



JUNE 2020 EXAMINATIONS

CHIEF EXAMINERS REPORTS

DIPLOMA IN PUBLIC SECTOR FINANCIAL MANAGEMENT PROGRAMME

SUBJECT: PFM1- PUBLIC SECTOR ACCOUNTING

QUESTION ONE

The general performance on this question was good. The lone candidate that attempted it managed to get above 27 marks out of the available 40. The pass rate recorded was 100%.

This question had five (5) components (a) to (e). It was a compulsory question based on different areas. The general performance was very good as the only candidate at this sitting scored above 50% on question one. Performance on individual components of the question was as follows:

Part (a) required candidates to analyse financial information provided. The only candidate at this sitting scored above 50% on this one. No major weaknesses were recorded. It was good articulation of answer.

Part (b) required candidates to describe two (2) main sources of revenue for the public sector and to give three (3) examples under each source. The performance on this part was excellent.

Part (c) required candidates to list three (3) steps involved in preparing public sector financial reports. The candidate failed to appreciate the fact that reference to an applicable regulatory framework was the first step to consider when preparing public sector financial reports.

Part (d) required candidates to explain five (5) measures which the government can take to improve tax compliance. The performance on this part was fair as candidate raised 50% of the required points.

Part (e) of the question required candidates to describe seven (7) principles of financial records management in the public sector. This part of question was not so well attempted by the candidate. The candidate struggled to raise the required points.

Future candidates are reminded to study the syllabus content in its entirety as question one (1) will always draw content across the syllabus.

QUESTION TWO

The general performance on this question was very good. The lone candidate that attempted it managed to get above 15 marks out of the available 20. The pass rate recorded was 100%.

This question had five (5) components (a) to (e). It was not a compulsory question but the only candidate at this sitting opted for it. All the components of the question

were generally base on Treasury Single Account (TSA). The general performance was very good as the only candidate at this sitting scored above 50% on question two (2). Performance on individual components of the question was as follows:

Part (a) required candidates to explain the meaning of Treasury Single Account. The candidate explained this well.

Part (b) required candidates to identify five (5) major benefits of Treasury Single accounts for Zambia's public sector accounting. This was explained with little struggle by the candidate.

Part (c) required candidates to explain five (5) key considerations to make while adopting TSA in Zambia. The candidate had challenges a bit to raise the required points here. The considerations include among others, stakeholder engagement; structural and legal transformation; skills capacity; cost; technology and infrastructure; implementation approach that could either be big bang or phased; external support from private sector, donors and other professional firms.

Part (d) required candidates to bring out three (3) key challenges that have contributed to the slow pace with which TSA is being adopted in Zambia. This was reasonable tackled by the candidate.

Part (e) required candidates to explain four (4) ways in which the challenges identified in part (d) can be addressed. The candidate was able to fairly explain the ways to tackle the identified challenges.

Future candidates are reminded to look at all dimensions of a particular topic as examiners will take a similar approach for future examinations.

QUESTION THREE

The general performance on this question was good. The lone candidate that attempted it managed to get above 12 marks out of the available 20. The pass rate recorded was 100%.

This question had three (3) components (a) to (c). It was not a compulsory question but the only candidate at this sitting opted for it. All the components of the question were generally based on Conceptual Framework for General Purpose Financial Reporting (GPFR). The general performance was average as the only candidate at this sitting scored just 50% on question three (3). Performance on individual components of the question was as follows:

Part (a) required candidates to explain the five (5) main advantages of a conceptual framework. This was well articulated by the candidate except one point that did not meet the requirement.

Part (b) required candidates to explain the five (5) qualitative characteristics of useful financial information. This was also very well attempted by the candidate.

Part (c) required candidates to identify key constraints on information included in General Purpose Financial Reports. On this one, the candidate misunderstood the question and provided answers that were off the target. The constraints to have been brought out include aspect of materiality, cost – benefit analysis and balance between the qualitative characteristics.

Again, it was observed that knowledge was scanty from the student point of view hence a reminder to future students to be detailed in their coverage of the syllabus content.

QUESTION FOUR

The general performance on this question was excellent. The lone candidate that attempted it managed to get above 18 marks out of the available 20. The pass rate recorded was 100%.

This question had three (3) components (a) to (c). It was not a compulsory question but the only candidate at this sitting opted for it. All the components of the question were generally based on cash accounting, accruals accounting and expenditure in Public Sector. The general performance was excellent as the only candidate at this sitting scored just 80% on question four (4). Performance on individual components of the question was as follows:

Part (a) required candidates to define cash accounting and to explain the five (5) advantages of cash accounting. The performance here was excellent.

