



DECEMBER 2023 EXAMINATIONS

CHIEF EXAMINERS REPORTS

DIPLOMA IN ACCOUNTANCY

SUBJECT: DA 1: FINANCIAL ACCOUNTING

QUESTION ONE

The general performance on the question was poor. Of the 117 that attempted the question, only 28 managed to obtain at least 10 out of the available 20 marks. A pass rate of 23.9% was recorded. The highest score was 16 while the lowest was 0 out of 20.

This was a compulsory question with ten parts. The poor performance by candidates could be attributed to poor Examination preparation.

QUESTION TWO

The general performance on the question was poor. Of the 94 that attempted the question, only 9 managed to obtain at least 10 out of the available 20 marks. A pass rate of 9.6% was recorded. The highest score was 15 while the lowest was 0 out of 20.

Part (a) (i) required candidates to prepare an adjusted (updated) cash book. Errors 4, 7 and 8 were posted to the wrong side of the updated cash book, thereby suggesting that candidates did not understand the double entry bookkeeping system.

Part (a) (ii) required candidates to prepare a bank reconciliation statement. This was reasonably answered.

Part (b) (i) required candidates to draw up Journal entries to correct errors given in the question paper. This was poorly answered. Candidates are encouraged to learn the section of the syllabus on double entry.

Part (b) (ii) required candidates to prepare a suspense account. Many candidates who attempted the question did not answer this part. The candidates are encouraged to cover the syllabus before attempting the examination.

QUESTION THREE

The general performance on the question was poor. Of the 82 that attempted the question, only 2 managed to obtain at least 10 out of the available 20 marks. A pass rate of 2.4% was recorded. The highest score was 13.5 while the lowest was 0 out of 20.

Part (a) required candidates to prepare seven ledger accounts. Very poor answers were provided by candidates. The majority of the candidates failed to post entries. Some were even failing to name the other account where the double entry is to be completed for instance, a candidate opens a capital account and under the details column, puts capital as text.

Part (b) of the question required candidates to prepare a trial balance as at 31 December 2022. Very poor answers were presented here too. Candidates are encouraged to pay attention to the double entry system of bookkeeping and later learn how to extract a trial balance.

Part (c) (i) required candidates to draft a Journal entry requiring a write-off of irrecoverable receivables. Most candidates could not define the two accounts involved and hence failed to draft a correct Journal Entry.

Part (c) (ii) required candidates to explain why it is important for businesses to account for irrecoverable debts. This part was not answered by the majority candidates. Candidates should have brought out the true and fair view concept and the prudence concept.

QUESTION FOUR

The general performance on the question was good. 72 of the 113 candidates that attempted the question managed to obtain at least 10 out of the available 20 marks. A pass rate of 63.7% was recorded. The highest score was 20 while the lowest was 0 out of 20.

Part (a) required candidates to prepare a partnership profit or loss appropriation account. This was well answered.

Part (b) required candidates to prepare the Partners' capital and current accounts. A good number of candidates combined the capital and current accounts. Candidates are advised to draw separate accounts i.e. capital accounts on its own and current accounts on its own.

Part (c) required candidates to explain three main types of business entities. Very good answers were given.

QUESTION FIVE

The general performance on the question was very poor. None of the 86 that attempted the question managed to obtain at least 10 out of the available 20 marks. The highest score was 7.5 while the lowest was 0 out of 20.

Part (a) of the question required candidates to prepare a statement to show the Profit or Loss made during the accounting year. In order to answer this part, candidates should have used the knowledge on accounting equation. This approach needed the opening and closing Journal entries to establish opening and closing capital figures. Once these two figures are calculated, then Profit should be easy to establish by the following equation;

Profit = Closing capital figure + Drawings – Capital introduced – opening capital figure.

Part (b) required candidates to prepare a corrected trade receivables control account. This was well answered.

QUESTION SIX

The general performance on the question was poor. Only 19 of the 74 candidates that attempted the question managed to obtain at least 10 out of the available 20 marks. A pass rate of 25.7% was recorded. The highest score was 17 while the lowest was 0 out of 20.

Part (a) required candidates to calculate the accumulated funds figure at the start of the accounting period for the club. Good answers were given.

Part (b) required candidates to prepare a statement of Profit or Loss for the bar section of the club. Many candidates were drawing up an ordinary profit or loss account with no attempt to establish the purchases figure.

Part (c) required candidates to prepare an Income and Expenditure account for the club. Poor answers presented. Candidates failed to establish the subscription amount to be credited to this account as they failed to interpret subs in advance and subs in arrears.

Part (d) required candidates to prepare a club's statement of financial position. This was equally poorly answered. Many candidates failed to add the new equipment bought during the year to the opening balance for equipment.

Overall performance of candidates

Highest mark obtained in this paper 67%

Lowest mark obtained in this paper 6%

Overall pass rate in this paper 11.1%

SUBJECT: DA2: QUANTITATIVE ANALYSIS

QUESTION ONE

The general performance on the question was fair. Of the 149 that attempted the question, 84 managed to obtain at least 10 out of the available 20 marks. A pass rate of 56.4% was recorded. The highest score was 18 while the lowest was 0 out of 20.

This question was a compulsory question comprising multiple – choice questions that comprised short answer phrases and calculations on a wide range of topics from the syllabus. The topics covered included numerical data calculation such as the mean, calculation involving concept of compound interest, random values and probability distribution. The performance was very good as most candidates were able to provide correct solutions. For candidates who could not perform well, it was observed multiple choice questions that required calculations were the tougher questions. It is therefore suggested that candidates should familiarize themselves with short mathematical and statistical calculation in order to improve on performance in this section of the examination.

QUESTION TWO

The general performance on the question was poor. Of the 99 that attempted the question, only 5 candidates managed to obtain at least 10 out of the available 20 marks. A pass rate of 5.1% was recorded. The highest score was 17 while the lowest was 0 out of 20.

The general performance on this question was bad. The topics covered were probability in part 'a' which required candidates to use the basic probability rules to calculate the required probability values. It was observed that candidates were struggling to correctly apply the probability principles hence failed to find correct solutions.

The second part of the question was on application of compound interest method to calculate the Net Present Values and internal rate of return. It was observed that candidates were applying wrong formulas and hence found incorrect results. This resulted in loss of marks. It is thus recommended that candidates should efficiently revise on probability and compound interest.

QUESTION THREE

The general performance on the question was very good. Of the 146 that attempted the question, 115 managed to obtain at least 10 out of the available 20 marks. A pass rate of 78.8% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The entire question was on regression analysis where candidates were required to use the given data to calculate the regression line and coefficient of correlation. The general performance was very good. It was observed that most candidates were able

to compute the correct total which were used in the calculations. Very Few candidates who failed on this question made computation errors due to wrong totals.

QUESTION FOUR

The general performance on the question was poor. Of the 75 that attempted the question, only 28 managed to obtain at least 10 out of the available 20 marks. A pass rate of 37.3% was recorded. The highest score was 18 while the lowest was 0 out of 20.

The first part of the question required candidates to use the given data to formulate linear programming inequalities and then apply the inequalities graphically to show the feasible region. It was noted that 50% of candidates managed to correctly write down the equations and also show the working graphically. Candidates who failed were observed to have been using wrong inequalities. Further some candidates were using actual equations and could not manage to show the work graphically as they could not tell which area to shed for the feasible region.

The second part of this question was on interpretation of standard deviation and coefficient of variation to determine assets risk. It was observed that the candidates had little knowledge on the subject matter hence most solution were of guess work nature. A few candidates managed to interpret the data as required.

QUESTION FIVE

The general performance on the question was good. Of the 140 that attempted the question, 88 managed to obtain at least 10 out of the available 20 marks. A pass rate of 62.9% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The first part of the question required the candidates to use the given data to calculate the spearman rank correlation. Significant information such as the formula was given hence it was observed that most candidates performed well. Few made computational errors hence lost marks.

