



The Association of Taxation Technicians

## **MAY 2007 EXAMINATION**

### **EXAMINERS' REPORTS**

#### **Principles of Law**

Overall I was very disappointed with the results and wondered if students had prepared for this examination.

Candidates need to read the questions and not just answer what they want to answer.

They need to learn how to write letters and the basics of yours sincerely, yours faithfully, etc. which is worrying.

#### **Question 1**

Part 1 – This question was not as popular as some of the others. Those that did attempt it did not get the guidelines.

Part 2 – This part was answered well in respect of listing the activities and then was quite weak on the rest of the question.

Part 3 – Very well answered.

#### **Question 2**

I am not sure why a lot of students put in Company law points as the question indicated that it was asking them to discuss sole traders. It did not say Gloria wanted to set up a company. The premises part was good and the obligations of an employer. The finance section was not bad. No one got the point about closing a business at any time and the last point was quite weak.

On the whole this was a popular question and candidates gained good marks.

#### **Question 3**

I don't know why candidates talked about the formalities of a Will. This was a really straight forward question. Hardly any of those who attempted this question mentioned the administrative powers. This question was poorly answered for a very fair and straight forward question.

#### **Question 4**

Part 1 – This was attempted by most of the candidates and was very well answered.

Part 2 – This was not answered as well as the first part, in particular candidates got confused on the notice required for resolutions.

This was definitely the best answered question and the most popular.

### Question 5

Part 1 – No candidate answered this well. They all discussed the elements of a contract and totally ignored the question, which was asking about assigning contracts.

Part 2 – Most got a mark on this but nothing more.

Part 3 – This was poorly answered. The question was about performance and not breach and specific performance as a remedy for breach.

Part 4 – Candidates missed the point on this as it related to the rest of the question and was not a full termination question.

### Question 6

Very few attempted this question which was a shame as on the first part marks could be obtained.

Part 1 – This was good and most got full marks.

Part 2 – This was very badly answered and I don't think this topic had been studied. In particular candidates missed that beneficiaries meant employees.

## **Principles of Accounting**

### **Question 1**

Question 1 was disappointingly answered by a large proportion of the candidates who attempted this question when it is borne in mind that the cash flow question has featured in many of the past papers.

Marks were lost for failing to properly understand the cash flow impact of the movement on debtors, creditors and stock. Very few candidates coped with the reduction in the VAT creditor. The movement in the corporation tax creditor also created difficulties for many candidates.

The presentation of the cash flow statement was also disappointing in many cases.

### **Question 2**

This question was generally well answered. The majority of candidates who this question had grasped an understanding of the three different bases.

Part 4 of the question was in the main poorly answered and a surprising number of candidates failed to score the four easy marks that were available for Question 5.

### **Question 3**

A very popular question amongst candidates.

Overall very well answered by the majority of candidates.

The calculation of sales and the motor expenses prepayment seem to cause most problems.

### **Question 4**

The least popular question of the examination.

Overall poorly answered by those who attempted the question.

The section on grants caused most problems. There was also numerous silly arithmetic errors in particular the depreciation calculations.