

Examiners Comments

Summer Exam – 2023

Examiner's Comments

Financial Accounting Summer Exam – 2023

General Comments on Examinees Performance

Those syllabus areas which showed weaknesses on the part of the candidates are identified in the Comments on specific questions. It was evident from the scripts that candidates were not prepared with an adequate conceptual underpinning of knowledge to respond to questions which required explanation and evaluation.

Question Wise Comments

Q. No.	Comments
1	a) i, ii, iii & b) More than 50% of the candidates were not able to prepare the ledger accounts correctly and the main reason for a loss of marks was the failure to distribute the amount between part-exchange and cash paid on new asset. Some failed to calculate even the Depreciation figure correctly.
2	The response to this question was an average one. Candidates lost marks due to a failure to calculate the figure for commission.
3	a) b) & c) Revealed some misunderstanding on stock valuation. Whilst it is commonly calculated as being at cost, there is the alternative valuation of net realizable value if it is lower than cost, as in this question.
4	The majority of the candidates provided the correct calculation to this part. Generally, an inability to provide the correct explanation here was reflected in the responses.
5	Candidates did not provide comprehensive answers to this question.
6	The final accounts question gave candidates the opportunity to gain a substantial number of marks. Overall, this question was well done. However, Candidates must learn and write the format in accordance with international financial reporting standards.
7	There were mixed responses with some average answers and others where candidates were not too sure of what they were doing.
8	This question was also not well answered. The need for interpretative skills, needs to be practiced and developed.

Examiner's Comments

Business Communication and Report Writing

Summer Exam – 2023

General Comments on Examinees Performance

Overall performance remained average. The performance of the examinees who had prepared for the exams from the recommended study material was commendable, and unfortunately, they were few in number. A trend of not solving the entire question paper was seen. The examinees failed to manage time. They often wrote unnecessary long answers to a few questions and could not solve remaining questions; it affected their marks badly.

Question Wise Comments

Q. No.	Comments
1	Very few examinees who knew what context means wrote perfect answers while rest others were not familiar with the term. Moreover, some confused context with content and their answers were altogether wrong.
2	(a) Though in their own words, the majority of examinees, managed to write correct answers. However, part iii. Bridging Gaps was not correct in many answers. (b) The definition of Active listening was correctly written; just a few knew what Empathy means.
3	The diagram was explained well by almost all examinees.
4	(a) This question was answered correctly by most of the examinees. Only those with inadequate language skills could not write good answers. (b) Majority of students were not familiar with PODCASTING. A few who had knowledge wrote very good answers.
5	Very few students wrote the answers as per requirement while most of them had no idea of solving such questions.
6	The examinees who have studied the book wrote the exact words from the book while a few tried to write in their own words.
7	All the candidates, except for a very few, could not understand what the diagram was elaborating. It was depicting stages of negotiation (the aspect of speaking skill) and they failed to recognize and tried to explain in their own way with random guesses.
8	In most of the answers, the format of circular was a disaster. Examinees did not know where to place sender's name and designation etc. However, the content of the circular was acceptable.
9	This question encountered the worst answers. Most of the examinees took Discussion board as the discussion during a board meeting. This happened because of lack of knowledge as well as not studying the recommended study material according to the prescribed syllabus content.
10	The question was simple and easy. Although all examinees attempted it, yet a few could

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	write quality answers.
11	(a) Not all students were familiar with the components of a business report. (b) Most of the students picked the correct meanings of BIG YOU LITTLE ME, while many others tried to explain in their own words. A few wrote very childish explanations. (c) Around 50% wrote correct answers and rest was not familiar with the types of reports asked in the question.
12	Just a few wrote correct precis. Majority did not know the rules of writing a precis. A few even wrote precis longer than the given passage. A precis must be written in one paragraph and the examinees did not know this as well.

➤ **Suggestion:**

1. Study thoroughly all topics and clarify your concepts on all terminologies included in the syllabus.
2. Learn formats of correspondence.
3. Don't write answers longer than the requirement and try to adjust the length according to the marks.
4. Practice past exam question papers.

