages and salaries. Expenses reduce the business' profit. Expenses have a debit balance and reduce the cash of the firm. Other expenses include:- Discount allowed and insurance premium. Expenses are under nominal account.
	c) Prepayment means payments made before the due date that is to say payments in advance either to the business being prepaid revenue or spent out of the business being prepaid expenses. Prepaid expenses to the business are current assets and prepaid revenue are treated as current liabilities. Expenses:- Prepaid rent and rates for two months.
	d) Accrual refers to amount owing or owed by the business after performing the intended obligations. Accruals can either be expenses or incomes and recognised as soon as they are incurred irrespective whether paid or not. Accrued expenses are liabilities to the business whereas accrued incomes are current assets to the business. They are based on accrual basis concept.

Extract 1.1: A sample of a good response in Question 1

The candidates with average performance in this question 212 (15.9%) were able to provide reasonable explanations about the meaning of the given accounting terms on one or two of the given terms. Their average performance suggests that the candidates had satisfactory understanding of the selected accounting terms.

The candidates who performed poorly in this question 92 (6.9%) most of them lacked knowledge of the accountancy terms given. These candidates wrote explanations which were inconsistent to the terms asked. For example one candidate wrote *Revenue refers to the difference between total revenue and total costs (TR – TC)*. This response indicates that the candidate lacked knowledge of the meaning of the term revenue and was trying to relate it with some concepts of economics and costing. Also, it was noted that some candidates in this category lacked proficiency in the English language. These candidates wrote phrases out of which one cannot derive any meaning. For example, while trying to provide explanations about the meaning of the term “Prepayment”, a candidate wrote, *Prepayment is are paid made future but will not paid*. This response suggests that the candidate had a problem of expressing him or herself in English. Nevertheless, there were candidates who tried to provide explanation to one out of the four terms leaving the others unattempted. These responses suggest that the candidates lacked knowledge of the meaning of the given accounting terms. Extract 1.2 is a sample of a poor response from one of the candidates.

1	(a) <u>Prepayment</u> means payment in advance
	(b) <u>Accrual</u> means or can be referred to as
	Owing

Extract 1.2: A sample of a poor response from a candidate

2.1.2 Question 2: Depreciation and Disposal of Non-Current Assets

The candidates were required to prepare the Plant, Provision for Depreciation on Plant and Plant Disposal accounts for the two years ended 31st December 2017 and 2018.

The question was attempted by 1,333 (99%) of the candidates, out of which 50 (3.8%) scored from 0 to 3 marks, 349 (26.1%) scored from 3.5 to 5.5 marks and 934 (70.1%) scored from 6 to 10 out of the 10 allotted marks. The candidates' performance in this question was good since majority of the candidates 1,283 (96.2%) scored from 3.5 to 10 marks. Figure 2 is a summary of the general performance in question 2.

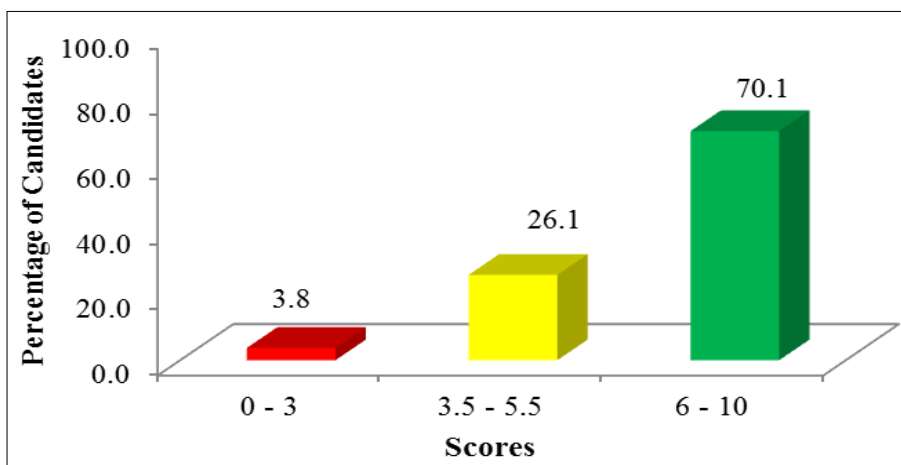


Figure 2: *The Performance of the Candidates in Question 2*

The candidates with good performance in this question 934 (70.1%) prepared the plant account accurately. Most of these candidates were able to compute correct amounts of annual depreciation on Plant, recorded them correctly in the provision of depreciation account and determined the correct amount of profit on disposal of the Plant. Most of the candidates created correct entries for the profit on disposal of the plant in the Plant Disposal account. However, other candidates in this group computed wrong amounts of the annual depreciation of the plant and their records in the accounts contained erroneous amounts, narrations, reversed entries and entries posted to the wrong side of the accounts; hence, their scores ranged from 6 to 10 marks. These responses indicate that the candidates are competent enough in accounting for depreciation and disposal of non-current assets. Extract 2.1 is a sample of a good response from a candidate who opened the

[illegible]

DR		Provision for depreciation Account		CR
Balance b/d	125,000	2017. Profit and Loss		125,000
	<u>125,000</u>			<u>125,000</u>
		2018. Balance b/d		125,000
Disposal	150,000	Profit and Loss		100,000
Balance b/d	75,000			
	<u>225,000</u>			<u>225,000</u>
		2019. Balance b/d		75,000

6

The candidates who scored from 3.5 to 5.5 marks 349 (26.1%) opened the required accounts. However, their records in the accounts contained a mixture of correct and wrong entries; hence they could not score higher marks. Their scores ranged from 3.5 to 5.5 marks. The analysis of their responses indicates that the candidates had satisfactory knowledge and competence in accounting for depreciation and disposal of non-current assets.

The candidates who scored from 0 to 3 marks in this question 50 (3.8%) could not produce the required responses. A large number of candidates in this category could not open all the required accounts. These candidates opened a plant account without or with entries with wrong amounts and narrations. Further analysis of candidates' responses shows that the candidates in this category could not compute the correct amounts of annual depreciation of the plant. These wrong amounts of annual depreciation lead to wrong entries in the accounts. However, some candidates in this category were able to open the required accounts but could not accurately apply the principle of double entry in recording the transactions; hence their records in the accounts to a large extent were reversed and incomplete. Nevertheless, some candidates in this category lacked knowledge of the subject matter. They credited the asset account with the disposal proceeds of the plant (TZS 400,000) instead of transferring the cost of the plant from the asset account to Plant disposal account by crediting the asset account and debiting Plant Disposal account (TZS 1,000,000). Also, there were candidates who credited the cost value of plant to the provision for depreciation on plant account instead of the annual amounts of depreciation. These responses are indicative of the candidates' lack of knowledge and competence in accounting for depreciation and disposal of non-current assets. Extract 2.2 is a sample of a poor response from one of the candidates.

2.	PROVISION FOR DEPRECIATION OF PLANT FOR THE YEAR ENDED 31 st DECEMBER 2017 & 2018	
	2017.	2018.
Plant	1,000,000	
plant	500,000	
	1,500,000.	
Sold at	400,000.	
	1,100,000.	
Depreciation was 10% 1 st year	100,000.	
	1,000,000.	
Depreciation was 10% 2 nd year	100,000.	
	900,000.	
The disposal A/c	900,000	
2.	DISPOSAL ACCOUNT FOR THE YEAR ENDED AT 31 st DECEMBER 2017	
DR.	CR	
	Disposal A/c	1,000,000
DISPOSAL ACCOUNT FOR THE YEAR ENDED AT 31 st DECEMBER 2018		
DR	CR	
	Disposal A/c	900,000.

Extract 2.2: A sample of a poor response from a candidate

2.1.3 Question 3: The Nature and Context of Accountancy

The question required the candidates to record the given transactions in the Double Column Cash Book of K. Potter, post the entries to K. Young, T. Monk accounts and balance off the accounts at 31st January, 2019.

The question was attempted by 1,313 (97.5%) of the candidates, out of which 497 (37.9%) scored from 0 to 3 marks, 403 (30.6%) scored from 3.5 to 5.5 marks and 413 (31.5%) scored from 6 to 10 out of the 10 allotted marks. The candidates' performance in this question was good. Figure 3 shows a summary of the performance of the candidates in question 3.

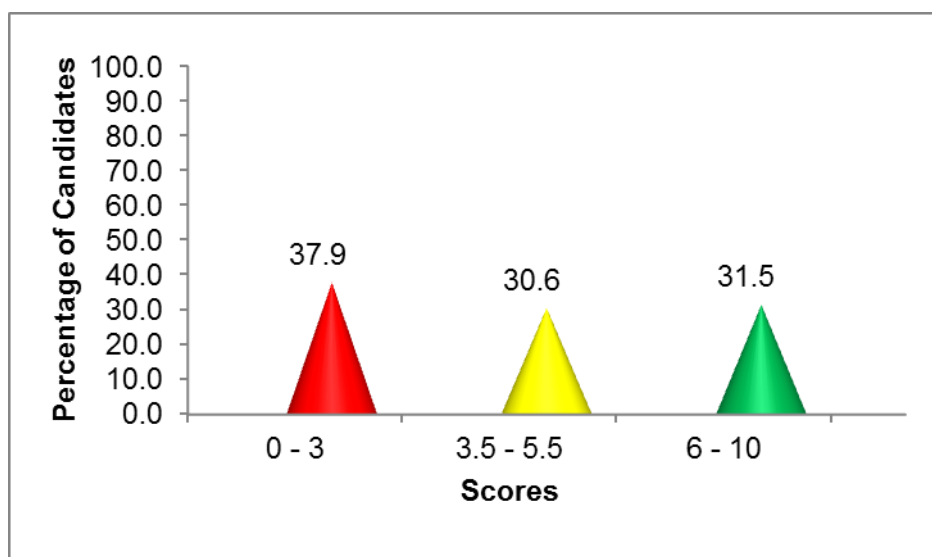


Figure 3: *The Performance of the Candidates in Question 3*

The candidates who performed well in this question 413 (31.5%) were able to open the double column cash book and record the transactions correctly. Also, their postings of the entries from the cash book to K. Young and T. Monk accounts were in most cases correct. The candidates showed good analytical skills by sorting out the transactions as to those which are recorded in the Cash column from those which should be recorded in the bank column. Their proper application of the rule for debiting and crediting accounts is a good evidence of their ability to apply the principle of double entry in recording financial business transactions. Extract 3.1 is a sample of a good response from one of the candidates.

3.

K. POTTER

Dr

DOUBLE COLUMN CASH BOOK

Cr.

Date	Details	Cash	Bank	Date	Details	Cash	Bank
January							
1.	Capital		9,000,000	21.	machinery	550,000	
4.	Sales	180,000			T. Wood		860,000
12.	Sales	210,000		31.	K. Young	170,000	
30.	T. Monk		300,000				
31.	Bal c/d	330,000	-	31.	Bal c/d	-	8,440,000
		720,000	9,300,000			720,000	9,300,000
1.2.	Bal b/d	-	8,440,000	1.2.	Bal b/d	330,000	-

K. YOUNG A/c

Dr

Cr.

Return (K. Potter)	80,000	Purchases	250,000
Cash	170,000	Purchases	190,000
Bal c/d	190,000		
	440,000		440,000
		Bal b/d	190,000

T. MONK A/c.

Dr

Cr.

Sales	590,000	Return (K. Potter)	140,000
		Bank	300,000
		Bal c/d	150,000
	590,000		590,000
Bal b/d	150,000		

Extract 3.1: A sample of a good response from a candidate

The candidates who scored from 3.5 to 5.5 marks 403 (30.6%) adhered to the requirement of the question by opening the double column cash book and the accounts of K. Young and T. Monk. However, their records of the transactions in the accounts contained some reversed entries, entries in the cash column which should have been entered in the bank column and vice versa, omissions of some transactions was also observed. These errors and omissions made their scores to vary from 3.5 to 5.5 marks. These responses suggest that the candidates had satisfactory knowledge and competence of recording business transactions in the columnar cash books and posting the entries to their respective ledger accounts.

The candidates who scored from 0 to 3 marks 497 (37.9%) could not produce the expected responses to the question. Most of these candidates did not know which of the given transactions should be entered in the cash column of the cash book and which ones in the bank column; as a result they entered most of the transactions into the wrong column of the cash book. Further analysis of candidates' responses in this group show that some candidates did not know which of the given transactions should be debited in the cash column and which ones in the bank column; as a result they debited some transactions in the cash column which should have been debited to bank column and vice versa. Additionally, some candidates in this category could not accurately apply the principle of double entry in recording the financial business transactions; hence they reversed most of the entries in the accounts by debiting what should have been credited and vice versa. Likewise, some candidates entered credit transactions in the cash book. This response suggests that the candidates lacked knowledge of the fact that the cash book is used for recording cash transactions only. Nevertheless, some candidates in this group could not open the accounts of K. Young and T. Monk; hence skipping part of the task of the question. These responses indicate that the candidates lacked the competences of recording the financial business transactions in the columnar cash books and the knowledge of posting the entries to the ledger accounts. Extract 3.2 is a sample of a poor response from one of the candidates.

