

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN MALAWI

DECEMBER 2014 EXAMINATIONS

CERTIFICATE IN FINANCIAL ACCOUNTING

PAPER FA 2: PRACTICAL MATHS AND COMPUTING

EXAMINER'S REPORT

GENERAL COMMENTS

The paper was well balanced in terms of syllabus coverage and fair in terms of difficulty of test items. There was a fair distribution between questions requiring calculations and discursive.

Although the paper looked fairer than that of June 2014, the overall performance of the candidates has been below average. They performed poorly in all areas that were covered i.e. calculations in simple arithmetic as well as descriptions in computing. The candidates' responses revealed that they were not familiar with most of the mathematical and computing terms as they failed to express themselves clearly when answering discursive questions. This poor performance could be attributed to lack of adequate preparation on the part of the candidates and failure to understand the questions.

All the questions were attempted by the candidates, though questions 5 and 7 were scored highly and questions 4, 3 and 6 were poorly scored. Most candidates abandoned questions 5 and 6 possibly because they had inadequate knowledge on how to deal with them.

The paper was divided into two sections A and B. Section A had four questions worth 60 marks. Candidates were required to answer all questions in this section. Section A contained short answer problems. Section B had three problems which were worth 20 marks each. Candidates were asked to answer any two from this section.

COMMENTS ON INDIVIDUAL QUESTIONS

QUESTION 1

All candidates attempted this question but most failed to score more than half of the maximum allocated marks for the question. Most candidates showed lack of knowledge in the conversion of numbers from one base to another (binary to hexadecimal) and coming up with unions and intersections from a Venn diagram.

The question on volume was treated as if it was looking for the area of the pond by most of the candidates. Candidates that realized that this involved volume had difficulties converting cubic meters to cubic centimeters as they were multiplying by 1000 instead of 1000000.

QUESTION 2

Part (a) of this question asked candidates to sketch a graph and find the coordinates where the lines intersect and part (b) asked them to demonstrate knowledge of fractions in solving practical problems. Most candidates found it difficult to sketch a straight line graph and they resorted to drawing it using table of values, and coming up with the coordinates of points of intersection by substituting the values of $x=0$, $y=0$, and $y=2$ into the equation $y=4x-2$ instead of using the sketched graph as required by the question.

Most candidates lost marks in part (b) because they did not understand the question. They treated the fractions as if they were the remaining tea that Mary had instead of adding everything up and subtracting it from one.

QUESTION 3

This was poorly answered by most candidates. The question wanted candidates to demonstrate knowledge of probabilities. Most candidates found the probability of the two people by adding $0.3 + 0.3$ and $0.7 + 0.7$ instead of finding the product of 0.3×0.3 and 0.7×0.7 . Some of the candidates who multiplied 0.3×0.3 gave 0.9 as the answer instead of 0.09.

In part (b) candidates who had prepared well in computing were able to give correct definitions of the terms used in computing though most candidates failed to define the terms.

QUESTION 4

Part (a) of this question wanted candidates to use simple accounting procedures in business and private enterprise through the use of compound interest and part (b) asked candidates to define some terms in computing.

In part (a) some candidates confused compound interest with simple interest. The use of the formula $A = P(1+r/100)^n$ was common but candidates had problems in distinguishing compound interest payable yearly with that of monthly. As a result they were dividing 1.5% and 1% by 12 while others used 2 years instead of 24 months for the value of n .

Part (b) was poorly done by most candidates. This indicated lack of knowledge of the material by these candidates.

QUESTION 5

This was the most shunned question although it was the one that was mostly done well by candidates that attempted it. Part (a) of the question asked candidates to define non-mutually exclusive and independent events as applied in probability. Part (b) wanted candidates to apply knowledge about measures of central tendency in everyday life situation and part (c) was about solving a practical problem in accounting and business transaction. About half of the candidates managed to work out the problems correctly and the rest failed due to lack of knowledge, faulty calculations and lack of basic facts in mathematics.

QUESTION 6

This was another question that proved to be difficult to the candidates. Part (a) required candidates to analyze and calculate the net present value of a project to be undertaken by a company and part (b) to advise the company whether to continue with the project or not basing on the gains or losses anticipated. Most candidates failed the question because they used wrong values of cash flow and discount factor for the different years. Candidates failed to scoop the marks in this part because they failed part (a).

QUESTION 7

The question was popular of the elective questions candidates were given to choose from. The first part wanted candidates to describe hardware and software components that make up the “electronic office” and part (b) asked candidates to mention any five ways in which an E-mail has impacted on work practices. The first part of the question was confusing to most candidates as they understood it as looking for the five hardware and five software parts of the computer not of an electronic office. The second part was also fairly done by most candidates that attempted it.

CONCLUSION

It was clear from the performance of the candidates that most of them were ill prepared for the examination. This was revealed from their failure to solve simple arithmetic problems and even give clear descriptions of the terms in computing.

RECOMMENDATION

- Candidates must be encouraged to start each question on a fresh page to make the work look tidy and easy to read by examiners.
- Candidates must be encouraged to read widely and practice.
- The tuition providers must attempt to cover the whole syllabus.
- The tuition providers must pay attention to the discursive part of the syllabus as well as the computing part.
- Candidates must be encouraged to read the questions carefully before they start answering.

- Candidates should be offered examination tips or techniques (how to make correct choices of questions and how to answer questions)