



## **Sample Questions for 100% Multiple Choice Question Examinations of Associate Modules 1 to 5 of the Qualification Programme (“QP”)**

### **I. Background**

The examination papers of Associate Modules 1 to 5 of the QP comprise multiple choice questions (“MCQ”) with a total of 60 marks which are all compulsory. Each question carries 1 or 2 marks. The total time allowed for the examination is 1 hour and 45 minutes. Candidates should allocate approximately 1.75 minutes for each 1-mark MCQ, and 3.5 minutes for each 2-mark MCQ.

The MCQs in the examination papers are set to assess candidates’ core foundational technical knowledge of the subject matters, and their skills in applying the knowledge to tackle routine professional problems, including computations. Mark(s) for each question is set in accordance with its level of difficulty.

The below sample questions are to help candidates familiarise themselves with the form and style of questions which they may see in the examinations. The best answers are highlighted in **bold** for your reference only. The sample questions and answers should be used with caution as the content may not have been updated to reflect any changes in relevant standards or legislation.

### **II. Sample questions**

#### **(a) MCQs that test knowledge**

**Each of Questions 1 to 3 carries 1 mark:-**

1. Identify which of the following is NOT an advantage of using an expert system. (1 mark)
  - A It provides a cost-effective alternative to human experts.
  - B It provides suggestions on how a decision should be made from simple to complex levels.
  - C It improves the performance of an organisation by maintaining information and controls over the firm's knowledge.
  - D It processes every transaction in the same way for the same type of transaction regardless of the user.**



2. State the best term in the following statement to make it correct.

"\_\_\_\_\_ is an integrated set of tools, technologies and programme products that are used to collect, integrate, analyse and make data available." (1 mark)

- A Big data system
- B Business intelligence system**
- C Data mining system
- D Data warehouse system

3. Identify which of the following statements is NOT correct. (1 mark)

- A E-business and e-commerce are sometimes used interchangeably.
- B E-commerce handles outward-facing business processes with customers, suppliers and external partners.
- C E-business uses electronic data interchange but e-commerce does not.**
- D E-business normally includes e-commerce but also covers several internal processes.

**Each of Questions 4 to 5 carries 2 marks:-**

4. Maintenance is one of the three phases in the employment cycle. This refers to the steps to be taken for ensuring that employees are satisfied and productive. Outline which of the following activities are related to the maintenance phase. (2 marks)

- I Employment arrangements and remuneration.
  - II Training and development.
  - III Recognition and reward.
  - IV Induction.
- A I, II and III only.
  - B I, II and IV only.
  - C II, III and IV only.**
  - D All of the above.



5. Identify which of the following are the most widely used management techniques in a production process to achieve higher quality standards. (2 marks)
- I Total quality management.
  - II Quality function deployment.
  - III Statistical process control.
  - IV Just in time inventory management.
- A I, II and III only.  
B I, III and IV only.  
**C II, III and IV only.**  
D All of the above.

**(b) MCQs that test application of knowledge**

**Each of Questions 6 to 8 carries 1 mark:-**

6. State which of the following measures of central tendency is (are) most affected by including rare but very large positive/negative values. (1 mark)
- A Mean.**  
B Median.  
C Mode.  
D All of the above are correct.
7. Suppose a sample containing 49 monthly returns of Stability Fund has a mean return and standard deviation of 2.8% and 14%, respectively. Compute the standard error of the (sample) mean. (1 mark)
- A 2.8%.  
**B 2%.**  
C 0.4%.  
D 0.2857%.



8. Identify the correct terms to complete the following statement.

"If Mr Huba received a salary increase and his marginal propensity to consume ("MPC") is positive but less than one, his consumption and savings can be expected to \_\_\_\_\_ and \_\_\_\_\_, respectively." (1 mark)

- A rise; rise
- B rise; fall
- C fall; fall
- D fall; rise

**Each of Questions 9 to 11 carries 2 marks:-**

9. A company has rented out a property for many years. Rent was received by cheque on the following dates:

<u>Rent period</u>	<u>Amount</u>	<u>Receipt date</u>
1 November 2021 – 28 February 2022	HK\$48,000	28 October 2021
1 March 2022 – 30 June 2022	HK\$48,000	25 February 2022
1 July 2022 – 31 October 2022	HK\$60,000	26 June 2022
1 November 2022 – 28 February 2023	HK\$60,000	29 October 2022

Calculate the amount of rental income to be recognised for the year ended 31 December 2022. (2 marks)

- A HK\$108,000.
- B HK\$162,000.**
- C HK\$168,000.
- D HK\$216,000.



