



THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS IN IRELAND

EDUCATORS' BRIEFING 2018/2019

Professional 1 Auditing

Comments on Performance in 2018 Examinations

April 2018

This was the first exam sitting incorporating the multiple choice question (MCQ) format for question 3 and the two opening questions worth 30 marks each. Successful candidates were able to demonstrate their wide understanding of the auditing syllabus.

The paper was well received and candidate's answers were of good quality with regards to content and presentation.

Question 1

A question requiring discussion and analysis of the management of receivables and the audit of credit balances.

In relation to part (a) comprehensive answers addressed both requirements of the memorandum, namely to provide general and specific guidance and showed each part distinctly.

Part (b) of the question required the candidate to advise as to how in future years the audit team could develop an independent expectation for total discount allowed during the performance of substantive analytical procedures, candidates who scored well in this section identified and advised on specific procedures.

Part (c) was generally well answered while some candidates for part (d) did not actually answer the question that was asked.

Question 2

Candidates in part (a) (i) at times confused procedures generally carried out during an inventory count with those undertaken prior to an inventory count as requested and therefore did not receive all the marks on offer. Parts (ii) and (iii) answered well.

Part (b) generally well answered but some candidates included issues (such as depreciation) that had little substance relative to a question largely about inventory.

Question 3

The MCQ format allowed for broad examination of the course thereby enabled students who were well prepared to display their knowledge and score well. Future questions 3 will continue in this approach and may also include questions on relevant articles written for and published by the institute.

Question 4

Question on audit reports that was generally well answered the only issued related to part (b) where candidates were requested to provide relevant examples of use. These were not provided by some candidates in their answers and hence potential marks were missed.

Question 5

A less proscriptive question than other questions on the paper with candidates having to formulate their answers largely themselves. Some candidates managed to do this but others did not appear to be able to think their way to an appropriate answer.

Answers were generally generic and only some candidates composed their answer inline with what was required to be included in the brief.

August 2018**Question 1**

A common mistake for candidates who performed poorly in part (a) was that they merely outlined advantages and disadvantages of the procedures and provided little else, thereby not addressing the question. Part (b) some candidates lacked knowledge as to what criteria should be applied for the recognition of the cost of PPE.

Question 2

Part (a) a comprehensive answer included specific reference to the role of directors and others charged with governance. Some candidates' answers were too generic.

Part (b) not well answered.

Part (c) and (d) generally well answered

Part (d) some candidates did not link their answers to the information in the question and some of the suggested functions were not realistic.

Question 3

Generally a well answered question, with candidates recording a wide spread of marks.

Question 4

Generally a well answered question. However, some candidates failed to provide a relevant answer to part (b) apparently lacking in the knowledge of adjusting/non-adjusting events and/or unable to provide valid reasons to support their classification as adjusting or non-adjusting.

Question 5

A well answered question with no issues to highlight.

Information relevant for examination papers for 2019

Details of the learning outcomes applicable to this examination are provided on page 58 of the 2019 Syllabus.

Details of the syllabus and other issues applicable to this examination are provided on pages 58 to 62 of the 2019 syllabus.

Format of the Examination Papers for 2019:

The format is unchanged from the 2018 sittings.

Time allowed: The exam will still be 3 hours in length, plus 10 minutes reading time. Number of questions: There will be no change, i.e., the paper will consist of five questions, three compulsory questions and any one of two optional questions. Questions are marked as follows:

Section A (Three compulsory questions)

Question 1: Compulsory 30 Marks

Question 2: Compulsory 30 Marks

Question 3: Compulsory (MCQ) 20 Marks

Section B (Only **one from two** optional questions)

Question 4: Optional 20 Marks

Question 5: Optional 20 Marks

The papers for 2019 will attempt to cover a broad area of the syllabus over the course of both examinations. However, more than one topic may be examined from one section of the syllabus.