The second part of the question was on time series and correlation analysis. Candidates were required to use the four quarter moving average to estimate the seasonal variation of the data. The performance of this question was good despite few candidates making computational errors when calculating moving totals.

QUESTION SIX

The general performance on the question was poor. Of the 108 that attempted the question, only 1 managed to obtain at least 10 out of the available 20 marks. A pass rate of 0.9% was recorded. The highest score was 11 while the lowest was 0 out of 20.

This question was attempted by 108 out of 149 candidates with an average performance 4 out of 20. It had two parts with part (a) requiring candidates to use the given stem and leaf plot to identify outliers in the given data. It was noticed that the candidates had an idea that the quartiles can be used but had challenges in computing

quartile values from a stem and leaf plot. This affected the final results hence resulted in loss of marks.

The second part of this question required candidates to use the given data to simulate the arrival of cars using the provided random numbers. There was an observed inconsistency in types of solutions the candidates were giving. This suggested that there was lack of knowledge on the subject matter hence the poor performance on this question.

Overall performance of candidates

Highest mark obtained in this paper	73%
Lowest mark obtained in this paper	1%
Overall pass rate in this paper	39.6%

SUBJECT: DA3: BUSINESS ECONOMICS

QUESTION ONE

The general performance on the question was good. Of the 153 that attempted the question, 87 managed to obtain at least 10 out of the available 20 marks. A pass rate of 56.9% was recorded. The highest score was 18 while the lowest was 2 out of 20.

This was a compulsory multiple choice question made up of 10 sub-questions each worth 2 marks. There was no specific question that was problematic as performance was normally distributed.

QUESTION TWO

The general performance on the question was poor. Of the 146 that attempted the question, only 47 managed to obtain at least 10 out of the available 20 marks. A pass rate of 32.2% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The question was divided into five (5) sections namely (a) to (e) as follows:

- (a) Candidates were asked to plot the supply curve from the given data. The common mistake was that many candidates could not properly draw and label the graph. Similarly, some candidates failed to use the graph paper provided at the end of the answer booklet.
- (b) Candidates were required to plot a new supply curve after changes in quantity supplied. This was badly done. Candidates were simply required to subtract 15 from each of the old quantities and then use them to plot a new supply curve.
- (c) Determinants of factors affecting supply were correctly provided by majority of candidates. However, some candidates provided determinants of demand rather than supply required!
- (d) Majority of the candidates failed to calculate the price elasticity of demand from the data given. Many seemed to have forgotten the formulae to use.
- (e) Determinants of price elasticity of supply answers given were very poor. This is strange but points to possible omission of the topic when candidates were preparing for the exam.

QUESTION THREE

The general performance on the question was good. Of the 20 that attempted the question, 11 managed to obtain at least 10 out of the available 20 marks. A pass rate of 55% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The question was divided into four parts namely (a) to (d) as follows:

- (a) Candidates were required to distinguish between the short run and the long run. This was well answered.

- (b) Candidates were asked to explain the importance of the distinction in (i). This was poorly done. The key is the difference in treatment of fixed and variable costs allows for proper plant utilization.
- (c) Many candidates were able to calculate (i) Explicit costs, (ii) Implicit costs, (iii) Accounting profit and (iv), Economic profit as required. However, some weak candidates failed to clearly identify the explicit (out-of-pocket) costs and implicit cost (income sacrificed)

QUESTION FOUR

The general performance on the question was poor. Of the 140 that attempted the question, only 18 managed to obtain at least 10 out of the available 20 marks. A pass rate of 12.9% was recorded. The highest score was 13 while the lowest was 1 out of 20.

The question was divided into three parts namely (a) to (c) as follows:

- (a) Overall performance fair. Many candidates were able to outline the three advantages and three disadvantages of a sole trader.
- (b) This was fairly done. Many candidates confused monopolistic completion with monopoly. This is a perennial problem that candidates need to avoid. Monopolistic competition is a different market structure; it is not the same as monopoly.
- (c) This was poorly done overall:
 - (i) Very few candidates presented the correct revenue function. It clear that Total Revenue (TR) = Price (P) x Quantity (Q). Since price was given as 50, $TR = 50Q$
 - (ii) This was poorly done too. Many candidates failed to present the Profit function. Again Profit = TR – TC. Using the TR function in (i), Profit = $50Q - (10 + Q^2)$
 - (iii) Profit maximizing output occurs were Marginal Revenue = Marginal Cost. Since MR = Price under Perfect competition, and from the TC function $MC = 10Q$. Note $TC = FC + VC$ hence MC which is the same as the variable cost. $50 = 10Q$ gives $Q = 5$ which is the required output. Profit ids found by substituting Q in the Profit function.
- (d) Very few candidates managed to explain what allocative efficiency is all about. This shows some question spotting type of studying.

QUESTION FIVE

The general performance on the question was fair. Of the 63 that attempted the question, 31 managed to obtain at least 10 out of the available 20 marks. A pass rate of 49.2% was recorded. The highest score was 19 while the lowest was 0 out of 20.

- (a) Overall performance was good. However, some candidates provided non-economic answers. The Study Manual has all the uses of National Income accounting.
- (b) This was fairly done. Many candidates were able to get good marks allocated. However, some candidates seemed to be completely lost.

- (i) Some candidates failed to come up with the correct identity $Y = C + I$ hence failed to find the equilibrium level of income
- (ii) Some candidates failed to find the consumption at equilibrium level of national income. This because they failed to find the correct value of Y in (i) to substitute here
- (iii) This was a repeated question and candidates who got (ii) correctly were awarded free 2 marks
- (iv) This was poorly done again by many candidates due to failure to use the new identity $Y = C + I + \text{Exports}$ and the substituting and solving for Y
- (v) Very few candidates got the correct value for multiplier let alone explaining it. Multiplier = $1 / (1 - \text{MPC})$. From the consumption function $\text{MPC} = 0.75$

QUESTION SIX

The general performance on the question was poor. Of the 38 that attempted the question, only 33 managed to obtain at least 10 out of the available 20 marks. A pass rate of 33.7% was recorded. The highest score was 18 while the lowest was 0 out of 20.

The question was divided into three parts namely (a) to (c) as follows:

- (a) Overall performance was poor.
 - (i) Many students discussed cost of borrowing instead of the erosion in the purchasing power of the individuals on fixed income.
 - (ii) And (iii) some candidates confused debtors with creditors and swapped the discussion!
- (b) This was poorly done. Many candidates were not able explain indexation and how it can protect against the negative effects of inflation. Some discussed indexation in terms of trade while others in terms of exchange rates which were totally wrong.
- (c) This was question was fairly done. Majority of candidates were able to outline the differences between direct taxes and indirect taxes. The common error was interchanging the examples give. Further, some examples given were typically wrong.

QUESTION SEVEN

The general performance on the question was very good. Of the 137 that attempted the question, 106 managed to obtain at least 10 out of the available 20 marks. A pass rate of 77.4% was recorded. The highest score was 20 while the lowest was 2 out of 20.

The question was divided into three parts namely (a) to (c) as follows:

- (a) Overall performance was very good.
 - (i) Many students explained how a strong kwacha would encourage imports into Zambia. Although, a few candidates were totally lost. The key is that imports will become cheaper in Kwacha terms.

- (ii) Factors affecting exchange rate were ably outlined as required by majority of the candidates. Though, some candidates merely listed them as opposed to outlining them as required.
- (b) Candidates were required to outline any four (4) benefits of international trade to Zambia. This was well-answered too

Overall performance of candidates

Highest mark obtained in this paper	77%
Lowest mark obtained in this paper	11%
Overall pass rate in this paper	43.8%

SUBJECT: DA4: INFORMATION TECHNOLOGY AND COMMUNICATION

QUESTION ONE

The general performance on the question was good. Of the 111 that attempted the question, 56 managed to obtain at least 10 out of the available 20 marks. A pass rate of 50.5% was recorded. The highest score was 16 while the lowest was 0 out of 20.

