

## MAY 2014 EXAM PREPARATION INFORMATION:

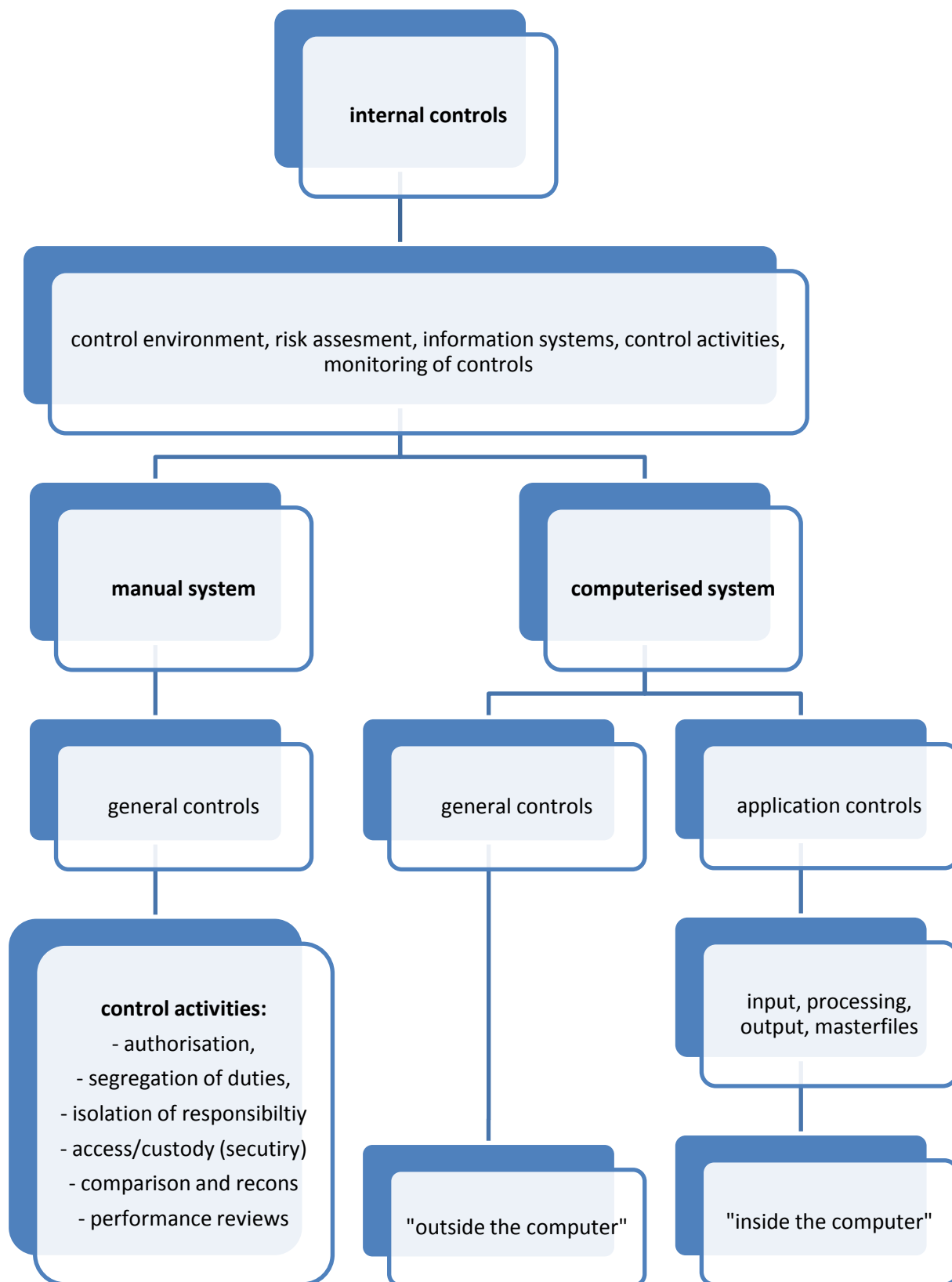
### OVERALL:

- Do **ALL the activities** in your study guide.
- When you do the Activities in Topics 4 – 8, see if you can do the same question based on the various functions and/or cycles. For example:
  - SU 4.1.1 Activity 1 – Place the functions in the correct order – you should be able to do that for all the cycles.
  - SU 4.1.2 Activity 2 – Match the documents to the correct function – you should be able to do that for all the cycles.
  - SU 4.1.3 Activity 5 – Give a system description – you should be able to do that for all the functions of the R&R cycle, as well as for all the other cycles.
- Do **Assignment 2** again. (Tutorial letter 101)
- Make sure you do **ALL the questions in Tutorial letter 102**.
- Do the Other Assessment Methods (**Mock exam**) (Tutorial letter 101, p 27 – 30)
- Do the **May 2013 and Oct 2013 exam papers**.
- We'll let you in on a **big secret** regarding auditing:  
"The more questions you do, the better your chances of passing!" It's true, try it!!!
- Consider this: When we prepare the exams, we use the Study Guide, Assignments and Textbook too, therefore, we cannot ask you anything that you have not been exposed to in some or other format.
- Remember that if we ask you to provide your answer in a specific format – keep to that format, you'll normally get a presentation mark.
- **Very Important:** The AUE2602 and AUE202M papers for this semester are combined.  
**AUE2602 students (you) will only DO QUESTIONS 1, 2 and 3 of this paper**  
**(Question 4 is for AUE202M students only!!)**

### TOPIC 1 - CORPORATE GOVERNANCE:

- You'll have a similar question to Question 1.1 of the May exam paper, where a scenario is given and you'll have to state whether the company complies / don't comply to the requirements of King III.
- When you study Topic 1, for the Board of Directors, the Audit Committee, the Risk Committee, the Nomination Committee and the Remuneration Committee, concentrate on:
  - Who can be the Chairman of the board / committee
  - Who may be members of the board / committee
  - How many members should the board / committee have
  - How many times should the board / committee meet
  - What are the functions of the board / committee
  - What is the appointment procedure (E.g. should the board appoint a member / the shareholder etc.)
  - The company secretary and his / her duties
- Always give your overall opinion – e.g. "Overall, the company complies / do not comply with the requirements of the King III Report on good corporate governance." Depending on the difficulty level of the question, you may / or may not receive a mark for such a comment.
- You **need not specify the principle**; however you need to **refer to the King III Report**.
- You need not spend too much time on Study Unit 1.2
  - ♣ Questions for you to do:
  - ♣ Do Study Unit 1.3.2 Activity 10.
  - ♣ Do Study Unit 1.3.3 Activity 11.
  - ♣ Do previous exam papers CG questions – as this gives a good indication of how to apply the scenario when answering compliance questions.

## TOPIC 2 – INTERNAL CONTROLS:



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- You need not spend too much time on Study Unit 2.4
    - ♣ Questions for you to do:
    - ♣ Do Study Unit 2.1.1 Activity 1
    - ♣ Do all questions in Tutorial letter 102 (solutions can be found in tutorial letter 103)

### **TOPIC 3 – BUSINESS CYCLES**

- You will not be specifically examined on this topic.

### **TOPICS 4 – 8**

- When you answer a question in the exam regarding risks and internal controls:
  1. Determine in which cycle you are in:
    - Revenue or Receipts (Topic 4)
      - \* Here you should identify cash vs credit sales. (SU4.1 and SU4.2)
    - Acquisitions and payments (Topic 5)
    - Inventory and Production (Topic 6)
      - \* Here you should identify warehousing vs production. (SU6.1.3 and SU6.1.4)
    - Payroll and Personnel (Topic 7)
  2. Determine in which function you are in:
    - This can be found in the first section of each of these topics. (Activities and functions)
- This will help you to **“Answer the Question”** e.g. in the previous exam, controls were asked when **ordering goods**, but many students “wandered off” and stated controls of **receiving of goods**.
- You should be able to identify weaknesses from a system description, explain the risks, provide internal controls to mitigate risks.
- Remember that you need to be specific.

For example:

  - “The **document** should be signed by two senior personnel.” will not earn you a mark.
  - “The **debtors’ masterfile amendment form (MAF)** should be signed by two senior personnel **for example, the credit controller and senior assistant**” is correct.

- ♣ Questions for you to do:
- ♣ Do Study Unit 4.1.2 Activity 2
- ♣ Do Study Unit 4.1.4 Activity 9
- ♣ Do Study Unit 5.1.3 Activity 4 \*
- ♣ Do Study Unit 5.1.4 Activity 5
- ♣ Do Study Unit 6.1.3 Activity 3
- ♣ Do Study Unit 6.1.3 Activity 4
- ♣ Do Study Unit 7.1.3 Activity 3
- ♣ Do Study Unit 7.1.4 Activity 5
- ♣ Do Study Unit 8.1.2 Activity 2 \*
- ♣ Do all questions in Tutorial letter 102 (solutions can be found in Tutorial letter 103)

\* These questions will help you to learn how to identify weaknesses and explain them.

\* You should also try to describe internal controls that could mitigate the risks that arise from the weaknesses.