CASH BOOK ACCOUNT						
DR					CR	
3.	Details	K. Potter	T. Monk	Details	K. Potter	T. Monk
	Capital	9,00,000	-	Credit purchase	900,000	-
	Credit sales	-	900,000	purchases	250,000	-
	Sales	180,000	-	Goods returned	40,000	-
	Goods receive	-	-	purchases	-	590,000
	Sales	590,000	-	purchases	190,000	-
	Bank	210,000	-	Machinery	550,000	-
	Good received	140,000	-	Goods returned	-	140,000
	Bank (wood)	860,000	-	Good returned	80,000	-
	Bank (T. Monk)	300,000	-	Bank (Potter)	-	300,000
				Cash (K. Potter)	170,000	-
					-	-
	Balance %d	-	130,000	Bal %d	9,10,000	-
		11,28,000	1,03,000		11,28,000	1,03,000
	Bal b/d	9,10,000	-	Bal. b/d	-	130,000

Extract 3.2: A sample of a poor response from a candidate

In Extract 3.2, the candidate prepared a cash book account with two columns for K. Potter and T. Monk instead of the double column cash book.

2.1.4 Question 4: Investment Accounts

The question required the candidates to use the information provided to prepare a 10% Government Stock Investment Account.

The question was attempted by 1,289 (95.8%) candidates, out of which 283 (22%) scored from 0 to 3 marks, 382 (29.6%) scored from 3.5 to 5.5 marks and 624 (48.4%) scored from 6 to 10 marks. The general performance of the candidates in this question was good because 1,006 (78%) candidates scored from 3.5 to 10 marks. The candidates' performance is summarised in Figure 4.

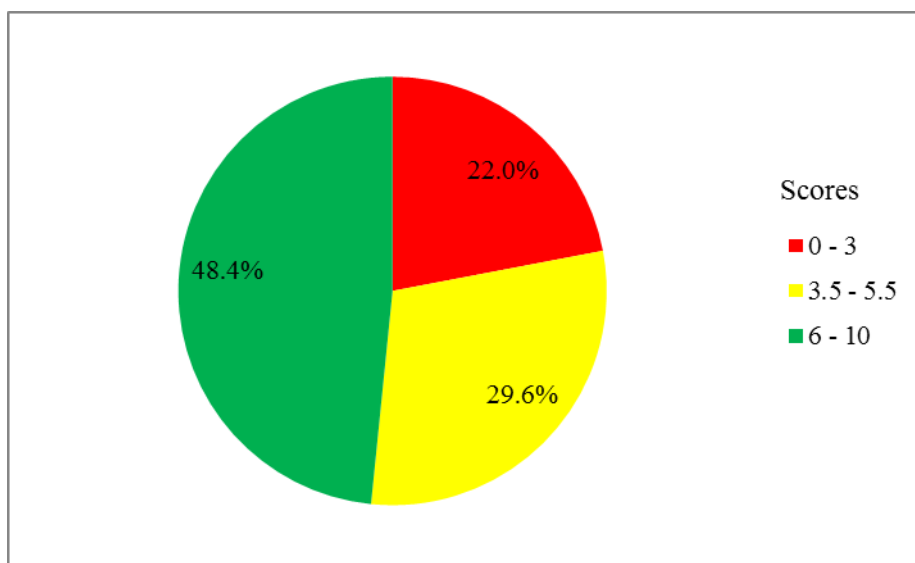


Figure 4: *The Performance of the Candidates in Question 4.*

The candidates who scored from 6 to 10 marks in this question 624 (48.4%) adhered to the requirements of the question. The candidates were able to prepare the Government Stock Investment Account and correctly record the information provided. Most of the candidates accurately computed the cost and sales values of investments, the amounts of interest included and those excluded from the purchase and selling prices of the investments. Many of these candidates used appropriate formulas to compute the profit on disposal of investments and made accurate records of the transactions relating to the purchases and sales of investments in the Government Stock Investment Account. However, a few of these candidates had their records in the accounts containing wrong amounts, reversed entries, entries posted to the wrong side of the accounts and omission of some transactions; hence the variation in the scores from 6 to 10 marks. These responses

suggest that the candidates were competent enough in recording the transactions relating to purchases, valuation and disposal of investments. The responses also indicate that the candidates had adequate knowledge and skills necessary for the determination of investment income and the profit or loss on sale of investments. Extract 4.1 is a sample of a correct response from one of the candidates.

4. DR 10% GOVERNMENT STOCK INVESTMENT ACCOUNT CR										
DATE	DETAILS	M	I	C	DATE	DETAILS	M	I	C	
2018					2018					
1/12	Purchases	100,000	-	100,000	1/2	Adj int "E"	-	2,000	-	
1/2	Adj int "E"	-	-	2,000	31/6	Interest	-	5,000	-	
1/5	Purchases	80,000	667	72,933	31/9	Interest	-	5,000	-	
1/11	Adj int "E"	-	1667	-	1/11	Sale	100,000	-	96,000	
1/11	Prof/Loss	-	-	6,200	1/11	Adj int "E"	-	-	1667	
					31/12	Interest	-	5,000	-	
31/12	Income to P/L	-	14,666	-	31/12	Balance f/d	100,000	-	91,467	
		200,000	17,000	189,134			200,000	17,000	189,134	
2019										
1/1	Balance b/d	100,000	-	91,467						

Extract 4: Sample of a good response from a candidate

The analysis of candidates responses shows that most of the candidates who scored from 3.5 to 5.5 marks 382 (29.6%) were able to prepare the required account and most of their entries in the Government Stock Investment Account were correct. However, some candidates computed wrong amounts of the profit on sale of investments and investment income for the year. Also, some candidates could not record all the transactions in the account. Despite the errors and omissions observed in their accounting entries; their performance was average and this indicates that the candidates had satisfactory knowledge of the preparation of investment accounts.

The most notable weakness displayed by the candidates who scored from 0 to 3 marks 283 (22%) is limited knowledge of the subject matter. Their responses contained a mixture of correct and incorrect answers. The analysis of candidates' responses show that some candidates computed wrong values of purchases, selling prices and value of ending inventory of the investments at the end of the financial year. These responses imply that the candidates lacked the knowledge and skills necessary for the valuation of investments. Likewise, some of these candidates failed to compute accurately the amounts of profit on sale of investments and the income from investments for the specified year. This response suggests that the candidates lacked the competences and techniques used in the determination of investment income and the profit or loss on disposal of investments. Moreover, some candidates in this group reversed most of the entries in the investment account, they debited what should have been credited and vice versa. This indicates that the candidates lacked knowledge of the principle of double entry and its application in recording financial transactions.

2.1.5 Question 5: Preparation of Financial Statements

In this question, the candidates were required to prepare Mcheza Kwao's Income Statement for the year ending 31st March, 2019 and the Statement of Financial Position as at 31st March 2019 from the Trial Balance and additional information extracted from the books of Mcheza Kwao.

The question was attempted by 1,249 (92.8%) candidates, out of which 43 (3.4%) scored from 0 to 6.5 marks; 399 (32%) scored from 7 to 11.5 marks and 807 (64.6%) scored from 12 to 20 out of the 20 allotted marks. The general performance of the candidates in this question was good. Figure 5 shows the performance of the candidates in question 5.

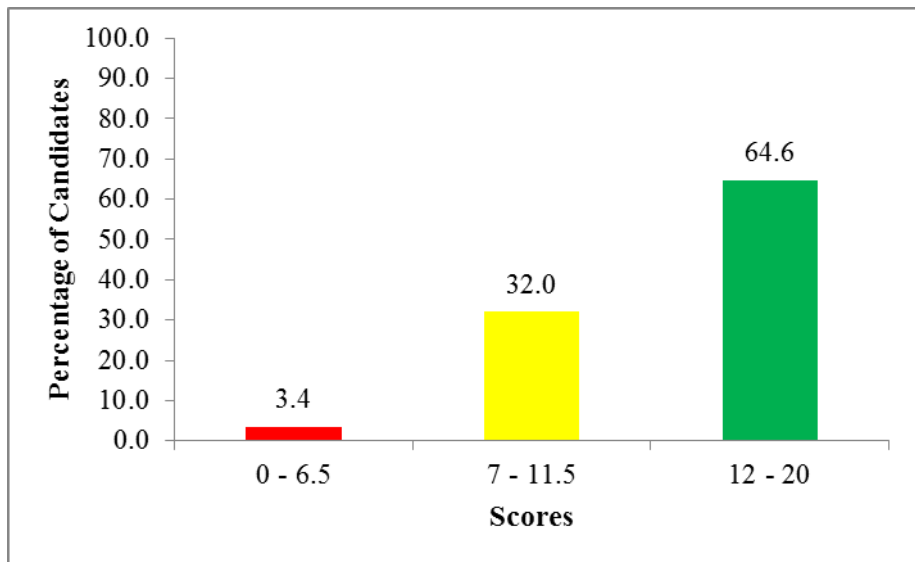


Figure 5: *The Performance of the Candidates in Question 5*

The candidates who scored from 12 to 20 marks 807 (64.6%) were able to prepare the financial statements. The candidates analyzed and separated the elements of Income Statement from the elements of Statement of Financial Position, made appropriate adjustments to the amounts of revenues, expenses, liabilities and assets and skilfully presented them in the financial statements. However, some errors and omissions in the candidates' responses caused the scores to vary from 12 to 20 marks. These responses indicate that the candidates are competent enough in the preparation of Financial Statements. Extract 5.1 is a sample of a good response from one of the candidates.

5.	MCHEZA KWAO'S	
	Income statement for the year ended 31 st March 2019	
	Sales	15,050,000
	less: Cost of goods sold:	
	Opening stock	1,630,000
	Add: Purchases	8,000,000
	freight on purchases	200,000
	Custom duty on purchases	300,000
	Wages (2,000,000 - 50,000)	1,950,000
	Cost of goods available for sale	12,080,000
	less: Closing stock	1,490,000
	Cost of goods sold	10,590,000
	Gross profit	4,460,000
	Accrued interest	45,000
	less: Discount received	40,000
	Total incomes	4,505,000
	less: Expenses:	
	Salaries	600,000
	Carriage outward	150,000
	Advertising	540,000
	Rent	300,000
	Sundry expenses	320,000
	Postage and stationery	150,000
	Repairs to machinery	200,000
	Prepaid insurance	20,000
	Outstanding expenses	155,000
	Provision for repairs	150,000
	Depreciation: Land and buildings	60,000
	Machinery	600,000
	Furniture	20,000
	Workmen installation	50,000
	Total expenses	3,315,000
	Net Profit	1,230,000

5.	MCHEZA KWAJO'S	
	Statement of financial position as at 31 st March, 2019.	
	<u>Fixed Assets:</u>	
	Land and Buildings	2,000,000
	less: Depreciation	60,000
		1,940,000
	Machinery (5,000,000 + 1,000,000)	6,000,000
	less: Depreciation	600,000
		5,400,000
	Furniture	400,000
	less: Depreciation	20,000
		380,000
	9% Loan to Karoem	800
		500,000
	Total fixed Assets	8,220,000
	<u>Current Liabilities:</u>	
	Stock	1,490,000
	Debtors	2,000,000
	Cash at bank	
	Prepaid insurance	20,000
	Accrued interest received	45,000
	Total current Assets	3,555,000
	<u>less: Current Liabilities:</u>	
	Creditors	800,000
	Outstanding expenses	155,000
	Provision for repairs	750,000
	Bank overdraft (3,350,000 - 1,000,000)	665,000
	Working capital	118,500
	Net Assets	9,405,000
	<u>Financed by:</u>	
	Capital	8,000,000
	Add: Net profit	1,230,000
	Capital Employed	9,230,000

Extract 5.1: A sample of a good response from a candidate

In Extract 5.1, the candidate's response was good. However, the candidate included in the income statement prepaid insurance, outstanding expenses, machinery installation cost which are not relevant and wrong amount of depreciation on machinery; hence the reported net profit for the year of TZS 1,230,000 was wrong. Also, the values for machinery, bank balance, net profit, net assets and Capital Employed in the statement of financial position are not correct.

The candidates, who scored from 7 to 11.5 marks 399 (32%), prepared the financial statements of Mcheza Kwao with a moderate level of accuracy. They were able to identify the items of revenue and expenses from assets and liabilities. However, these candidates made wrong adjustments in some of the items of revenues, expenses, assets and liabilities. Omissions of some items in the Income Statement and the Statement of Financial Position were also noted in the candidates' responses. Despite the errors and omissions observed, the candidates were able to perform averagely. This average performance indicates that the candidates had satisfactory knowledge of the preparation of financial statements.

The candidates who scored from 0 to 6.5 marks 43 (3.4%) could not prepare the financial statements. Most of the candidates in this category could not identify the elements of income statement from the trial balance and the additional information provided. As a result, they presented a mixture of expenses, assets and liabilities in the income statement. Also, some candidates could not make adjustments for accruals and prepayments for most of the items of financial statements; thus, they presented a mixture of correct and incorrect amounts of revenues, expenses, liabilities and assets in the financial statements. These responses suggest that the candidates had limited knowledge of the preparation of financial statements.

