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CAP 1 POST EXAM REPORT

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Introduction:

This report has been compiled by CASSI by amalgamating the submissions from regional student societies following the summer 2010 CAP 1 exam sitting. The report has been broken down, to give an overview of each of the five CA Proficiency 1 (“CAP 1”) papers that were offered to candidates at the summer 2010 sitting, held between 24 - 28 May 2010.

Paper 1 – Finance

The Finance paper on the whole received a mixed response from students. Specific comments related to question 1, where students felt the question required a more detailed response than time would have allowed using the mark scheme as a guide. Students felt that the layout of the question added to the complexity of the question, within the exam environment, in particular, the narrative at the bottom of the table of data, was conducive to students missing vital data in the exam environment.

Students felt that Question 3, part a, awarded a lot of marks for an area that wasn’t expressly mentioned on the CAP 1 competency statement. The question was not clear to students regarding the specific topic being examined, i.e. whether it was about the EPS ratio or the use of accounting profit as a measure of performance. The marks awarded also were not considered to be in line with previous mark schemes, whereby students are to assume that 2.25 marks are to be awarded per specified point in order to make up 9 marks for the question.

In relation to question 7, students perceived this to be more difficult than previous examination questions on the area of personal finance, in particular part c relating to interest rate equivalents.

Paper 2 - Management Accounting:

Management Accounting was perceived to be a long and difficult exam. In particular, students were concerned with question 2 on standard costing. The question was perceived to be very open with no particular variances being specified to students to be calculated. Some students found it difficult to find a starting point in this question. Other students felt that the number of calculations required, was in excess of the time available using the mark available as a guide.

In relation to question 3, students expressed concerns over the food costs in relation to minimum guest numbers. Students felt that it was not completely clear from the question whether food would not be provided if there were fewer than 400 guests or if food would be charged at the price for 400 guests irrespective of how many attended the event.

Paper 3 – Financial Accounting

Students across the country commended CAI on the approach to this exam and felt that the standard of questions provided prior to the exams was sufficient to allow students to prepare for the exam. Students felt that the exam was challenging, with particular comments regarding question 7 citing time pressures with this particular question.

Paper 4a – Taxation (ROI)

In general, students found the tax paper highly challenging and theory focused, which is contrary to previous papers of this level.

In Question 1, the Income Tax Computation was perceived to be presented in a confusing manner due to the absence of schedule D, Case 3 or 4 workings and no schedule F which gave students the impression that it was more difficult to gain the marks reflective of their knowledge of the subject. Students would hope that the complexity and issues involved in this question would be taken into account when correcting this question due to the number of marks involved.

Question 2 and 3 were perceived to be more theory based this year compared to in previous years.

Many students felt the exam did not reflect the course in the absence of items such as DIRT, WHT and Dividends.

Comments were raised over the VAT question was theory based with no calculation- this was considered difficult as students felt VAT would be examined in a computational manner as opposed to theoretical.

Paper 4a – Taxation (NI)

The main complaint on the paper itself was that the exam was not felt to be representative of the course, with more theory included than in prior years. Topics involving a lot of time to study, notably Capital Allowances and VAT computations, were not represented at all in the paper. Students felt that they focused a lot of study time on these areas, however this was deemed to have been wasted given the style of the exam.

Comments on question 1 noted that it was quite difficult in comparison to prior years, with confusion over the inclusion of overlap profits. Benefits in Kind, regarded by students as a common area to encounter in practice was only slightly represented in this question.

Comments on Question 2 on mirrored comments from ROI in that the question was heavily theory based and included few computations.

Paper 4b – Law for Accountants (ROI)

Students felt there was confusion in relation to whether or not students were allowed to bring the Companies Acts into the exam. Students found this to be a long paper for only 2 hours with many of the more difficult areas of the course being asked in each question. Students also felt that there were fewer case based questions than in prior years, therefore did not allow students to demonstrate the case law that they had learned in preparation for their exams.

Paper 4b – Law for Accountants (NI)

Specific comments included that the exam contained an unfair amount of employment law. It was felt that this area wasn't given sufficient emphasis during lectures for its representation in the exam.

On question 2, relating to insolvency, comments stated that students were confused because the question initially discussed receivership (part (a) narrative) and a later part referred to the company going into administration (part (a) question (iii)).

Other comments mirrored the ROI version in that there was little opportunity to state case law in the paper leaving it difficult for students to convey the amount they had studied for the exam.

Other Comments:

Venue Comments: Students complemented the excellent location and parking at the Bishopstown GAA club in Cork. The invigilators were commended in the way all questions were answered clearly and adequately with all instructions given in a clear, concise and straightforward manner.

Revised Timetable: Students indicated that they preferred the revised timetable which was implemented in the Summer 2010 sitting to accommodate the repeat sitting of Old FAE. Students preferred "front loading" Tax & Law exams as they felt better able to cope with two exams at the start of the week rather than at the end of what is a stressful and physically tiring week. Students also appreciated the break in exams on the Wednesday as this allowed them to "regroup" and refocus on the remaining two days exams.

Calculators: Incorrect advice given along the lines that no computation will require the use of a calculator and that calculator use is optional, which is blatantly false.

Tax/ Law: Students felt that having both the tax and law exam on the same day is excessive due to the volume of information to be covered in both courses. A comment

that has been repeated by students since the roll out of CAP 1 has been the volume of material that students need to learn for papers which are counted as half papers (and attract half credit and study leave) but for which the volume of material is comparable to full papers.

Conclusion:

In general, candidates felt that the exams were of a very difficult and challenging nature.

With the current economic environment faced by trainees, it is important that the severity of the consequences of students failing exams is taken into account during the adjudication process.

CASSI would like to thank the examinations team who distributed our letters to students on the final day of exams across the country. This assistance was greatly appreciated by CASSI and the regional committees and together with the continued support of student services which enables CASSI to contact students throughout the year and enable CASSI to effectively carry out its role.

We trust the above feedback is useful and will be taken on constructively by those marking the CAP 1 Summer examinations for 2010. Should you require any further elaboration on any of these issues raised, please contact the CASSI Education Officer.