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# New Zealand Bookkeeper Skills & Knowledge Test Report

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**Xxxxx Xxxxx**

Email: xxx@hotmail.com

Date: 30/3/2017

**Time taken: 30:00**

Started on: 30/3/2017 11:53

Ended on: 30/3/2017 12:23

### **Introduction**

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The Bookkeeper Test is designed for those who are working at a level below accountant, but whose job includes bookkeeping functions, using current desktop or cloud accounting packages. It is assumed a bookkeeper will be responsible for preparing monthly management accounts (or equivalent) and is likely to have some understanding of double entry bookkeeping. Different competency levels assessed within the test allow for the wide range of abilities and responsibilities of Bookkeepers.

### **Waiver & Limitations**

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Accountests reports are an indicator of Accounting and Bookkeeping knowledge and skills only. These tools work at their best in conjunction with competency based interview questions to both the candidate and their referees, personality profiles, and ability tests to reach a strong decision on whether to appoint the candidate into a role. Because successful candidate selection is based on personality and ability as well as skills and knowledge, Accountests Ltd accepts no responsibility for selection or other decisions made using this tool and cannot be held liable for the consequences of doing so.

### **Context**

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This report is generated from the candidate's responses to 40 questions covering Journals, Accounting Concepts, Business Support and Taxation at the level expected of competent Bookkeepers, Accounts and Finance Assistants. Questions are also divided into Basic, Intermediate and Advanced categories to test the extent of each candidate's skills and knowledge.

### **Unsupervised Test Scores**

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All online screening tests provide an estimate of the candidate's abilities, knowledge and skills. However, they do so on the assumption that the tests were completed unassisted and under standard conditions. These conditions cannot be assured if these tests have been completed unsupervised.

For a more reliable assessment, it is recommended that if this screening test was completed unsupervised, it is followed up by supervised test at a later stage in the selection process.

### **Norm Group**

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The report also compares a candidate's performance in this test against a norm group of other New Zealand Bookkeepers to provide an estimate of skills and knowledge in comparison with their peers.

### **Content**

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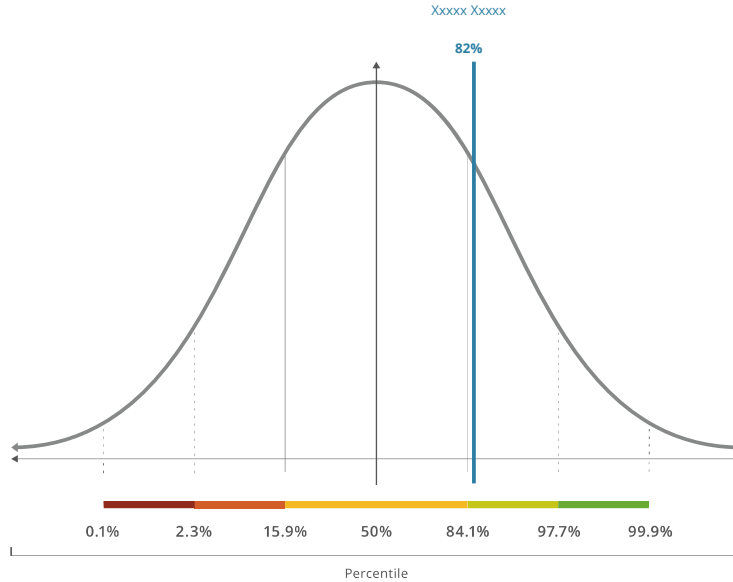
1. Overall test score compared to New Zealand Bookkeepers Norm Group
2. Overall test score as Questions Correct, Incorrect and Omitted
3. Test performance in Basic, Intermediate and Advanced Questions
4. Test performance in Journals, Accounting Concepts, Business Support and Taxation
5. Performance in each of the 40 Questions
6. Interpreting test scores