Nevertheless some candidates could not identify the items of revenue from expenses hence; they presented a mixture of revenue and expenses in the income statement. Consequently, the reported values of total income, total expenses and net profit were not correct. Moreover, some candidates included items of expenses and revenue in the Statement of financial position. Also, some candidates could not present all the items of revenue, expenses, assets and liabilities in the financial statements. Further analyses of the candidates' responses

shows that a considerable minority of the candidates presented the financial statements in a horizontal format contrary to the requirement of International Accounting Standard number 1 (IAS 1). These responses suggest that the candidates lacked knowledge of the preparation of financial statements. Extract 5.2 is a sample of a poor response from a candidate who prepared the income statement in a horizontal format.

5.		
	TRADING & PROFIT & LOSS ACCOUNT	
	OR FOR THE YEAR 31 DEC 2019	
	Opening stock 1630,000	Sales 15,080,000
	Add: purchase 8000,000	
	Carriage in sale 150,000	
	COGAS : 9,780,000	
	Less: Closing stock 1,490,000	
	COGS : 8,290,000	
	Gross profit: 6,760,000	
	15,080,000	15,080,000
	Salaries 600,000	Gross profit 6,760,000
	Freight 200,000	Add: Discount 40,000
	Custom duty 300,000	6,800,000
	Advertising 540,000	
	Wages 200,000	
	Rent 300,000	
	Sundry Exp 320,000	
	Postage & stationery 150,000	
	Repairs to machine 200,000	
	Prepaid insurance 20,000	
	Cart Hauling Expense 155,000	
	Provision for repairs 750,000	
	Depreciation on building 60,000	
	Depreciation on machinery 50,000	
	Depreciation on furniture 20,000	
	Net Profit	
	6,200,000	6,200,000

Extract 5.2: A sample of a poor response from a candidate

2.1.6 Question 6: Branch Accounts

The candidates were required to use the information provided to prepare the Branch Stock, Branch debtors, Branch Expenses, Branch Stock Adjustment, Mwanza Branch accounts and branch Income Statement in the books of the head office.

The question was attempted by 1,079 (80.2%) candidates, out of which 112 (10.4%) scored from 0 to 6.5 marks, 504 (46.7%) scored from 7 to 11.5 marks and 463 (42.9%) scored from 12 to 20 out of the 20 allotted marks. The candidates' performance in this question was good. Figure 6 shows the candidates' performance in question 6.

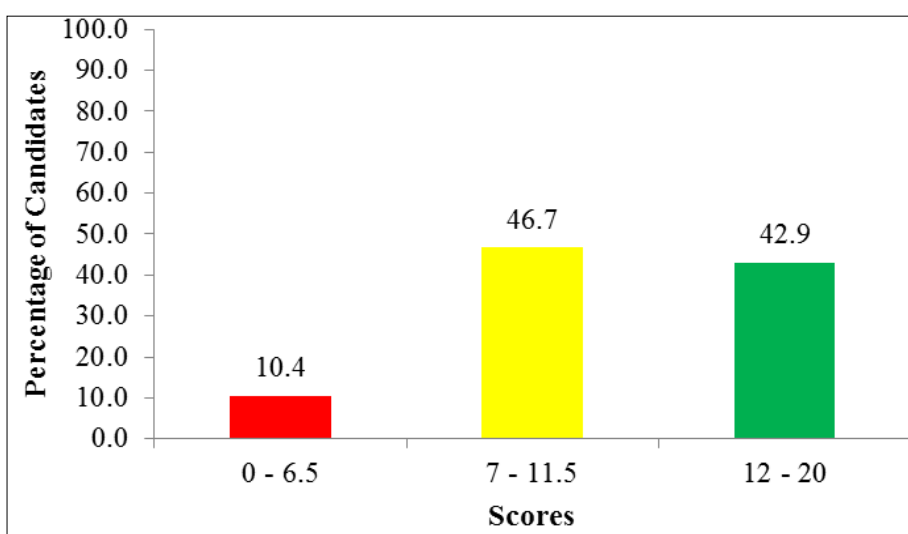


Figure 6: *The Performance of the Candidates in Question 6*

The candidates who performed well in this question 463 (42.9%) were able to open all of the required accounts, applied the mark up of fifty per cent to compute the profit loaded on the value of goods sent to the branch, goods returned by the branch to the head office and the branch opening and closing inventories. However, errors and omissions of some transactions from their accounts were also observed. These mistakes caused the variations in the scores from 12 to 20 marks. These responses to the question suggest that the candidates had adequate knowledge of branch accounting. Extract 6.1 is a sample of a good response from a candidate who accurately prepared the branch stock, branch debtors, branch stock adjustment and the branch income statement.

6.	DR	BRANCH STOCK ACCOUNT	CR
	Balance b/d	600,000	Goods returned to H/o 130,000
	goods sent	1860,000	Sales : Cash 1040,000
	Returns (Branch debtor)	12,000	: Credit 860,000
	Branch Adjustment (P&L)	98,000	
		2570,000	Balance c/d 540,000
			2570,000
	Balance b/d	540,000	
	DR	BRANCH STOCK ADJUSTMENT	CR
	goods Returned to H/o 43,333	Balance b/d (stock) 200,000	
		goods sent (P.L) 620,000	
	Branch stock (P.L) 180,000	Branch stock 98,000	
	Branch profit & loss. 694,667		
		918,000	918,000
	DR	BRANCH DEBTORS ACCOUNT	CR
	Balance b/d 120,000	Cash 900,000	
	Credit sales 860,000	Returns inwards 12,000	
		Discount Allowed 24,000	
		Bad debts 40,000	
		Balance c/d 4,000	
		980,000	980,000
	Balance b/d	4,000	

DR		PETTY CASH ACCOUNT	CR
Balance b/d	1000	Profit & loss	10,000.
Bank	10,000.	Balance f/d	1000.
	<u>11,000</u>		<u>11,000</u>

BRANCH INCOME STATEMENT.

Branch Profit gross	694 667
Less : Expenses	
Bad debts	40,000
Discount Allowed	24,000
Branch Expenses	
Rent	24,000
Salaries	240,000
Petty cash	10,000 274,000
Branch Profit	<u>338,000</u> <u>356 667</u>

On the other hand, the candidates who scored from 7 to 11.5 marks 504 (46.7%) had adequate knowledge of Branch Accounting since they were able to make correct entries in the branch stock, Branch debtors, Branch stock adjustment, Branch expenses, Mwanza branch and the Branch income statement. However, omissions of some transactions, accounts and reversal of some entries led to average marks. The average performance suggests that the candidates had satisfactory knowledge of branch accounting.

The analyses of candidates' responses show that the candidates who scored from 0 to 6.5 marks 112 (10.4%) were not able to prepare the

Branch Stock, Branch debtors, Branch Stock Adjustment, Branch expenses and Branch income statement. Most of the candidates in this category could not apply the mark up of fifty per cent in computing the profit loaded on the value of goods sent to branch, goods returned by branch to head office and branch opening and closing inventories. Consequently, the candidates entered into the branch stock adjustment and Mwanza branch accounts unadjusted values of goods. These responses indicate that the candidates were not competent in branch accounting. Other candidates were able to compute the correct amounts of some transactions but reversed most of the entries in the accounts. This implies that the candidates lacked application skills of the principle of double entry in recording the financial business transactions. Some candidates recorded transactions in wrong accounts. For example, some candidates entered branch expenses in the branch stock account instead of the branch expenses account. This suggests that the candidates lacked analytical skills. Also, a minority of the candidates did not prepare the branch income statement. These candidates did not meet the demands of the question; hence they scored lowly from 0 to 6.5. Extract 6.2 is a sample of a poor response from one of the candidates.

6.	BRANCH STOCK ACCOUNT			
	DATE	DETAILS	DEBIT	CREDIT
	1 st January, 2018	at invoice price		600,000
	31 st December 2018	at invoice price		540,000
	31 st December 2018	Total stock	1,140,000	1,140,000
	BRANCH DEBTORS ACCOUNT			
	DATE	DETAILS	DEBIT	CREDIT
	1 st January 2018	Debtors	120,000	
	31 st Dec-2018	Received for debtors	900,000	
	31 st Dec-2018	Refunds from debtors		12,000
	31 st Dec-2018	Discounts for debtors	40,000	24,000
	31 st December 2018	Balance b/d		123,000
	31 st December 2018		1,060,000	1,060,000
	BRANCH EXPENSES ACCOUNT			
	DATE	DETAILS	DEBIT	CREDIT
		Rent		24,000
		Salaries		240,000
		Post & cash		10,000
			274,000	274,000

Extract 6.2: A sample of a poor response from a candidate

2.1.7 Question 7: Financial Statements Analysis and Interpretation

The question had two parts, (a) and (b). In part (a) the candidates were required to calculate Gross profit margin, Inventory turnover, Net profit margin, quick (Acid test) ratio, Current ratio, Return on Capital Employed, Interest Cover, and Debtors collection period in number of days. In part (b), the candidates were required to use the result on net profit margin and return on capital employed in 7 (a) as performance indicators to compare the performance of the company between the two years ending 31st December 2017 and 2018.

The question was attempted by 1,069 (79.4%) candidates, out of which 203 (19%) scored from 0 to 6.5 marks, 445 (41.6%) scored from 7 to 11.5 marks and 421 (39.4%) scored from 12 to 20 out of the 20 allotted marks. The candidates' performance in this question was generally good since 866 (81%) candidates scored from 7 to 20 marks as shown in Figure 7.

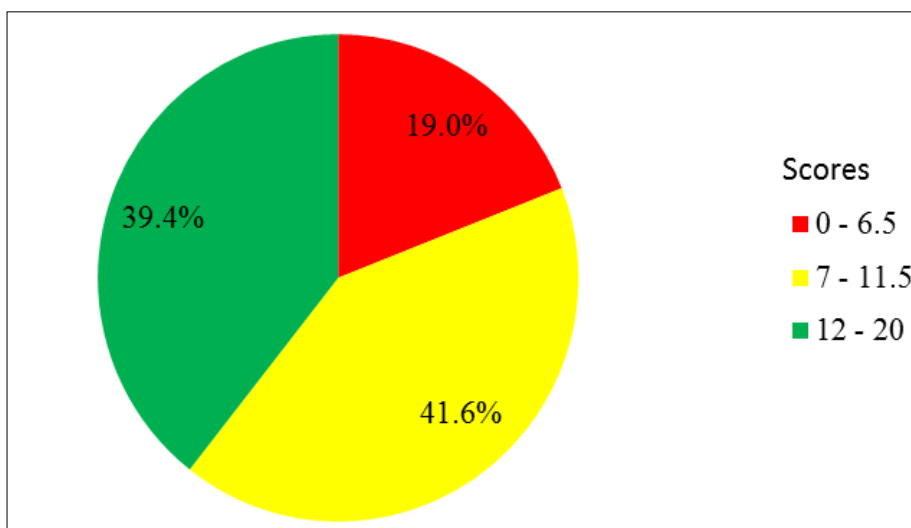


Figure 7: *The Performance of the Candidates in Question 7*

The candidates with good performance in this question 421 (39.4%) were able to compute the required accounting ratios. The correct percentages calculated in 7(a) for profit margin and returns on capital employed were used to compare the performance of the Company between the two years ending 31st December 2017 and 2018; their conclusion was true, that the company performed well in the year 2018 compared to its performance in 2017. These correct responses to the question indicate that the candidates had adequate knowledge of

financial statements analysis and interpretation. Extract 7.1 is a sample of a good response from one of the candidates.

7d.	NUMERICAL I.T.O ANALYSIS RATIO		
	FORMULA = RATIO	2017	2018.
i.	Gross profit margin		
	$\frac{\text{Gross profit} \times 100\%}{\text{Sales}}$	$\frac{50,000 \times 100\%}{200,000}$	$\frac{70,000 \times 100\%}{280,000}$
		<u>25%</u>	<u>25%</u>
ii.	Inventory turnover.		
	$\frac{(\text{Cost of sales})}{(\text{Average stock})} \text{ times}$	$\frac{(150,000)}{(35,000)} \text{ times}$	$\frac{(210,000)}{(25,000)} \text{ times}$
		<u>4.29 times</u>	<u>8.4 times</u>
iii.	Net profit margin.		
	$\frac{\text{Net profit} \times 100\%}{\text{Sales}}$	$\frac{10,000 \times 100\%}{200,000}$	$\frac{20,000 \times 100\%}{280,000}$
		<u>5%</u>	<u>7.14%</u>
iv.	Quick Ratio		
	$\frac{\text{current Asset} - \text{Stock}}{\text{current liabilities}}$	$\frac{(45,000 - 20,000)}{25,000}$	$\frac{(63,000 - 30,000)}{12,000}$
		<u>1:1</u>	<u>2.75:1</u>
v.	current ratio		
	$\frac{\text{current Asset}}{\text{current liabilities}}$	$\frac{45,000}{25,000}$	$\frac{63,000}{12,000}$
		<u>1.8:1</u>	<u>5.25:1</u>

Sl. No.	Ratio & formula	2017	2018
VII.	Return on capital employed		
	$\frac{\text{Profit before interest \& taxes}}{\text{Capital employed}} \times 100\%$	$\frac{12,000}{130,000} \times 100\%$	$\frac{24,000}{191,000} \times 100\%$
		9.23 %	12.57 %
VIII.	Interest cover		
	$\frac{\text{Interest before interest \& taxes}}{\text{Fixed interest charges}}$	$\frac{12,000}{2,000}$	$\frac{24,000}{4,000}$
		6 times	6 times
IX.	Debt collection period		
	$\frac{\text{Debtors} \times 365 \text{ days}}{\text{Sales}}$	$\frac{25,000 \times 365 \text{ days}}{200,000}$	$\frac{28,000 \times 365 \text{ days}}{280,000}$
		45.63 days	36.5 days.
<p>7b. Year 2018 performance is better than the performance of year 2017, because:</p> <p>Net profit Net profit, has increased by 2.14% in year 2018 due to the ability of the firm to control the expenses of the business compared in the year 2017. Also</p> <p>On Return on capital employed, year 2018 has a better performance since the return has increased by 3.34% indicating that the company utilizes optimally the capital of the firm in order to earn a good return.</p>			

Extract 7.1: A sample of a good response from a candidate

Further analyses of candidates' responses show that 445 (41.6%) candidates had average performance. These candidates managed to identify the formulas used in the computation of accounting ratios and computed some of the required accounting ratios accurately. However, inability to extract the required data from the financial statements and limited computational skills made them compute wrong accounting ratios. The average performance of the candidates could be attributed to the candidates' satisfactory knowledge of Financial Statements Analysis and Interpretation.

