



DECEMBER 2025 EXAMINATIONS

CHIEF EXAMINERS REPORTS

DIPLOMA IN ACCOUNTANCY

SUBJECT: DA 1 - FINANCIAL ACCOUNTING

QUESTION ONE

The general performance on the question was very poor. Of the 81 that attempted the question, only 35 managed to obtain at least 10 out of the available 20 marks. A pass rate of 43.2% was recorded. The highest score was 18 while the lowest was 2 out of 20.

This was a compulsory question with ten parts from across the syllabus.

QUESTION TWO

The general performance on the question was very poor. Of the 74 that attempted the question, only 14 managed to obtain at least 10 out of the available 20 marks. A pass rate of 18.9% was recorded. The highest score was 16 while the lowest was 0 out of 20.

Part (a) required candidates to prepare the partnership's profit or loss and appropriation account for the year ended 31 December 2024 (8 marks). Candidates lost marks by failing to calculate Rama's annual salary ($K500 \times 12 = K6\,000$), a commission of K5 400 ie. $10\% \times (60\,000 - 6\,000)$ and subtracting interest on drawings instead of adding back to the profit.

Part (b) required candidates to identify and briefly explain three advantages and three disadvantages of the conceptual framework. Candidates presented wrong answers. Candidates are encouraged to study this part of the syllabus in future.

QUESTION THREE

The general performance on the question was very poor. Of the 43 that attempted the question, only 4 managed to obtain at least 10 out of the available 20 marks. A pass rate of 9.3% was recorded. The highest score was 12 while the lowest was 0 out of 20.

Part (a) required candidates to state four (4) differences between amortization and depreciation. The candidates failed to state the differences.

Part (b) required candidates to prepare the equipment account. Candidates failed to combine equipment account with allowance for depreciation on equipment

QUESTION FOUR

The general performance on the question was very poor. Of the 73 that attempted the question, only 19 managed to obtain at least 10 out of the available 20 marks. A pass rate of 26% was recorded. The highest score was 18 while the lowest was 0 out of 20.

Part (a) (i) required candidates to open journal entries to correct the five errors. Prepared candidates answered this part well.

Part (a) (ii) required candidates to draw up a statement showing the effect of correcting the five errors in Part (a) (i). Poorly answered due to lack of double entry system when it comes to their effect on the reported profit.

Part (b) required candidates to write up the trade receivables control account. Candidates posted credit sales on the credit side instead of debit side while cheques received were posted to debit side instead of credit side.

QUESTION FIVE

The general performance on the question was very fair. Of the 49 that attempted the question, only 24 managed to obtain at least 10 out of the available 20 marks. A pass rate of 48.9% was recorded. The highest score was 19 while the lowest was 0 out of 20.

Part (a) required candidates to prepare a statement of cash flows for the year ended 31 December 2024 using the indirect method. Candidates lost easy marks by failing to draw a correct format of the statement with clear sub-headings.

Part (b) required candidates to prepare an adjusted cash book from three items which had not been entered. Good candidates correctly adjusted the cash book.

QUESTION SIX

The general performance on the question was good. Of the 77 that attempted the question, 49 managed to obtain at least 10 out of the available 20 marks. A pass rate of 63.6% was recorded. The highest score was 20 while the lowest was 1 out of 20.

Part (a) required candidates to prepare an opening journal entry to establish the opening capital figure. This part was well answered.

Part (b) required candidates to prepare a statement of profit or loss account for the year ended 31 December 2024. Candidates had problems on establishing the credit sales figure and purchases figure.

Part (c) required candidates to prepare a statement of financial position as at 31 December 2024. Candidates lost easy mark on furniture and fittings by failing to add the value of new furniture. The depreciation was wrongly based on K1250 instead of K1500.

overall performance of candidates

Highest mark obtained in this paper	76%
Lowest mark obtained in this paper	11%
Overall pass rate in this paper	26.8%

SUBJECT: DA2-QUANTITATIVE ANALYSIS

QUESTION ONE

The general performance on the question was poor. Of the 93 that attempted the question, only 18 managed to obtain at least 10 out of the available 20 marks. A pass rate of 19.4% was recorded. The highest score was 18 while the lowest was 0 out of 20.

This question was a set of multiple choices covering the whole syllabus.

QUESTION TWO

The general performance on the question was very good. Of the 81 that attempted the question, 60 managed to obtain at least 10 out of the available 20 marks. A pass rate of 74% was recorded. The highest score was 20 while the lowest was 0 out of 20.

Part (a) of the question required candidates to define and briefly explain the meaning of the terms Net Present Value and Internal rate of return. Most candidates did not correctly define these terms and a few who tried, had rough ideas of what the terms really mean.

Part (b) required candidate to use the method of compound interest to calculate present value. Candidates showed lack of understanding of the method required to solve this problem hence lost marks due to use of a wrong formula.

The last part of the question, part (c), required candidates to use the NPV to determine the worthiness of investing in a project. It was observed that candidates were able to use the correct formula to solve this problem hence obtained good marks on this part. The candidates who failed were observed to have been using wrong formula in the calculation.

QUESTION THREE

The general performance on the question was excellent. Of the 92 that attempted the question, 88 managed to obtain at least 10 out of the available 20 marks. A pass rate of 95.7% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The question was split into four parts. Candidates were required to use the given data to draw a scatter plot of the data, calculate the regression line, estimate the value of x given the value of y and to calculate the correlation coefficient of the data. It was observed that the performance in this question was good, candidates had less challenges in solving the questions given. Those that lost marks on this part of the question made computational errors.

QUESTION FOUR

The general performance on the question was poor. Of the 80 that attempted the question, 31 managed to obtain at least 10 out of the available 20 marks. A pass rate of 38.8% was recorded. The highest score was 20 while the lowest was 0 out of 20.

Part (a) of the question required candidates to use the given ungrouped to compute the mean, standard deviation, median and the modal value of the data. A good number of candidates had difficulties in solving this problem. Most of the candidates did not realise that this was ungrouped data, hence they used wrong formulae in computing the required measures.

Part (b) required candidates to use the method of annuities to solve a problem involving simple interests. The general performance in this part of the question was poor because candidates were observed to be using wrong formulae. There is need to emphasis on differences between simple interest, compound interest and annuities to help candidates to choose the correct method when solving problems involving monetary investment and interest rates.

QUESTION FIVE

The general performance on the question was poor. Of the 72 that attempted the question, only 25 managed to obtain at least 10 out of the available 20 marks. A pass rate of 34.7% was recorded. The highest score was 19 while the lowest was 0 out of 20.

Part (a) required candidates to use the given probability distribution table. The table was to be used to compute the average number of pumps and the standard deviation of the data. Most candidates did well on this part of the question.

Part (b) required candidates to compute probabilities based on the given probability table. It observed that candidates had difficulties computing the correct probabilities using the data that was given in the probability table. Perhaps emphasis should be made on how to compute probabilities on probability tables.

Part (c) required candidates to use the given ungrouped data to find the mean and variance. Most candidates managed to solve the mean correctly, while it was observe that a lot of candidates made errors in computing the variance and others used wrong formulae.

QUESTION SIX

The general performance on the question was poor. Of the 44 that attempted the question, only 15 managed to obtain at least 10 out of the available 20 marks. A pass rate of 34% was recorded. The highest score was 18 while the lowest was 0 out of 20.

Part (a) of the question required candidates to formulate the problem of how much of each product was needed to produce using linear program. Further, candidates were required to use the formulated linear inequalities to solve the required task graphically. It was observed that candidates lacked understanding on this part of the question. The overall performance on this part of the question was poor.

Part (b) of the question required candidates to use the maximax criterion, maximin criterion, minimax regret rule, Hurwicz criterion and the Equal likelihood criterion to determine the best decision from the given data. Most of the candidates demonstrated a fairly good level of knowledge to the topic of study as they could answer this part of the question. The candidates who answered the question wrongly were observed to mix up the concepts of the maximax, minimax and Hurwicz criterion hence lost some marks.

Overall performance of candidates

Highest mark obtained in this paper: 94%
Lowest mark obtained in this paper: 18%
Overall pass rate in this paper: 60.2%

SUBJECT: DA3- BUSINESS ECONOMICS

QUESTION ONE

The general performance on the question was poor. Of the 106 that attempted the question, 30 managed to obtain at least 10 out of the available 20 marks. A pass rate of 28.3% was recorded. The highest score was 16 while the lowest was 0 out of 20.

This was a compulsory question made up of 10 multiple choice questions.

QUESTION TWO

The general performance on the question was good. Of the 89 that attempted the question, only 55 managed to obtain at least 10 out of the available 20 marks. A pass rate of 61.8% was recorded. The highest score was 19 while the lowest was 0 out of 20.

The question was divided into three (3) parts namely (a), (b), and (c) as follows:

- (a) This part of the question required candidates to state any four (4) advantages of a free market economy. This was fairly done but majority of the candidates stated the characteristics or features of free market economy and not the advantages as required by the question.
- (b) Required candidates to distinguish between price elasticity of demand and income elasticity of demand. This question was fairly answered. The common mistake was that some candidates merely defined the concepts of price elasticity of demand and income elasticity of demand without distinguishing them.
- (c) This part of the question required candidates to explain the effects of the changes in the given events to the equilibrium price and equilibrium quantity of a named good:
 - (i) Drought that destroys the cotton crop
 - (ii) Invention of the new knitting machine
 - (iii) Reduction in the price of leather jackets

Overall performance on this question was mixed with some good and bad answers. The common mistakes related to poor and wrong graphs or diagrams. Candidates must know which of the two (demand or supply) is affected by the change of the factor in question and what is the direction of the shift (leftward or rightward). Additionally, some candidates drew the correct graphs but could not explain them. Marks are distributed between graphs and explanations. Missing explanations imply lost marks.

