

INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN	
EXAMINERS' COMMENTS	
SUBJECT Financial Accounting and Reporting I	SESSION Certificate in Accounting and Finance (CAF) Examination - Spring 2021

Passing %

Question-wise								Overall
1	2	3	4	5	6	7	8	
81%	14%	20%	65%	25%	70%	59%	32%	40%

General

An overall passing ratio of 40% is higher than previous session's 31% but fairly consistent with average of last 3 sessions. The highest marks obtained were 91.

It was observed that examinees did not study all areas of the syllabus on the assumption that they would have least possibility of being examined. This was substantiated by the fact that many examinees secured good marks in two to three questions but failed to obtain reasonable marks in the remaining questions.

Question-wise common mistakes observed

Question 1

- Profit was not adjusted for revaluation loss.
- Other comprehensive income was not presented.

Question 2

- Graphs were made on the basis of 'total cost' instead of 'per unit cost' on y-axis.
- Graph (iii) to (vi) were partially incorrect.

Question 3

- Revenue from sale of mobile phone was also recognized over time.
- Standalone price of on-net and other network call was worked out on quarterly basis instead of annual basis.
- Workings were haphazard and partial marks could not be awarded as trail for the calculations was not available.

Question 4

MCQs at serial (iv) and (vi) were least well answered.

Question 5

- Examinees tried to compute the missing amounts without preparing the relevant accounts and missed at least one figure in the calculation.
- Description of “N” i.e. “Members’ subscriptions received” was not identified and consequently not computed.
- Marks for amounts to be determined as balancing figures were lost due to incomplete answers.

Question 6

- In measure (ii) and (iv), it was wrongly identified that net profit margin and stock turnover would remain unaffected.
- Some of the examinees did not prepare format.
- Few examinees also offered explanation of effect(s) which was not required.

Question 7

- Answers were correct to the extent discussed but failed to cover all aspects of the given issues.
- In (i), recognition of grant over life of building was not discussed.
- In (ii), answers were limited to the discussion that the building should be partially recorded as property, plant and equipment and partially as investment property. However, consequential adjustments to be made due to this bifurcation were not discussed.

Question 8

- Depreciation on dry docking and body were not prorated in year 2018.
- Entry for incremental depreciation and its calculation was not presented.
- Depreciation for year 2020 was computed on total life instead of remaining life.

(THE END)