On the other hand, the candidates who performed poorly in this question 203 (19%) had various weaknesses. Some of them failed to identify the appropriate formulas used to compute the required accounting ratios while others were able to identify the formulas but failed to extract the relevant data to be used in the formulas from the financial statements. It was also observed that some candidates applied wrong data in wrong formulas; consequently the candidates computed wrong accounting ratios. Moreover, some candidates confused the formulas for different accounting ratios and made inaccurate computations of the required accounting ratios. Also, it was noted that some candidates computed wrong accounting ratios because of arithmetic errors in their responses. Further analysis shows that none of the candidates in this group compared the performance of the company between the two years ending 31st December 2017 and 2018 as the question required in 7(b). Such responses indicate that the candidates lacked requisite competences in financial statements analysis and interpretation. Extract 7.2 is a sample of a poor response from one of the candidates.

	2017	2018	
7i	Gross profit	Gross profit	
	Cost of sales	Cost of sales	
	$= \frac{50,000}{150,000} \times 100$	$= \frac{70,000}{210,000} \times 100$	
	$= 33.3\%$	$= 33.1\%$	
	2017	2018	
7ii	COGS	COGS	
	Average stock	Average stock	
	Given £		
	COGS = 150,000	210,000	
	Average stock	Average stock	
	$\frac{50,000 + 20,000}{2}$	$\frac{30,000}{2} =$	
	$= 35,000$	15,000	
	$= \frac{150,000}{35,000}$	$= \frac{210,000}{15,000}$	
	$= 4.2$	$= 14$	
	2017	2018	
7iii	Net profit x 100	Net profit x 100	
	COGS	COGS	
	$= \frac{10,000}{150,000} \times 100$	$= \frac{20,000}{210,000} \times 100$	
	$= 6.6\%$	$= 9.5\%$	
	2017	2018	
7iv	Current asset - stock	Current asset - stock	
	Current liabilities	Current liabilities	
	$= \frac{45,000 - 20,000}{25,000}$	$= \frac{63,000 - 30,000}{12,000}$	
	$= 0.8$	$= 2.75$	

Extract 7.2: A sample of a poor response from a candidate

2.1.8 Question 8: Correction of Accounting Errors

In this question, the candidates were required to use the information provided to pass Journal entries to correct the given accounting errors and prepare a Suspense Account.

The question was attempted by 616 (45.8%) candidates, out of which 275 (44.6%) scored from 0 to 6.5 marks, 263 (42.7%) scored from 7 to 11.5 marks and 78 (12.7%) scored from 12 to 20 out of the 20 allotted marks. The candidates' performance in this question was average because 341 (55.4%) candidates scored 35 per cent or above as shown in Figure 8.

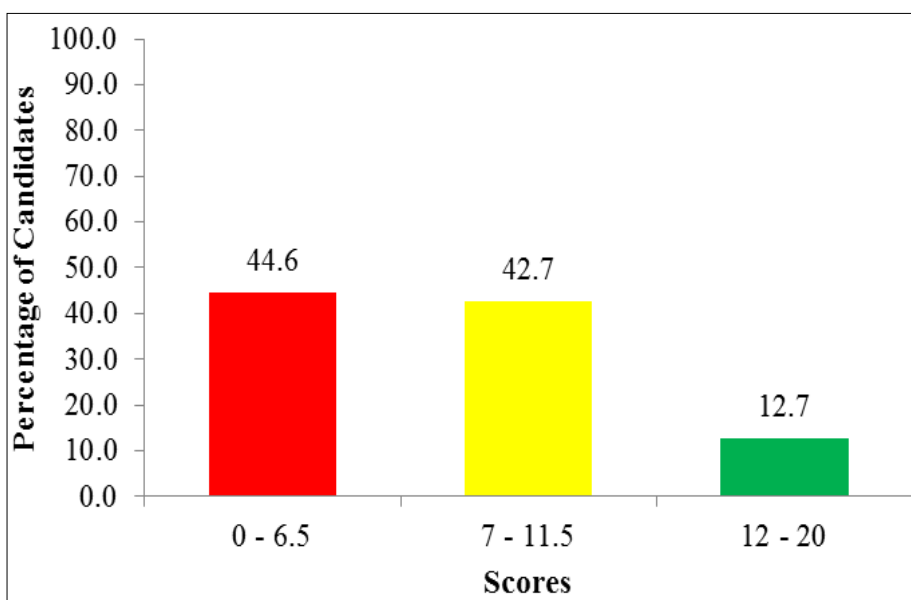


Figure 8: *The Performance of the Candidates in Question 8*

The candidates who performed poorly 275 (44.6%) were not able to pass the Journal entries to correct the errors and could not prepare the suspense account. Most of them could not identify the accounts affected by the errors; thus they used wrong accounts to correct the errors. Likewise, some candidates in this category could not identify the effects of the errors on the accounts; hence they did not know whether a particular account is to be corrected by increasing or decreasing its balance. Also, some candidates reversed the entries in the accounts because of poor application skills of the principle of double entry. Further analyses of the candidates' responses show that a large number of candidates could not correct all the given accounting

errors; thus, to a greater extent they avoided the task of the question and as a result they scored lowly from 0 to 6.5 marks. Nevertheless, there were candidates who did not prepare the suspense account. This response suggests that the candidates did not meet the demands of the question; consequently, they scored lowly. However, a few candidates in this category were able to identify some of the accounts affected by the errors, established the effects of the errors on the accounts and corrected the errors accordingly. This caused the variation of the scores from 0 to 6.5 marks. Generally, the responses of the candidates in this group suggest that the candidates were not competent in the correction of accounting errors.

The candidates, with average performance in this question 263 (42.7%) were able to address the demands of the question. They prepared the journal entries and the suspense account. However, their entries in the journal contained some reversed entries, wrong accounts, wrong narrations and uncorrected errors. Also, a few of the amounts entered into the journal were not correct; hence they scored average marks. This average performance indicates that the candidates had satisfactory knowledge of the correction of accounting errors.

The candidates who scored from 12 to 20 marks 78 (12.7%) were able to correct the accounting errors and prepared the suspense account. Most of these candidates managed to identify the accounts affected by the given accounting errors and made appropriate entries in the general journal to correct them. These candidates had good understanding of the effects of the errors on the accounts; thus they knew the required action to reverse the effects of the errors. Consequently, their correcting journal entries were correct. Most of these candidates prepared the suspense account and made correct postings from the journal. Their scores ranged from 12 to 20 marks depending on the number of errors and omissions in their responses to the question. These responses indicate that the candidates had adequate knowledge of the correction of accounting errors.

2.2 Accountancy 2

2.2.1 Question 1: Auditing

This question required the candidates to write brief explanations on the following accounting terms: Auditing, Audit Working Papers, Audit Programme and Internal Audit.

The question was attempted by 1,330 (98.8%) candidates, out of which 123 (9.2%) scored from 0 to 3 marks, 225 (17%) scored from 3.5 to 5.5 marks and 982 (73.8%) scored from 6 to 10 out of the 10 allotted marks. The candidates' performance in this question was good since 1,207 (90.8%) per cent of the candidates scored 35 per cent or above of the allotted marks. Figure 9 shows the candidates' performance in question 1.

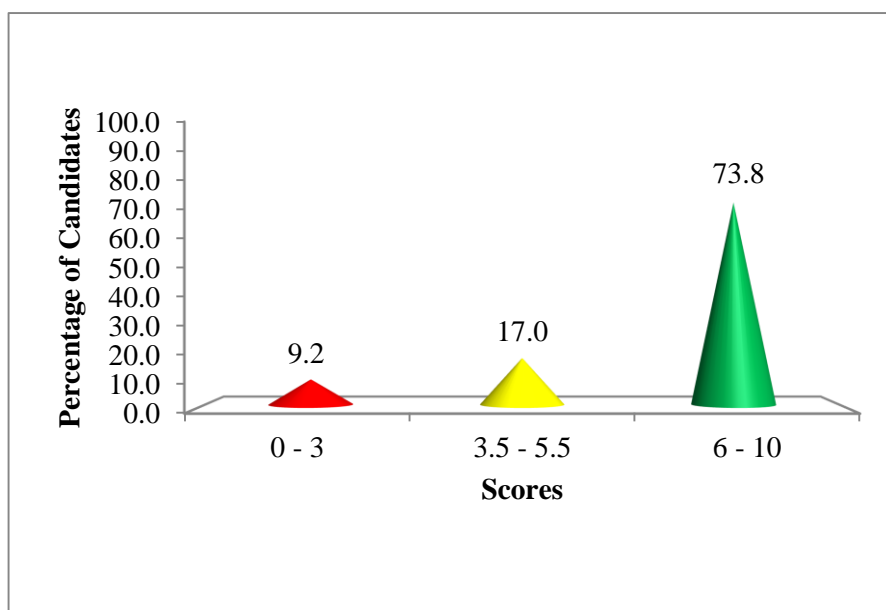


Figure 9: *The Performance of the Candidates in Question 1*

The candidates who performed well in this question 982 (73.8%) were able to write relevant and clear explanations on the given audit terms. Their scores ranged from 6 to 10 marks depending on the level of relevance, clarity of explanations and examples provided to support their explanations. Extract 8.1 is a sample of a good response from one of the candidates.

	SECTION A .	
1	a). Auditing	
	This refers to the process involves the independent examination and evaluation of the financial reports and various statements by an independent auditor in order to check the true and fair views of those financial reports. This is mainly done by an independent person called auditor to check financial reports.	
	b) Audit Working paper	
	This refers to the summary paper used in recording, collecting and preparing the work of audit. This is mainly used by an auditor to prepare and summarize their audit work in the process of auditing.	
	c) Audit programme	
	This refers to the all audit plans that should be performed by an auditor when conducting an audit in the organization. This involves the all procedures, and various work in which the auditor should be followed in the process of auditing, or when conduct an audit process.	
	d) Internal audit	
	This is the type of audit which is conducted in the organization by an internal auditor who is an employee of the company. That means the auditor used is the person who is an employee in the organization and the main purpose of this audit is to verify and assist on the internal control system of the company.	

Extract 8.1: A sample of a good response from a candidate

The candidates with average performance 225 (17%) were able to provide reasonable explanations of the given audit terms. They wrote relevant and clear explanations on one or two of the given terms. Their scores ranged from 3.5 to 5.5 marks implying that the candidates had satisfactory understanding of the meaning and implication of the terminologies used in auditing.

Conversely, the candidates who scored low marks 123 (9.2%) lacked knowledge of auditing terminologies. Majority of the candidates in this category could not answer all the given auditing terminologies and responded to only one or two of the terms indicating that the candidates lacked thorough understanding of the terminologies. Moreover, a minority of the candidates in this group wrote incomprehensible sentences. For example, a candidate wrote *Internal audit that are person who employed in the firm in order to investigation in the internal organisation*. In the same instance a candidate wrote *Audit programme that involved auditing were audit used in the management it case to know management to be continuous*. Such a response suggests that the candidates lacked proficiency in the English language. Furthermore, some candidates in this category failed because they could not meet the demands of the question; they avoided the task of the question by not attempting it. Extract 8.2 is a sample of a poor response from a candidate who wrote meaningless phrases.

Q1	(a) Auditing refers to the Scientific Investigation used by comp firm doing in order to know how the firm to be continuous in order to manage
	(b) Audit working paper that involved in the Auditing where audit use in order to know in the investigation in order to simplify the work by used Audit working paper
	(c) Audit Programme that involved in the Auditing where Audit used in the management it case to know how management to be continuous
	(d) Internal Audit that are person who employed in the firm in order to investigation in the internal organisation

Extract 8.2: A sample of a poor response from a candidate

2.2.2 Question 2: Computerised Accounting

The question required the candidates to briefly explain four devices which are used to input data into a computer.

The question was attempted by 1,297 (96.4%) candidates, out of which 281 (21.7%) scored from 0 to 3 marks; 405 (31.2%) scored from 3.5 to 5.5 marks and; 611 (47.1%) scored from 6 to 10 out of the 10 allotted marks. The candidates' performance in this question was good since 1,016 (78.3%) candidates scored 35 per cent or above. Figure 10 shows the performance of the candidates in question 2.