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Taxation Summer Exam – 2023

General Comments on Examinees Performance

The overall performance in this session was below average. It seems that students did not cover the entire syllabus and lack of practice on behalf of students was also observed. Students are advised to cover the entire syllabus and practice the scenario-based questions before appearing in the examinations.

Question Wise Comments

Q. No.	Comments
1	Overall performance in this question was not up to the mark. Students were unaware about treatment of zakat paid. Students were also ignorant about the treatment of foreign income and foreign tax credit.
2	This question requires treatment of capital gain on shares of private, public listed and unlisted companies. Question was not attempted correctly. Students were failed to recognize the difference of treatment between capital gain on securities and other shares. (a) This was a theoretical and easy question. Overall performance was average. (b) Performance was not good in this part. Students were unaware about taxation on disposal of immovable property.
3	(a) This was a theoretical question asking the treatment of some business expenditures that whether they are admissible or not. Performance was average in this question. (b) Easy and straightforward question. Some students secured passing marks.
4	Performance was inadequate in this question. Students did not correctly calculate the income of AOP. Also, the students were found ignorant about the treatment of share of partners from AOP that whether it is exempt or taxable.
5	(a), (b), (c) These were knowledge-based questions. Some students got average marks in these questions. (d) Most of the students were unaware about the fact that is required to intimate the Commissioner in writing about discontinuation of business and that if any income is received after cessation is also taxable in normal manner.
6	Simple and straight forward question. Overall performance was average.
7	This was also a straight forward question and easy question. But most of the students did not secure passing marks.
8	Knowledge based question about Federal Excise Act. Students did not attempt the question well.

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9	<p>Overall performance in this question was average. Some students got passing marks in this question. Some common mistakes in this question are as under:</p> <ul style="list-style-type: none">(i) Adjustment of input tax on invoice not received.(ii) Input tax on invoices that could not be claimed in the relevant period.(iii) Adjustment of tax credit of previous months.
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Management Strategy Summer Exam – 2023

General Comments on Examinees Performance

The overall performance remained quite inadequate. The most common error was that examinees didn't try to understand the exact requirement of the questions and many of them somehow thought it prudent to write whatever they knew about the given topic. This aspect would be further discussed in the question wise comments.

Further, many examinees wrote lengthy introductions before mentioning the required answers. Precious time which was wasted in this manner should have been utilized in understanding the requirements of the questions and thinking about points which were missed; since in most cases the examinees could mention few points and missed the rest. Apparently, most of the students did not have thorough knowledge and relied on their general understanding and experience to answer the questions.

Question Wise Comments

Q. No.	Comments
1	<ul style="list-style-type: none">i. The requirement was to specify the controls in the given situation. Instead, many students gave steps needed to apprehend the culprits. Many students gave very generalized statements such as improve the system, improve the software and hardware, etc.ii. The requirement was to suggest measures to minimize chances of compromise of passwords. Most of the students could give one or two valid points only. Many students gave totally erratic answers such as suggesting that management should change the passwords and that the passwords should only be shared with those whom you know. Some students gave totally irrelevant controls which had no relationship with passwords.iii. Instead of specifying the controls which would ensure the safety of data even after hacker has been able to intrude into the system, about 50% of the students specified controls for countering hacking attempts.iv. This was one of the most poorly answered question as only few students produced correct answers.
2	<ul style="list-style-type: none">i. The requirement was to specify which issues a company should consider while deciding to outsource its IT function. Partially correct answers were witnessed as most students gave one or two correct points and added a number of incorrect or irrelevant points. Many students discussed the importance of IT function which was totally irrelevant.ii. The requirement was to specify matters to be considered for evaluating the firm to whom IT function is to be outsourced. Here also, only one or two correct points were given. In most cases, the students repeated the same points in different ways. Many students gave very general points like vendor should be competent, experienced, etc. and lost marks.
3	This was one of the most poorly attempted questions. Most students gave totally incorrect answers and gave incorrect examples like vision and mission, long-term plans, short-term