QUESTION TWO

The general performance on the question was very good. Of the 91 that attempted the question, 71 managed to obtain at least 10 out of the available 20 marks. A pass rate of 76.9% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The question was about explaining the risks with the organisation's information system and describing the types of network topology stating how data moves from one device to the other.

The common mistakes were as follows:

- (a) Most students failed to correctly explain what phishing attacks, denial of service, hackers and ransom ware are
- (b) The description of how the bus topology data moves from one device to another was not being correctly explained about the bus topology, even the diagram was not properly labelled or drawn

QUESTION THREE

The general performance on the question was poor. Of the 37 that attempted the question, only 6 managed to obtain at least 10 out of the available 20 marks. A pass rate of 16.2% was recorded. The highest score was 12 while the lowest was 0 out of 20.

The question was about stating any five benefits of having good quality of information system in an organisation, explaining the features of a spreadsheet and the difference between reference and relative referencing.

The following were the common mistakes noted in this question:

- (a) Most students answered the question of benefits of having a good quality of information poorly as they were giving qualities of good information instead of good data quality of information system in an organisation
- (b) Most students could not explain a function, conditional formatting correctly

- (c) Most students could not distinguish absolute referencing from relative referencing
- (d) Some students could not write down excel formulas correctly

QUESTION FOUR

The general performance on the question was poor. Of the 92 that attempted the question, only 40 managed to obtain at least 10 out of the available 20 marks. A pass rate of 43.5% was recorded. The highest score was 20 while the lowest was 1 out of 20.

The question was about stating four ways a well-designed Accounting Information System can contribute to the organisations value chain, describing the types of computers and listing two features of MS Windows operating system.

The following were the common mistakes noted in this question:

- (a) Most students did not understand what the question was looking for, they were explaining value chain and not ways AIS contributes to an organisation
- (b) Some students could not describe the microcomputer correctly, they were mistaking it with the mini computers

QUESTION FIVE

The general performance on the question was poor. Of the 72 that attempted the question, only 21 managed to obtain at least 10 out of the available 20 marks. A pass rate of 29.2% was recorded. The highest score was 18 while the lowest was 0 out of 20.

The question was about any four rules governing meetings, duties of a secretary in a business meeting and explaining meeting terminologies.

The following were the common mistakes noted in this question:

- (a) Candidates presented meeting documents such as agenda and minutes which is not supposed to be the case.
 - (1) In some cases candidates presented the purposes of meetings. Which was not supposed to be the case.
- (b) Repeated content was very common among some candidates on this question.
 - (1) Some candidates presented duties of a chairperson or participants in some cases.
- (c) Characteristic of good information were presented which not supposed to be the case.

(1) Some candidates simply omitted this question

QUESTION SIX

The general performance on the question was poor. Of the 48 that attempted the question, only 10 managed to obtain at least 10 out of the available 20 marks. A pass rate of 20.8% was recorded. The highest score was 17 while the lowest was 3 out of 20.

The question was about types of reports and writing of a formal report.

The following were the common mistakes noted in this question:

(a) Wrong types of reports were presented.

(1) Identified correct type of, but failed to define it, report.

(b) Some candidates provided a general answer such formal report instead of specifying the type of report especially that there was a guidance from the scenario provided in the question

(c) Wrong format / layout. A formal report was presented as a letter or a memo.

(1) Illogical presentation of main headings of a formal reporting .ie where a candidate would indicate recommendations before conclusions and in some cases would start with procedures before terms of reference or introduction.

(2) Very poor report title.

(3) Irrelevant content in the main body of a report, not linked in any way with the scenario provided in the question.

(4) Very poor grammar.

(5) Some candidates simply never attempted this question.

QUESTION SEVEN

The general performance on the question was good. Of the 99 that attempted the question, 62 managed to obtain at least 10 out of the available 20 marks. A pass rate of 62.6% was recorded. The highest score was 18 while the lowest was 0 out of 20.

The question was about explaining any five qualities of a good listeners and outlining any five guidelines to effective note-taking.

The following were the common mistakes noted in this question:

(a) Some candidates indicated 7 Cs of effective communication instead of providing correct content.

(1) Repeated answers.

- (2) Some candidates identified the guidelines, but failed to explain them.
- (b) Guidelines to effective listening were mixed up with guidelines to effective note making.
- (1) Generally wrong content was provided on this question.

Overall performance of candidates

Highest mark obtained in this paper	78%
Lowest mark obtained in this paper	8%
Overall pass rate in this paper	47.7%

SUBJECT: DA5 COST ACCOUNTING

QUESTION ONE

The general performance on the question was fair. Of the 180 that attempted the question, 85 managed to obtain at least 10 out of the available 20 marks. A pass rate of 47.2% was recorded. The highest score was 18 while the lowest was 0 out of 20.

QUESTION TWO

The general performance on the question was poor. Of the 115 that attempted the question, only 42 managed to obtain at least 10 out of the available 20 marks. A pass rate of 36.5% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The question examined traditional absorption costing part (a) and activity based costing part (b). Part (a) was poorly answered as many candidates failed to calculate the total machine hours and, therefore, failed to calculate overhead absorption cost per unit.

Part (b) was well answered and good marks were obtained from this part.

QUESTION THREE

The general performance on the question was poor. Of the 116 that attempted the question, only 27 managed to obtain at least 10 out of the available 20 marks. A pass rate of 23.3% was recorded. The highest score was 15 while the lowest was 0 out of 20.

The question examined job costing and the main features of Just-in-Time (JIT). The overall comment is that candidates did not do well as they failed to come up with the profit statement for job account 101.

Part (a) required candidates to come up with the profit statement for job No 101. Candidates could not calculate the correct prime costs and overheads.

Part (b) required candidates to come up with the work in progress valuation for job No 102. This was poorly answered as a result of poor performance in (a) above.

Part (c) on the main features of JIT was well answered and the majority obtained maximum marks on this part.

QUESTION FOUR

The general performance on the question was good. Of the 176 that attempted the question, 111 managed to obtain at least 10 out of the available 20 marks. A pass rate of 63.1% was recorded. The highest score was 19.5 while the lowest was 0 out of 20.

This question examined candidates on the preparation of a standard cost card in part (a) and the calculation of basic variances in part (b).

In part (a) the majority of candidates prepared the standard cost card and the computation of variances in part (b) was well done.

Poorer candidates failed to compute the labour, variable overhead and fixed overhead efficiency variances. The correct approach was to calculate the hours required for the actual production and then apply the respective rates per hour. Most candidates could not compute the sales volume profit variance. The formula is: (budgeted sales units less actual sales units) x standard profit per unit.

QUESTION FIVE

The general performance on the question was good. Of the 177 that attempted the question, 122 managed to obtain at least 10 out of the available 20 marks. A pass rate of 68.9% was recorded. The highest score was 20 while the lowest was 0 out of 20.

This question examined labour turnover and material costing.

Part (a) required candidates to explain labour turnover and how it is calculated. In most cases candidates were able to explain the term labour turnover but had difficulties in explaining how it is calculated and the formulae to use. Many candidates failed to score the full marks on offer.

Part (b) required candidates to list two examples each of replacement and preventive labour costs.

This part was well answered in most cases. However, some candidates still had challenges in identifying the costs under the requested category and as a result they could not achieve the full mark. It was surprising how some candidates would mention such costs as direct labour or prime costs.

In parts (c) and (d) candidates were requested to calculate the cost of drug sales and closing inventory using First- In- First Out (FIFO) principle and Last –In- First Out (LIFO) principle; and to calculate the profit from the sale of drugs based on FIFO and LIFO principles, respectively.