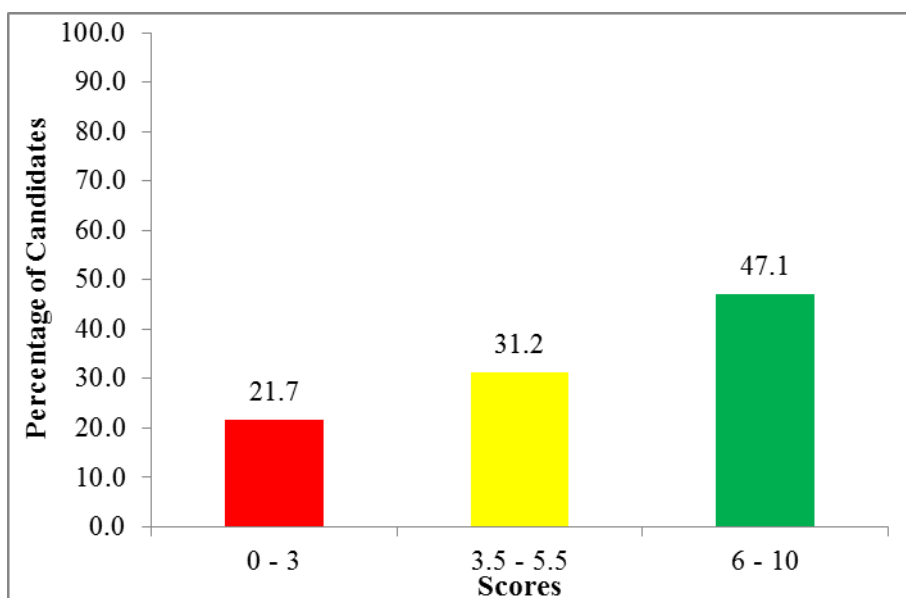


Figure 10: *The Performance of the Candidates in Question 2*

The candidates who scored from 6 to 10 marks in this question 611 (47.1%) wrote relevant and clear explanations on four selected devices which are used to enter data into a computer. The devices used to input data into a computer include the Keyboard, Mouse, Microphone, Touchpad, scanner, Joystick, Touch screen Monitor and Webcam. The candidates in this group were able to identify four or three of these devices and write brief explanations on the meaning and how the devices are used to enter data into a computer. Their scores varied from 6 to 10 marks depending on the relevance and clarity of explanations. The responses indicate that the candidates had adequate knowledge of the computer input devices. Extract 9.1 is a sample of a good response from one of the candidates.

2. Four devices used to Input data Into a computer are:-

(i) Keyboard.

-This is an Input device of a computer system whereby, It's main purpose is to type different words/data that should be kept Into the computer. All the data and words, shall be kept by a key-board which contains letters, numbers etc.

(ii) Mouse.

-This is an Input device of a computer system whereby, It's main purpose is. to point out and select whether a program or anything that is In the computer on the screen. Any program that is seen on the screen, Is pointed and selected by a mouse.

(iii) Microphone.

-This refers to an Input device of a computer system whereby It's main purpose is to put sound in the computer system. People normally use It for Raising their sounds/voices, and the Raised voice/sound will now be heard In the speaker as a Loud voice.

(iv) Scanner.

-Refers to an Input device of a computer system whereby changes Hardcopy to a Softcopy. Anything/Any material that is Into a Hardcopy form, then the Scanner changes It to be Into a Computer as a Softcopy.

Extract 9.1: A sample of a good response from a candidate

On the other hand, the candidates with average performance 405 (31.2%) were able to identify two or three of the required devices. However, their explanations were not exhaustive and lacked clarity. Also it was noted that some candidates in this category listed four input devices of a computer without explanations. Their scores ranged from 3.5 to 5.5 marks. Their average performance suggests that the candidates had satisfactory knowledge of the computer input devices.

The analysis of candidates' responses show that, the candidates who performed poorly in this question 281 (21.7%) could not interpret the question. Some candidates provided explanations to functions of a computer instead of computer input devices. This response suggests that either the candidates did not know what the input devices are or they were doing a guess work because they did not know the devices that are used to enter data into a computer. It could as well mean that the candidates can not differentiate between the input devices and functions of a computer. Likewise, there were candidates who provided explanations to application programs instead of input devices. For example, a candidate explained the meaning and application of Microsoft Word, Microsoft Excel, Microsoft Access and Power point. This response indicates that the candidate lacked knowledge of the computer input devices and failed to differentiate between the input devices and application programs. Nevertheless, there were candidates who provided explanations about the advantages of computers instead of the input devices. Further, analysis of candidates' responses show that some candidates in this group failed because of lack of proficiency in the English language. In their explanations about the computer input devices, the candidates wrote meaningless phrases. However, some candidates were able to list one or three of the required devices; hence the variation of the scores from 0 to 3 marks. Extract 9.2 is a sample of a poor response from a candidate who wrote explanations about the functions of computers instead of the computer input devices.

2	Function	
	i. processed information	
	- is the the main of the computer which used to control all devices and data which processed and also it used by central controlling unit CPU	
	ii) Facilitate input data	
	- is the system which used to puting data and information to the computer and it used by the mouse, keyboard used to put data and information.	
	iii) Storage of data and information	
	- is this means is the function of computer used in the storage of information by back ups the information and data for example it used by the hard disk to storage data and information of computers.	
	iv) Facilitate output data and information.	
	This means that is the devices which used to spread the information out and it used to spread the information by using speaker, monitor	

Extract 9.2: A sample of a poor response from a candidate

In Extract 9.2, the candidate explained functions of a computer instead of devices which are used to input data into a computer.

2.2.3 Question 3: Hire Purchase Accounting

The question required the candidates to use the information provided to prepare the Sales, Tanganyika Packers Ltd, Hire Purchase Interest Suspense accounts and the Hire Purchase Income Statement for the year ended 31st December, 2019.

The question was attempted by 1,165 (86.6%) candidates, out of which 879 (75.5%) scored from 0 to 3 marks, 151 (12.9%) scored from 3.5 to 5.5 marks and 135 (11.6%) scored from 6 to 10 out of the 10 allotted marks. The candidates' performance in this question was poor since 286 (24.5%) candidates scored 35 per cent or above. Figure 11 shows the candidates' performance in question 3.

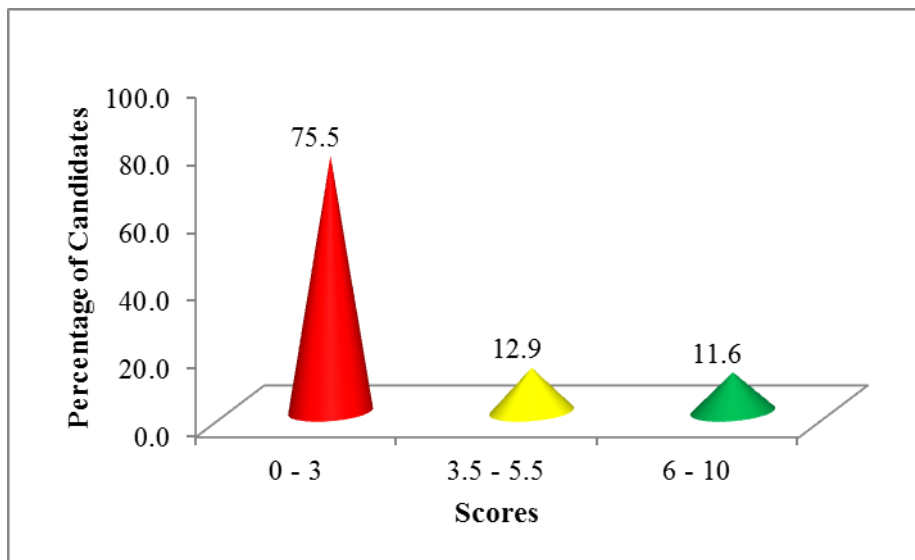


Figure 11: *The Performance of the Candidates in Question 3*

The analysis of candidates' responses shows that the candidates who performed poorly in this question 879 (75.5%) faced multiple challenges in attempting the question. Some candidates in this group could not meet the demands of the question. These candidates avoided the task of the question by omitting some of the required accounts. Consequently they scored lowly from 0 to 3 marks. Further, analysis of the responses show that some candidates failed because of lack of knowledge of the subject matter. These candidates entered the hire purchase price in the sales account and debited the same to the hire purchase debtor's account. As per the rules of hire purchase accounting, the sales account is credited with the cash price of the item purchased and the same is debited to hire purchase debtors. Moreover,

some candidates in this category could not compute accurately the amount of hire purchase interest. These candidates computed wrong amounts of hire purchase interest; hence, their accounts contained wrong entries. This implies that the candidates lacked knowledge of the fact that the hire purchase interest is the difference between hire purchase price of the item sold/purchased and its cash price. Likewise, some candidates in this group failed because of incomplete records. These candidates omitted most of the transactions in their accounts and the few entries which they recorded contained either wrong amounts or incorrect narrations. Also, it was observed that some candidates reversed the entries in the accounts while others posted some entries to the wrong side of the accounts. A few candidates in this group opened the sales and Tanganyika Packers accounts and recorded one or five correct entries. These responses indicate that the candidates lacked the ability to apply the principle of double entry in recording the financial business transactions. Extract 10 is a sample of a poor response from one of the candidates.

3	HP selling price - 7,000,000	
	Cash price - 5,800,000	
	HP interest - 1,200,000	
	Cost - 2,800,000 X 2 = 5,600,000	
	Down payment - 500,000 @ vehicle	
	In 2 books of the buyer	
DR	HP VENDOR ACCOUNT (SUSPENSE A/c)	CR
1 Jan 2019	Cash (DOP) 1,000,000	1 Jan 2019 Motor Vehicles 5,800,000
	Cash (12 x 250,000)	HP interest 1,200,000
	(12 months instal)	
	3,000,000	
	Balance b/d 3,000,000	
	7,000,000	7,000,000
1 Jan	Cash	1 Jan 2020 Balance b/d 3,000,000
	(12 months instal)	
	(12 x 250,000) 3,000,000	
	3,000,000	3,000,000
DR	HP Sales	CR
2019	Profit & loss 7,000,000	1 Jan 2019 HP Debtors 7,000,000
DR	TANGANYIKA PACKERS LTD (HP Debtors) A/c	CR
1 Jan 2019	HP sales 7,000,000	
DR	HP INTEREST (SUSPENSE)	CR
HP Vendor	1,200,000	Profit & loss 1,200,000

Extract 10: A sample of a poor response from a candidate

The candidates with average performance in this question 151 (12.9%) were able to open the required accounts, but some entries in the accounts were posted to the wrong side of the accounts, some transactions were omitted from the accounts and some entries were reversed. Also, there were candidates who entered wrong narrations and amounts for the transactions and others left the accounts unbalanced. Their scores varied from 3.5 to 5.5 marks. The average scores suggest that the candidates had satisfactory knowledge of accounting for hire purchase transactions.

The candidates who scored from 6 to 10 marks 135 (11.6%) had adequate knowledge of the subject matter. Most of them opened the required accounts. Computed the correct amount of hire purchase interest and most of their entries in the accounts were correct. A few candidates omitted the hire purchase income statement but were able to score 6 or above of the 10 marks in the question.

2.2.4 Question 4: Containers Accounts

The question required the candidates to use the information provided to prepare the Cases Stock and Cases Suspense Account for the year 2019.

The question was attempted by 1,334 (99.1%) candidates, out of which 24 (1.8%) scored from 0 to 3 marks, 63 (4.7%) scored from 3.5 to 5.5 marks and 1,247 (93.5%) scored from 6 to 10 out of the 10 allotted marks. The candidates' general performance in this question was good as shown in Figure 12.

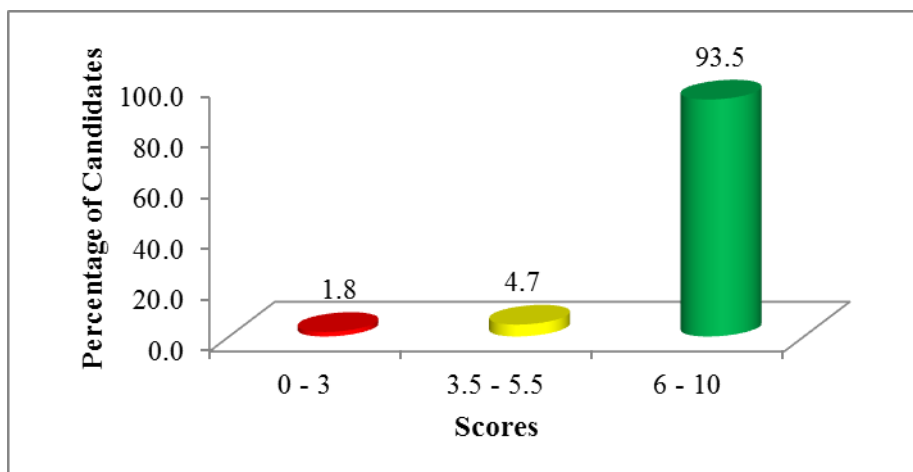


Figure 12: *The Performance of the Candidates in Question 4*

The candidates, who scored from 6 to 10 marks in this question 1,247 (93.5%), demonstrated sufficient knowledge and mastery of the subject matter. They opened the Cases Stock and Cases Suspense accounts and computed the required amounts of the transactions accurately. Most of them managed to record and post the transactions from the Cases stock account to the Cases suspense account and reported the accurate profit on cases usage of TZS 14,405. A few candidates had their accounts containing wrong narrations, posting and omission of some transactions. Nevertheless, they managed to score from 12 to 20 out of the 20 marks of the question. Extract 11.1 is a sample of a good response from one of the candidates.