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	plans, budgets etc.
4	About 50% of the students described strategic alliance reasonably. The other requirement was to give three examples of situations in which companies form strategic alliances. Most of the students gave one example only or gave one correct and other incorrect examples. Some gave general examples which are not acceptable, such as strategic alliance for improving profitability, sales, etc.
5	This was one of the better attempted questions. However, many students gave only external factors or only internal factors, whereas the requirement was to specify both types of factors.
6	Average performance was witnessed though perfect answers were rare as most students gave partially correct answers only. Almost all students need to improve their understanding about vision and mission statements. Many students gave inappropriate statement and were of the view that vision statement specifies future / long term plans of the company, whereas the mission statement gives the short-term plans and objectives.
7	Very few students gave correct answers. Most of the students appeared to have heard of the term cloud accounting but did not know any further. Only few mentioned about cloud providers and remote servers. A vast majority was of the view that it is some sort of software which could do all sort of accounting work and generate all sorts of reports with minimum intervention from the user.
8	Apparently, it was an easy question but the performance was somehow very poor. Most of the students were unable to understand the requirement which was to describe matters to be considered for finalization of architectural consultants for the construction of Head Office building. The examinees gave all sort of incorrect answers. Some even specified the procedure for obtaining approval of the construction project from the Board, the shareholders and the government. Some even challenged the very idea of constructing the building and discussed matters such as feasibility of the building.
9	The performance in this question was better as most of the students had some idea about a database and a spreadsheet. However, some examinees described the types of databases, which was totally irrelevant.
10	This was the easiest question but somehow it proved to be among the worst attempted questions. The requirement was to name four reports each, of strategic, tactical and operational nature. Students wrote all sorts of things except the examples of reports. In the case of reports carrying strategic information, most students wrote things like top management, board of directors, vision mission, etc. Similarly, in case of reports on tactical issues, most students simply wrote things like HR, planning, middle management, etc. Operational reports were covered in a better way, although in most cases only one or two examples were given.
11	(a) It was again a very poorly performed question as instead of describing the importance of KPIs, most students described the importance of the HR function. Some students even listed the activities of the HR department. (b) Answers to this part clearly indicated that the examinees had little idea as what a KPI is. In almost all cases, totally irrelevant answers were produced.

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Financial Reporting Summer Exam – 2023

General Comments on Examinees Performance

Overall performance of the examinees was average.

Some examinees were well familiar with the question requirements and scored good marks in the exam. Q1 and Q4 were poorly attempted as many of the students were unable to link the requirement with relevant accounting standards.

A repetitive issue with the numbering of Questions/Answers was found again. The examinees didn't arrange answers in accordance with the question paper. Most of the students did not even mention the question number in their answer sheet.

Presentation skills were not up to the mark as the students did not provide proper headings and where applicable, proper templates were not used.

Question Wise Comments

Q. No.	Comments
1	<p>This question was related to the passing of double entries for revenue under IFRS 15 in two parts. Generally, students showed a lack of knowledge of IFRS 15. The common mistakes were as under:</p> <ul style="list-style-type: none">• Different performance obligations were not properly identified and accordingly transaction prices were not allocated on the basis of Stand Alone Selling Prices• Recognition of cost elements in COS was missing by the majority of students• In part a recognition of revenue accounting entry was not calculated properly
2	<p>This question was related to passing journal entries for investment in debt instruments. Overall, below-average performance is seen in this part, common mistakes are as follows:</p> <ul style="list-style-type: none">• Transaction cost was not capitalized by many students while calculating the fair value of the instrument at the time of initial recognition. Some students deducted transactions.• Interest calculation was not done properly.• Fair value calculation at the reporting date was not calculated properly by many students.• Accounting entry of dividends was not recorded by many students.
3	<p>This question was related to the calculations of tax expense and basic EPS It was the average attempted question; general mistakes are as follows:</p> <ul style="list-style-type: none">• Majority of students did not calculate deferred tax and only considered current tax as total tax expense.• Donation to un-approved institutions was not added back while calculating the current tax expense by the majority of students.• Opening deferred tax was not calculated while calculating the current year charge of deferred tax by many students.• Bonus fractions was ignored by many students while calculating number of shares outstanding.• Majority of students wrongly calculated right fraction.