This question was rather basic, but it was shocking that some candidates could not present their solutions in the prescribed format of a stores ledger. Varying answers were given in that some candidates could even calculate the costs using Average Cost (AVCO); which was not requested for.

Part (d) was not well answered. Candidates could not realise that sales in this case were issues and purchases were receipts. As a result, this part was left unanswered in most cases.

QUESTION SIX

The general performance on the question was poor. Of the 102 that attempted the question, only 27 managed to obtain at least 10 out of the available 20 marks. A pass rate of 26.5% was recorded. The highest score was 20 while the lowest was 0 out of 20.

This question examined process costing and required candidates to compute, using the weighted average cost method, the cost per equivalent unit, the value of finished goods, the value of Working- In-Progress (WIP) and the preparation of Process X Account.

It seems that students find process costing difficult and avoid it in the exams.

Common mistakes included:

- (1) Not using the weighted average cost method as required by the question.
- (2) Failing to compute the equivalent units.
- (3) Failing to compute the normal loss value and the abnormal loss units.
- (4) Failing to value the WIP.
- (5) Treating some credit items as debits and vice versa in the Process X account.

Overall performance of candidates

Highest mark obtained in this paper	77%
Lowest mark obtained in this paper	10%
Overall pass rate in this paper	44.4%

SUBJECT: DA 6: BUSINESS LAW

QUESTION ONE

The general performance on the question was good. Of the 107 that attempted the question, 79 managed to obtain at least 10 out of the available 20 marks. A pass rate of 73.8% was recorded. The highest score was 20 while the lowest was 2 out of 20.

This question was composed of 10 multiple choice questions drawn from the entire syllabus.

The most common mistakes made by the candidates were failure to adequately read and understand the questions and failure to cover the whole syllabus in their preparation. In future, candidates must prepare adequately and cover the whole syllabus.

QUESTION TWO

The general performance on the question was good. Of the 107 that attempted the question, 76 managed to obtain at least 10 out of the available 20 marks. A pass rate of 71% was recorded. The highest score was 18 while the lowest was 3 out of 20.

This question was compulsory and based on unfair dismissal, ways of terminating a contract of employment and sources of law. Some candidates thought that unfair dismissal was done when an employee had something wrong, as opposed to being dismissed on unfair grounds as provided by the law/statute. In future, candidates should read widely and understand each and every unit of the module. The general performance on this question was ok.

QUESTION THREE

The general performance on the question was very good. Of the 93 that attempted the question, 71 managed to obtain at least 10 out of the available 20 marks. A pass rate of 76.3% was recorded. The highest score was 20 while the lowest was 4 out of 20.

The question was based on contents of a partnership deed and statutory duties of partners. The only challenge was shallow answers on a few students who could not provide adequate answers, but had an idea of what the question required. In future, candidates should answer according to the requirements of the question. The general performance on this question was very good.

QUESTION FOUR

The general performance on the question was good. Of the 53 that attempted the question, 30 managed to obtain at least 10 out of the available 20 marks. A pass rate of 56.6% was recorded. The highest score was 17 while the lowest was 0 out of 20.

This question required candidates to look at the facts in the case of ***Carlill v Carbolic Smoke Ball (1893)*** as regards offer, acceptance. The second part of it required

candidates to distinguish between the Law of Torts and Law of Contract. Candidates adequately answered the question. The last part had to do with causation and remoteness of damage. Candidates did averagely well on the question. In future, candidates should literally read widely especially on the issues of causation in Tort law which 65% of the candidates could not explain adequately.

QUESTION FIVE

The general performance on the question was good. Of the 97 that attempted the question, 49 managed to obtain at least 10 out of the available 20 marks. A pass rate of 50.5% was recorded. The highest score was 20 while the lowest was 0 out of 20.

This question was made up of five parts based on explanation of terms such as sale by description, transfer of title, constitution as a source of law and customary international law. Candidates gave shallow explanations of each part of the question which was not commensurate to the number of marks provided despite having an idea of what the answers were. In future candidates should answer according to the marks provided in a question paper. More marks more writing/responses, less marks, less writing/responses.

QUESTION SIX

The general performance on the question was good. Of the 80 that attempted the question, only 41 managed to obtain at least 10 out of the available 20 marks. A pass rate of 51.3% was recorded. The highest score was 17 while the lowest was 0 out of 20.

This question was on distinction between a contract of service and a contract for services. It also covered duties of employees to their employer. Candidates were able to identify the duties and explained them. Candidates also were able to distinguish between the two types of employment without much difficulties and some cited case law which was impressive. Those who didn't do well did not prepare adequately.

The general performance of this question was ok.

Overall performance of candidates

Highest mark obtained in this paper	77%
Lowest mark obtained in this paper	4%
Overall pass rate in this paper	67.3%

SUBJECT: DA7: PRINCIPLES OF MANAGEMENT

QUESTION ONE

The general performance on the question was very good. Of the 81 that attempted the question, 61 managed to obtain at least 10 out of the available 20 marks. A pass rate of 75.3% was recorded. The highest score was 18 while the lowest was 2 out of 20.

This was a compulsory section with ten (10) multiple choice question that covered the syllabus and expected to be answered by all candidates. It was well answered by most candidates. The good performance on this question is as follows:

QUESTION TWO

The general performance on the question was good. Of the 41 that attempted the question, 22 managed to obtain at least 10 out of the available 20 marks. A pass rate of 53.7% was recorded. The highest score was 18 while the lowest was 0 out of 20.

This question was in three parts, (a), and (b). Parts (a) and (b) were examining the candidates in the areas of an organisation as a system and entrepreneurship development in Zambia.

Part (a) dealing on aspects of an organisation, was done well by candidates as majority of them failed to explain on how an organisation works as a system. A good number of them were giving explanations of the functions of management. It is recommended that training providers and candidates give a careful consideration to the general systems theory (GST).

Part (b) which is concerned with the development of entrepreneurship in Zambia, the candidates' proposal to the new "New Dawn" government were given correctly by those who attempted the question though many of them avoided it.

It was well answered by nearly all candidates.

QUESTION THREE

The general performance on the question was good. Of the 79 that attempted the question, 40 managed to obtain at least 10 out of the available 20 marks. A pass rate of 50.6% was recorded. The highest score was 19 while the lowest was 2 out of 20.

This question was in two parts, (a) and (b). It was attempted by 83 candidates.

Part (a) requested candidates to briefly explain any five (5) reasons why Communication is important to business organisations. It was not well answered by

most students. Most candidates presented the communication process rather than the Importance of Communication as asked by the examiner.

Part (b) requested candidates to discuss the five (5) Leadership styles according to Blake and Mouton Managerial Grid. This part was well answered by most candidates as they were able to recall properly the Blake and Mouton Management Grid Model. However, some students were mixing up the types of leadership styles, but they got the concept.

QUESTION FOUR

The general performance on the question was poor. Of the 53 that attempted the question, only 16 managed to obtain at least 10 out of the available 20 marks. A pass rate of 30.2% was recorded. The highest score was 17 while the lowest was 0 out of 20.

The question had three parts (a), (b) and (c). This question was fairly done by those attempted it at half passed and half failed it. It was requesting them to show competence in management terms definition and working of management by objectives.

Part (a) candidates were requested to explain terms, Authority, Responsibility and Accountability. Unfortunately, they encountered challenges in applying the concepts to management as required by the question.

Part (b) most candidates failed to explain the meaning of management by objectives (MBO). Many candidates just explained the meaning of planning with reference to MBO.

Part (c) of the question was affected by lack of understanding of the concept of MBO. Candidates could not state the benefits of MBO.

QUESTION FIVE

The general performance on the question was excellent. Of the 70 that attempted the question, 65 managed to obtain at least 10 out of the available 20 marks. A pass rate of 92.9% was recorded. The highest score was 20 while the lowest was 0 out of 20.