Part (b) required candidates to distinguish between accruals from modified cash basis of accounting. Similarly, performance on this part was excellent.

Part (c) required candidates to describe two (2) types of expenditure in public sector. This was well attempted.

QUESTION FIVE

This was an option question that was not attempted by the candidates that sat for the paper.

OVERALL PERFORMANCE OF CANDIDATES

- i. Highest mark obtained in this paper: 72%
- ii. Average score in this paper: 72%
- iii. Overall pass rate in this paper: 100%

SUBJECT: PFM2 - LEGAL ASPECTS OF PUBLIC SECTOR FINANCE AND ADMINISTRATION

QUESTION ONE

The general performance on this question was excellent. All the 3 candidates that attempted it managed to get above 20 marks out of the available 40. The pass rate recorded was 100%. The highest score was 34 while the lowest was 31 out of 40 marks.

This question had a scenario which students needed read and use the information available to address the following parts:

- a) This part was well explained by almost all the students as a compulsory question. The students were able to give a clear understanding of what Administrative law means.

However, a little number that failed to explain the meaning only failed to the extent of understanding the full meaning of administrative law but they had an idea of the meaning of administrative law. Prospective students must fully understand certain words in detail to amass all the marks in full.

- b) An average number of students were able to answer this questions very well as they applied the scenario to the question asked. However, those who failed to get better mark here failed to answer the latter part of the question which was asking on whether the matter is suitable for judicial review. Prospective student are urged to ensure that they fully understand not only the question but the extent of the question to collect maximum points

This part had no challenges as students were able to identify the 2 types of administrative agencies and their functions. Some students nevertheless failed to get maximum points here because they failed to explain the functions of the administrative agencies. This could have been because the students did not fully study harder in the area of functions of these administrative agencies. Candidates are reminded to ensure that as they go into the examination room, they must know not only the administrative agencies but also their function and how they apply in Zambia.

- c) This part was well attempted. The candidates were able to explain the sources of administrative law with ease especially that the sources were already listed for their explanation. The minor challenge noted was that of failing to state the difference between the constitution and Acts of Parliament.

The reason appeared to have been lack of understanding the extent of the differences in terms of sources of administrative law.

- d) This part of the question was based on the explanation of what administrative law is. Majority of students were able to explain what separation of powers is with ease. Some candidates failed to get full marks because they showed lack of understanding of how separation is in terms of the examples that they were using even after explaining separation of powers well.

QUESTION TWO

The general performance on this question was excellent. All the 3 candidates that attempted it managed to get above 12 marks out of the available 20. The pass rate recorded was 100%. The highest score was 18 while the lowest was 12 out of 20 marks.

The question had three parts a, b and c. Part (a) required candidates to explain the function of law in the society while part (b) required them to explain the meaning of an administrative agency. Part (c) required them to discuss the term referendum in Zambia. Though students performed well on the question, some of them lost some marks due to lack of detail in their explanations as well as perceiving law as an enforcer of morals in society.

QUESTION THREE

The general performance on this question was excellent. All the 3 candidates that attempted it managed to get above 10 marks out of the available 20. The pass rate recorded was 100%. The highest score was 18 while the lowest was 12 out of 20 marks.

The question had three parts a, b and c. The following was required;

- a) Defining judicial review.
- b) Explaining elements of judicial review.
- c) Identifying the functions of law in the society.

Though all students that attempted the question passed, it was noted that some lost out on potential marks because they did not explain what was required properly. Some could not properly express their thoughts.

QUESTION FOUR

The general performance on this question was excellent. All the 3 candidates that attempted it managed to get above 10 marks out of the available 20. The pass rate recorded was 100%. The highest score was 16 while the lowest was 13 out of 20 marks.

The question had two parts a, and b. The following was required:

- a) Identifying the three organs of the government and their functions.
- b) Remedies granted under judicial review.

QUESTION FIVE

None of the 3 candidates that sat for the subject attempted this question.

OVERALL PERFORMANCE OF CANDIDATES

- i. Highest mark obtained in this paper: 87%
- ii. Average score in this paper: 75%
- iii. Overall pass rate in this paper: 100%

SUBJECT: PFM3 GOVERNANCE AND MANAGEMENT IN THE PUBLIC SECTOR

QUESTION ONE

The general performance on this question was very good. The lone candidate that attempted it managed to get above 30 marks out of the available 40. The pass rate recorded was 100%.