QUESTION THREE

The general performance on the question was very poor. Of the 69 that attempted the question, only 13 managed to obtain at least 10 out of the available 20 marks. A pass rate of 18.8% was recorded. The highest score was 16 while the lowest was 0 out of 20.

The question was divided into three (3) parts namely (a), (b), and (c) as follows:

- (a) This question was divided into two (2) and required candidates to:

- (i) Distinguish between a price taker and price marker in market structures. This was fairly done
 - (ii) Explain profit maximization under monopoly with the aid of graphs. This was poorly done. The common mistakes included poor graphs and lack of explanation of the graphs for the others. Majority drew perfectly elastic demand curves which applies to perfect completion. Further, other could not draw the MC, MR, ATC curves and D which are key to illustrating profit maximization.
- (b) Required candidates to explain the concept of price discrimination as practiced by monopolies. The explanations were largely poor.
- (c) This required candidates to outline any two (2) documents required to set up a limited liability company in Zambia. Majority of the candidates failed to outline the two documents required. There were many common sense answers given. Candidates are encouraged to study the Study Guide covering all topic in the syllabus.

QUESTION FOUR

The general performance on the question was very poor. Of the 59 that attempted the question, only 15 managed to obtain at least 10 out of the available 20 marks. A pass rate of 25.4% was recorded. The highest score was 19 while the lowest was 0 out of 20.

This was an optional question attempted by 59 candidates. Overall performance was below average at 25%. The highest mark scored was 18/20 while the lowest was 0/20. The question was divided into three (30 parts namely (a), (b), and (c) as follows:

- (a) This question required candidates to distinguish between accounting profit and economic profit. This was poorly done. The common mistake was to relate economic profit to government and accounting profit to the private sector.
- (b) Required candidates to use the given information to:
 - (i) Advise the firm on the choice it should make in order to increase productivity. This was fairly well done. However, many candidates failed to calculate or use the given figures to arrive at the correct advice. Many of them simply stated their advice without the calculation and could not be awarded some marks.
 - (ii) Explain the concept of the law of diminishing marginal returns. This was fairly well done but some candidates confused law of diminishing returns with the law of diminishing marginal utility.
- (c) This required candidates to distinguish between a competitive market and an oligopolistic. This was correctly answered by majority of the candidates. One common mistake was to ascribe 'price maker' as a characteristic of oligopoly. Firms under oligopoly are price takers not price markers.

QUESTION FIVE

The general performance on the question was poor. Of the 71 that attempted the question, only 31 managed to obtain at least 10 out of the available 20 marks. A pass rate of 43.7% was recorded. The highest score was 20 while the lowest was 1 out of 20.

The question was divided into four (4) parts namely (a), (b), (c), and (d) as follows:

- (a) This question required candidates to distinguish between structural unemployment and cyclical unemployment. This was well answered by majority of the candidates.
- (b) Required candidates to describe the relevant criteria government statisticians use to determine whether a person is unemployed. Majority of the candidates answered this question well. Others even included the formula used to calculate unemployment rate.
- (c) This required candidates to explain how risk transformation is done by banks. This was poorly done. Majority of the candidates explained the functions or roles of commercial banks instead of explaining risk transformation. Some presented objectives of commercial banks!
- (d) Required candidates to explain the relationship between money supply and the price level using the Fisher equation (Quantity Theory of Money). This was poorly done too. Majority of the candidates could not explain the relationship using the Fisher Equation as required by the question. Candidates needed to state the Fisher equation and explain the relationship between money supply and price level using the equation.

QUESTION SIX

The general performance on the question was very poor. Of the 78 that attempted the question, only 19 managed to obtain at least 10 out of the available 20 marks. A pass rate of 24.4% was recorded. The highest score was 18 while the lowest was 2 out of 20.

The question was divided into five (5) (3) parts namely (a), (b), (c), (d) and (e) as follows:

- (a) This question required candidates to state what each of the letter (i) a, (ii) b and (ii) Y from the consumption equation stand for. This was fairly done, although there were really offside answers. Candidates are advised to study the entire syllabus.
- (b) Required candidates to determine the marginal propensity to consume from the given consumption function. This was largely poorly done. Majority of the candidates failed to pick the MPC from the given consumption function. MPC is always the slope of the consumption function.
- (c) This required candidates to determine how much the consumer is expected to save from the given consumption function. This was poorly done. There were poor or no calculations done to arrive at the correct answer by majority of candidates.
- (d) This part of the question required candidates to outline any three (3) types of business cycle. This was fairly done but majority of the candidates related business cycles to literal business (firms) as opposed to economic performance. Further, a good number of students presented types of business organizations which was not required. Candidates are strongly urged to study and understand the questions.
- (e) This required candidates to explain the income method of measuring national income. This was poorly done.

QUESTION SEVEN

The general performance on the question was very poor. Of the 50 that attempted the question, only 10 managed to obtain at least 10 out of the available 20 marks. A pass rate of 20% was recorded. The highest score was 14 while the lowest was 0 out of 20.

The question was divided into four parts namely (a), (b), (c), and (d) as follows:

- (a) This question required candidates to differentiate between a tariff and an embargo as a means of reducing the volume of imports. Overall performance was fair though some candidates could not explain trade embargo well.
- (b) Required candidates to explain managed float as a government policy on exchange rates. This was poorly done. Majority of the candidates failed to explain what managed floating is as a government policy on exchange rates. Majority of the answers given related to either fixed exchange rate policy or freely floating exchange rate policy. Others provided answers which were outside exchange rate policy!
- (c) This required candidates to calculate the money supply from the given information. Performance was fair, though some candidates got the formula wrong.
- (d) Required candidates to explain nay four (4) ways of financing a deficit of balance of payments account. There was fair performance. However, most of the candidates presented methods of correcting a balance of payments deficit rather than methods for financing a balance of payments deficit as required. The two are totally different. Other list only 2 ways out of the 4 required. Some merely listed the ways without explaining them hence could not get the full marks allocated for the question. Candidates must pay particular attention to the command word used in the question.

Overall performance of candidates

Highest mark obtained in this paper: 72%

Lowest mark obtained in this paper: 4%

Overall pass rate in this paper: 33%

SUBJECT: DA4 – INFORMATION TECHNOLOGY AND COMMUNICATION

QUESTION ONE

The general performance on the question was good. Of the 86 that attempted the question, 55 managed to obtain at least 10 out of the available 20 marks. A pass rate of 63.9% was recorded. The highest score was 16 while the lowest was 2 out of 20.

This question was multiple-choice and was attempted by all candidates.

QUESTION TWO

The general performance on the question was very poor. Of the 49 that attempted the question, only 5 managed to obtain at least 10 out of the available 20 marks. A pass rate of 10.2% was recorded. The highest score was 14 while the lowest was 0 out of 20.

The question was about explaining five ways databases support business decisions in organisations, differentiating physical and logical network topologies and outlining three principles of Information security to enforce a business system.

The common mistakes were as follows:

1. Some candidates were missing the explanation on how databases support business decisions in organisation. Some were giving advantages of databases.
2. Some candidates were characteristics of the two different network topologies instead of stating the difference of the two. The explanation was being switched in some cases. Some candidates were relating physical to tangible and logical to virtual networks.
3. Some candidates were outlining controls of Information systems instead of principles of information security. Some candidates were outlining uses of Information systems and not information security to enforce a business system.

QUESTION THREE

The general performance on the question was very poor. Of the 78 that attempted the question, only 15 managed to obtain at least 10 out of the available 20 marks. A pass rate of 19.2% was recorded. The highest score was 15 while the lowest was 0 out of 20.

The question was about describing four types of computerised Accounting Information Systems, stating five best practices for the usage of passwords if desire to keep your information safe on your computer system, stating five dangers of using e-mails and stating two common features found in social networks.

The following were the common mistakes noted in this question:

1. Some candidates were describing information systems instead of types of computerised accounting information systems.

2. Some candidates misunderstood the question. They were stating the uses of the password and not the best practises for the usage of passwords
3. Most candidates did not know the common features found in social networks; hence the question was left unanswered.

QUESTION FOUR

The general performance on the question was poor. Of the 43 that attempted the question, only 19 managed to obtain at least 10 out of the available 20 marks. A pass rate of 44.2% was recorded. The highest score was 16 while the lowest was 0 out of 20.

The question was about explaining controls used to prevent unauthorised amendment or deletion of all or deletion of all or part of a spreadsheet, explaining to management three advantages of client/server network over peer-to peer and listing two methods a paragraph can be formatted using justification.

The following were the common mistakes noted in this question:

1. Some candidates did not know how to explain the controls used to protect a spreadsheet from unauthorised changes apart from putting a password.
2. Some candidates did not understand the difference between client/server and peer to-peer architecture.
3. Some candidates did not understand what formatting using justification actually meant. Most of them were referring to deleting or changing the data.

QUESTION FIVE

The general performance on the question was very good. Of the 61 that attempted the question, only 49 managed to obtain at least 10 out of the available 20 marks. A pass rate of 80.3% was recorded. The highest score was 20 while the lowest was 4 out of 20.