This question had two parts, both on delegation. Part (a) requested candidates to identify common reasons why managers fail to delegate. This part of the question was well answered by most candidates.

Part (b) this question requested candidates to state and explain the benefits of delegation in an organisation. Most candidate answered this part correctly and got good marks.

Generally, the question was well answered attended and most candidates got good results.

QUESTION SIX

The general performance on the question was poor. Of the 76 that attempted the question, only 13 managed to obtain at least 10 out of the available 20 marks. A pass rate of 17.1% was recorded. The highest score was 14 while the lowest was 0 out of 20.

The question was in two parts (a) and (b) and 77 candidates attempted it.

Part (a) was examining the role that leadership of the company played in order to effectively manage the planned change. All candidates who attempted this part misunderstood the question. To some this was a process of change contrary to what was being asked by the examiner. Almost all of the candidates who attempted the question failed this part which had ten (10) marks.

Part (b) here candidates were tasked to explain the importance of human resource Management in an organisation. This part was clear but many of them gave general activities of management, thereby missing what were easy marks.

This question was attempted by 77 percent of candidates but only 13 passed.

Overall performance of candidates

Highest mark obtained in this paper	77%
Lowest mark obtained in this paper	4%
Overall pass rate in this paper	60.5%

SUBJECT: DA8 FINANCIAL REPORTING

QUESTION ONE

The general performance on this question was very good. 138 of the 183 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 75.4% was recorded. The lowest mark recorded was 0 while the highest was 25.

This was a compulsory question that required the candidates to prepare the consolidated statement of financial position for Muna Ltd group of companies. Overall, this question was very well attempted probably because is a predictable question for section A. 3 candidates completely left out this question despite it being compulsory. Most of the candidates who attempted were able to correctly perform required calculations except few with the following challenges:

- (a) Presentation was quite poor in a few candidates including those that scored high marks. It was confusing how some candidates gave answers in a narrative form unlike computational way. This was time wasting and such candidates ended up not having enough time to complete other answers.
- (b) Most candidates embarked on discounting the contingent consideration amount that had been given already discounted hence losing out on the free mark of merely lifting the amount into goodwill working. This problem continues to feature in most examination sittings. Therefore, future candidates are reminded to pay particular attention to related matters when preparing for this exam.
- (c) Inability to duplicate the figures that did not require any amendment onto the consolidated statement of financial position.
- (d) On goodwill computation, it was disappointing to note that a significant minority of candidates could not correctly calculate share exchange part of consideration. This was because they opted to apply the controlling interest rate on share value unlike on number of shares. Such mishaps can be avoided by doing lots of exam standard question practice. That way, the technical mastery is achieved easily.
- (e) A small proportion of candidates wasted their valuable time by duplicating the statement of financial position as is. This means they merely listed the assets and liabilities of the three companies as appeared in the question. No addition of anything whatsoever happened. This shows the lack of basic understanding of consolidation principles by those who were victims.
- (f) Most candidates were unable to correctly account for intercompany group cancellation and goods in transit. It appears that the goods in transit is a grey area for most candidates and so future candidates are reminded to pay particular attention to this common adjustment in consolidation. Again, this area easily gets sorted with much question practice as it is a common part of consolidation question adjustments.
- (g) Though pre acquisition retained earnings for both subsidiary and associate were provided in the question, most candidates could not correctly ascertain the post-

acquisition loss of subsidiary for the year. Because of this error, the amounts apportioned to the group and non-controlling interest were incorrect for majority of candidates.

- (h) Future candidates are reminded to read through examiners' reports of previous examinations to learn about common mistakes by past candidates.
- (i) Failure to show any workings disadvantaged a few candidates that failed on this question. Future candidates are hereby reminded never to take workings for granted on a similar question as majority of marks are awarded from the workings unlike final totals that many times are incorrect.
- (j) While majority of candidates were able to calculate the share exchange consideration correctly, it was very disappointing to see some candidates adding the calculated share exchange to equity capital of the parent when the question clearly stated both considerations were recorded by the parent.
- (k) Future candidates are reminded to pay particular attention to a statement that borders on whether the consideration would have been recorded or not in the parent's separate financial statements. If 'not recorded', then the parent's financial statements require adjustment to record this at the same time normal consolidation procedure to be followed.
- (l) On the positive note, most candidates correctly put in place the straight amounts, and correctly calculated consolidated PPE and such were able to obtain good marks.
- (m) Some candidates mishandled the fair value adjustment of K24,000 with its associated depreciation amount of K1,200 by subtracting only the depreciation from the PPE instead of adding the adjustment amount of K22,800.
- (n) Some candidates also mishandled the Unrealised profit figure of K21,600 by subtracting it from inventories and adding it to receivables.

QUESTION TWO

The general performance on this question was poor. Only 38 of the 183 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 20.8% was recorded. The lowest mark recorded was 1 while the highest was 21.

This was a compulsory question that required the candidates to prepare a statement of profit or loss and other comprehensive income and statement of financial position for Lulu Plc.

It was observed that many candidates performed as poorly as indicated by the failure rate above. This is unfortunate for such a predictable question. The following were the major challenges observed:

- (a) As always, the adjusting notes were a total hustle for the candidates at this sitting as hardly did anyone arrive at meaningful adjusting amounts. Candidates failed to

appreciate the simple IAS 2 rule that require inventory at year end to be carried at the lower of cost and NRV and hence could not correctly value inventory for statement of financial position and equally no appropriate adjustment to cost of sales.

- (b) Many candidates failed to correctly account for the revaluation of land and buildings by taking the trial balance figure to other comprehensive income and added to trial balance figure to K11 million for the statement of financial position figure, which was wrong as the trial balance figure already contained the revaluation surplus for the year under review.
- (c) Further, most candidates calculated depreciation using combined amount for land and building without realizing that land is not subject to depreciation hence generating incorrect amount for depreciation and carrying amount at the reporting date.
- (d) The majority candidates struggled in accounting for imported piece of equipment, the main issue having been translation of payable for the same. Majority candidates had no recognized exchange loss anywhere near their numbers and no retranslated payable. This was disappointing as IAS 21 is a short standard that candidates should easily go over with less difficulties.
- (e) The income tax transaction was equally a grey area for most candidates. The majority failed to ascertain the amount of expense for the statement of profit or loss as the relationship between current tax and deferred tax appear to have been missed by most candidates. Further, some candidates used the amount for the taxable temporary difference as closing estimate of deferred tax instead of applying the tax rate on the amount. Future candidates are reminded to clearly distinguish between accounting for current and deferred tax and how the two interact with each other.
- (f) One other serious mishap was the inability by most candidates to show fair value loss on investment property as a stand-alone item on the face of statement of profit and loss. Instead, it only ended in calculation within workings. Full marks could therefore not be attained.
- (g) The other shortcoming was a few candidates that did not show any workings for this question and opted to do workings on calculator and transfer from calculator to final answer. Such candidates would not be anywhere near to passing the exam as most marks are achieved through workings.

QUESTION THREE

The general performance on this question was poor. 16 of the 141 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 11.3% was recorded. The lowest mark recorded was 0 while the highest was 20.

The question had two (2) parts (a) and (b). Part (a) required candidates to prepare a report addressed to shareholders of Mulenga Ltd, analyzing the performance and position of Mulenga Ltd based on the financial statements and additional information provided. The report was to include comparison with sector ratios. Part (b) required candidates to define investment property and explain difference between treatment of investment property carried at fair value per IAS 40 and owner-occupied property carried using revaluation model of IAS 16.