4	<u>Given:</u>							
	purchasing rate = 15							
	valuation rate = 10							
	Refuse Invoice rate = 25							
	Refund rate = 20							
	<u>IN THE BOOK OF RUKWA LTD</u>							
	<u>DR CASES STOCK ACCOUNT</u>				<u>CR</u>			
	Details	Rate	Quantity	Amount	Details	Rate	Quantity	Amount
	Balance ^{4d}				Cases Scraped		170	
	Premises	10	1750	17500	Cases returned	20	36	720
	Customers	10	1460	14600	Hiring charges			28315
	purchases	15	2000	30,000				
	repair cost			2570				
	profit on Cases			14405	Balance ^g			
					premises	10	3021	30210
					Customers	10	1983	19830
			5210	79075			5210	79075
	Balance b/d							
	premises	10	3021	30210				
	Customers	10	1983	19830				
	Hiring charges = (1R - 1R) Cases sent							
	= (25 - 20) 5663							
	<u>DR CASES SUSPENSE ACCOUNT</u>				<u>CR</u>			
	Details	Rate	Quantity	Amount	Details	Rate	Quantity	Amount
	Cases returned	20	36	720	Balance ^{4d}	20	1460	29200
	Cases returned	20	5104	102080	Cases sent	25	5663	141575
	Hiring charges	-		28315				
	Balance ^g	20	1983	39660				
			7123	170775			7123	170775
					Balance ^{4d}	20	1983	39660

Extract 11.1: A sample of a good response from a candidate

The candidates, with average performance in this question 63 (4.7%), demonstrated adequate mastery of the subject matter and computational skills. They were able to open the required accounts and managed to record most of the transactions correctly. However, omission of some transactions, wrong narrations and amounts for some transactions were observed in their accounts. Other candidates reversed one or two of the entries in one or two of the accounts. Their scores varied from 3.5 to 5.5 marks. The average performance of these candidates suggests that the candidates had satisfactory knowledge of containers accounts.

The candidates who performed poorly in this question 24 (1.8%), lacked sufficient knowledge of the subject matter. Most of them could not draw the Cases Stock and Cases Suspense accounts properly. Others computed wrong amounts of hiring profit, profit on sale of scrapped cases and profit on retained cases. Further, the analysis of candidates' responses revealed that some candidates in this category could not apply the principle of double entry in recording the transactions. They recorded some items once, reversed some entries or posted some items to the wrong side of the accounts. Moreover, other candidates recorded wrong amounts in the accounts. Consequently, their reported profit on cases usage was not correct. The analysis of candidates' responses shows that some candidates opened the required accounts and recorded a mixture of correct and wrong entries; hence the variation of the scores from 0 to 6.5 marks. Extract.11.2. is a sample of a poor response from one of the candidates.

Dr Rates given							
Purchasing rate = 15							
valuation rate = 10							
Rebanded rate = 20							
Dr CASES STOCK ACCOUNT							
Details	Values	Rate	Qty	Details	Value	Rate	Qty
Balance	1750		1460	purchases	200	15	3000
returned to	5104	15	102080	cases sent	5663	15	56630
				scrapped	170	10	1700
				retained	36	10	360
				Balance	1015	15	20300
Dr CASES SUSPENSE ACCOUNT							
Details	Value	Rate	Qty	Details	Value	Rate	Qty
Hiring charge	735	10	11025	Balance	3021	10	30210

Extract 11.2: A sample of a poor response from a candidate

2.2.5 Question 5: Accounting for Royalties

The question required the candidates to use the information provided to prepare the Royalties Payable, Civil Estates Ltd and Royalties Short Workings Accounts for the five years ended 31st December 2015, 2016, 2017, 2018 and 2019.

The question was attempted by 1,342 (99.7%) candidates, out of which 33 (2.5%) scored from 0 to 6.5 marks, 96 (7.1%) scored from 7 to 11.5 marks and 1,213 (90.4%) scored from 12 to 20 out of the 20 allotted marks. The candidates' performance in this question was good. Figure 13 shows the candidates' performance in question 5.

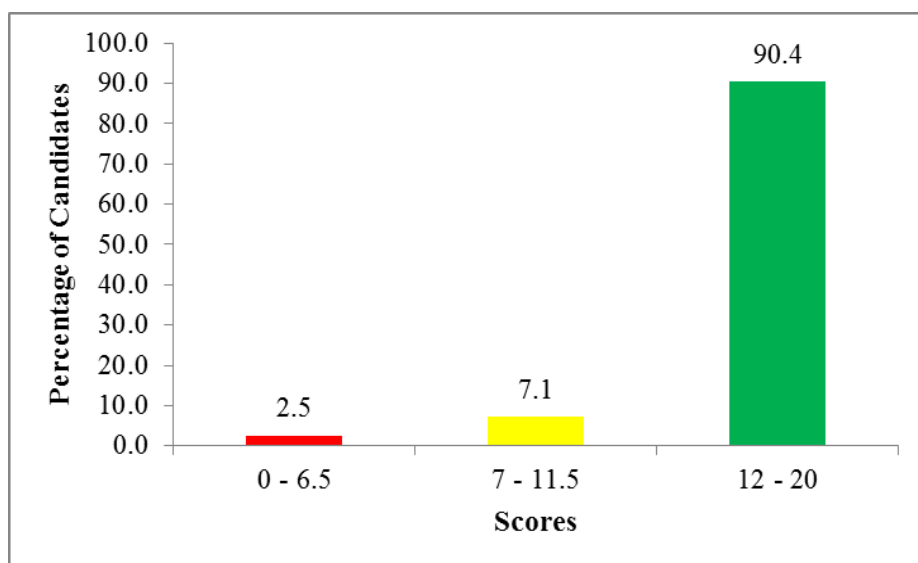


Figure 13: *The Performance of the Candidates in Question 5*

The candidates who performed well in this question 1,213 (90.4%) were able to prepare the Royalties payable, Civil Estates Ltd and Royalties short Workings Accounts. The candidates accurately computed the amounts of actual royalties, short workings, short workings recouped, irrecoverable short workings and the amounts of royalties' payable to Mikese Extractors Ltd. Most of the candidates made correct entries in the relevant accounts. However, a few candidates made some errors in recording the transactions in the accounts. Such errors include omission of some entries in the accounts, entries with wrong narrations or amounts, entries posted to the wrong side of the accounts and reversed entries. Moreover, other candidates could not record the amount of short workings written off as a result of

the tenant's failure to recover them within the time limit as stipulated in the contract. These variations in the candidates' responses caused their scores to vary from 12 to 20 marks. The responses indicate that the candidates had adequate knowledge and competence in Accounting for Royalties. Extract 12.1 is a sample of a good response from one of the candidates.

05				
	Dr	ROYALTY PAYABLE A/c	CR.	
2015		2015		
Civil Estate Ltd	1600 000	Production	1600 000	
	<u>1600 000</u>		<u>1600 000</u>	
2016		2016		
Civil Estate Ltd	1920 000	Production	1920 000	
	<u>1920 000</u>		<u>1920 000</u>	
2017		2017		
Civil Estate Ltd	2160 000	Production	2160 000	
	<u>2160 000</u>		<u>2160 000</u>	
2018		2018		
Civil Estate Ltd	2240 000	Production	2240 000	
	<u>2240 000</u>		<u>2240 000</u>	
2019		2019		
Civil Estate Ltd	2400 000	Production	2400 000	
	<u>2400 000</u>		<u>2400 000</u>	
Dr	CIVIL ESTATE LTD A/c	CR		
2015		2015		
Bank	2000 000	Royalty Payable	1600 000	
		Short working	400 000	
	<u>2000 000</u>		<u>2000 000</u>	
2016		2016		
Bank	2000 000	Royalty Payable	1920 000	
		Short working	80 000	
	<u>2000 000</u>		<u>2000 000</u>	
2017		2017		
Bank	2160 000	Royalty Payable	2160 000	
	<u>2160 000</u>		<u>2160 000</u>	

OS: Dr	SHORT WORKING ACCOUNT	CR
2015: Civil estate	<u>400,000</u>	2015: Balance c/d <u>400,000</u>
2016: Balance b/d	<u>400,000</u>	
2016: Civil estate Ltd	<u>80,000</u>	2016: Balance c/d <u>480,000</u>
	<u>480,000</u>	<u>480,000</u>
2017: Balance b/d	<u>480,000</u>	2017: Balance c/d <u>480,000</u>
2018: Balance b/d	<u>480,000</u>	2018: Banks <u>160,000</u>
		Civil estate Ltd <u>240,000</u>
		Balance c/d <u>80,000</u>
	<u>480,000</u>	<u>480,000</u>
2019: Balance b/d	<u>80,000</u>	2019: Civil estate Ltd <u>80,000</u>

Extract 12.1: A sample of a good response from a candidate

Furthermore, the candidates with average performance in this question 96 (7.1%) adhere to the requirement of the question. They opened the Royalties payable, Civil Estates Ltd and Royalties short workings Accounts. However, some candidates could not compute the correct amounts of actual royalties, short workings, short working recouped, short workings written off and royalties' payable to Land lord. Other candidates posted some entries to the wrong side of the accounts. Also, some candidates had their entries reversed in the accounts and others could not record all the transactions in the accounts. These mistakes led to the variation in scores from 7 to 11.5 marks implying that the candidates had satisfactory knowledge and competence in Accounting for Royalties.

The analysis of candidates' responses shows that the candidates with poor performance in this question 33 (2.5%), were not able to prepare the required accounts. Most of them computed wrong amounts of actual royalties, short workings, short workings recoupable, short

Years	Tonnes	Min-Rent	Royalty	S-subs	-	Recor	Incrasp	Land Lost
2015	4,000	2,000,000	1600,000	4000,000	-	-	-	2,000,000
2016	4800	2,000,000	1920,000	800,000	-	-	-	2,000,000
2017	5400	2,000,000	2160,000	-	160,000	160,000	-	2,000,000
2018	5600	2,000,000	2240,000	-	240,000	240,000	-	2,000,000
2019	6000	2,000,000	2400,000	-	400,000	80,000	-	2320,000

47

2.2.6 Question 6: Company Accounts

The question required the candidates to use the information provided to prepare Uchumi Ltd's Income Statement and Profit and Loss Appropriation account for the year ended 30th June 2019 and the Statement of Financial position as at 30th June 2019.

The question was attempted by 949 (70.5%) candidates, out of which 60 (6.3%) scored from 0 to 6.5 marks, 448 (47.2%) scored from 7 to 11.5 marks and 441 (46.5%) scored from 12 to 20 out of the 20 allotted marks. The candidates' performance in this question was good. Figure 14 presents the performance of the candidates in question 6.

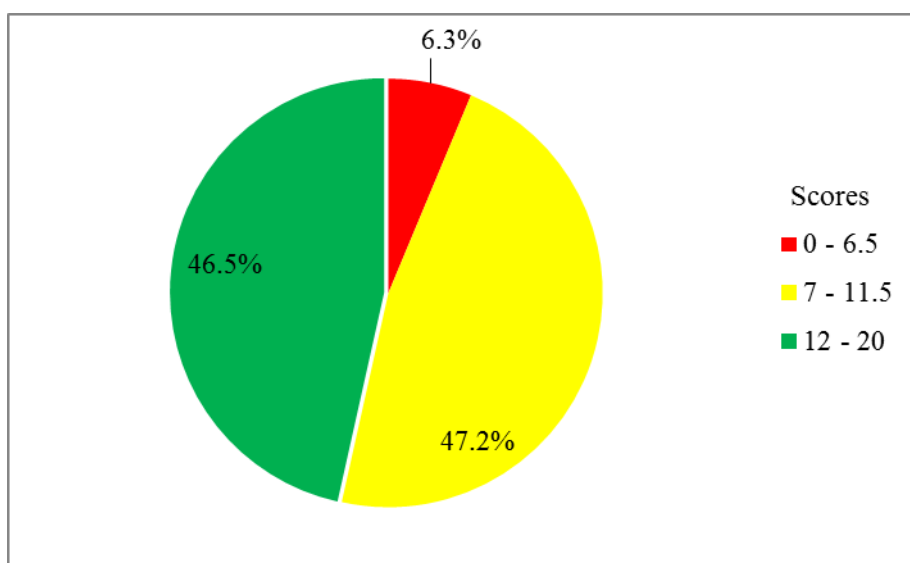


Figure14: *The Performance of the Candidates in Question 6*

The candidates who scored from 12 to 20 marks 441 (46.5%) were able to prepare correctly the income statement and the statement of financial position. They sorted out the elements of Income Statement from the elements of Statement of Financial Position and made appropriate adjustments for accruals and prepayments relating to revenues and expenses. Also, the candidates in this group made proper classification of liabilities and assets and skilfully presented them in the Statement of Financial Position. However, some errors and omissions in the candidates' responses caused the scores to vary from 12 to 20 marks. These responses suggest that the candidates had adequate knowledge and skills in the preparation of financial statements. Extract 13.1 is a sample of a good response from one of the candidates.