This question had two parts: (a) and (b). Part (a) asked the candidates to explain the use of employee performance appraisal or evaluations to Management. Most candidates did very well on this part

Part (b) was about defining Ethics and explaining three (3) unethical issues from the employer and the employee side that may arise from the work place. Majority of candidates answered this correctly.

QUESTION TWO

The lone candidate's performance on this question was poor. The candidate that attempted the paper to 5 marks out of the available 20. A 0% pass rate was recorded.

This had two parts: (a) and (b). Part (a) asked the candidates to explain Penetration Pricing strategy and Price- skimming strategy. Most candidates got Penetration pricing correct but most failed on Price skimming strategy.

Part (b) was about identifying eight (8) functions of effective managers and to explain how that enables them to manage teams in organisations. Most candidates were mixing this up with the roles of a manager and hence failed to get full marks.

QUESTION THREE

This was an option question that was not attempted by the lone candidate that sat for the paper.

QUESTION FOUR

The candidate's performance on this question was very good. The lone candidate that attempted it managed to get 15 marks out of the available 20. The pass rate recorded was 100%.

This question had two parts: (a) and (b). Part (a) asked candidates to bring out four (4) characteristics of Coaching and Mentoring. Majority of candidates answered this correctly.

Part (b) required candidates to explain three (3) main areas of job redesign that would result in improved productivity. Most candidates failed to answer this question correctly.

QUESTION FIVE

The candidate's performance on this question was very good. The lone candidate that attempted it managed to get 18 marks out of the available 20. The pass rate recorded was 100%.

This question had two parts (a) and (b). Part (a) asked candidates to explain how social and environmental disclosure by mining companies in Zambia constitutes social responsible behaviour. Majority of candidates answered this correctly.

Part (b) required candidates to use McGregor's Theory of motivation to discuss the concept of motivation and explain how management style is influenced by the assumptions they hold about their subordinates. Most candidates did not answer this correctly, instead most would explain Herzberg's theory or Maslow's theory which perhaps was easier to remember.

OVERALL PERFORMANCE OF CANDIDATES

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| i. | Highest mark obtained in this paper: | 68% |
| ii. | Average score in this paper: | 68% |
| iii. | Overall pass rate in this paper: | 100% |

SUBJECT: PFM4 PUBLIC SECTOR FINANCIAL MANAGEMENT

QUESTION ONE

The general performance on this question was poor. None of the 3 candidates that attempted it managed to get 20 marks and above out of the available 40. The pass rate recorded was 0%. The highest mark scored was 13 out of 40 while the lowest was 2.

Part (a) required candidates to calculate the weighted average cost of capital of Kairos Limited while part (b) required candidates to estimate the Net Present Value (NPV) of the project, and recommend, on the basis of the NPV whether or not the project should be undertaken.

In part (c), candidates were required to discuss why some organizations may not prefer to use the Net Present Value (NPV) method to appraise their investments while part (d) required them to describe the capital budgeting process determining whether the expenditure is in Kairos Limited's best interest.

Generally, candidates showed lack of understanding of the NPV as an investment appraisal technique and as a result lost some marks.

QUESTION TWO

The general performance on this question was good. 2 out of the 3 candidates that attempted it managed to get 10 and above marks out of 20. The pass rate recorded was 66.7%. The lowest score was 7 while the highest was 15 out of 20.

Part (a) required candidates to describe the main characteristic features of tax revenue while part (b) required them to identify and explain the major sources of funds to finance the national budget.

The question further required candidates to explain the functions of a public sector accountant in accordance with the Public Finance Act of 2004. The functions of a public sector accountant seem not to be well understood. The explanation was poor. Students are urged study more.

QUESTION THREE

The general performance on this question was good. The lone candidate that attempted it managed to get 12 marks out of the available 20. The pass rate recorded was 100%.

Part (a) of the question required candidates to explain the role of public finance in development of an economy. Part (b) required them to evaluate the project using Net Present Value (NPV) approach and recommend whether the investment proposal should be accepted for implementation while part(c) required candidates to explain

briefly why Government should appraise projects before they are implemented. The question was fairly attempted.

QUESTION FOUR

The general performance on this question poor. None of the 2 candidates that attempted it managed to get 10 marks and above out of the available 20. The pass rate recorded was 0%. The highest mark scored was 8 out of 20 while the lowest was 6.