Both parts were generally poorly attempted by candidates at this sitting. The following challenges were observed:

Part (a):

- (i) Some candidates were writing letters to analyze the performance instead of the report as required. Sadly, even for those who managed to write the report, the standard was below expected standards at this level of study. They could not comply fully with report format.
- (ii) Most candidates' reports were too brief to adequately cover the analysis of the highlighted three ratios.
- (iii) Some candidates were giving analyses that were not agreeing with the calculated ratios. Future candidates are reminded that while analysis based on wrongly calculated ratios is awarded marks, the analysis ought to speak to the wrong ratios and not the blues.
- (iv) Some candidates were giving analyses based on absolute figures without matching them with the contributing figures or possible factors. This contributed to loss of marks.
- (v) Some candidates were using the sector indicators as base figures for the analysis of the second year and with no reference to the preceding year's activities. Such candidates lost out a lot of marks as well.
- (vi) Most candidates hardly made reference to additional information provided in the question to do with increase in useful life of non-current assets. Anyone who made reference as to how this affected certain ratios achieved very high marks for themselves.
- (vii) Some candidates were giving the ratios in the main body of the report instead of giving that in the appendix or as reference.
- (viii) Some candidates did not calculate any ratios at all thus losing out on the opportunity for scoring possible marks.
- (ix) Most candidates only calculated the three ratios highlighted in the question when they had a chance to calculate many other additional ratios as directed by the question. This partly contributed to the poor performance and scoring of low marks by some candidates.

- (x) Most candidates showed lack of knowledge on the formulas for the calculation of the ratios as well as interpretation as they mostly only indicated performance was better without giving possible reasons why it was better.
- (xi) Most candidates were not able to analyze the ratios in comparison to the sector ratios provided by the examiner.
- (xii) Many candidates at this sitting were just calculating all the ratios that they knew without any analysis. This disadvantaged them a lot as larger proportion of marks came from analysis.

Part (b)

This part was left out completely by many of the candidates who attempted this question. Of those that answered this part, the following were the major challenges noted;

- (i) It was disappointing to note that many candidates struggled to provide definition of investment property even in its simplest form. Future candidates are reminded to pay attention to various theoretical parts of the accounting standards.
- (ii) The difference in accounting treatment hardly came out from most candidates with many opting for giving alternative treatment under IAS 40 and 16 respectively.
- (iii) A few candidates that were well aware of the question requirement struggled to bring out the differences.
- (iv) These challenges should work as a wakeup call for future candidates as to the required depth of understanding the accounting standards.

QUESTION FOUR

The general performance on this question was poor. 1 of the 34 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 2.9% was recorded. The lowest mark recorded was 0 while the highest was 13.

This question was the least attempted of all the questions. The question had four (4) parts (a), (b), (c) and (d). The following challenges were observed:

Part (a):

- (i) Part (a) was on financial instruments, specifically equity financial asset and required candidates to explain the accounting treatment of the instrument for the year under review.
- (ii) Most candidates were able to correctly calculate the value of dividends received but failed to explain correct treatment for them.
- (iii) Another serious weakness was on treatment of transaction costs that were not included in the carrying amount of the instrument at inception. This entails candidates failed to appreciate the relationship between classification and required accounting treatment. The instrument was a FVTOCI instrument hence transaction costs needed to be added to initial fair value.
- (iv) As a result of mishandling transaction costs, fair value gain was incorrect as calculated by many.

Part (b):

- (i) Part (b) was on IFRS 15 construction contracts. The few candidates that attempted this question expressed lots of ignorance on how to ascertain cost of sales. A handful of candidates correctly ascertained revenue recognizable. As cost of sales was an issue, equally contract asset appeared difficult to calculate.
- (ii) A serious weakness was observed where no amounts are referred to for various parts of financial statements except few stand-alone calculations.

Part (c) was on IFRS 5 non-current assets held for sale and discontinued operations. The few candidates that attempted this question hardly wrote anything on this part and those that did missed everything the question demanded. Total ignorance was noted on disclosure requirements for a discontinued operation.

Part (d):

Part (d) was on IAS 23 borrowing costs. Candidates were required to explain the accounting treatment of the transaction in question. It was disappointing that the few candidates that attempted this question hardly arrived at correct amounts for finance cost qualifying for capitalization and finance income eligible to reduce the said finance cost.

Future candidates are encouraged to have a full understanding of these standards especially that they have become a regular feature of the DA8 exam.

QUESTION FIVE

The general performance on this question was poor. 32 of the 158 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 20.3% was recorded. The lowest mark recorded was 1 while the highest was 20.

The question had two parts (a), and (b).

Part (a):

- (i) Part (a) required candidates to prepare a statement of cashflows for Twalumba Ltd for the year to 31 March 2023. Several candidates expressed lack of knowledge on the format of the statement of cash flows.
- (ii) Most candidates that used profit before interest and tax were still adding back the tax figure and the finance cost. Future candidates are reminded to thoroughly understand the basic principles behind preparation of statement of cash flows.
- (iii) Most candidates brought in the retained earnings figure in the cash flow.
- (iv) The working capital adjustment of payables was a challenge for most candidates as they could not remove the accrued finance costs from the opening and closing payable figures. This is a common adjustment and future candidates are reminded to learn this part of statement of cash flows.
- (v) Hardly did any candidate manage to correctly compute cash paid to purchase property, plant and equipment. This was attributable to failure to correctly account for movements on revaluation surplus and purchase of PPE on credit that did not lead to any cash flow. Also, because they ignored the fact that both depreciation expense and carrying amount were capable of being established using information

in the notes. A good number of those who struggled on this question failed to appreciate the fact that profit on disposal as reported in statement of profit or loss needed to be used to calculate proceeds on sale of PPE which a reasonable number failed to establish.

- (vi) Some candidates showed lack of knowledge of the cash and cash equivalents figures at the beginning and the end. These should have given candidates very easy marks.
- (vii) Some candidates were not putting the negative figures in the brackets where the case so applied. This led to loss of 50% of allocated marks to the amounts affected.
- (viii) Some candidates who tried to use T accounts for workings were swapping amounts on debit for those that should have been on credit and vice-versa.
- (ix) The presentation format for the statement of cash flows was a challenge for some candidates. For example, some candidates were bringing the acquisition of PPE figure to be adjusted under operating activities and other items misplaced heading wise.

Part (b):

- (i) Part (b) required candidates to discuss three advantages and two disadvantages of international harmonization of accounting standards across the world.
- (ii) This part of the question was hardly attempted with few that expressed knowledge scoring good marks but the majority literally left the question blank.
- (iii) Future candidates are cautioned to pay attention to every component of the syllabus as it may not be predictable all round.

Overall performance of candidates

Highest mark obtained in this paper	69%
Lowest mark obtained in this paper	8%
Overall pass rate in this paper	35.3%

SUBJECT: DA9: MANAGEMENT ACCOUNTING

QUESTION ONE

The general performance on this question was good. 128 of the 199 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 64.3% was recorded. The lowest mark recorded was 0 while the highest was 25.

Candidates were requested to prepare sales, production, material usage and material purchases budgets in part (a); explain the term "Principal Budget factor in part (b)(i) and Identify three examples of key budget factors from a manufacturing organization in (b(ii)).

In most cases candidates found this question straightforward as many answered this part correctly. However, for some candidates the question proved a challenge particularly on material usage budget in that some candidates presented their final answers in values not in quantities as per the question requirements and for the materials purchases budget some candidates could only present their answers as either values or quantities instead of both as per the question requirements.

In part (c), many candidates explained well the term "Budget factor" but had difficulties in identifying the three examples.

QUESTION TWO

The general performance on this question was fair. 91 of the 199 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 45.7% was recorded. The lowest mark recorded was 0 while the highest was 25.

Question Two required candidates to calculate all possible variances in part (a) and prepare an operating statement in part (b).

Part (a) was well attempted and candidates obtained good marks.

Poorer ones could not manage to calculate sales variances because of using wrong figures. Some went ahead to calculate planning and operational variances which were not possible from the information given.

Part (b) was equally well answered as candidates were able to bring forward figures from part (a) and consolidate them in the operating statement.

