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New Zealand Chartered  
Accountant Skills &  
Knowledge Test Report

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**Annie Average**

Email: [annie.average@hotmail.co.nz](mailto:annie.average@hotmail.co.nz)

Date: 8/11/2015

**Time taken: 30:00**

Started on: 8/11/2015 14:17

Ended on: 8/11/2015 14:47

### **Introduction**

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The Chartered Accountant test is designed for candidates who are Chartered Accountant qualified members of ICAEW or ICAS or equivalent offshore organisations (such as CAI in Ireland, CAANZ in Australia / New Zealand, CPA in USA or ACCA internationally).

### **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.

### **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.

### **Context**

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This report is generated from the candidate's responses to 40 questions covering Financial Accounting, Taxation, Management and Cost Accounting at Chartered Accountant level. Questions are also divided into Basic, Intermediate and Advanced categories to test the extent of each candidate's skills and knowledge.

### **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 Chartered Accountants 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 Chartered Accountants 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 Taxation, Financial, Management and Cost Accounting Subjects
5. Performance in each of the 40 Questions
6. Interpreting test scores

### **Abbreviations**

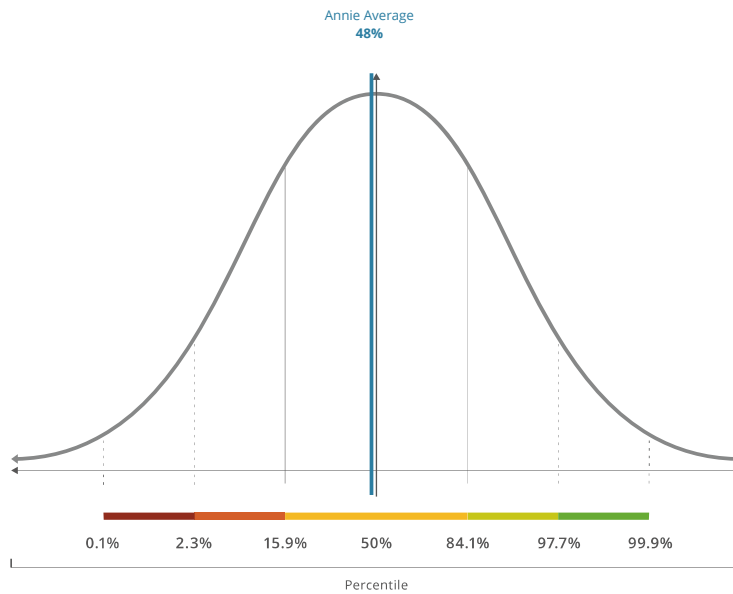
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Accounting Technician (AT)

New Zealand Institute of Chartered Accountants (NZICA)

Associate Chartered Accountant (ACA)

**Comparative Performance**



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

When compared to the existing norm group developed for the equivalent New Zealand test, Annie Average scored in the 48<sup>th</sup> percentile on this test, suggesting that she would achieve a greater than or equal score to 48 in 100 New Zealand Chartered Accountants.

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%)**



**Analysis By Difficulty**

**Basic**

Performance in Basic questions covering Financial Accounting, Taxation, Management and Cost Accounting

10 Questions (100%)

10 Correct (100%)

**Intermediate**

Performance at the level expected of Chartered Accountants in questions covering Financial Accounting, Taxation, Management and Cost Accounting

22 Questions (100%)

9 Correct (41%)

2 Omitted (9%)

11 Incorrect (50%)

**Advanced**

Performance above the level expected of most Chartered Accountants, or at the level of senior Chartered Accountants in questions covering Financial Accounting, Taxation, Management and Cost Accounting

8 Questions (100%)

1 Correct (13%)

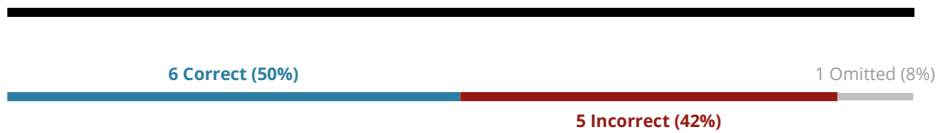
7 Incorrect (88%)

**Chartered Accountant test - Areas within this test cover:**

FIN

**Financial accounting:** skills for those producing financial reports for decision makers external to the business e.g. shareholders or funders. Tends to be historical

12 Questions (100%)



TAX

**Taxation:** skills for those involved in business taxation compliance, both direct and indirect taxes

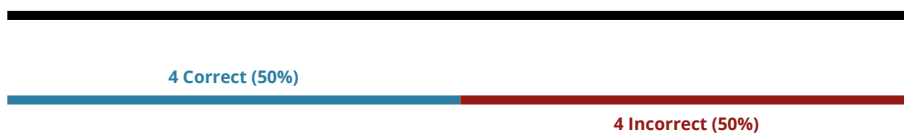
12 Questions (100%)