### Bookkeeper Competency Levels

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Level	Journals	Accounting Concepts	Business Support	Taxes	Summary
1	Understands how to post entries to a computerised accounting system. Monthly accounts will be accurate but reflect only system generated entries.	Understands the minimum required to deal with day to day issues presented, without adding value to business owner. However little understanding of accounting concepts or terminology.	Can competently complete mathematical calculations (e.g. margins) to a basic level which would be the minimum required	Can deal with minimum requirements for small business taxes	Can manage the basics. Will add little value. Will be unable to deal with issues where the accounting software does not provide the answer. PROCESSOR ONLY
2	Can complete simple journal requirements for month end needs and some manipulation. Monthly accounts will be materially similar to year end accounts.	Demonstrates some understanding of accounting terminology and concepts.	Complete more complex mathematical calculations (e.g. margins). Can deal with simple requirements of business owner.	Can deal with likely non complex day to day questions on small business taxes.	Has good knowledge of bookkeeping. Can understand what the accounting software is doing and add value by manipulating that. However may not add significant value to decision making. SOME ABILITY TO ADD VALUE
3	Can account for complex transactions. Monthly accounts at a level similar to year end financial statements (except for some year end entries and tax entries)	Understands more complex accounting concepts that might normally be asked of the accountant or dealt with as part of year end or month end support provided by an accountant.	Knowledge will add value to business owner. Understands the information produced and can use it to assist in decision making	Can deal with relatively complex small business tax issues (not incl income tax)	Working to a level close to an accountant. Can handle relatively complex accounting issues and will provide strong level of support to a business owner. ALMOST ACCOUNTANT

**Comparative Performance**



(likely discrepancies in percentage may be observed due to number rounding off of decimal places)

When compared to a norm group of New Zealand Bookkeepers, Xxxxx Xxxxx scored in the 82<sup>th</sup> percentile on this test, suggesting that he would achieve a greater than or equal score to 82 in 100 New Zealand Bookkeepers.

Whilst percentile scores give a valuable indication of a candidate's score in relation to their peers, using this test in making a strong decision on whether to recruit or promote the candidate requires a deeper analysis of the candidates score in elements of accounting most applicable to the job. The following pages provide that depth of analysis.

**Score Summary**

**40 Questions (100%)**



**25 Correct (63%)**



**15 Incorrect (38%)**

**Analysis By Difficulty**

This section analyses overall test performance across all 40 questions covering bookkeeping activities in subjects of Journals, Accounting Concepts, Business Support and Taxation at Basic, Intermediate & Advanced levels.

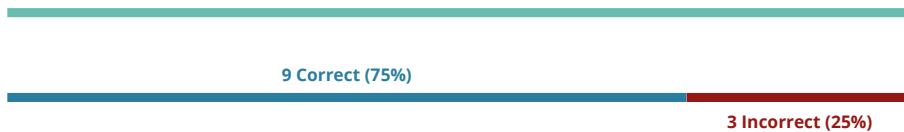
**40 Questions (100%)**



**Basic**

A high score at Basic level indicates a candidate being a competent processor of accounting data and information. At this level, a Bookkeeper will add little value to the business owner beyond processing accounting information and may be unable to resolve situations where the accounting software doesn't provide the answer.

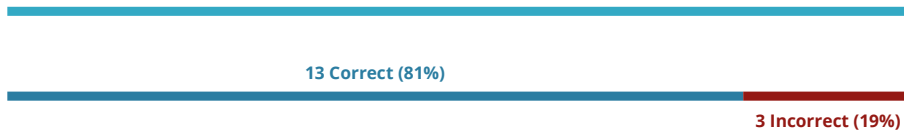
**12 Questions (100%)**



**Intermediate**

A high score at Intermediate level indicates a candidate having a competent knowledge of Bookkeeping and be able to add some value to the business. The candidate should also understand what the accounting software is doing and add value by manipulating the data and information produced by the accounting software.

**16 Questions (100%)**



**Advanced**

A high score at Advanced level indicates a candidate capable of working at a level close to that of an Accountant. The candidate should be able to handle relatively complex accounting issues and be able to provide a strong level of support to the business owner or accounts.

**12 Questions (100%)**



**Analysis by Skills**

Journals

**Journals:** how to account for various transactions or scenarios

**10 Questions (100%)**

**7 Correct (70%)**

**3 Incorrect (30%)**

Basic

A high score at Basic level indicates a candidate understanding how to post entries onto a computerised accounting system. Monthly accounts will be accurate but reflect only system generated entries.

**3 Questions (100%)**

**3 Correct (100%)**

Intermediate

A high score at Intermediate level indicates a candidate capable of completing simple journal requirements for month end needs and some manipulation. Monthly accounts should be materially similar to year end accounts (except for some year-end entries and tax entries).