The question was about stating any five types of letters that are used in organisation and writing a letter to the current employers, giving notice of your resignation as stated in the current employer's policy.

The following were the common mistakes noted in this question:

1. - Some candidates presented meeting documents which was not supposed to be the case
 - Repeated types of types were a common error.
 - Failure to identify types of letters and even explained wrong content.
 - Some candidates omitted this question on types of letters.
2. - Throughout the content that was provided in the answers, there was no mention of the message which was mainly resignation., wrong content was included which affected scores some candidates
 - Poor layout, some candidates produced reports and memos which were also not correct and required by the question.

- Some candidates did not include some parts of a business letter such as salutation. Sender's and receiver addresses, sender's signature and position of the sender of the message.
- Failure to attempt this part of question, yet it had more marks than the first part. This led to poor grades.
- Poor opening and concluding statements were a common error.

QUESTION SIX

The general performance on the question was good. Of the 64 that attempted the question, only 43 managed to obtain at least 10 out of the available 20 marks. A pass rate of 67.2% was recorded. The highest score was 20 while the lowest was 4 out of 20.

The question was about explaining any three things that you need to do in order to verify that the information received is correct and explaining the 7C's of effective communication.

The following were the common mistakes noted in this question:

1. - Wrong content.
 - A number of candidates omitted the first part of the question and only attempted the second part, this resulted in low grades.
2. - Failure to identify the 7C's of effective communication.
 - Mixing up the explanation of the 7C's ie content on completeness was presented as clear or courtesy or courtesy was presented as correctness which was wrong.
 - Failure to explain correct content in cases where correct 7C's were identified.

QUESTION SEVEN

The general performance on the question was very good. Of the 47 that attempted the question, only 32 managed to obtain at least 10 out of the available 20 marks. A pass rate of 68.1% was recorded. The highest score was 18 while the lowest was 4 out of 20.

The question was about explaining any five things you should do to ensure that you prepare a well-organised, impactful and confident presentation. Outlining any five types of nonverbal communication that you may incorporate in your presentation to make it more impactful.

The following were the common mistakes noted in this question:

1. - Some candidates wrote on 6x6 rule of power point presentations in detail which was not supposed to be the case.
 - Most candidates had wrong content, unclassified which lacked clarity and facts.
2. - Candidates presented any other examples of nonverbal communication such as pictures and diagrams as general aspects without aligning them or specifying them as required in the question.
 - In some cases, some candidates also omitted either the first part of the question or the second part. Which resulted in loss of marks.
 - Some candidates presented medium of communication such as oral, written, and visual which was not supposed to be the case.

Overall performance of candidates

Highest mark obtained in this paper: 76%
Lowest mark obtained in this paper: 22%
Overall pass rate in this paper: 45.3%

SUBJECT: DA5 – COST ACCOUNTING

QUESTION ONE

The general performance on the question was very poor. Of the 117 that attempted the question, only 25 managed to obtain at least 10 out of the available 20 marks. A pass rate of 21.4% was recorded. The highest score was 16 while the lowest was 0 out of 20.

This was a multiple choice question and candidates were required to select the correct answer and write it in the answer script.

Six multiple choice questions were computational, while four questions were non-computational.

QUESTION TWO

The general performance on the question was good. Of the 90 that attempted the question, only 45 managed to obtain at least 10 out of the available 20 marks. A pass rate of 50% was recorded. The highest score was 20 while the lowest was 0 out of 20.

This Question required candidates to:

- (a) - Calculate the standard cost for one unit
 - Calculate the labour rate and labour efficiency variances
 - Calculate the material price and material usage variances
- (b) Explain any four causes of variances.
- (c) State any four factors that management have to consider in deciding whether or not to investigate a variance.

Common errors/mistakes observed included the following:

- (i) Some candidates showed insufficient knowledge or preparedness in DA5.
- (ii) Showing insufficient knowledge on variance analysis
- (iii) Some candidates shunned some parts of the question and ended up scoring low marks.
- (iv) Some candidates were using wrong variables for units of materials and labour standards.

QUESTION THREE

The general performance on the question was very good. Of the 107 that attempted the question, only 74 managed to obtain at least 10 out of the available 20 marks. A pass rate of 69.2% was recorded. The highest score was 19 while the lowest was 0 out of 20.

Part (a), candidates were required to calculate the following (i) Re-order level, (ii) Minimum inventory level, (iii) Maximum inventory level, and (iv) average inventory level.

Part (b) required candidates to calculate the employee's total pay for the week.

Common errors included:

- (i) Not knowing the inventory formulae.
- (ii) Incorrect treatment of reorder quantity.
- (iii) Misinterpretation of data ranges for lead times.
- (iv) Confusing hours produced with hours worked.
- (v) Not appreciating the fact that payment is based on piecework hours, not attendance time.
- (vi) Poor layout of workings, leading to loss of marks for the method used.

QUESTION FOUR

The general performance on the question was very good. Of the 99 that attempted the question, only 71 managed to obtain at least 10 out of the available 20 marks. A pass rate of 71.7% was recorded. The highest score was 16 while the lowest was 0 out of 20.

The question was made up of the following sub requirements:

- (a) Prepare a statement showing the allocation and apportionment of overheads to various departments.
- (b) Calculate the total budgeted overheads for the two production departments after the service department overheads have been re-apportioned.
- (c) Calculate the most appropriate overhead absorption rate for each of the production departments.

Several candidates scored full marks on parts (a) and (b). But part (c) was poorly attempted.

The most common mistakes made by poorer candidates included:

- (i) Not indicating the basis of apportionment as required by the question –part (a)
- (ii) Not using the appropriate bases which were fair and equitable when apportioning overheads –part (a)
- (iii) Not following the instruction to use the step-down method in part (b).
- (iv) Failing to select the most appropriate method in part (c). The appropriate method was machine hours in department P and labour hours in department Q.

QUESTION FIVE

The general performance on the question was poor. Of the 97 that attempted the question, only 23 managed to obtain at least 10 out of the available 20 marks. A pass rate of 23.7% was recorded. The highest score was 20 while the lowest was 0 out of 20.

Part (a) required candidates to prepare a Profit Statement for January and February using Absorption Costing principles.

To prepare a profit statement for January and February where fixed production overheads are absorbed into the cost of units produced using a predetermined overhead absorption rate. Therefore, under Absorption Costing, each unit in stock "carries" a piece of the fixed production overhead.

Part (b) required candidates to prepare a Profit Statement for January and February using Marginal Costing principles.

In the statement it was important to clearly show the contribution (sales minus all variable costs). To prepare a profit statement for January and February where fixed production overheads are treated as period costs and deducted in full from the total contribution.

In Marginal Costing, fixed overheads are not attached to units; they are subtracted as a lump sum from the total contribution. Only variable costs (materials, labour, and variable production overheads) are used to value inventory.

Part (c) required candidates to prepare a statement to reconcile the difference between the absorption and marginal costing profits for both months.

Candidates should have prepared a clear reconciliation that explains why the profit figures calculated in the two methods differ, focusing specifically on the change in inventory levels.

Common errors noted included the following:

- (i) Some candidates failed to calculate the Overhead Absorption Rate (OAR) based on budgeted production.
- (ii) Some candidates failed value closing inventory at the full production cost per unit.
- (iii) Many candidates failed to include an adjustment for under- or over-absorption of fixed overheads in each month correctly.
- (iv) Where actual production differs from the budgeted production used to set the overhead rate, one must adjust the profit. Some candidates forgot this step, leading to an incorrect final profit figures.
- (v) Some candidates included fixed overheads and non-production variable costs in the cost per unit for inventory valuation.
- (vi) Some candidates forgot to deduct the total fixed costs in the calculation of profit
- (vii) Some candidates added sales commission as an income.
- (viii) Ignoring to treat the closing inventory in January and opening inventory in February
- (ix) Forgetting that inventory is "worth more" under Absorption Costing.
- (x) Adding the inventory difference when it should be subtracted (or vice versa).

QUESTION SIX

The general performance on the question was poor. Of the 53 that attempted the question, only 21 managed to obtain at least 10 out of the available 20 marks. A pass rate of 39.7% was recorded. The highest score was 18 while the lowest was 0 out of 20.

Part (a) required candidates to prepare a cost sheet for Batch 3391 (5,000 units) to determine the Total Cost of the batch, the cost per unit and the profit per unit.

This required calculating the predetermined Overhead Absorption Rate (OAR) for each of the Four departments: Forming, Machining, Welding, and Assembly, showing clearly whether the rate is per labour hour or per machine hour for each department. Many candidates used the wrong 'base' for the Machining department. Ensure you divide the Machining overhead (K860,000) by machine hours (50,000), not labour hours. For the other departments, use the specified labour hours provided. Many candidates missed the K1,050 for the X-ray equipment hire. This is a Direct Expense and must be added to materials and labour to find the prime cost before applying overheads. Candidates must use the actual hours consumed by Batch 3391 (e.g., 1,280 hours for Forming, 4,520 hours for Machining, etc.)." The question states these overheads are 25% of the factory cost. Candidates must first calculate the 'Factory Cost' (Prime Cost + Factory Overheads) and then apply the 25% mark-up."

Part (b) required candidates to apply the high-low method for cost determination.

This part of the question was answered very well by many candidates with some getting full marks.