QUESTION THREE

The general performance on this question was poor. Only 3 of the 101 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 3% was recorded. The lowest mark recorded was 0 while the highest was 14.

The question had four parts as follows:

(a) (i) Candidates were required to calculate a full cost per unit and a marginal cost per unit.

In order to answer this question candidates were expected to calculate the overhead absorption rates, i.e. the variable overhead and fixed overhead cost for each of the production departments.

Most candidates who attempted this question did not successfully compute the variable overhead per hour and the fixed overhead rate per hour. The common error was the failure to apportion the General Bakery overhead to the Kneading Department and the Finishing Department.

(a)(ii) Calculation of full cost plus prices.

This part of the question was poorly answered by most candidates because of the inability to deal with part (a) (i). 25% and 35% mark-ups were supposed to be applied to the full cost per unit obtained in part (a) (i) to arrive at the range of prices.

(iii) Calculation of a product cost based on incremental costs. This part was poorly answered by the candidates. Most of them did not understand what was meant by 'incremental costs'. Candidates needed to calculate the incremental fixed costs per unit (i.e. $(\text{Supervision} + \text{Depreciation} + \text{Advertising}) \div 20,000$ units) and add this figure to the **variable** production costs per unit calculated in part (a)(i).

Most candidates who attempted this question avoided part (a) and went straight to parts (b), (c) and (d) because these parts were discursive.

(b) Candidates were required to comment on the cost information in part (a) and suggest a price range which should be considered.

This part of the question was poorly answered by candidates.

(c) Candidates were required to explain the role of costs in pricing.

This part was well answered by most candidates.

(d) Candidates were required to explain two advantages and two disadvantages of using fixed budgets and two advantages and one disadvantage of using flexible budgets as part of a budgetary control system.

This part of the question was well answered by most candidates. However, some candidates did not provide answers for the advantages of flexible budgets thereby losing vital marks.

QUESTION FOUR

The general performance on this question was poor. Only 39 of the 175 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 22.3% was recorded. The lowest mark recorded was 0 while the highest was 22.5.

This question required candidates to: (a) calculate the breakeven point, margin of safety, sales revenue to earn a target profit, preparation of profit statement and discussion of the limitations of CVP analysis; and (b) to compute the Economic Order Quantity and the Re-order Level.

In part (a), common errors included:

- (1) Failure to deal adequately with the changes (increases or decreases) required by the question before calculating the total fixed costs and the contribution sales ratio;
- (2) Treating the whole of selling and distribution costs of K2.3m as variable when in fact only the K1m was variable and the remaining K1.3m was fixed;
- (3) Forgetting the margin of safety formula;
- (4) Forgetting the formula to achieve a target profit
- (5) Giving one or two limitations of CVP instead of at least five; giving wrong CVP limitations.

In part (b), common errors included:

- (1) Not knowing the EOQ formula
- (2) Knowing the formula but not knowing which figures are numerators and which ones are used as denominators.
- (3) Not knowing the formula for calculating the re-order level.

Most candidates did well on CVP limitations and part (b)

QUESTION FIVE

The general performance on this question was poor. Only 4 of the 106 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 3.8% was recorded. The lowest mark recorded was 0 while the highest was 18.

This question requested candidates in part (a) to compute the minimum price per unit that the company may quote using the relevant costs approach.

The question looked basic at this level, but candidates failed to meet the requirements of the question. Some candidates could not identify the relevant costs and worst still to come up with the requested comparison and the figures to use.

The pass rate was generally poor. Only very few candidates got the question right.

In part (b), candidates were required to explain the features of relevant costs. Varying answers were given by most candidates and those answers did not explain the features of relevant costs. The result was a poor pass rate on this section.

Overall performance of candidates

Highest mark obtained in this paper	75%
Lowest mark obtained in this paper	4%
Overall pass rate in this paper	38.2%

SUBJECT: DA10: TAXATION

QUESTION ONE

The general performance on this question was good. 43 of the 78 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 55.1% was recorded. The lowest mark recorded was 0 while the highest was 24.

This question was on the taxation aspects of a company which is registered on the Lusaka Securities Exchange (LuSE) and had four parts (a) to (d).

In part (a), candidates were required to explain the criteria Zambia Revenue Authority uses to determine whether a company is resident in Zambia.

And in parts (b), (c) and (d) candidates were variously required to calculate the maximum capital allowances claimable by the company, the taxable business profit and the income tax payable for the tax year 2023.

Most of the candidates scored the vital marks, however some of them did fail to calculate the MD'S free accommodation, in part (c) they could not apply the discounted 23% income tax rate, and the personal to holder motor vehicle disallowable.

QUESTION TWO

The general performance on this question was good. 53 of the 78 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 67.9% was recorded. The lowest mark recorded was 0 while the highest was 23.

This question was on the taxation aspects of employment income and had two parts (a) and (b).

In part (a) candidates were required to explain any six (6) tests used to distinguish employees from self-employed persons.

In part (b), candidates were required calculate the amount of income tax payable by Smart Phiri for the tax year 2023.

Some candidates had challenges to time apportion the employment as expected in any employment question and lost the vital marks.

QUESTION THREE

The general performance on this question was poor. 14 of the 53 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 26.4% was recorded. The lowest mark recorded was 1 while the highest was 22.

This question was on Value Added Tax (VAT) and import taxes and had three parts (a), (b) and (c).

In part (a), candidates were required to explain the implications of a trader dealing only in exempt supplies from a VAT point of view and the importance of establishing the tax point in respect of supplies for VAT purposes.

Comments:

This part of the question had average performance with some candidates failing to apply the required knowledge.

In part (b), candidates were required to calculate the amount of VAT payable/recoverable by Tembi for the month of October 2023 indicating by the use of a zero (0) all items on which VAT is was not chargeable or recoverable.

Comments;

A good number of candidates were able to apply their knowledge on this part and scored the vital marks

And in part (c), candidates were required to describe the complete customs clearance procedure of a motor vehicle and calculate the total import taxes paid on the importation of the motor vehicle.

A well answered part of this question with only a few of the candidates who applied the wrong rates and lost some of the vital marks

QUESTION FOUR

The general performance on this question was poor. 17 of the 59 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 28.8% was recorded. The lowest mark recorded was 0 while the highest was 17.

This question had two parts (a) and (b).

Part (a) was on the IFAC code of Ethics and candidates were required to explain the fundamental ethical principles of integrity and objectivity.

A well answered part of the question with a few candidates who were expressing wild meanings and lost vital marks.

In part (b), candidates were required to explain the circumstances under which income from farming may be averaged and to calculate capital allowances claimable by Maria Junza and the amount of income tax payable by Maria Junza for the tax year 2023.

Most of the candidates did manage to correctly compute the farming capital allowances and the taxable farming profit and income tax payable. Some candidates to gross up the consultancy income.

QUESTION FIVE

The general performance on this question was fair. 20 of the 43 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 46.5% was recorded. The lowest mark recorded was 1 while the highest was 22.

This question was on property transfer tax and presumptive taxes for transporters and had three parts (a) to (c).

In parts (a) and (b), candidates were required to state the five (5) categories of properties which are chargeable to Property Transfer and to explain the Property Transfer Tax implications for Mwamo arising from given transactions.

Comments:

Some candidates failed to fully express the properties exempted from PTTT and ended up stating wild statements and lost marks.

In part (b) some candidates subjected a movable property to PTT and forgot to take into account the consideration amount paid in a sale to a son which is wrong

In part (c), candidates were required to explain any four (4) benefits of Presumptive Taxes and to calculate the Presumptive taxes paid by Mwamo in the tax year 2023.