**4 Questions (100%)**

**3 Correct (75%)**

**1 Incorrect (25%)**

Advanced

A high score at Advanced level indicates a candidate capable of accounting for complex transactions, and should be able to prepare monthly accounts at a level similar to year-end financial statements (except for some year-end entries and tax entries)

**3 Questions (100%)**

**1 Correct (33%)**

**2 Incorrect (67%)**

**Analysis by Skills**

**Concepts**

**Accounting Concepts:** how to deal with concepts such as equity, depreciation and asset funding options, using practical examples from work situations

**10 Questions (100%)**

**5 Correct (50%)**

**5 Incorrect (50%)**

**Basic**

A high score at Basic level indicates a candidate understanding the minimum required to deal with day to day issues presented, without adding value to business owner. However, little understanding of accounting concepts or terminology.

**3 Questions (100%)**

**1 Correct (33%)**

**2 Incorrect (67%)**

**Intermediate**

A high score at Intermediate level indicates a candidate demonstrating some understanding of accounting terminology and concepts.

**4 Questions (100%)**

**3 Correct (75%)**

**1 Incorrect (25%)**

**Advanced**

A high score at Advanced level indicates a candidate understanding more complex accounting concepts (that might normally be asked of the accountant or dealt with as part of year end or month end support provided by an accountant).

**3 Questions (100%)**

**1 Correct (33%)**

**2 Incorrect (67%)**

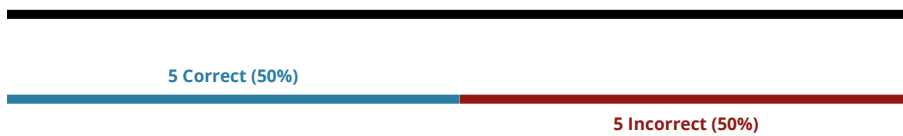
**Analysis by Skills**

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Support

**Business Support:** questions a business owner might ask a bookkeeper as part of their role e.g. margins, budgets and pricing, as well as considering where to look when results don't appear correct

**10 Questions (100%)**



Basic

A high score at Basic level indicates a candidate capable of competently completing mathematical calculations (e.g. margins) to a basic level which would be the minimum required.

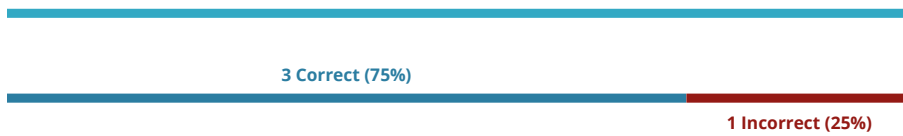
**3 Questions (100%)**



Intermediate

A high score at Intermediate level indicates a candidate capable of completing more complex mathematical calculations (e.g. margins). Can deal with simple requirements of business owner.

**4 Questions (100%)**



Advanced

A high score at Advanced level indicates a candidate demonstrating knowledge that will add value to business owner. Understands the information produced and can use it to assist in decision making

**3 Questions (100%)**





**Analysis by Skills**

Taxation

**Taxation:** skills for those involved in business taxation compliance, both direct and indirect taxes at an appropriate level for Bookkeepers

**10 Questions (100%)**

**8 Correct (80%)**

**2 Incorrect (20%)**

Basic

A high score at Basic level indicates a candidate capable of dealing with minimum tax related requirements for small business taxes

**3 Questions (100%)**

**3 Correct (100%)**

Intermediate

A high score at Intermediate level indicates a candidate capable of dealing with non complex day to day questions on small business taxes

**4 Questions (100%)**

**4 Correct (100%)**

Advanced

A high score at Advanced level indicates a candidate capable of dealing with relatively complex small business tax issues (not including income tax)

**3 Questions (100%)**

**1 Correct (33%)**

**2 Incorrect (67%)**

Performance in each of the individual questions

1	Coding transactions	Journals	Basic	✓
2	Catagorising trial balance items	Journals	Basic	✓
3	Catagorising trial balance items	Journals	Basic	✓
4	Monthly journals	Journals	Int	✗
5	Journals for less common transactions	Journals	Int	✓
6	Journals for less common transactions	Journals	Int	✓
7	Accruals and prepayments	Journals	Int	✓
8	Deferred payment arrangements	Journals	Adv	✓
9	Complex month end journals	Journals	Adv	✗
10	Complex month end journals	Journals	Adv	✗
11	Reviewing the results for reasonableness	Concepts	Basic	✗
12	Bank reconciliation	Concepts	Basic	✓
13	Bank reconciliation	Concepts	Basic	✗
14	Calculate equity	Concepts	Int	✗
15	Reviewing the results for reasonableness	Concepts	Int	✓
16	Fixed vs Variable costs	Concepts	Int	✓
17	What is Gross Profit?	Concepts	Int	✓
18	Depreciation calculation	Concepts	Adv	✗
19	Costing methods	Concepts	Adv	✓
20	Recording deposits	Concepts	Adv	✗