Those that performed poorly were observed to have made the following common errors:

- (i) Using labour hours for all the rates
- (ii) Using the budgeted hours to calculate the batch cost instead the actual incurred in August 2024.
- (iii) Omitting direct expenses and focusing only on materials and labour cost
- (iv) Confusing prime cost and factory cost
- (v) Calculating 25% of the Prime Cost or 25% of the sales price.
- (vi) Omitting to calculate the cost per unit by using the full 5000 unit batch.
- (vii) Some candidates using the highest level and calculated the average cost per unit and flexing it to the 56,000 units to find the total cost at this level
- (viii) Some candidates failed to calculate the fixed cost component using the high-low
- (ix) Some candidates interchanged treating the units as a numerator and costs as a denominator in the high-low method.

Overall performance of candidates

Highest mark obtained in this paper: 81%

Lowest mark obtained in this paper: 6%

Overall pass rate in this paper: 33.3%

SUBJECT: DA6 - BUSINESS LAW

QUESTION ONE

The general performance on the question was very good. Of the 73 that attempted the question, 52 managed to obtain at least 10 out of the available 20 marks. A pass rate of 71.2% was recorded. The highest score was 16 while the lowest was 4 out of 20.

Students managed to pick out the correct answers, and my view is that most of them followed ZICA manual and examinations techniques which are readily available on ZICA website. The few who did well may not have just taken time to choose the correct answer. Going forward all candidates are encouraged to study in detail and be careful when answering multiple choice questions as most answers are usually correct but require the candidate to give the best answer.

QUESTION TWO

The general performance on the question was very good. Of the 69 that attempted the question, 51 managed to obtain at least 10 out of the available 20 marks. A pass rate of 73.9% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The question required students to explain the duty to account for private profits by an agent. Candidates answered the question well. In future candidates should read the whole syllabus/modules in a detailed manner. The question was from within the syllabus; there was no strange material brought in.

QUESTION THREE

The general performance on the question was very good. Of the 49 that attempted the question, 36 managed to obtain at least 10 out of the available 20 marks. A pass rate of 73.5% was recorded. The highest score was 16 while the lowest was 2 out of 20.

The question was divided into two parts.

(a) The question was based on the law of contracts. Primarily looking at contracts entered into by minors. Candidates did well under this section and those who did not do well are encouraged to study this topic in detail.

(b) This part was based on validity of contracts. Candidates did well under this part. Under this question candidates even managed to cite cases. Candidates are encouraged to continue working hard.

The question was very clear. Students were able to appreciate fully the principles surrounding contractual obligations. Candidates need to actively study the principles in question as it is highly examinable and is always targeted by examiners howeverbeit from different angles.

QUESTION FOUR

The general performance on the question was poor. Of the 68 that attempted the question, only 30 managed to obtain at least 10 out of the available 20 marks. A pass rate of 44% was recorded. The highest score was 19 while the lowest was 0 out of 20.

The question had four parts:

- (a) Candidates answered this question adequately. The question focused on redundancy in employment law.
- (b) Candidates seemed to struggle explaining frustration as many discussed this from a layman perspective and not a legal one.
- (c) This one was answered very well,
- (d) Many of the candidates demonstrated a good understanding of precedents.

Generally, the question was well attempted and answered. No major challenges were observed. Future candidates are encouraged to read widely and revise this topic as it is highly examinable.

QUESTION FIVE

The general performance on the question was excellent. Of the 70 that attempted the question, 60 managed to obtain at least 10 out of the available 20 marks. A pass rate of 85.7% was recorded. The highest score was 20 while the lowest was 4 out of 20.

The question had three parts.

Candidates answered this question adequately. The question was based on partnership law and duties of partners as well as the law of agency. Candidates did extremely well under this part. Many did not cite any cases. Perhaps lecturers should encourage learners to include cases in their responses where they are available as they teach them answering techniques. Some candidates did not understand the gist of the question and failed to answer it properly. In future candidates must understand the questions and respond according to instructions in the question.

QUESTION SIX

The general performance on the question was very good. Of the 27 that attempted the question, 19 managed to obtain at least 10 out of the available 20 marks. A pass rate of 70.4% was recorded. The highest score was 20 while the lowest was 0 out of 20.

The question was divided into part (a) and (b).

The question required students to explain the doctrine of res ipsa loquitur and explain five remedies available in the law of contract. Over 50% of candidates were able to answer the question adequately. The other 50% did not seem to understand the gist of the question and failed to answer it properly. In future candidates must understand the questions and respond according to instructions in the question. Generally, candidates managed to score high marks by referring to two essential principles of Law. The performance under this question shows that candidates were studying and they are encouraged to continue working hard.

The question was well answered by students. The rest did not just prepare adequately. In future, students are merely encouraged to study the whole syllabus adequately.

Overall performance of candidates

Highest mark obtained in this paper: 78%
Lowest mark obtained in this paper: 20%
Overall pass rate in this paper: 74%

SUBJECT: DA 7: - PRINCIPLES OF MANAGEMENT

QUESTION ONE

The general performance on the question was very good. Of the 58 that attempted the question, 47 managed to obtain at least 10 out of the available 20 marks. A pass rate of 81% was recorded. The highest score was 18 while the lowest was 4 out of 20.

This question was compulsory and examined all the learning outcomes of the manual.

QUESTION TWO

The general performance on the question was very good. Of the 56 that attempted the question, 40 managed to obtain at least 10 out of the available 20 marks. A pass rate of 71.4% was recorded. The highest score was 20 while the lowest was 4 out of 20.

This question was divided into three (3) parts; (a), (b) and (c).

Part (a) candidates were asked to explain any four (4) benefits of delegation. More candidates got full marks of this part of the question. It was the part which was well answered.

Part (b) the candidates were required to discuss any three (3) differences between Transactional leaders and Transformational leaders. This part of the question was poorly answered it seemed candidates did not prepare and possibly this area of the syllabus is not regularly examined candidates should have ignored.

Part (c), candidates were asked to explain the three (3) ways as suggested by Fredrick Herzberg of improving job design in order to make jobs more interesting to the employees. This part was well answered and most candidates scored very high scores.

QUESTION THREE

The general performance on the question was good. Of the 25 that attempted the question, only 13 managed to obtain at least 10 out of the available 20 marks. A pass rate of 52% was recorded. The highest score was 18 while the lowest was 2 out of 20.

The question had four (4) parts; part (a), (b), (c) and (d).

Part (a) required candidates to explain how Pat Limited company is meeting the human resource needs of its organisation. Some candidates gave correct responses while others failed and did not refer to the passage as requested.

Part (b) required candidates to identify the four (4) ways Pat Limited company is responding to the human resource objectives. A good number candidates managed to identify the four (4) ways as presented in the scenario.

Part (c) candidates were required to explain how Pat Limited company is responding to the requirement of promoting culture and values so that employees are committed. This part of the question was not well answered by most of the candidates.

Part (d) required candidates to identify the efforts this company is making towards the achievement of a sustainable competitive advantage. The performance on this part of the question was not good. Many candidates had difficulties giving answers based on the scenario. Majority of the candidates just gave general ideas of how a company can build a competitive advantage.

QUESTION FOUR

The general performance on the question was very good. Of the 52 that attempted the question, 42 managed to obtain at least 10 out of the available 20 marks. A pass rate of 80.7% was recorded. The highest score was 18 while the lowest was 0 out of 20.

This question had two (2) parts; part (a) and part (b).

In part (a) candidates were expected to explain some principles associated with the classical school of management theory. Part (a) was well answered by many candidates they managed to explain the five (5) principles correctly.

Part (b) candidates were required to explain using Adam's theory of motivation the possible outcomes from staff who may have a sense of inequity at work places. Although well answered by most candidates, some candidates struggled to explain the Equity Theory by Adam Stacy and mistook it for Douglas Mc Gregor's Theory X and Y which was not correct.

QUESTION FIVE

The general performance on the question was very poor. Of the 48 that attempted the question, only 26 managed to obtain at least 10 out of the available 20 marks. A pass rate of 54% was recorded. The highest score was 18 while the lowest was 2 out of 20.

This question was divided into three (3) parts; part (a), (b) and (c).

Part (a) required candidates to explain the extended marketing mix elements as they apply to a service. The required elements are Process, People and Physical evidence. However, many candidates were not able to identify these elements attributed to services marketing and thus performed poorly on this part of the question.

Part (b) candidates were required to describe unlimited liability. On average there was a good response on part (b) of this question.

Part (c) required candidates to explain any four (4) benefits of decentralisation. A good number of candidates managed to explain the meaning of decentralisation though with no much reference to government programmes as required in the question. This was a case of just reproducing the points as presented in the DA7 manual.

QUESTION SIX

The general performance on the question was poor. Of the 49 that attempted the question, only 20 managed to obtain at least 10 out of the available 20 marks. A pass rate of 40.8% was recorded. The highest score was 20 while the lowest was 0 out of 20.

This question was divided into three (3) parts; part (a), (b) and (c).

Part (a) asked candidates to list any five (5) stages of change that would have a major impact on organisations as suggested by Kotler and Cohen (2009). This part of the question was not well answered many candidates explained the Five forces model suggested by Porter.

Part (b) required candidates to identify any five (5) ways of removing barriers when major changes occur in an organisation. Part was fairly well answered by many candidates as they were able to correctly identify five (5) ways of removing barriers when major changes over.