6.	UCHUMI LTD	
	INCOME STATEMENT AND PROFIT AND LOSS APPROPRIATION	
	FOR THE YEAR ENDED 30 th JUNE 2019	
	Sales	332,500
	less: Cost of goods sold	
	Opening Stock	23,500
	Add: Purchases	146,800
	Add: Carriage in ward	3,000
		149,800
	Cost of goods available for sale	173,300
	less: Closing Stock	44,600
		128,700
	GROSS PROFIT	203,800
	Add: Interest received	7,300
	Total income	211,100
	less: Expenses	
	Insurance	41,900
	Taxes and fees	12,600
	Advertising	17,200
	Directors remuneration	26,800
	Interest on debentures	3,300
	Bad debts	2,500
	Prov. for doubtful debts	500
	Carriage outward	2,000
		106,800
	NET PROFIT	104,300
	Add: Profit	3,700
		108,000
	less: Interim dividends	3,800
	Transfer to general reserve	3,000
	Dividend: Ordinary share	5,000
	÷ Preference share	7,500
		19,300
	Retaining the Earnings	88,700

6.	UCHUMI LTD	
	STATEMENT OF FINANCIAL POSITION AS AT 30 th JUNE 2019	
	<u>Non-Current Assets</u>	
	Machinery	55,600
	Office furniture	33,600
		<u>88,600</u>
	<u>Add: Current Assets</u>	
	Stock	44,600
	Debtors	37,200
	less, Prov. for doubtful	<u>2,300</u> 34,900
	Cash and bank	<u>149,500</u> 229,000
	TOTAL ASSETS	317,600
	<u>less, Current liabilities</u>	
	Creditors	48,400
	Dividend: Ordinary shares	5,000
	: Preference shares	<u>7,500</u> 60,900
	CAPITAL EMPLOYED	<u>256,700</u>
	<u>Financed by</u>	
	Share capital - Ordinary shares	50,000
	- Preference shares	50,000
	Share premium	35,000
	Debentures	30,000
	General reserve	3,000
	Retaining earnings	<u>88,700</u>
		<u>256,700</u>

Extract 13.1: A sample of a good response from a candidate

The candidates with average performance in this question 448 (47.2%) faced some challenges in attempting the question. Most of the candidates were able to sort out the elements of Income Statement from those of the Statement of Financial Position. However, these candidates made wrong adjustments for accruals and prepayments relating to some of the items of revenues and expenses. Also, there were candidates who included some items of assets and liabilities in the income statement. Omissions of some items in the Income Statement and the Statement of Financial Position were also noted in the candidates' responses. Despite the errors and omissions observed, the candidates achieved average performance by scoring from 7 to 11.5 marks. This average performance indicates that the candidates had satisfactory knowledge of the preparation of financial statements.

The analysis of candidates' responses shows that the candidates who scored from 0 to 6.5 marks in this question 60 (6.3%) could not produce the expected responses to the question. Some candidates in this category could not interpret the demands of the question. They prepared a trial balance instead of the financial statements. This response indicates that the candidates lacked knowledge of the financial statements and could not differentiate the financial statements from the trial balance. Likewise, some candidates in this category could not make adjustments for accruals and prepayments for most of the items of financial statements; thus, they presented a mixture of correct and incorrect amounts of revenues and expenses. Nevertheless, some candidates in this group presented the financial statements in horizontal format. This suggests that the candidates lacked competence in the preparation of financial statements in accordance to International Accounting Standard number 1 (IAS 1). The analysis of candidates' responses further shows that some candidates in this category could not identify the items of revenue and expenses that are presented in the Income Statement from the items of assets and liabilities that are presented in the Statement of Financial Position. They included some items of assets and liabilities in the Income Statement and some items of expenses in the Statement of financial position. These responses indicate that the candidates were not competent in the preparation of financial statements. Extract 13.2 is a sample of a poor response from one of the candidates.

G Profitable Uchumi Ltd's Income statement June 2019			
Opening stock	23 500	Sales	332 500
Add: purchases	146 800		
Add: Carriage	3 000		
	173 300		
less: Closing stock	44 600		
	128 700		
Gross profit %	203 800		
	<u>332 500</u>		<u>332 500</u>
		Gross profit	203 800
Expenses		Income	
Taxes and fees	12 600	Interest received	7 300
Insurance	41 900		
Advertising	17 200		
Provision debts	1 800		
Carriage	2 000		
Provision debts	500		
	76 000		
Net profit	135 100		
	<u>211 100</u>		<u>211 100</u>
Financial Statement position 30 th June 2019			
Capital		Fixed assets	
Ordinary	50,000	Machinery	55 000
Preference	50,000	Office furniture	33 600
Current liabilities		Current assets	
Creditors	49 400	Cash and bank	149 500
		Bad debts	2 800
		Debtors	37 200
		Stock	44 600
	<u>149 400</u>		<u>372 400</u>

Extract 13.2: A sample of a poor response from a candidate

2.2.7 Question 7: Partnership Accounting

The question required the candidates to use the information provided to prepare the Revaluation Accounts of CB Enterprises and MY Traders on 30th June, 2019; the Partners' Capital Accounts in the new firm and the Statement of Financial Position of MS CB & MY Traders as at 1st July 2019.

The question was attempted by 494 (36.7%) candidates, out of which 418 (84.6%) scored from 0 to 6.5 marks, 65 (13.2%) scored from 7 to 11.5 marks and 11 (2.2%) scored from 12 to 20 out of the 20 allotted marks. The candidates' performance in this question was poor as shown in Figure 15.

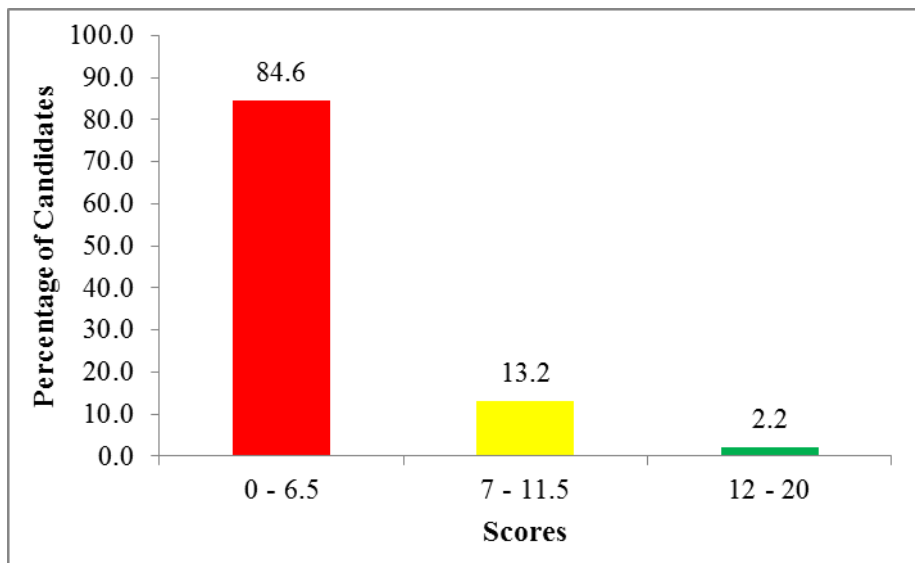


Figure 15: *The Performance of the Candidates in Question 7*

The analysis of candidates' responses show that the candidates who scored from 0 to 6.5 marks in this question 418 (84.6%) could not respond to the question correctly. Most of them lacked knowledge of the subject matter. These candidates failed to determine whether there was an increase or a decrease in the values of the revalued assets and liabilities. Consequently, they entered book values of the assets and liabilities in the revaluation accounts instead of the marginal increases and decreases in the values of the revalued assets and liabilities. Other candidates prepared current accounts of the partners instead of the revaluation accounts of the firms. This response indicates that the candidates did not know how the revaluation accounts looks like and could not differentiate the revaluation accounts from the current

accounts. However, there were candidates who opened the revaluation accounts but could not know which of the information provided in the question is recorded in the accounts. These candidates copied whatever item appearing on the question paper into the debit and credit sides of the revaluation accounts. Some candidates in this group computed correct amounts of the marginal increases and decreases in the values of the revalued assets and liabilities. These candidates failed to decide whether to debit the revaluation accounts with the marginal increases or the marginal decreases. Consequently, the candidates entered a mixture of correct and wrong entries in the accounts. This response suggests that the candidates were not competent in applying the principle of double entry in recording business transactions. It was also noted that some candidates in this category entered a mixture of assets and liabilities in the partners' capital accounts; many candidates made correct entries for the opening balances of the partners' capital accounts of TZS 300,000, 400,000, 240,000 and 220,000 for China, Busweru, Muya and Yuda respectively. The rest of the entries in the Partners' capital accounts either contained inappropriate narrations or wrong amounts. Further analysis of candidates' responses shows that none of the candidates in this group prepared the statement of financial position of MS CB & MY Traders at 1st July 2019. Such poor responses of the candidates indicate that the candidates were not competent in accounting for the amalgamation of partnership firms. Extract 14.1 is a sample of a poor response from one of the candidates.

7	DR	REVALUATION ACCOUNT				CR
	Furniture CB	2000		Machinery CB		40,000
	MY	2000				
	Capital CB	14400				
	MY	21600				
		40,000				
	DR	PARTNERS CAPITAL ACCOUNT				CR
	DETAILS	CB	MY	DETAILS	CB	MY
				Balance b/d	700,000	400,000
				Revaluation	14400	21600

07	Statement of Financial Position		
	of M/S CB		
		Tot	Tot
	Fixed Asset		
	Furniture/Machinery	280,000	
	Furniture	99,800	
	Current Asset		
	Stock	200,000	
	Debtor	85,500	
	Bank	70,000	
	Current Liabilities		
	Capital Change	300,000	
	Debtors	400,000	
	Loan Creditor	20,000	
	Statement for first financial Position		
	of M/S trader		
	Fixed Asset	Tot	Tot
	Furniture	8000	
	Current Asset		
	Stock	240,000	
	Debtor	190,000	
	Bank	8000	
	Liabilities		
	Capital		
	Share	240,000	
	Yield	220,000	
	Creditor	46,000	
	Loan		

Extract 14.1: A sample of a poor response from a candidate

The candidates with average performance in this question 65 (13.2%) adhered to the demands of the question by opening the required accounts. Most of them were able to determine the marginal increases and decreases in the values of the revalued assets and liabilities. However, their records in the accounts contained some reversed entries, omission of some transactions and entries posted to the wrong side of the accounts. Very few candidates in this group prepared the statement of financial position of the new firm. Despite the errors and omissions made by these candidates in their responses, they were able to score average marks and this indicates that they had satisfactory knowledge and competence in accounting for the amalgamation of partnership firms.

The candidates who scored from 12 to 20 marks 11 (2.2%) had sufficient knowledge and competence in accounting for the amalgamation of partnership firms. These candidates prepared the revaluation accounts, partners' capital accounts and the statement of financial position of MS CB & MY Traders at 1st July 2019. They accurately computed the marginal increases and decreases in the values of the revalued assets and liabilities. Most of their entries in the relevant accounts were correct. However, some errors and omission of some transactions in the accounts were noted. These variations in the candidates' responses caused their scores to vary from 12 to 20 marks. These responses indicate that the candidates had adequate knowledge and competence in Accounting for the amalgamation of partnership firms. Extract 14.2 is a sample of a good response from one of the candidates.

71	Dr	MY: Revaluation a/c	Cr
	Provision for doubtful debts 10,000	Furniture 2,000	
	Capital a/c	Goodwill 12,500	
	Miya 2250		
	Vyda 2250		
	14,500		14,500

Dr	CB Revaluation a/c	Cr	
Machinery	40,000	Furniture	2,000
Provision for doubtful debts	4,500	Goodwill	31,000
		Capital a/c	
		Share	4,600
		Reserves	6,900
	<u>44,500</u>		<u>44,500</u>

7. M/S CB & MY Private Statement of Financial position as at 1/07/2019			
Fixed assets			
Machinery	200,000		
Furniture	114,000	314,000	
Current assets			
Stock	440,000		
Debtors	290,000		
Less: Provision	<u>14,500</u>	275,500	
Bank	48,000		
Cash	<u>112,000</u>	875,500	
Goodwill		<u>143,500</u>	
		<u>1,333,000</u>	
Current liabilities			
Creditors		60,000	

7.	Loan	20,000							
	Capital a/c								
	China	335,400							
	Buswem	453,100							
	Muyya	242,250							
	Yuda	222,250							
		<u>1,333,000.</u>							
Dr	Reserve a/c		Cr						
	capital, China	40,000	Balance b/d 100,000						
	Buswem	60,000							
		<u>100,000</u>	<u>100,000</u>						
Dr	Partner capital a/c		Cr						
Details	China	Buswem	Muyya	Yuda	Details	China	Buswem	Muyya	Yuda
Revaluation	4,600	6,900	-	-	Balance b/d	335,400	453,100	242,250	222,250
Balance b/d	335,400	453,100	242,250	222,250	Revaluation	-	-	22,500	22,500
					Reserve	40,000	60,000	-	-
	<u>340,000</u>	<u>460,000</u>	<u>242,250</u>	<u>222,250</u>		<u>340,000</u>	<u>460,000</u>	<u>242,250</u>	<u>222,250</u>
					Balance b/d	335,400	453,100	242,250	222,250

Extract 14.2: A sample of a good response from a candidate

2.2.8 Question 8: Payroll Accounting

The question required the candidates to use the information provided to prepare the Payroll of Kiota Jungle Ltd for the month of October, 2019 and the General Journal to record the payroll on 28th October, 2019 and its payment by cheque on 31st October, 2019.