21	Calculate a gross margin	Support	Basic	✓
22	Running business reports	Support	Basic	✓
23	Identify variance to budget	Support	Basic	✗
24	Analytical review	Support	Int	✓
25	Calculate gross margin	Support	Int	✓
26	Calculate an hourly rate	Support	Int	✓
27	Calculate net pay after withholding taxes	Support	Int	✗
28	Analytical review	Support	Adv	✗
29	Calculate working capital	Support	Adv	✗
30	Calculate a selling price	Support	Adv	✗
31	GST return basis	Taxation	Basic	✓
32	PAYE tax codes	Taxation	Basic	✓
33	Calculate GST portion	Taxation	Basic	✓
34	Entertainment costs	Taxation	Int	✓
35	GST status of transactions	Taxation	Int	✓
36	Kiwisaver contribution calculation	Taxation	Int	✓
37	When does GST apply?	Taxation	Int	✓
38	When to claim GST	Taxation	Adv	✓
39	What tax applies to employee benefits	Taxation	Adv	✗
40	Tax penalties	Taxation	Adv	✗

### Interpreting Test Scores

The following information provides a guide on how to interpret the results of a candidates test.

#### Percentile Scores

Percentile Scores measure your candidate against a norm group of similarly qualified and experienced people from the country in which the test is based.

Percentile Scores rank your candidate against the norm group of other Bookkeepers. For example, if your candidate achieves a 65th Percentile Score, then you can expect them to achieve a higher score than 64 in 100 Bookkeepers. A 20th Percentile Score would suggest they would achieve a higher score than 19 in 100 Bookkeepers.

The higher the percentile score achieved by your candidate, the better they have performed against that norm group.

Some high volume recruiters will decide that all new recruits must be at least as skilled and knowledgeable as most of the norm group and will set a benchmark of 50th Percentile. All candidates scoring below this benchmark are rejected. Other employers, especially those looking for skills and knowledge in only one or two of the four Accounting Topics, prefer to concentrate on performance in those topics essential to success in the role and pay less attention to overall scores.

#### Overall Scores

An overview of test performance provides a summary of how many questions your candidate completed in the allocated time of 30 minutes, how many they got correct, incorrect and the number of questions omitted.

#### Omitted Questions

Attention should be paid to the number of questions omitted. Because the test is timed, questions are omitted where a candidate chooses to skip a question and also where they run out of time.

To determine whether your candidate ran out of time, look at the cover page to see the time they took to complete the test. If the time is 30:00, then the candidate was still working on the test when their time expired.

### Overall Basic, Intermediate & Difficult Questions

The questions categorised as Basic, Intermediate and Advanced across the 40 questions of the test, with your candidates performance in each category.

To assess your candidates performance against these criteria, look at their number of incorrect questions. For example, a candidate with a high number of correct Basic Questions, half of the Intermediate Questions correct and few Advanced Questions correct is likely to be capable of covering the basics, with some knowledge of Intermediate level Bookkeeping.

In the comments at each section a “high score” could be considered to be a score in excess of 75%.

#### Bookkeeping Topics

For each of the four Bookkeeping Topics in this test, you can see the number of questions the candidate answered correctly, incorrectly and questions omitted.

Each topic is broken down into Basic, Intermediate and Advanced level questions to identify the skill and knowledge level your candidate possesses in that topic. A description of likely capabilities at each level is also provided.

Interpreting your candidate’s performance against each topic is achieved by looking where their number of incorrect questions increases. In an Accounting Concepts example, a candidate with a very high number of correct Basic Questions, most of the Intermediate Questions correct and half of the Advanced Questions correct is likely to be capable of understanding complex Accounting Concepts and competently supporting an accountant in month or year-end activities.

Recruiting managers and business owners only interested in one or two bookkeeping topics can concentrate on a candidate’s performance in topics essential to success in the role.

#### Individual Questions

The most detailed level of the report lists all 40 questions topics, whether they were answered correctly, incorrectly or omitted, allowing selection panels to drill down to explore particular elements of bookkeeping most important to their organisation, and their candidate’s performance against each of those questions.