Part (c) candidates were required to outline any five (5) advantages of a decentralized structure as organisations manage change. This part was fairly answered by candidates who attempted this question though many candidates just gave the advantages of decentralisation without making reference to the management of change hence could not get full credit of the marks.

Overall performance of candidates

Highest mark obtained in this paper:	82%
Lowest mark obtained in this paper:	8%
Overall pass rate in this paper:	67.2%

SUBJECT: DA8 - FINANCIAL REPORTING

QUESTION ONE

The general performance on this question was good. 99 of the 180 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 55% was recorded. The lowest mark recorded was 0 while the highest was 25.

This was a compulsory question that had three (3) parts. Part (a) required the candidates to explain the circumstances under which an investee may be accounted as a subsidiary even though shareholding was less than 51%. Part (b) required candidates to distinguish between the proportionate method and the fair value method of valuing non controlling interest. Part (c) required candidates to prepare the consolidated statement of financial position for the Gerrit Group.

The general performance on the question was good. The good performance was mainly attributed to part (c) of the question. There was scanty answering of parts (a) and (b) with some candidates leaving the two parts un attempted. A few candidates ended up rephrasing the question for part (a) and some, giving points of factors representing associate and not subsidiary.

A few common mistakes observed from part (c) of the question include but are not limited to:

- (i) A handful of candidates could not correctly ascertain additional share capital and share premium for Papaya arising from its purchase consideration for Fleegal. This was as a result of misapplication of the share price to use and miscalculation of number of shares bought.
 - (ii) Few candidates used total earnings of Fleegal for post acquisition retained earnings when the figure was given in the question. Some candidates showed ignorance of the consolidation process and especially consolidated statement of financial position as they added all three companies' assets and liabilities and equity.
 - (iii) Some items could not be correctly posted to main statement but ended in workings only. For example, carrying amount of investment in associate.
 - (iv) Few candidates applied the % interest the parent had in subsidiary and associate on their assets and liabilities and consolidated them that way.
 - (v) Most candidates did not know the accounting for cash in transit in the consolidated statement of financial position. Some were adding to receivables and subtracting from cash, with the majority not doing anything at all. Further, a handful of candidates were adding unrealized profit to inventory instead of subtracting.
 - (vi) Few candidates failed to correctly account for NCI at the reporting date by leaving out the share of impairment loss of goodwill. Subsequently, those who did so included the total impairment loss in computing group retained earnings.
 - (vii) Few candidates failed to duplicate the figures that did not require any amendment onto the consolidated financial statements for easy marks.
- (a) Failure to follow recommended presentation of putting figures in brackets to maximize on achieving high marks also had a detrimental effect on the victims that exercised the practice as their totals that were incorrect could not be allocated proportionate marks for components unknown. Future candidates are seriously reminded to utilize this technique to maximize on the marks they earn.

- (b) Future candidates are reminded to read through examiners' reports of previous examinations to learn about common mistakes by past candidates. This helps candidates pay particular attention to problematic areas common to all.
- (c) Finally, few candidates ended their answer on workings and nothing was posted to the consolidated statement of financial position. This seriously disadvantaged the candidates as a question like this gives candidates lots of marks that are straight from the question.

QUESTION TWO

The general performance on this question was poor. Only 58 of the 178 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 32.6% was recorded. The lowest mark recorded was 0 while the highest was 23.

This was a compulsory question that had three (3) parts. Part (a) required the candidates to prepare a statement of profit or loss for Mafinga Ltd, part (b) required candidates to prepare a statement of changes in equity and part (c) required candidates to prepare the statement of financial position for Mafinga Ltd.

The performance on this question was fair in comparison to previous sittings. This was expected to be better for such a predictable question. However, those who could not perform well exhibited the following challenges:

- (i) Most students were presenting the overdraft balance under current assets when the balance was a liability.
- (ii) Most students showed lack of knowledge on the calculation of the depreciation on plant and equipment using the reducing balance method. They were instead applying the depreciation rate on the original cost unlike the carrying amount brought forward.
- (iii) Calculation of the development expenditure for profit and loss and statement of financial position was a challenge for most candidates as they were taking the entire cost of ZMW12,000 to the statement of profit or loss without capitalising the qualifying cost for the two months and only expensing one month.
- (iv) Adjustment for the sale value of service was a very big challenge for most of the candidates. Very few candidates were able to get these correct amounts to leave in revenue and defer within liabilities. Most candidates adjusted the revenue with the whole K10 million.
- (v) The treatment of issue costs was a challenge for most candidates; the candidates could not subtract the issue costs from administrative expenses and failed to realize the fact that the costs needed to be subtracted from the gross amount of the loan. This affected the candidates' computation of outstanding loan balance and finance cost on it. However, principal marks were awarded.
 - (a) Very few candidates were able to bring in the revaluation surplus of K6,000 into the statement of profit or loss and statement of changes in equity.
 - (b) Most candidates that attempted to answer this question were only able to bring in balances that did not require any adjustments.
 - (c) Most candidates were adjusting the cost of sales with the closing inventory figure of K32,550. This, however, had already been used in the computation of cost of sales. Future candidates are reminded that only when cost of sales is not already provided in trial balance, should the closing inventory be used.

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 that are also well referenced.

Future candidates are reminded that the workings for this type of a question are an important aspect of the success story.

QUESTION THREE

The general performance on this question was very poor. Only 6 of the 98 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 6% was recorded. The lowest mark recorded was 0 while the highest was 16.

The question was divided into three parts and assessed students' understanding of several International Financial Reporting Standards (IFRS):

Part (a) tested knowledge of IAS 36; Impairment of Assets, specifically the indicators of impairment and the calculation of impairment losses.

Part (b) required students to demonstrate understanding and computation relating to preference shares and bonds.

Part (c) examined IAS 10; Events After the Reporting Period, where students were asked to explain the difference between adjusting and non-adjusting events and apply these concepts to a given scenario. In addition, students were required to distinguish between functional currency and presentation currency in accordance with IAS 21.

Student Performance

The question was fairly attempted by slightly above half of the number of candidates at this sitting. In Part (a), many students demonstrated a general understanding of impairment and the factors that lead to impairment. However, a notable weakness was the inability of some students to clearly distinguish between recoverable amount and carrying amount. This weakness adversely affected performance in the latter part of the question, where students were required to calculate the revised carrying amount after impairment.

Part (b) was poorly answered by most students. Many candidates failed to demonstrate knowledge of how to prepare an amortization schedule and were unable to correctly separate the liability component and equity component of financial instruments. This indicates limited understanding of accounting for compound financial instruments.

In Part (c), most students failed to demonstrate a clear understanding of adjusting and non-adjusting events. Application of these concepts to the given scenario was generally weak. Similarly, understanding of the distinction between functional currency and presentation currency under IAS 21 was inadequate.

QUESTION FOUR

The general performance on this question was very poor. Only 9 of the 85 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 10.6% was recorded. The lowest mark recorded was 0 while the highest was 25.

The question focused on the interpretation of financial statements and/or financial ratios and was divided into three parts.

Part (a) required students to explain the weaknesses of financial ratios.

Part (b) examined the implications of financial ratios, where students were expected to comment on the given ratios.

Part (c) required students to comment on the liquidity position of two companies.

In addition, the question required interpretation of cash flow information, including operating, investing, and financing activities, net increase or decrease in cash and cash equivalents, opening balances, and the effects of foreign exchange transactions.

Performance on this question was generally poor. In Part (a), most students failed to understand what the examiner was asking and did not correctly address the weaknesses of ratio analysis. In Part (b), students again misunderstood the requirement and failed to provide meaningful comments on the implications of the given ratios.

In Part (c), students struggled to comment appropriately on the liquidity of the two companies. Furthermore, many candidates misinterpreted the cash flow related requirements, including analysis of operating, investing, and financing activities, as well as movements in cash and cash equivalents. This widespread misunderstanding of the question requirements contributed significantly to the poor overall performance.

QUESTION FIVE

The general performance on this question was poor. Only 32 of the 149 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 21.5% was recorded. The lowest mark recorded was 0 while the highest was 23.

This question had three parts as follows:

- (a) This part required the candidates to explain five (5) major factors that should be considered for successful adoption and implementation of accrual based IPSAS
- (b) (i) This part required the candidates to explain the fundamental and enhancing qualitative characteristics of useful financial information
 - (ii) This part required the candidates to define the terms "asset" and "liability" as revised by the IASB in 2018
- (c) This part required the candidates to prepare an extract of the statement of cash flows in respect of investing activities for the company for the year 31 December 2024.

This question was very popular amongst the candidates though generally poorly performed.

Most of the candidates struggled to put down any tangible points to respond to part (a) of the question instead opted to leave the question unattempted. Those who attempted mainly were off the target in raising required points.

Some candidates were giving the benefits of accruals under IPSAS instead of the required factors.

In many cases, those who wrote something could not raise the required number of points to meet the marks allocated.

For part (b), candidates were able to explain the required qualitative characteristics, but answers fell short of the required standard for the allocated marks. This contributed to loss of valuable marks.

It was surprising to note that some candidates failed to give the full definition of an asset and a liability as per the conceptual framework for financial reporting.

Part (c) was left out by most candidates, with few attempting to prepare full statement of cash flows despite the limited information.

A few that attempted the question struggled to get the cash flow amounts though still got marks from the T-accounts

The performance of candidates at this sitting revealed significant gaps in students' conceptual understanding and ability to interpret and apply accounting standards and financial information. While some foundational knowledge was evident, weaknesses in application, interpretation, and technical computation negatively affected overall performance. The poor presentation skills and lack of adequate workings are no exception.