MGMT

**Management accounting:** skills for those producing financial information for management to assist in their decision making, and which tends to be forward looking

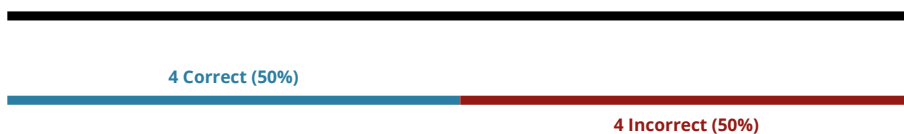
8 Questions (100%)



COST

**Cost accounting:** a subset of management accounting covering skills in capturing costs of production and analysis of those costs to assist production management

8 Questions (100%)



Performance in each of the individual questions

1	Elimination on consolidation	FIN	Basic	✓
2	IFRS disclosure requirements	FIN	Basic	✓
3	Effect of transactions on equity	FIN	Basic	✓
4	Journals required for a transaction	FIN	Int	✓
5	IFRS Disclosure requirements	FIN	Int	✓
6	Reconciling the bank account	FIN	Int	✗
7	Depreciation	FIN	Int	✓
8	Effect of transactions on equity	FIN	Int	✗
9	Journals required for a transaction	FIN	Int	○
10	Accounting for taxes	FIN	Int	✗
11	Accounting standards	FIN	Adv	✗
12	IFRS measurement requirements	FIN	Adv	✗
13	NZ tax rates	TAX	Basic	✓
14	Tax status of dividends	TAX	Basic	✓
15	GST compliance requirements	TAX	Basic	✓
16	When does GST apply?	TAX	Int	✓
17	GST compliance requirements	TAX	Int	✓
18	Tax payment dates	TAX	Int	✗
19	GST status of a sale	TAX	Int	✓
20	Tax on overseas income	TAX	Int	✗

Basic
 Basic
 Int
 Intermediate
 Adv
 Advanced

✓ Correct
 ✗ Incorrect
 ○ Omitted

21	Tax status of dividends	TAX	Int	<input type="radio"/>
22	Deductibility of expenses	TAX	Int	<input checked="" type="radio"/>
23	Deductibility of accruals for income tax	TAX	Adv	<input checked="" type="radio"/>
24	Tax treatment of financial instruments	TAX	Adv	<input checked="" type="radio"/>
25	Analysis of management accounts	MGMT	Basic	<input checked="" type="radio"/>
26	Fixed and variable costs	MGMT	Basic	<input checked="" type="radio"/>
27	Cashflow methods	MGMT	Int	<input checked="" type="radio"/>
28	Project funding analysis	MGMT	Int	<input checked="" type="radio"/>
29	Project funding analysis	MGMT	Int	<input checked="" type="radio"/>
30	Inventory valuation	MGMT	Int	<input checked="" type="radio"/>
31	Project costing analysis	MGMT	Adv	<input checked="" type="radio"/>
32	Security for goods sold	MGMT	Adv	<input checked="" type="radio"/>
33	Job Costing	COST	Basic	<input checked="" type="radio"/>
34	Costing terminology	COST	Basic	<input checked="" type="radio"/>
35	Reasons for costing variances	COST	Int	<input checked="" type="radio"/>
36	Economic order quantities	COST	Int	<input checked="" type="radio"/>
37	Absorption costing	COST	Int	<input checked="" type="radio"/>
38	Absorption costing	COST	Int	<input checked="" type="radio"/>
39	Costing terminology	COST	Adv	<input checked="" type="radio"/>
40	Product costing variance analysis	COST	Adv	<input checked="" type="radio"/>

Basic
 Basic
 Int
 Intermediate
 Adv
 Advanced

Correct
  Incorrect
  Omitted

### Interpreting Test Scores

The following information provides a guide on how to interpret the results of a candidate 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 Chartered Accountants. For example, if your candidate achieves a 65th Percentile Score, then you can expect them to achieve a higher score than 64 in 100 Chartered Accountants. A 20th Percentile Score would suggest they would achieve a higher score than 19 in 100 Chartered Accountants.

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 on how many questions your candidate completed in the allocated time of 30 minutes, in terms of how many questions they got correct, incorrect and the number of questions omitted.

You can use this information to identify candidates with lower percentile scores, but high degrees of accuracy, suggesting they worked slowly but accurately in the test, which may keep them in the selection process.

### 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.

#### Basic, Intermediate & Difficult Questions

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

This can provide value in determining the skill and knowledge levels your candidate possesses now against the skill level required to perform the job they have applied for.

#### Accounting Topics

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

Hiring managers only interested in one or two accounting 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 accounting most important to their organisation, and their candidates performance against those questions.