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4	<p>The question was related to the preparation of extracts of financial statements for impairment under IAS 36. Overall, the performance in this question was unsatisfactory, general mistakes are as follows:</p> <ul style="list-style-type: none">• Working for reversal of impairment loss in 2021 was not prepared by many students• Students showed a lack of knowledge regarding the preparation of extracts of financial statements and do not know the exact requirement.• Many students reverse impairment over and above the carrying amount of asset• Some of the students did not calculate value in use properly to calculate the impairment loss for 2020.
5	<p>This question was related to the capitalization of borrowing costs and the determination of the carrying amount (CA) of PPE. Many students performed very well but some common mistakes are as follows:</p> <ul style="list-style-type: none">• Many students while calculating CA did not consider the impairment of PPE• Some students ignored the deduction of interest income from total borrowing cost;• Borrowing costs was calculated in many cases by considering the full year rather than only 10 months.
6	<p>This question was related to the preparation of calculation of tax expense further second part was related to calculation of EPS. Many students performed very well but some common mistakes are as follows:</p> <ul style="list-style-type: none">• Many students did not calculate deferred tax;• While calculating taxable profits impact of donation and expense to be allowed over 5 years was ignored by many students.• Exempt income was not deducted from accounting profits to reach taxable profits. <p>In the second part many students didn't attempt EPS calculations. Further impact of bonus fraction and TERP for right issue was not calculated properly.</p>
7	<p>This question was related to the preparation of Consolidated Statement profit and loss and OCI in second part goodwill and CRE has to be determined. Generally, well attempted by students but the majority of students did not attempt the question completely. The common mistakes were as under:</p> <ul style="list-style-type: none">• Many students ignored deduction of fee paid to legal advisor amounting to Rs. 15 million already included in COI while calculating Cost of investment.• Share of pre-acquisition reserve was not calculated properly by many students• For deferred consideration discounting was not performed by many students while calculating cost of investment.• NCI share of goodwill was not calculated by many students.• Unrealized profit on the closing stock was not calculated properly and many students ignored that adjustment. Students used the margin approach for the calculation of extra profit instead of mark-up approach.• Interest income and expense on intra group loan was not adjusted by some students.

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| <ul style="list-style-type: none">• Extra depreciation for change in accounting policy for PPE was not calculated and incorporated by many students.• Students ignored the impact of contingent consideration while calculating goodwill.• Impairment of goodwill adjustment was not incorporated by many students• Many students just prepared some workings and did not prepare a Consolidated Statement of Financial Position. |
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Management Accounting Summer Exam – 2023

General Comments on Examinees Performance

A good paper to appraise management accounting skills of student. Paper covered breakeven analysis, budgeting, pricing, cost of capital, investment appraisal techniques etc. A few students performed well, whereas majority of students just bothered to appear in exam to mark attendance and secured less than 30 marks.

Question Wise Comments

Q. No.	Comments
1	Very few students attempted it correctly, mostly use generic terms to reply.
2	Almost all students attempted at maximum. Got 80% marks by majority of students.
3	A large number of students attempted this but a few numbers got full marks.
4	Almost all students attempted at maximum. Got 80% marks by majority students.
5	Very few students attempted it correctly, mostly use generic terms to reply.
6	A large number of students attempted this but a few numbers got full marks.
7	A large number of students attempted this but a few numbers got full marks.
8	It was a difficult question; students have no idea how to solve/attempt it.
9	Almost all students attempted at maximum. Got 80% marks by majority students.

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**Audit, Assurance & Ethics
Summer Exam – 2023**

General Comments on Examinees Performance

Students do not study and try to solve paper on general knowledge, they need to study ISA's Really badly.

Question Wise Comments

Q. No.	Comments
1	Almost everyone tried to answer it and some got it correct.
2	This question was answered correctly by many.
3	Inadequately attempted.
4	Not even attempted by most of students.
5	Some answered it correctly.
6	Answered correctly by many.
7	Very few answered it correctly.
8	Attempted by almost all and answered correctly by many students were aware of it mostly.

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Business Organization Summer Exam – 2023

General Comments on Examinees Performance

The overall performance remained inadequate. The examinees were totally unprepared in several areas of the syllabus and therefore very few could answer all the questions. Further, many students wasted a lot of time in giving an overview of the requirements of the question, which was not required at all.

Similarly, long introductions were written before answering the actual question. There also seemed a tendency to write extensively on the topics which the students thought they knew well. This precious time could have been used to better plan the answers and to think and include some of the simple points which were missed.