Overall performance of candidates

Highest mark obtained in this paper:	67%
Lowest mark obtained in this paper:	5%
Overall pass rate in this paper:	21.1%

SUBJECT: DA9 – MANAGEMENT ACCOUNTING

QUESTION ONE

The general performance on this question was very poor. Only 3 of the 63 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 4.8% was recorded. The lowest mark recorded was 1 while the highest was 18.

This question required candidates to:

- (a) Prepare a schedule which shows the relevant costs for the construction of the warehouse building, clearly stating reasons for inclusion or exclusion of each cost item provided in the scenario.
- (b)
 - (i) Explain the meaning of the term 'cash operating cycle' and describing the relationship between the cash operating cycle and the level of investment in working capital,
 - (ii) Calculate the total cost of ordering and holding policy using the economic order quantity model.
 - (iii) Discuss how invoice discounting can help the management of trade receivables.

Common noted included the following:

- (i) Treating only the 20,000 blocks as relevant and ignoring the 25,000 blocks.
- (ii) Just providing a statement of figures without accompanying explanations.
- (iii) Not giving reasons for inclusion or exclusion of figures.
- (iv) Some candidates treated historical costs as relevant.
- (v) Treating the minimum hire charge as sunk costs.
- (vi) Confusing cash operating cycle with profit cycle
- (vii) Errors in holding cost calculation
- (viii) Confusing invoice discounting with cash discounts
- (ix) Poor layout of workings.
- (x) Not attempting the question in full.

QUESTION TWO

The general performance on this question was poor. Only 14 of the 62 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 22.6% was recorded. The lowest mark recorded was 2 while the highest was 21.

This question required candidates to:

- (a)
 - (i) explain the full cost-plus pricing method;
 - (ii) explain any three advantages and any three disadvantages of using the full cost plus pricing method; and,
 - (iii) state any four (4) factors that influence pricing.

The advantages generally were well explained but a lot of guesswork was done on the disadvantages.

Similarly, the four factors were well explained and as a result candidates did not seem to have any difficulties here.

(b) Explain how the modern management techniques could be of benefit to a manufacturing company given in the scenario: (i) Throughput accounting (ii) Backflush accounting (iii) Kaizen costing.

Several candidates failed to give correct explanations on these modern management accounting techniques.

The most common mistakes made by the candidates included:

- (i) Failing to explain the disadvantages of full cost-plus pricing.
- (ii) Failing to explain throughput accounting
- (iii) Failing to explain Backflush accounting
- (iv) Failing to explain Kaizen costing

QUESTION THREE

The general performance on this question was good. Only 32 of the 62 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 51.6% was recorded. The lowest mark recorded was 2 while the highest was 24.

Part (a) required candidates to calculate the Breakeven Point for the concert in both the number of tickets and total sales value.

Part (b) required candidates to determine the required selling price per ticket to achieve a target profit of K810, 000. Most candidates were able to score maximum marks in this part.

The common mistakes noted were as follows:

- (i) Some candidates did not calculate the BEP in sales values.
- (ii) Failing to calculate the contribution per unit
- (iii) Not knowing the BEP formula
- (iv) Using the contribution per unit to convert to BEP in sales value.
- (v) Calculating the C/S ratio and dividing this into the revenue figure or sales units.
- (vi) Some candidates added the sales revenue and target profit and divided by the BEP units, while some candidates added fixed costs and target profit and divided by BEP units
- (vii) Not knowing the formula which gives the number of units when a target profit is given.

Part (c) required candidates to determine the required selling price per ticket to achieve a target profit of K810,000, assuming sales of 8,000 tickets, fixed costs of K1,620,000 and variable costs of K270 per ticket.

This part was poorly answered with many candidates lacking algebraic knowledge to solve the equation formulated.

The following were the common errors noted:

- (i) Some candidates only showed the final answer without the support calculations or logic of how they arrived at the answer.
- (ii) Not attempting part (c).
- (iii) Some candidates added the fixed costs and the target profit and divided by the sales units of 8,000 units.
- (iv) Failure to formulate an equation in order to derive the selling price (SP).

Candidates should have derived the SP from the formula:

Part (d) required candidates to calculate the Margin of Safety (MOS) in percentage terms. Many candidates calculated the MOS in units but failed to convert it to a percentage of expected sales as specifically required.

Common errors observed included the following:

- (i) Some candidates only ended on calculating margin of safety units
- (ii) Some candidates used the difference between estimated sale units and BEP units as numerator and sales revenue as denominator in arriving at the margin of safety percentage
- (iii) Not knowing the Margin Of Safety formula

Part (e) required candidates to state five assumptions on which breakeven analysis is based. For the "five assumptions," many candidates provide general business advice rather than technical CVP assumptions, such as the premise that productivity and efficiency remain constant, linear costs, constant sales mix among others.

Common errors noted included the following:

- (i) The notion that CVP analysis only applies to a single product.
- (ii) Coming up with fewer than five assumptions
- (iii) Mentioning assumptions which do not relate to CVP
- (iv) Giving disadvantages of CVP instead of the assumptions.

Part (f) required candidates to explain the terms variable costs, fixed costs and contribution. This question was answered fairly well with some candidates scoring maximum marks. However, candidates must learn to be more elaborate in their explanation. Therefore, costs should have been explained relative to activity both in total and per unit, with examples were possible.

QUESTION FOUR

The general performance on this question was good. Only 33 of the 59 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 55.9% was recorded. The lowest mark recorded was 1 while the highest was 16.

Part (a)

Question Four required candidates to calculate the labour cost variance, labour rate variance, labour yield variance and idle time variance. Labour consisted of three groups (A, B, and C). The data given were for product D, whose standard output per hour was 25 units. Actual units were given as well as actual rates. In addition, the labour efficiency variance of K240 (F) was given. Candidates should have calculated the actual labour hours worked and used the given labour efficiency variance to calculate the rate per hour that applied to each group of workers. Some candidates failed to do this and consequently earned no marks.

Part (b) required candidates to prepare four budgets, the sales budget, the production budget and the material usage budgets for material A and material B.

Candidates successfully prepared the sales budget. However, candidates had problems preparing the production budget. A lot of them were adding the opening balance and subtracting the closing balance. This was wrong. The closing balance was to be added while the opening balance had to be reduced.

However, because of the wrong production budgets, the material usage budgets for both material A and B were wrong.

Performance in part (b) was relatively better than in (a) and compensated the lost marks in part (a).

QUESTION FIVE

The general performance on this question was very poor. Only 1 of the 6 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 16.7% was recorded. The lowest mark recorded was 4 while the highest was 13.

This question required candidates to:

- (a) (i) Identify the bottleneck process and explain why this process is described as a bottleneck; (ii) calculate the Throughput Accounting Ratio (TPAR) for each product, assuming the bottleneck is fully utilized; and (iii) explain how the company could improve the TPAR.
- (b) (i) Explain the principles of Kaizen Costing; (ii) discuss how Kaizen costing contrasts with the company's current performance reporting system.
- (c) Explain the importance of management accounting for decision making.

The most common mistakes made by the candidates included:

- (i) lack of understanding of the question requirement. This resulted in the wrong computation of key variables such as total number of hours, return per factory hour, return per bottleneck hour and hence failed to acquire higher marks.
- (ii) Failure to show workings for the labour and factory costs.
- (iii) Using wrong activity level and units.
- (iv) Not knowing which activity to use in the question requirement.

Overall performance of candidates

Highest mark obtained in this paper: 71%
Lowest mark obtained in this paper: 5%
Overall pass rate in this paper: 42.7%

SUBJECT DA-10 TAXATION

QUESTION ONE

The general performance on this question was good. Only 50 of the 81 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 61.7% was recorded. The lowest mark recorded was 0 while the highest was 23.

This question had three parts (3), (a), (b) and (c). In part (a) (i), (ii) candidates were required to Calculate the amount of capital allowances claimable by the company for the tax year 2025 on:

- (i) Buildings.
- (ii) Implements, plant and machinery.

Common mistakes noted included the following:

- (i) Failure by some candidates to apply the correct capital allowances on the requested buildings.
- (ii) Inability by some candidates to compute the 10% test on buildings.
- (iii) Failure by some candidates to apply the correct capital allowance rates.
- (iv) Inability to calculate the correct capital allowances as per question requirement.
- (v) Some candidates failed to compute the balancing charge on machinery.

In part (b) candidates were required to Calculate the tax adjusted business profit for the year ended 31 December 2025.

Common mistakes noted:

- (i) Failure by candidates to compute the Gifts of calendars and free accommodation on directors.
- (ii) Inability by some candidates to apply the correct personal to holder car benefit charge.
- (iii) Wrong computation of the tax adjusted business profit.

In part (c) candidates were required to calculate the company income tax payable by Vambiri Plc for the tax year 2025.

Common mistakes noted:

- (i) Inability to compute the grossed up bank interest.
- (ii) Wrong computation of the bank interest.

QUESTION TWO

The general performance on this question was poor. Only 20 of the 81 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 42.3% was recorded. The lowest mark recorded was 2 while the highest was 18.

This question had two parts (a, i ii, iii) and (b). In part (a) (i) candidates were required to State the types of persons who are required to Pay provisional income tax while part (ii) required to them explain the consequences of paying provisional income tax late. Some candidates were not mentioning persons required to pay provisional tax.

