FEEDBACK TUTORIAL LETTER

2ND SEMESTER 2019

Financial Accounting 101
Test 1
Feedback
Financial Accounting 101
Test 1 Semester 2 Feedback

General Feedback
Overall, the performance in the test was poor. This can be attributed to students not fully grasping the double entry principles as well as a failure to follow instructions.

Specific feedback
Question 1
Part A
a) This section required students to discuss the recognition criteria. It was evident from the answers that the theoretical part was not studied. Very few students mentioned relevance and faithful representation as part of the recognition criteria. Further, many students are still providing the old definitions of the elements. Please ensure you study the 2018 Conceptual Framework. This has been provided as supplementary material to distance students and is available on e-learning as well.

b) This section required students to identify that the asset needs to be de-recognised. A number of students mentioned that the asset now becomes a liability. Remember the definitions in the Conceptual Framework, a liability is a present obligation. The machine does not become an obligation because it is redundant, there is no duty to pay anyone or provide a service

Part B
This section tested the effect of transactions on the accounting equation. It was disappointing to note that some students do not read the instructions. The prescribed format was provided in the question, with an example yet some students decided to prepare the General Journal. Those who provided a journal received no marks.

Other students only provided figures, without providing the name of the account and whether it is a +/-.
Marks were lost here as well.

Where the accounting equation did not balance, no marks were awarded. Remember the rule remains constant, \( \text{Assets} = \text{Equity} + \text{Liabilities} \).

The accounting equation and the double entry rules are the foundation of accounting, this topic has to be well grasped to ensure you are successful in the course.

Part C
This section required you to prepare a corrected trial balance. It disappointing to note that even simple marks are lost. Starting with the heading, Nyamizi Trial balance as at..... not trial balance done for. Ensure you score on the obvious marks.

Again, double entry principles were not adhered to. Accounts that were to be debited were credited, accounts that were supposed to be credited were debited. This was particularly the case for the Asset accounts and accumulated depreciation.

Where no workings are shown and the final figure in the TB is wrong then you lose all marks. You should always show your workings.

**The way forward**

1. Go through the test, suggested solution, and make the necessary corrections. Where you do not understand something, please contact your marker-tutor or lecturer. The test and suggested solution have been posted on e-learning for ease of access.
2. Revise the topics you do not understand
3. Practice the by doing tutorial exercises and other examples
4. Prepare for test 2

All the best with your studies

Regards

Mr. Mahindi