Part (a) of the question required candidates to explain cash management and why it is important while part (b) sought their explanation of how cash management differ in high and low income countries.

Part (c) required candidates to explain common Cash Management Reforms while part (d) required candidates to explain how cash management reforms be tailored to the needs of low-income countries.

The term Common Cash Management Reforms was not well explained. Students did not explain how these cash management reforms can be tailored to the needs of the low-income countries.

QUESTION FIVE

The general performance on this question was poor. Only 1 of the 3 candidates that attempted it managed to get 20 marks and above out of the available 20. The pass rate recorded was 0%. The highest mark scored was 11 out of 20 while the lowest was 7.

Part (a) required candidates to explain to the Secretary to the Treasury, the objective of public financial management reforms and what government can do to accelerate implementation of the reforms. Part (b) required candidates to identify the benefits of implementing public financial management reforms for a developing country. Part (c) required candidates to describe the process of managing risk in the public sector. The question covered public financial management reforms and risk management in the public sector. The few students that sat the paper scantily attempted the question, showing little preparation.

OVERALL PERFORMANCE OF CANDIDATES

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| i. | Highest mark obtained in this paper: | 50% |
| ii. | Average score in this paper: | 37% |
| iii. | Overall pass rate in this paper: | 33.3% |

SUBJECT: PFM5 PUBLIC SECTOR AUDITS

QUESTION ONE

The general performance on this question was fair. 2 of the 4 candidates that attempted it managed to get 20 marks and above out of the available 40. The pass rate recorded was 50%. The highest mark scored was 26 out of 40 while the lowest was 9.

The following were observed for the candidates who faced challenges in the paper:

Part (a) required candidates to explain why the OAG is not a department of any government ministry. This question was satisfactorily done and candidates scored maximum marks.

In part (b) of the question, candidates were required to explain the need for an engagement letter in public sector audits and to state the situations when the engagement letter may be changed.

Candidates ably explained the need for an engagement letter but few did not address the part requiring the situations when it may be changed thereby losing the marks for this part.

Part (c) of the question required the candidates to discuss the responsibilities of the management of the NIC and the public sector auditors with regards compliance with laws and regulations.

Candidates should have used their knowledge of ISSAI 1250 in answering this question and for six marks at least four relevant points.

While some candidates scored well it was observed that some candidates gave the responsibilities of management and did not state the responsibilities of the public sector auditor and so losing the marks allocated to this.

Part (d) required candidates to explain six matter that the public sector auditors would need to gain an understanding of as part of the planning of the audit of NIC.

It was observed that in the case of the candidates scored low marks each of them gave only one matter against the six required and so marks were awarded proportionately.

Part (e) required candidates to explain who an auditor expert is and also to explain issues that will be considered in selecting an auditor expert.

There were some good answers in explaining who an auditor expert is and there was a noted case where clearly the candidate did not know who an auditor expert is.

In answering the second part of the question there was a case where the cases when an expert would be needed were explained instead of matters to consider in choosing the expert and no marks were awarded.

Part (f) required candidates to explain the connection between financial statement assertions and audit procedures to be conducted by the public sector auditor.

There were two candidates who did not attempt this part of the question and lost all the available marks.

Part (g) required candidates to explain the assertions of valuation, existence and rights and obligations for properties and to suggest 2 suitable audit procedures.

Two candidates did not attempt this part of the question and they lost all the 7 available marks.

QUESTION TWO

The general performance on this question was poor. The lone candidate that attempted it only managed to get 5 marks out of the available 20. The pass rate recorded was 0%.

Part (a) of the question required candidates to explain the meaning of CAATs and to explain the benefits to the SAI of using CAATs.

It was observe that in one case the explanation of the meaning of CAAT was done but no benefits of the use of CAATs was made therefore losing all the available marks for this.

Part (b) of the question required candidates to explain the use of tests of control and substantive tests in the audit of financial statements of the water utility company in the question.

The candidate who attempted this question lacked knowledge of these two types of test and lost all the available marks. Candidates should study and understand fully these types of tests that the public sector auditors carry out.

Part (c) required candidates to explain the meaning and significance of opening balances in the financial statements of the water utility company. The one candidate explained the meaning of opening balances but did not explain the significance of the opening balances to the public sector auditor.

Part (d) required candidates to state the audit procedures that should be performed in the audit of opening balances. The procedure given show that the candidate did not know what procedures should be performed.

