



THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS IN IRELAND

EDUCATORS' BRIEFING 2020/2021

FOUNDATION - FINANCIAL ACCOUNTING

Comments on Performance in 2020 Examinations

There was a sizeable number of candidates passing in the April and August sitting which is pleasing to note. Please see some specific comments on the 2020 answers provided by candidates.

Question 1

- The marks for Question 1 (b) for the August sitting were of a satisfactory standard. Part (a) in the August sitting was in the main answered well. Part (b) carries the most marks on the exam paper and if a student is to pass the paper, they need to perform well in this part of the paper. Students demonstrated a lack of knowledge on topics such as provisions and intangible assets 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. Other common errors included accounting for the revaluation loss and the bad debt write off.
- 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 August 2020 – Control Accounts

- This question was reasonably answered with most students making a decent attempt but very few getting all aspects of the question correct. Areas that students encountered problems included accounting for the contra as well as the discount allowed incorrectly included.

Q3 August 2020 – Standards Question

- This question on the August sitting was answered quite well. Students need to be able to understand and know the standards and apply that knowledge gained to the questions.

Q4 August 2020 – Partnerships

- A poorly answered question on the paper which was disappointing especially since this is a topic which is frequently examined with students finding difficulty in splitting the profit for the year between the old and new partnerships. Students displayed a lack of knowledge in answering parts of the requirements in the question. Students answered the theory part of the question well.

Q5 August 2020 –Cash Flow Statements

- This topic was well answered which is pleasing to note.

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. This was very evident in the April sitting this year.

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 Financial Reporting, Advanced Financial Reporting, Audit and Assurance and Advanced Audit and Assurance.

Syllabus Changes

- Details of the Examinable Material applicable to this examination are provided on pages 84 to 89 of the 2021 Syllabus.

Format of the Examination Paper for 2020-21

- 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 2020-21

- 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.