This part of the question had general and wild sentiments and made some candidates lose vital and easy marks

Overall performance of candidates

Highest mark obtained in this paper	86%
Lowest mark obtained in this paper	7%
Overall pass rate in this paper	64.1%

SUBJECT: DA11: PRINCIPLES OF AUDITING

QUESTION ONE

The general performance on this question was good. 92 of the 156 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 59% was recorded. The lowest mark recorded was 0 while the highest was 20.

- (a) This part of the question was answered well by most candidates. However others failed to give a brief explanation as was required while others just stated the components of internal controls only.
- (b) (i) Most candidates were able to identify and explain deficiencies in internal controls from the scenario and ,
(ii) Recommendations were good as well based on correct deficiencies that were identified. Again like in (a) above, a number of candidates simply identified deficiencies and went straight to give recommendations and avoided to give an explanation. It is always important to identify the number of requirements in a question
- (c) Despite the question specifying a description of substantive procedures for the year–end disposal of equipment, most of the candidates either simply listed assertions such as existence and occurrence without any context or connections to audit procedures. Or some just listed audit procedures such reconciliations and recalculations without explaining how such audit procedures can be used to detect any material misstatements.

QUESTION TWO

The general performance on this question was poor. 18 of the 156 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 11.5% was recorded. The lowest mark recorded was 0 while the highest was 21.

Specific performance

- (a) This question was mistaken for sources of reliable audit evidence such as oral, written and original audit evidence when in fact this was not required .Such explanations did not earn candidates a lot of marks for those who misinterpreted the question.
- (b) For this part of the question, ***actions*** were also misinterpreted as responses to audit procedures. It is important that follow up or chain questions are paid attention to. This is because the first question will make reference to the previous question.
- (c) Most of candidates thought written representations relate to pre-conditions for the audit while referred a written representation as a report. This clearly shows a lack of understanding the depth of issues relating audit reporting.

- (d) (i) Most candidates were able to define going concern. However others failed to discuss auditor's objective in relation to going concern. It is important to distinguish auditor's responsibilities from those of management.
- (ii) Again most answers that were given or this part were too general. Stating audit procedures only without explaining audit procedures such as re-performance and recalculations of going concern. These were inappropriate audit procedures for going concern. This did not earn candidates good marks as they did not apply audit procedures regarding disclosure of going concern and appropriate treatment by management.

QUESTION THREE

The general performance on this question was good. 83 of the 120 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 69.2% was recorded. The lowest mark recorded was 3 while the highest was 21.

Specific performance

- (a) (i) Some candidates mixed up answers for part (ii) the nature of an audit engagement with objectives of an audit engagement. Such answers earned no marks at all as the answers were not as expected.
- (ii) Those who attempted this part of the question explained elements of an audit engagement which was not a requirement and earned no meaningful marks at all.
- (iii) A good number of candidates identified users of financial statements and their respective interests so well. However the question referred to the understanding of such users with regards to abolishment for the idea that small firms should be audited as well. Only those who explained users in the context for and against abolishment of audits for small firms managed to score some marks.
- (b) (i) The question of identifying threats was well attempted by most candidates. However others simply identified threats without providing an explanation while others just gave technical definitions of threats without explaining the actual threat.
- (ii) This part was a follow up question. Those who identified the threats correctly got this part correct as well.
- (c) (i) Some candidates explained corporate governance principles which was not the focal point and did not explain the need for communication with those charged with governance.
- (ii) Explaining the factors for setting up an internal audit was fairly answered. However a few candidates explained the importance of having an internal audit department which is not a requirement.
- (iii) Almost those who attempted this part got the meaning at audit risk correctly.

QUESTION FOUR

The general performance on this question was good. 51 of the 86 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 59.3% was recorded. The lowest mark recorded was 0 while the highest was 23.

- (a) Most candidates have continued to mistake audit risks for weaknesses in internal controls. To the contrary this is far from the truth.
- (b) Only those who were able to identify audit risks got this follow up or build up to (i) above managed to score some marks. Other gave recommendations which were not audit responses to audit risks. Actually an audit response is an audit procedure to audit risk.
- (c) (i) A good number of candidates got this part correct. However, others simply explained the need for being compliant or explained auditor's responsibilities regarding laws and regulations. They explained without using the scenario which was strange.
 - (iii) Most candidates were able to identify and explained weaknesses in the scenario .A few were able to list weaknesses but failed to explain the reasons as to why these are weaknesses and the impact they will have on the businesses' internal controls.
 - (iii) Some candidate's just failed to state controls for wages system but were only able to explain controls such authorization in general but did not state the objectives of authorization or aims or objectives.

QUESTION FIVE

The general performance on this question was good. 54 of the 91 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 59.3% was recorded. The lowest mark recorded was 3 while the highest was 24.

- (a) (i) A good number of candidates were able to identify all sorts of threats such as self-interest and yet the question specified long association threat only.
 - (ii) A good number of candidates provided correct answers to this part of the question.
- (b) (i) Most candidates were able to state the three EEEs in relation Efficiency, Economic, and Effectiveness with reference to the scenario given but most of them lost marks for failure to explain the three EEEs correctly.
- (c) A good number of candidates were able to explain audit procedures with regards to debts. However some just listed audit verbs such as confirmation with explain further why this method is preferred.
- (d) The question had a lot of corporate governance issues such mixing roles of cross Directorship and insufficient NEDs on the Board of Directors. Despite easy answers from the scenario, some candidates generalize and say anything regarding corporate governance such the need and roles of an audit committee.

Overall performance of candidates

Highest mark obtained in this paper	74%
Lowest mark obtained in this paper	14%
Overall pass rate in this paper	53.8%

SUBJECT: DA12 GOVERNANCE AND COMPANY LAW

QUESTION ONE

The general performance on this question was poor. 33 of the 105 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 31.4% was recorded. The lowest mark recorded was 0 while the highest was 23.

This question was composed of two parts one on auditors' duty of providing an independent opinion and methods of reducing capital. Whereas candidates above average in part A, they did not adequately answer part B. Most of them were blank about methods of reducing capital. Candidates need to prepare adequately.

QUESTION TWO

The general performance on this question was good. 65 of the 105 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 61.9% was recorded. The lowest mark recorded was 2 while the highest was 20.

This question was on the principle of separate legal identity in the case of Salomon v Salomon on the first part. The second part was on the elements of a partnership. There were no difficulties of note from candidates on this question.

QUESTION THREE

The general performance on this question was good. 47 of the 72 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 65.3% was recorded. The lowest mark recorded was 4 while the highest was 23.

The question was based on documents required to incorporate a company, pre-incorporation contracts, and circumstances under which a veil of incorporation may be lifted. Whereas candidates had no difficulties with the second and third parts, they had challenges with identifying that the registration of companies was provided for under the Companies Act of 2017 and issues of limiting liability on a promoter. In future candidates should be encouraged to read widely and as much as possible understand what the question is asking for.

QUESTION FOUR

The general performance on this question was very good. 68 of the 85 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 80% was recorded. The lowest mark recorded was 4 while the highest was 25.

This question required candidates to explain the classes of meetings that are held by companies, company resolutions and duties of a promoter. Most candidates were able to explain types of meetings and resolutions. The major challenge was on duties of promoters as candidates mistook them for duties of directors. In future, candidates

should be able to separate between a promoter and a director. The question was generally well answered.

QUESTION FIVE

The general performance on this question was good. 34 of the 54 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 63% was recorded. The lowest mark recorded was 4 while the highest was 22.

This question was made up of four parts: protection of minority shareholders, duty to avoid conflict of interest on directors, characteristics of non – executive directors and winding up of a company by the court. Some candidates did not seem to understand how the law provides for that through the right to vote, shareholder agreements, articles, the Companies Act and so on. Candidates need to prepare adequately as all these things are there in the module. The rest of the question was well answered.

The question was ok and from within the syllabus.

Overall performance of candidates

Highest mark obtained in this paper	77%
Lowest mark obtained in this paper	29%
Overall pass rate in this paper	69.5%