In part (iii) candidates were required to state the due date for submission of the return of provisional income tax for the tax year 2025 and the consequences of submitting the return late.

In part (b) candidates were required calculate the amount of income tax payable by Dickson Jombo for the tax year 2025.

Common mistakes noted included the following:

- (i) Some candidates were not mentioning persons required to pay provisional tax.
- (ii) Some explanations were way off the mark.
- (iii) Some candidates failed to explain and state the correct penalty and interest applicable for late payments.
- (iv) Failure by some candidates to state the correct due dates for submission of the return.
- (v) Failure by some candidates to explain the penalty charge in units and monetary.
- (vi) Wrong computation of salaries and other emoluments .
- (vii) Wrong computation of investment incomes by some candidates.
- (viii) Failure to compute the WHT on Royalties and Consultancy.
- (ix) Some candidates were failing to apply the right time frame of seven (7) months.
- (x) Some candidates computations were well off on the income stream.

QUESTION THREE

The general performance on this question was poor. Only 11 of the 26 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 42.3% was recorded. The lowest mark recorded was 0 while the highest was 25.

This question had (4) four parts; (a), (b), (c) and (d).

In part (a) candidates were required to explain the type of tax Makolo will be required to pay in relation to his retail business, computing the amount of tax arising for the tax year 2025. Your answer should include an explanation of the tax treatment of the expenses incurred for the year ended 31 December 2025.

Common mistakes noted:

- (i) Some candidates were stating and explaining about VAT threshold of K800,000.
- (ii) Some candidates stated an 8% tax rate instead of 5% turnover tax.
- (iii) A wrong computation was done on the total turnover tax.

In part (b) candidates were required to explain how the realized value of the following properties is determined for the purposes of property transfer tax.

- (i) Land & buildings.
- (ii) Shares in a company that is not listed on the Lusaka Securities Exchange.

The following were the common mistakes noted:

- (i) Some candidates failed to recognize how to determine the realized value.
- (ii) Some candidates applied a wrong PPT rate of 5% on the realized value.
- (iii) There were off track explanations on realized value on shares.

In part (c) candidates were required to explain the taxation implications arising from sale of Makolo's assets during the year ended 31 December 2025. Your answer should include a computation of the amount of tax payable on each transaction where applicable.

The following common mistakes were noted:

- (i) A wrong rate and realized value used by some candidates on transfer of land.
- (ii) Some candidates applied wrong rates and realized value of transfer of a three (3) bedroomed house.
- (iii) Some candidates failed to recognize that the transfer of Toyota Allion does not attract PPT.
- (iv) Some of failed to apply the right rate and realizable value on transfer of patents

In part (d) candidates were required calculate the amount of tax payable on his income from letting of properties for the year ended 31 December 2025.

Common mistakes noted:

- (i) Some candidates were using wrong time period of letting out of the residential and boarding house.
- (ii) Wrong computation of the gross rental income.
- (iii) Application of wrong rental tax rates by some candidates.
- (iv) Wrong computation of rental income tax paid and monthly rental income.

QUESTION FOUR

The general performance on this question was very good. Only 51 of the 74 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 68.9% was recorded. The lowest mark recorded was 0 while the highest was 25.

This question had two (2) parts; (a) and (b)

In part (a) candidates were required to calculate the amount of capital allowances claimable by Henry Kamwengo for the year ended 31 December 2025.

Common mistakes noted included the following:

- (i) Application of wrong capital allowance rates by some candidates, for instance on tractor, some candidates used a 50% rate.
- (ii) Some candidates used a wrong income tax value on old Tractor and irrigation equipment.
- (iii) Some candidates could not restrict the dwelling house to a K100, 000 each.
- (iv) Candidates failed to compute the final total capital allowances.

In part (b) candidates were required to calculate the adjusted farming profits for the year ended 31 December 2025 and the amount of income tax payable by Henry Kamwengo for the tax year 2025.

Common mistakes noted were as follows:

- (i) Failure by some candidates to disallow Kamwengo's salary.
- (ii) Failure by some candidates to add back the disallowable expenses such as loans to former employees written off.
- (iii) Some candidates failed to compute the correct Royalty tax.
- (iv) Candidates computed a wrong income tax liability and income tax payable.

QUESTION FIVE

The general performance on this question was very poor. Only 8 of the 59 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 13.6% was recorded. The lowest mark recorded was 1 while the highest was 18.

This question had four (4) parts; (a), (b) (c) and (d):

In part (a) candidates were required to explain the meaning of the ethical principles of objectivity and confidentiality as they apply in the provision of taxation services.

Common mistakes noted were as indicated below:

- (i) Lack of depth in the definition of objectivity and confidentiality principle by some candidates.
- (ii) Failure by some candidates to clearly define the terms, objectivity and confidentiality and the principles underlying
- (iii) Some explanations were literally off the mark and generalized.

In part (b) candidates were required to explain the meaning of tax evasion, stating any three (3) practices which may constitute tax evasion.

Common mistakes noted included the following:

- (i) out of context explanations by some candidates with the question requirement such as, ' fraud through wanting excess tax refund.

- (ii) Unrelated explanations by some candidates such as using non registered suppliers and non registered goods.

In part (c) candidates were required to calculate the amount of Value Added Tax payable by Olivin Ltd for the month of November 2025. You should indicate using a zero (0) any items on which VAT is neither chargeable nor claimable.

Among the common mistakes noted were the following:

- (i) Wrong calculation of standard sales by some candidates.
- (ii) Failure to compute the the sales returns.
- (iii) Application of wrong rates on standard purchases.
- (iv) Applying wrong rates on on overheads such as cleaning expenses and other overheads.
- (v) Some candidates failed to correctly compute the correct Output and Input VAT.
- (vi) Some candidates failed to compute the VAT payable.

In part (d) candidates were required to state any two (2) advantages and two (2) disadvantages of accounting for value added tax under the cash accounting scheme (receipt basis).

Common mistakes noted included the following:

- (i) Failure by some candidates to state anything on the issue.
- (ii) Unrelated explanations by some candidates such as:
 - (a) Expenses can be tracked easily.
 - (b) Possibility of cash being stolen.
 - (c) Handling cash can be tedious.
- (iii) Some candidates explanations were off the mark and unrelated to the question requirement.

Overall performance of candidates

Highest mark obtained in this paper:	77%
Lowest mark obtained in this paper:	14%
Overall pass rate in this paper:	50.6%

SUBJECT: DA 11-PRINCIPLES OF AUDITING

QUESTION ONE

The general performance on this question was poor. Only 44 of the 151 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 29% was recorded. The lowest mark recorded was 0 while the highest was 21.

Part (a) of the question required candidates to describe four factors other than the preconditions for an audit that auditors should consider prior to accepting a new audit engagement. Candidates are expected to clearly understand matters to consider at different stages of appointment including matters to consider when deciding to bid for the offer of audit services and matters to consider before accepting appointment when nominated by the prospective client.

Part (b) required candidates to describe six audit risks and suggest suitable responses in planning the audit of the financial statements of Shimbi Co. Audit risk has been examined in this same manner in previous examinations.

In part (c), candidates were required a description of four substantive audit procedures that should be performed in the audit of warranty provisions. The performance in this part of the question was below expectation with a sizeable number of candidates scoring less than half the available marks.

Part (d) had two sub requirements. The first part required candidates to explain the responsibility of Mukuba Co with regards compliance with laws and regulations by Shimbi Co. It is important that candidates should have observed that Mukuba Co are the auditors. While a few candidates got this part of the question correct, most candidates did not get any marks for suggesting that Mukuba Co is responsible for ensuring that Shimbi Co complies with relevant laws and regulation. This could amount to taking over the responsibility of management.

The second part of the question required candidates to explain two objectives of the audit firm regarding laws and regulations according to relevant auditing standards. ISA 250 *Consideration of laws and regulations in an audit of financial statements* gives guidance in this area. Most candidates could not explain the objective of the auditor especially considering that they did not know the responsibility of the auditors with regards compliance with laws and regulations.

QUESTION TWO

The general performance on this question was poor. Only 54 of the 152 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 35.5% was recorded. The lowest mark recorded was 0 while the highest was 22.

Part (a) of the question required candidates to explain four deficiencies in the payroll system of Build Construction and to suggest a suitable recommendation to remedy the deficiency. A majority of candidates scored half or more of the available marks. Internal controls have been

examined in this manner many time in the past and this is likely to continue in future examinations.

Part (b) was divided into parts (i) and (ii). Part (i) required candidates to explain four internal controls that should be implemented on the cash system of Build Construction Ltd. Most of the candidates scored maximum marks and ably suggested suitable internal controls for the cash system of Build Construction Ltd.

Part (ii) required candidates to explain four areas that are important for the auditor to gain an understanding of the entity's computerized accounting information system of Build Construction Ltd. This is required in planning an audit according to the provisions of ISA 315(Revised) *Assessing the risk of material misstatement through understanding the entity and its environment*.

In part (c) candidates were to explain three methods of obtaining evidence in the audit of the financial statements of Build Construction Ltd. This is a general knowledge question and could have been answered without using the information in the scenario.

It was disappointing to note that a sizeable number of candidates could not explain the methods used in obtaining evidence.

Part (d) required candidates to explain three financial statements for any expenses extracted from the draft financial statements of Build Construction Ltd. A majority of candidates explained the financial statements assertions for an expense. There were a few who instead of explaining assertions for an expense, they explained assertions for an asset instead of doing this in part (ii) below.