The question was attempted by 1,232 (91.5%) candidates, out of which 912 (74%) scored from 0 to 6.5 marks, 196 (15.9%) scored from 7 to 11.5 marks and 124 (10.1%) per cent scored from 12 to 20 out of the 20 allotted marks. The candidates' performance in this question was poor as shown in Figure 16.

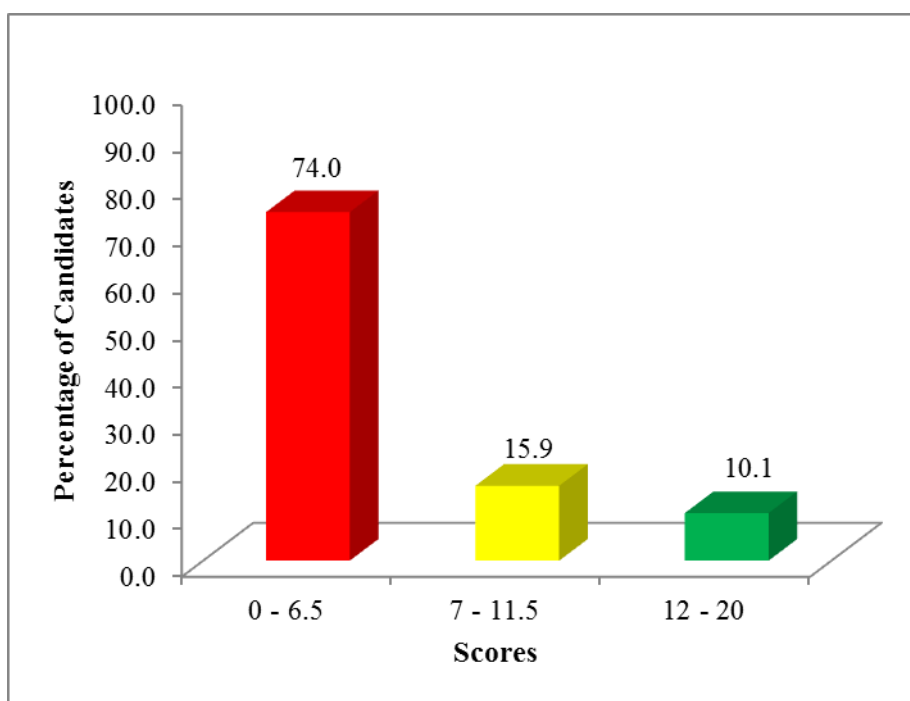


Figure 16: *The Performance of the Candidates in Question 8*

The analysis of candidates' responses shows that 912 (74%) candidates scored from 0 to 6.5 marks in this question. These candidates were not able to prepare the Payroll and the General Journal to record the payroll. Most of these candidates could not interpret the requirements of the question. They prepared salary slips for the employees of Kiota Jungle Ltd instead of the payroll of the company. This response suggests that the candidates did not know how the payroll looks like and could not differentiate it from salary slips. Other candidates prepared the sales journal, purchases journal, personal account and

suspense account instead of the payroll and general journal. This response suggests that the candidates lacked not only the knowledge of the payroll and general journal but also the ability to differentiate the payroll and general journal from the sales journal, purchases journal, personal accounts and the suspense account. The analysis further show that the candidates in this group lacked knowledge of the subject matter. These candidates computed wrong amounts of income tax deductible from the employee's salaries. This response indicates that the candidates lacked the competence of using the tax table which is usually issued by the Tax Revenue Authorities to employers to help them compute fair tax to be withheld from employee's salaries. In the same instance, these candidates computed wrong amounts of other deductions from the employees' salaries that are payable to PSPF, salary advance and charity contribution. Likewise, inability of the candidates to use the principle of double entry in recording and posting of business transactions in the accounts contributed to their poor performance. The candidates did not know which of the salaries expense, income tax payable, PSPF payable, salaries advance, employer's contribution to PSPF and charity contribution accounts should be debited or credited at the time of recording the payroll and at the time of its payment. Consequently, their records in the journal comprised of a mixture of correct and wrong accounts, amounts and narrations. Moreover, the accounts of other candidates in this group contained a mixture of correct, reversed and entries posted to the wrong side. It has been observed that some candidates in this category could not prepare the journal entries to record the payroll and its payment. This means that the candidates avoided the task of the question; and as a result, they scored poorly from 0 to 6.5 marks. Extract 15.1 is a sample of a poor response from one of the candidates.

8.	(i) DR Sales journal. CR			
	particular	Amount	particular	Amount
			Ramesh	60,000
			Hawa	75,000
			Overcast	50,000
			Sales	20,000
			Sales Ledger	205,000
	(ii) DR purchases journal CR			
	particular	Amount	particular	Amount
	purchases	250,000.		
	purchases	150,000		
	Ledger	400,000.		
	(iii) DR: personal A/c CR			
	particular	Amount	particular	Amount
	Capital	725,000	Te beg'd	375,000
	Cash from fibe	125,000		
	Discount Received	125,000		
		881,000	b/f	506,000
		881,000		881,000
	SUSPENSE ACCOUNT.			
	DR: particular	Amount	particular	Amount
			Suspence A/c	1486,000

Extract 15.1: A sample of a poor response from a candidate

The candidates with average performance in this question 196 (15.9%) adhered to the requirement of the question to some extent. They computed the amounts of basic salaries for the employees, monetary allowances to the employees and the amounts of deductions from the employee's salaries. They prepared the payroll and the general journal to record the payroll and its payment. However, their records in the accounts contained some errors and omissions. Despite the errors and omissions in their records, the candidates were able to score averagely from 7 to 11.5 marks. Their average scores suggest that the candidates had satisfactory knowledge and competences in payroll accounting.

The candidates who scored from 12 to 20 marks in this question 124 (10.1%) were able to prepare the payroll and the general journal to record the payroll and its payment. The candidates computed the amounts of basic salaries for the employees, monetary allowances to the employees and the amounts of deductions from the employee's salaries. They prepared the payroll and the general journal to record the payroll and its payment and most of their records in the payroll and the journal were correct. However, some candidates in this group committed some errors and omissions of some transactions in the payroll and the journal. These errors and omissions caused their scores to vary from 12 to 20 marks. Generally, the performance of these candidates was good and one of them scored 20 out of the 20 allotted marks. These responses indicate that the candidates were competent in accounting for payroll. Extract 15.2 is a sample of a good response from one of the candidates.

8

KICITA JUNGLE LTD

PAYROLL ACCOUNT FOR THE MONTH OCTOBER 2019

Name of Employee	Basic pay	Allow pay	Deductions				Net pay
			Women charity	Mid month salary	PSPF	Income tax	
Mariam	200,000	310,000	20,000	50,000	20,000	15,500	204,500
Simon	192,500	236,750	-	-	19,250	15,675	201,825
Tupone	176,000	208,600	-	-	17,600	12,860	178,140
	568,500	755,350	20,000	50,000	56,850	44,035	584,465

GENERAL JOURNAL

Date	Name of Account	DR	CR
28.10.2019	Salary Expenses	755,350	
	Women charity		20,000
	Mid month salary		50,000
	PSPF		56,850
	Income tax		44,035
	Net pay		584,465
	Being Payroll at month of October.		
28.10.2019	PSPF employer	56,850	
	PSPF Expenses		56,850
	Being employer contribution		
31.10.19	Women charity	20,000	
	Mid month salary	50,000	
	PSPF	113,700	113,700
	Income tax	44,035	
	Net pay	584,465	
	Bank		812,200
	Being amount paid to		

Extract 15.2: A sample of a good response from a candidate

3.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE PER TOPIC

The analysis of the candidates' performance in each topic indicates that out of 16 topics examined this year, 12 topics had good performance; 1 topic had average performance and 3 topics had poor performance.

The topics which had good performance were: *Containers Accounts* (98.2%), *Accounting for Royalties* (97.5%), *Preparation of Financial Statements* (96.6%), *Depreciation and Disposal of Non-current Assets* (96.2%), *Company Accounts* (93.7%), *Recognition of Revenue and Expenses* (93.1%), *Auditing* (90.8%), *Branch Accounting* (89.6%), *Financial Statements Analysis and Interpretation* (81%), *Computerised Accounting* (78.3%), *Investment Accounts* (78%) and *The Nature and Context of Accounting* (62.1%). The good performance was attributed to adequate knowledge and competence of the candidates on the tested topics, ability of the candidates to understand the requirement of the questions, proper application of the principle of double entry in recording business transactions and provision of relevant and clear explanations or descriptions of accounting concepts and terminologies in their responses.

The topic which had average performance was *Correction of Accounting Errors* (55.4%). The analysis indicates that the average performance of candidates in this topic was contributed by the candidate's limited ability to identify the accounts affected by the errors, to determine the effects of errors on the accounts and to apply the principle of double entry in recording the correcting journal entries.

On the other hand, poor performance was observed in the topics of *Payroll Accounting* (26%), *Hire Purchase Accounting* (24.5%) and *Partnership Accounting* (15.4%). The poor performance in these topics was attributed to the candidates' inadequate practical skills and knowledge of the subject content of these topics, misconceptions of the questions and lack of proficiency in the English Language. The analysis of the candidates' performance in each topic is summarized in the Appendix.

The comparison of the candidates' performance in each topic between 2019 and 2020 shows that the performance has improved in the topics of *Accounting for Royalties*, *Containers Accounts*, *Preparation of Financial Statements*, and *Branch Accounting* but it has decreased in the topics of *Company Accounts*, *The Nature and Context of Accounting* and

Partnership Accounting. It was observed that the decrease of the candidates' performance in these topics was attributed to inadequate knowledge of the examined sub topic and misinterpretation of the questions.

4.0 CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The general performance of the candidates in 153 Accountancy for the ACSEE 2020 was good since 1,324 (98.66%) candidates passed by scoring A to S grades. In the year 2020, the pass rate of the candidates in the Accountancy examination has increase by 2.58 per cent compared to the year 2019. The analysis of the candidates' performance in each question indicates that the candidates with good performance had adequate knowledge and practical skills of the tested topics, understood the questions requirement and proficiency in the English Language. Those with average performance provided partial responses due to limited knowledge and practical skills of the topics tested. Besides, the candidates with weak performance misinterpreted the demands of the questions; lacked knowledge of the topics tested and lacked proficiency in the English Language.

The analysis of candidates' performance revealed that the candidates had the highest performance in question number 4 of paper 2 which was set from the topic of *Containers Accounts* (98,2%). The lowest performance of the candidates was in question number 7 of paper 2 which was set from the topic of *Partnership Accounting* (15.4%). See Appendix.

4.2 Recommendations

In order to maintain the good performance of candidates in Accountancy examination in future, it is recommended that:

- (a) Teachers should guide students using charts of accounts on the preparation of relevant accounts and financial statements during the Admission of a new partner, Amalgamation of partnership firms, Retirement or death of a partner and Dissolution of a partnership firm.
- (b) Teachers should guide students using samples of Payroll and Salary Slips (Real/Photocopy or teacher made) on the preparation of Payroll and employee's Earnings Statements to enable them realise the difference between the Payroll and a Salary Slip.
- (c) Teachers should guide students using charts of accounts on the preparation of relevant accounts and financial statements in the books of both; Hire Purchaser and Hire Purchase Vendor.
- (d) Teachers should teach students examination taking techniques. They should teach the candidates the best approaches to attempt examinations, the means to identify the task of the questions and the importance of understanding the task of an examination question before attempting it.
- (e) Teachers should encourage students to create a habit of reading a variety of reading materials written in the 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 language.

The Summary of Candidates' Performance per Topic

Sn	Topic	ACSEE 2020			
		Question Number		Percentage of the candidates who scored 35 % or above	Remarks
		Paper 1	Paper 2		
1	Containers Accounts		4	98.2	Good
2	Accounting for Royalties		5	97.5	Good
3	Preparation of Financial Statements	5		96.6	Good
4	Depreciation and Disposal of Non - Current Assets	2		96.2	Good
5	Company Accounts		6	93.7	Good
6	Recognition of Revenue and Expenses	1		93.1	Good
7	Auditing		1	90.8	Good
8	Branch Accounting	6		89.6	Good
9	Financial Statements Analysis and Interpretation	7		81	Good
10	Computerised Accounting		2	78.3	Good
11	Investment Accounts	4		78	Good
12	The Nature and Context of Accounting	3		62.1	Good
13	Correction of Accounting Errors	8		55.4	Average
14	Payroll Accounting		8	26	Poor
15	Hire Purchase Accounting		3	24.5	Poor
16	Partnership Accounting		7	15.4	Poor

