

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN**

**EXAMINERS' COMMENTS**

<b>SUBJECT</b> Financial Reporting and Assurance Professional Competence	<b>SESSION</b> Multi Subject Assessment - 1 Examination (MSA-1) - Winter 2021
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**Passing %**

Question-wise						Overall
1(a)	1(b)	2(a)	2(b)	3(a)	3(b)	
56%	70%	34%	32%	75%	68%	62%

**General comments**

The overall passing ratio is slightly higher than previous result of 58%. It has been observed that examinees often spend extra time on completing Q.1 which affects the performance in the other questions. Examinees are once again advised to allocate reasonable time to each question. The highest score in the paper was 79 marks.

**Question-wise common mistakes observed**

**Question 1(a)**

- Part (i) of the question was well-attempted except for the area of alternative performance measures which was not attempted by many examinees.
- In part (ii), the effect of uncorrected misstatements were only presented for profit while their effect on assets and liabilities were ignored which was specifically required.
- In (iii), examinees offered a general action for each issue that it should be discussed with management.

**Question 1(b)**

Examinees did not answer the implication of cancellation of existing scheme.

**Question 2(a)**

- Analysis of the financial statements was the worst performed area of the paper. Examinees needed to correlate the reasons for variation given in the question with financial statements. The explanations were required to support the given trends and ratios for any meaningful analysis. The question was usually attempted as last question and seemed to be attempted half-heartedly.
- Areas of concern were often correctly identified but given as single statements.

**Question 2(b)**

Answers to this part were often correct but incomplete. Examinees directly jumped to the conclusion that auditor should not review the loan application without providing sufficient explanation.

**Question 3**

This question was well-attempted except for the issue of acquisition of subsidiary. Examinees could not identify the underlying issue that whether customer list is separable or not and consequently most of the discussions were totally irrelevant.

***(THE END)***