Candidates were further required candidates to explain three financial statement assertions for any one asset extracted from the draft financial statements of Build Construction Limited. A majority of candidates correctly explained assertions for an asset in the extracts from the financial statements. There was a number of candidates that simply stated assertions with no explanations. Candidates are reminded that they need to consider the verbs used in the question requirements.

QUESTION THREE

The general performance on this question was good. Only 77 of the 147 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 52.4% was recorded. The lowest mark recorded was 0 while the highest was 24.

The question was divided into parts (a) and (b). Part (a) required candidates to explain six ethical issues that may affect the independence of the auditors in the audit of Nongo Ltd and to suggest suitable responses. Most candidates scored high marks in this question which contributed to the high average score.

Part (b) required candidates to explain the term 'control environment'. This refers to the control environment in the client companies and basically deals with management's attitudes to controls. The control environment is either strong or weak and will impact the approach of

the audit. While most candidates did explain the term control environment correctly and scored maximum marks, there were candidates who did not earn any marks because they clearly did not know what the term meant.

Part (b) further required candidates to explain four strengths in the operation of the control environment of Chilanga Airline. To be able to satisfactorily answer this question, candidates needed to know the theory on corporate governance and the best practice principles. Some candidates were not able to identify and explain the required 4 strengths. It would appear candidates are more familiar with identifying and explaining weaknesses in a given scenario. There were others that tried to answer the question without using the information in the scenario. Others discussed weaknesses which was not the question requirement.

The final part of the question required candidates to explain the audit response based on the outcome of planned tests of controls in the audit of the financial statements of Chilanga Airline. Candidates needed to understand the importance of internal controls in an audit and that external auditors perform tests of control to test the effectiveness of the internal controls. The results of the tests of controls will determine the approach that the auditors will follow between a combined approach or a substantive audit approach. Most candidates could not explain satisfactorily the auditor's response from the results of the planned tests of controls.

QUESTION FOUR

The general performance on this question was very poor. Only 2 of the 59 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 3.4% was recorded. The lowest mark recorded was 0 while the highest was 17.

Part (a)

This part of the question required candidates to explain four audit procedures required to verify the mining equipment.

As previously observed, the performance in questions on audit procedures was poor with most candidates scoring less than half the available marks. Some candidates explained financial statement assertions for mining equipment which was not the question requirement.

Part (b) was divided into three. The first part of the question required candidates to explain two pieces of information expected in the working papers on the use of analytical procedures.

A majority of candidates did not earn any marks in answering this part of the question. This can only be attributed to candidates not understanding analytical procedures and that the procedures undertaken should be recorded in the audit working papers. Among other matters to be recorded are the actual analytical procedures performed and the results of the analytical procedures.

The second part required candidates to explain the importance of engaging a mining expert on the audit of the financial statements of Teka Mining Ltd. Candidates needed to bear in mind the areas the accountants are not specialized in, such as valuing closing inventory and work in progress in the mining environment. Candidates lost marks for not evaluating the need for use of the work of an expert in areas where the auditors are not experts. Candidates

lost marks for explaining who experts are without describing the need for an expert in the audit of the financial statements of Teka Mining Ltd.

The final part of the question required candidates to explain three areas in which audit software could be used in the audit of Teka Mining Ltd. Audit software is used to perform audit procedures that otherwise would have been performed manually. To be able to answer this part of the question satisfactorily candidates needed to have audit procedures that would be performed manually and describe how audit software would perform these. A majority of candidates showed lack of understanding of audit software and ended by simply explain the meaning of audit software which did not address the question requirement.

Part (c) required candidates to explain four audit procedures regarding the material uncertainty in the audit of Teka Mining Ltd. The majority of candidates either did not attempt to answer this part of the question or could not provide the four required audit procedures. A significant number simply seemed not to know what material uncertainty is and as such could not suggest suitable procedures that needed to be undertaken.

The second part of (c) required candidates to explain two matters that should be communicated to Those Charged With Governance in the audit of Teka Mining Limited's ability to continue as a going concern.

Candidates should have considered the provisions of ISA 260 *Communicating with those charged with governance* in attempting to answer this part of the question. Among such matters are any matters that the auditors consider significant in the conduct of an audit and the existence of material uncertainty is one such matter and auditors would require to communicate the nature of the matter causing the material uncertainty and the impact that this would have on the audit report and the opinion.

A majority of the candidates who answered this question could not satisfactorily answer this part and in a majority of instances did not attempt to answer the question thereby losing all the possible marks.

QUESTION FIVE

The general performance on this question was very poor. Only 11 of the 91 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 12% was recorded. The lowest mark recorded was 0 while the highest was 22.

Part (a) two sub requirements as indicated below:

- (i) This part of the question required candidates to explain the meaning of the term *reasonable assurance* for two marks. A majority of the candidates scored maximum marks. A sizeable number of candidates scored maximum marks in answering this part of the question. There were candidates that did not score any marks in answering this part of the question.
- (ii) This part of the question required candidates to distinguish agreed upon procedures from review engagements. Candidates should simply have explained what each of these mean and this will have demonstrated their understanding of them. It was clear

from the answers given that a majority of the candidates did not fully understand each of the two possible engagements that could be entered into by auditors.

Part (b) of the question required candidates to explain why the auditors in the audit of the financial statements of Wanga Beauty Parlor Ltd will not be considered to have breached the ethical principle of confidentiality for disclosing the legal activities to responsible authorities. Candidates needed to demonstrate that they understand the exceptions to the ethical principle of confidentiality particularly when a client is involved in illegal activities and when the disclosure is in the public interest.

Most of the candidates who attempted this part of the question scored maximum marks and explained the exceptions to the ethical principle of confidentiality using the information in the scenario.

Part (c) required candidates to explain five weaknesses in the governance system of Wanga and to suggest measures to improve each weakness. Most of the candidates scored half or more of the available 10 marks.

Part (d) of the question required candidates to explain three forms of modified opinions and to explain the circumstances under which each of the three will be appropriate. Candidates needed to address the two aspects of the question in order to score maximum marks.

The performance in this part was poor and below expectation as has been observed in past examinations on questions on reporting. This is an important part of the syllabus and is likely to be examined consistently in future examinations.

Overall performance of candidates

Highest mark obtained in this paper: 77%
Lowest mark obtained in this paper: 3%
Overall pass rate in this paper: 26.5%

SUBJECT: DA12- GOVERNANCE AND CORPORATE LAW

QUESTION ONE

The general performance on this question was very good. 48 of the 66 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 72.7% was recorded. The lowest mark recorded was 2 while the highest was 25.

The question was on the principles of governance, namely, integrity and accountability and fairness and responsibility. It also covered directors as agents of the company, characteristics of a floating charge, insider dealings and its implications. Candidates answered the first part of the question very well, except that majority of the students did not explain the characteristics of the floating charge and some candidates did not satisfy the explanation of insider dealing and its implications. The foregoing points to lack of preparation on the part of the students. In future candidates should be able to read and understand the topics in detail.

QUESTION TWO

The general performance on this question was poor. Only 25 of the 66 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 37.9% was recorded. The lowest mark recorded was 0 while the highest was 22.

The question had three parts. It focused on Company Articles of Association, grounds for lifting corporate veil and the role of Chief executive officers. In future, students must be encouraged to fine tune the studying to learning outcomes and the required detail in all aspects of the syllabus.

QUESTION THREE

The general performance on this question was poor. Only 15 of the 36 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 41.7% was recorded. The lowest mark recorded was 4 while the highest was 22.

The question had two parts.

- (a) This question focused on company law, the duties of company directors. Candidates answered this question very well. A few seemed not to know the duties of company directors.
- (b) The question wanted students to demonstrate their understanding of business associations. Most students did well in this category. Going forward candidates are encouraged to devote enough time to their studies. In future, students must be encouraged to fine tune the studying to learning outcomes and the required detail in all aspects of the syllabus.

QUESTION FOUR

The general performance on this question was good. 32 of the 64 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 50% was recorded. The lowest mark recorded was 4 while the highest was 23.

This question comprised of five parts and candidates did extremely well in this question.

- (a) This part focused on prospectus. Candidates explained this well and all future students are encouraged to read widely on company formation.
- (b) This part focused on preference shares and Candidates answered this question well.
- (c) This part required students to demonstrate their understanding of directors' duties in a company set up. Candidates understood this question and answered adequately.
- (d) Candidates clearly explained the duties of directors in company law.
- (e) Candidates largely repeated what they had written in part (d), as the focus of this question was indirectly addressed in their earlier responses.

Generally, most candidates left out those parts and those who did, did not write much showing that there is selective reading during studies and thus candidates did not expect such questions.

QUESTION FIVE

The general performance on this question was good. 18 of the 31 candidates that attempted the question got 13 and above marks out of 25. A pass rate of 58% was recorded. The lowest mark recorded was 2 while the highest was 18.

The question had two parts.

- (a) Candidates answer this question well. Demonstrating a good understanding of winding up
- (b) The question was quite packed, and candidates did not address it fully with many preferring only to adequately address part ii of it.

The question was very basic and easily understood by the candidates. The few who failed did not do well owing to their own unpreparedness. In future, students must read and prepare widely.

Overall performance of candidates

Highest mark obtained in this paper:	81%
Lowest mark obtained in this paper:	3%
Overall pass rate in this paper:	68.2%