The procedure suggested stated that the auditor should request for the entity's system, payment vouchers, Goods Received Notes and Stock all not relevant to the audit of opening balances.

QUESTION THREE

The general performance on this question was excellent. All the 4 candidates that attempted it managed to get 10 marks and above out of the available 20. The pass rate recorded was 100%. The highest mark scored was 14 out of 20 while the lowest was 10.

Part (a) required candidates to explain the fundamental principles in public sector audits. The majority of the candidates gave satisfactory answers and scored maximum marks. One candidate did not answer this part of the question and lost all the available marks.

Part (b) Required candidates to explain the meaning of accounting estimates and also to state why they are considered a risky area in public sector audits. One candidate did not attempt part (b) of this question the following were observed of the three candidates who attempted this part:

- i. Failure to attempt all question requirements.
- ii. Failure to correctly explain key terms such as subsequent events.
- iii. One candidate seemed not to know the responsibility of the auditor for events to the date of the auditor's report and the issue of financial statements..

QUESTION FOUR

The general performance on this question was poor. Only 1 of the 4 candidates that attempted it managed to get 10 marks out of the available 20. The pass rate recorded was 25%. The highest mark scored was 10 out of 20 while the lowest was 6.

Part (a) of the question required candidates to list five types of organizations that are subject to public audits and to one example each of such organizations. It was noted that in one case organizations such as government ministries were listed but there were no example that were given resulting in the loss of easy marks.

Part (b) required candidates to explain the meaning and use of the Emphasis of Matter paragraph.

There was a case where the candidate clearly did not know the meaning of the EoM paragraph and no use of the paragraph was given.

The part also required candidates to explain the three forms of modifications to the auditor's opinion. For 2 marks each simply listing the three forms does not earn

maximum marks. A candidate listed unmodified opinion as one of the three which is incorrect and for the other two did not say anything else other than mentioning them.

The final part of (b) required candidates to list the elements of the unmodified audit report which is a knowledge based question. There were some good answers but one candidate exhibited lack of knowledge of the elements.

QUESTION FIVE

The general performance on this question was excellent. All the 3 candidates that attempted it managed to get 10 marks and above out of the available 20. The pass rate recorded was 100%. The highest mark scored was 20 out of 20 while the lowest was 12.

Part (a) required a distinction between the roles of the public sector auditors from those of internal auditors in the Ministry of Health. This was satisfactorily explained and candidates scored maximum marks.

In part (b) of the question, candidates were required to explain the difference between forensic investigation and a financial audit in public sector audits. Candidates were expected to give at least three valid points but it was observed that only one point was given resulting in losing marks.

Part (c) required candidates to define the meaning of a compliance audit clearly explaining the objectives. This was adequately done and candidates scored maximum marks.

In part (d), candidates were required to define the meaning of a performance audit clearly explaining the objectives. This was adequately done and candidates scored maximum marks.

OVERALL PERFORMANCE OF CANDIDATES

- i. Highest mark obtained in this paper: 69%
- ii. Average score in this paper: 51%
- iii. Overall pass rate in this paper: 50%

SUBJECT: PFM6 – FINANCIAL REPORTING FRAMEWORK FOR PUBLIC SECTOR ENTITIES

QUESTION ONE

The general performance on this question was poor. None of the 2 candidates that attempted it managed to get 20 marks and above out of the available 40. The pass rate recorded was 0%. The highest mark scored was 17 out of 40 while the lowest was 1.

This question had four (4) components (a) to (d). It was a compulsory question based on different areas. Part (a) required candidates to prepare a statement of cash flows. It was noted that some candidates lost some marks due to failure to prepare a statement of cash flows.

Future candidates are reminded that knowledge of statement of cash flows using the three headings and mastering content of the three headings is very critical for this paper and they must study the area thoroughly.

Part (b) of the question required candidates to explain five (5) advantages of preparing cash flow statements. This part was fairly attempted by one candidate of the two. The other candidate left this part blank.

Part (c) of the question required candidates to explain two benefits of reporting cash flows from operating activities using the direct method. This part was not attempted by both candidates. The candidates failed to appreciate points such as: it helps with information useful for estimating future cash flows and information that may not be available under the indirect method besides showing information about major classes of gross cash receipts and gross cash payments that may be obtained from the entity.