10. The following information relates to the inventory movement of David's business for the month ended 31 December 2022:

1 December 2022	Purchase 1,000 units at HK\$5 each
12 December 2022	Purchase 500 units at HK\$8 each
16 December 2022	Sold 1,200 units at HK\$12 each
26 December 2022	Purchase 400 units at HK\$7 each

Assuming that the company is using the first-in-first out ("FIFO") inventory valuation method, determine the value of the closing inventory as at 31 December 2022. (2 marks)

- A HK\$4,700.  
B HK\$4,900.  
C HK\$5,000.  
**D HK\$5,200.**
11. Peter and Sandy have been in partnership for many years sharing profit and loss at a ratio of 3:2. According to the partnership agreement, they enjoy interest on capital of 2% while Peter is the managing partner receiving salary of HK\$20,000 per annum. Interest on drawings is chargeable at 5%. Below is the information extracted from the books of the partnership as at 31 December 2022:

		HK\$
Capital	Peter	200,000
	Sandy	500,000
Drawings	Peter	4,000
	Sandy	8,000
Profit for the year		142,000

During the year ended 31 December 2022, there was no change in the amount of capital contributed by both partners.

Determine the amount of profit shared by Peter for the year ended 31 December 2022. (2 marks)

- A HK\$43,440.  
**B HK\$65,160.**  
C HK\$81,240.  
D HK\$85,200.



**(c) Scenario-based multiple MCQs.**

The questions may test candidates' knowledge of the subject matters, or their skills in applying the knowledge to tackle routine professional problems, including but not limited to computations. They can carry either 1 mark or 2 marks each.

**Questions 12 to 16 are scenario-based MCQs with marks indicated at the end of the questions:-**

Answer Questions **12** to **13** with the information provided in the following scenario.

Below are the percentage returns of stocks (in descending order) of eight local banks for the past year:

25%, 18%, 16%, 13%, 8%, -2%, -5%, -10%

- 12.** Calculate the median of the above set of stock returns. (1 mark)
- A 8%.
  - B 13%.
  - C 10.5%.**
  - D 15.25%.
- 13.** Calculate the upper quartile of the above set of stock returns. (1 mark)
- A 18%.
  - B 17%.**
  - C -3.5%.
  - D -5%.



Answer Questions **14** to **16** with the information provided in the following scenario.

Joyful Manufacturing Limited ("JML") manufactures and sells a single product. JML maintains a standard costing system. Standard cost of direct materials and direct labour for the year just ended are:

	HK\$
Direct materials (10 kg at HK\$5)	50
Direct labour (3 hours at HK\$60)	180

20,000 units were produced for the year just ended. Other actual data for the same year ended are as follows:

Direct materials purchased	210,000 kg
Direct material price variance (at the time of purchase)	HK\$42,000 Adverse
Direct material quantity/usage variance	HK\$50,000 Favourable
Direct labour	61,000 hours
Direct labour rate variance	HK\$305,000 Favourable

**14.** Compute the total cost of direct materials purchased for the year just ended. (1 mark)

- A HK\$1,008,000.
- B HK\$1,040,000.
- C HK\$1,092,000.**
- D HK\$1,100,000.

**15.** Compute the direct materials used for the year just ended. (2 marks)

- A 190,000 kg.**
- B 200,000 kg.
- C 210,000 kg.
- D 220,000 kg.



16. Compute the direct labour actual rate per hour for the year just ended. (2 marks)
- A HK\$50.
  - B HK\$55.**
  - C HK\$60.
  - D HK\$65.

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