Question Wise Comments

Q. No.	Comments
1	<p>The requirement in this question was to specify the steps which could be taken to improve the foreign currency reserves of the country. The response was average. Most of the answers contained relevant as well as irrelevant points. A major issue was that many students used generalized statements like increase exports, reduce imports, etc. without specifying as to what steps may be taken to achieve that objective. Many students wrote about the importance of foreign currency reserves, which was totally irrelevant. Further, many students wrote steps to reduce fiscal deficit.</p>
2	<p>(a) The requirement was to distinguish between Strategic and Operational risks. Most of the students could not properly explain the strategic risks. Some wrote that risks of strategic nature are strategic risks. Many others wrote that risks faced due to the wrong policies of the top management were strategic risks. Operational risks were better explained by the majority.</p> <p>(b) The question contained a brief scenario, in which a Director of the company had expressed his views that operational risks should not be discussed in the Board's meeting as these were the responsibility of the management. The students were required to give their comments.</p> <p>A vast majority of students just repeated the question and said that they agreed / disagreed with the Director, without commenting as to the reasons behind their opinion.</p>
3	<p>This question was regarding Whistle Blowing Policy.</p> <p>(a) In this part, the requirement was to specify the instructions that needed to be given to the employees about the matters they should consider before blowing the whistle. Very few students gave pertinent answers. Most answers were totally irrelevant containing matters such as the importance of whistle blowing policy, what should management do when a complaint is received and the importance of keeping the complaint secret.</p> <p>(b) In this part, the requirement was to specify how the employees could be motivated to share matters of real concern only. Most of the answers stressed incentives such as bonus, increments and promotions. They failed to realize that whistle blowing is not something which should be encouraged in general. Rather, it is a rare event which should only be exercised in case of extreme need. Hence, such incentives are</p>

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	<p>not offered to the whistle blowers. Many students produced irrelevant measures such as long lectures on the importance of loyalty towards the company, importance of ending corruption and harassment etc.</p> <p>Most of the students rightly pointed out about some sort of action to discourage malicious reporting.</p>
4	<p>Most of the students were unaware about the concept of carbon neutrality. Surprisingly, many students ignored the word carbon and gave long answers on the aspect of neutrality of the management and the need to deal with all employees equally.</p> <p>While specifying the steps which the company could take to achieve carbon neutrality, many students mentioned steps which are required to be taken by the government, rather than the company.</p>
5	<p>Most of the answers were based on the Companies Act instead of Code of Corporate governance. A common mistake was that appointment of Board members was mentioned as one of the responsibilities of the Board.</p>
6	<p>The performance was quite poor as a large number of students combined the responsibilities of the Board and the management, instead of distinguishing between the two. Significant number of students gave totally irrelevant answers as they discussed the importance of Risk Management process.</p>
7	<p>(a) Extremely few students knew the difference between a rule based and a principle-based code of ethics. Most of the students produced irrelevant or incorrect answers like rule-based code is different for each company whereas principle-based code is the same in all companies. The opinion was almost equally divided among those who favored rule based or principle-based code but almost nobody could give a satisfactory reason to justify their opinion.</p> <p>(b) The answers to this part were much better as majority of the students gave some correct points.</p>
8	<p>This was one of the most inadequately attempted question. Significant number of students expressed the view that conflict of interest should not be tolerated. Some went to the extent of recommending that persons with conflict of interest should not be allowed on the Board. Similar views were expressed in case of related party transactions.</p> <p>The students need to know that having conflict of interest and related party transactions are a common event in almost all companies. The need is to make appropriate rules to avoid loss to the company. They should read some good text to understand how the companies deal with these.</p>
9	<p>The requirement was to specify eight factors forming part of the economic environment and give four examples of decisions that may be impacted by conditions prevailing in the economic environment. Majority of the student produced 4 to 5 correct points only. Many students explained the various external factors specified in PESTEL, which was totally irrelevant.</p>

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This was the most inadequately attempted question of the paper, as almost none of the students seemed to be aware of the term Business Continuity Plan, let alone the explanation thereof. Majority of the students wrote extensively on how the management should plan the long-term viability of the business, which was totally irrelevant.