Part (d) required candidates to explain the treatment, in the statement of cash flows, of the following: (i) foreign currency cash flows, (ii) investments in controlled entities, associates and joint ventures and (iii) components of cash and cash equivalents. This part was poorly attempted by candidates at this sitting. Candidates are reminded that unrealized gains and losses arising from changes in cash and cash equivalents held or due in a foreign currency is reported in the cash flow statement in order to reconcile cash and cash equivalents at the beginning and end of the period.

QUESTION TWO

The general performance on this question was very good. The lone candidate that attempted it managed to get 13 marks out of the available 20. The pass rate recorded was 100%.

This question had two (2) components (a) to (b). It was an optional question based on different areas of procurement and ethics. Part (a) required candidates to explain to the Head of procurement IFAC's fundamental ethical principles that one would be violating if they support the inflated prices by not disclosing to senior management that the cost would result in budget over runs. The performance on this part was fair with no major weaknesses.

Part (b) of the question required candidates to state and explain how the code of ethics can be internalized and enforced in the public sector. It is this part of the question where candidate failed to articulate things well and under scored bringing total scored on the question low.

QUESTION THREE

The general performance on this question was fair. 1 of the 2 candidates that attempted it managed to get 11 marks out of the available 20. The pass rate recorded was 50%. The highest mark scored was 11 out of 20 while the lowest was 0.

This question had four (4) components (a) to (d). It was an optional question based on main area of Government Business Enterprise (GBE). Part (a) of the question required candidates to describe five characteristics of Government Business Enterprise. The question was partly answered by the one candidate who attempted it, probably due to lack of adequate knowledge on it.

Future candidates are reminded that a GBE in a nut shell is controlled by a public sector entity, has no reliance on government,

Sells goods and services in the normal course of its business to other entities at a profit, has been assigned financial and operating authority to conduct business on its own behalf and it has powers to contract in its own name.

Part (b) required candidates to explain three (3) components that a GBE can include as part of its financial statements. This part was well tackled by the candidate.

Part (c) required candidates to explain the difference between cash basis and accrual basis of accounting. This was well presented by the candidate.

Part (d) required the candidates to explain three conditions that should be met before a financial asset or financial liability is recognized in financial statements. The candidate expressed ignorance on this one. Future candidates are reminded to thoroughly cover the syllabus content with no segregation as questions will come from all other areas across the syllabus.

QUESTION FOUR

The general performance on this question was fair. 1 of the 2 candidates that attempted it managed to get 15 marks out of the available 20. The pass rate recorded was 50%. The highest mark scored was 15 out of 20 while the lowest was 0.

This question had two (2) components (a) to (b). It was an optional question based on two different areas. Part (a) required candidates to explain the key differences between IFRS and IPSAS. The only candidate who attempted the question had very good understanding of the key differences from the expression of their answer.

Part (b) required candidates to compare statement of cash flows under IAS 7 and IPSAS 2. Some scanty knowledge was expressed here. Main issue lies in commentary and technical terms that differ.

QUESTION FIVE

The general performance on this question was poor. The lone candidate that attempted it only managed to get 5 marks out of the available 20. The pass rate recorded was 0%.

This question had four (4) components (a) to (d). It was an optional question based on borrowing costs and construction contracts. Part (a) of the question required candidates to explain criteria used by a public sector to recognize borrowing costs in the financial statements. This was almost not tackled by the only candidate at this diet. Future candidates are reminded that borrowing costs get capitalized if they are attributable to acquisition, construction or production of a qualifying asset and the criteria as outlined in IPSAS have been met of costs being incurred, interest related and other borrowing costs being incurred and active works on construction or production ongoing.

Part (b) required candidates to explain why creation and capitalization of borrowing costs take place. The candidate hardly put up a point on this. Future candidates are reminded to get to detail when covering standards as the requirement was very basic to have been failed by the candidate.

Part (c) required candidates to explain two (2) types of construction contracts that a public entity can enter into. The only candidate failed to put down anything on this. Future candidate are reminded of the fixed price contract and the cost plus contract.

Part (d) provided a scenario of figures from which candidates were to calculate borrowing costs eligible for capitalization and extracts to go to statement of financial position for the named assets. No form of writing was done by the candidate at this diet.

Future candidates are reminded to be thorough in their coverage of the syllabus especially content on standards.

OVERALL PERFORMANCE OF CANDIDATES

- i. Highest mark obtained in this paper: 56%
- ii. Average score in this paper: 51%
- iii. Overall pass rate in this paper: 50%