



THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS IN IRELAND

EDUCATORS' BRIEFING 2018/2019

FORMATION 2

FINANCIAL ACCOUNTING

Comments on Performance in 2018 Examinations

There was a welcome increase in the number of candidates passing in the April and August sitting from the previous year which is pleasing to note. Some specific comments follow relating to the answers provided by candidates in the 2018 examinations.

Question 1

- The marks for Question 1 for the April and August sitting were increased from the previous year which is pleasing to note. Part (a) in the April sitting was well answered but dipped in the August sitting. The performance of students in Part (b) improved in the April sitting compared to the previous year but levelled off in the August sitting. This section carries the most marks on the exam paper and if a student is to pass the paper, they need to perform well this question. Students demonstrated a lack of knowledge on topics and the lack of journal entries in some of the solutions was noticeable. Therefore, students need to strongly focus on this question if they wish to do well in the exam.
- Candidates ***are not*** showing the double (journal) entries for the relevant adjustments which is impacting on their marks. Candidates have to realise the importance of, and the widespread use of, double entry in accountancy and therefore should understand why accountancy bodies place such emphasis on them in the exam papers.

Q2 and Q5 April and August 2018 – Bank Reconciliations, Control Accounts and Cash Flow Statements

- These three topics were well answered questions particularly in the April sitting. This is pleasing to note.

Q3 April 2018 and Q3 August 2018 – Standards Question

- This question on both papers was not answered particularly well especially in the April sitting. Students need to be able to understand and know the standards and apply that knowledge gained to the questions.

Q4 August 2018 – Suspense

- A poorly answered question on the paper which was disappointing. Students displayed a lack of ability to perform journal entries and answering all parts of the requirements in the question.

Q4 April 2018 – Partnerships

- This question was a reasonably well answered question in this sitting with students answer both sections equally.

Other

- Candidates **need to attempt the required 4 questions** with candidates who attempted less than the required number of questions not reaching the required pass mark to proceed to the next level.

Learning Outcomes

- The aim of the subject is to ensure that candidates develop a knowledge and understanding of the role, function and basic principles of financial accounting and **master the rules of double entry** bookkeeping.
- Candidates also develop the ability to prepare, analyse and report on the financial statements for basic reporting entities in accordance with International Financial Reporting Standards (IFRSs). The learning outcomes are published in the detailed syllabus.
- The concepts and principles learnt in this subject are an essential foundation for the later studies of Corporate Reporting, Advanced Corporate Reporting, Auditing and Audit Practice and Assurance Services.

Syllabus Changes

- Details of the Examinable Material applicable to this examination are provided on pages 92 to 99 of the 2019 Syllabus.
- It is important to note the issue / revised date as published on pages 92 to 93 of the syllabus indicates the version of a standard that is examinable

Format of the Examination Paper for 2019

- There are 5 questions on the exam paper.
- Question 1 is compulsory and candidates can answer any **3** of the other questions.
- Questions will be marked from questions 2 to 5 even where a candidate submits answers to all 4 of these questions. The examination paper is designed and moderated on the basis that candidates should only be able to successfully complete the requisite number of questions. Attempting more questions than is required merely serves to reduce the time that should duly be allocated to other questions.
- Any candidate answering all of the questions 2 to 5 must clearly show which answer is not to be marked. Otherwise, only the first 3 of these questions to hand will be marked.

Education Focus for 2019

- The examiner **will attempt** to examine material from all five sections of the syllabus over the course of both examinations but is not bound by this i.e. 2 topics may be examined from 1 section of the syllabus.
- It is essential at this examination stage that candidates have a thorough understanding of double entry.