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# Audit Senior / Audit Manager Test Report

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Date: 18/5/2020

**Time taken: 30:00**

Started on: 18/5/2020 11:42

Ended on: 18/5/2020 12:12

### **Introduction**

The Audit Senior/Audit Manager Test is designed for candidates who have at least 2 years experience in financial statement audit, and are CA/CPA qualified or close to achieving that qualification.

### **Waiver & Limitations**

Accountests reports are an indicator of Accounting and Auditing 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**

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 more information on best practice testing see our website.

### **Context**

This report is generated from the candidate's responses to 40 questions covering Accounting, Financial Reporting, Analytical Review and Auditing Standards. Questions are also divided into Basic, Intermediate and Advanced categories to test the extent of each candidate's skills and knowledge.

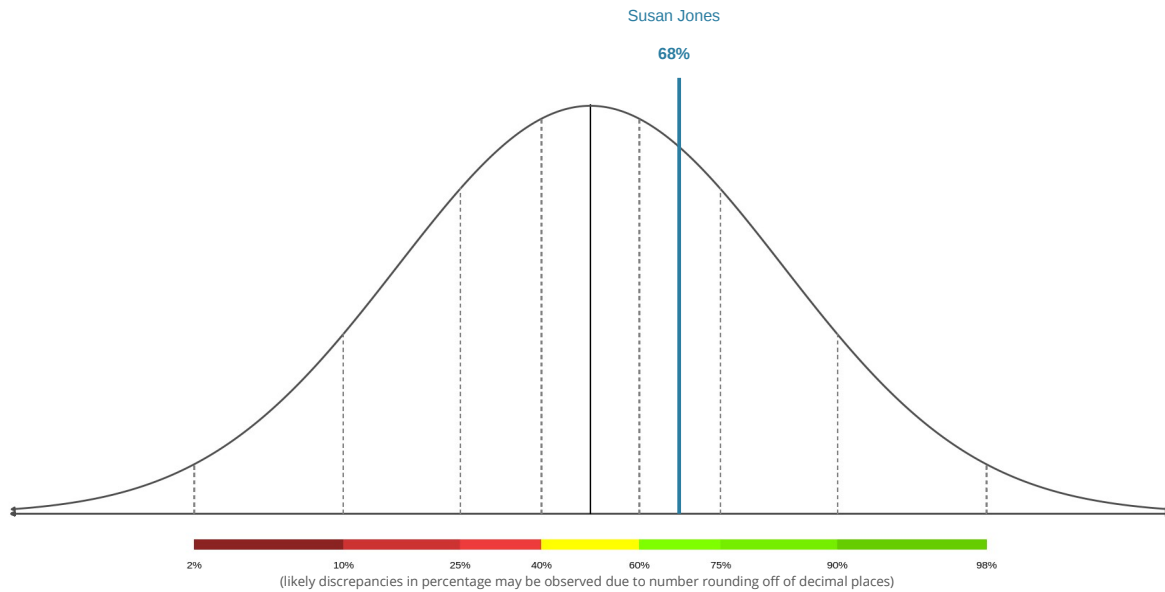
### **Norm Group**

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

### **Content**

1. Overall test score compared to a Financial Statement Auditors 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 Accounting, Financial Reporting, Analytical Review and Auditing Standards Subjects
5. Performance in each of the 40 Questions
6. Interpreting test scores

**Comparative Performance**

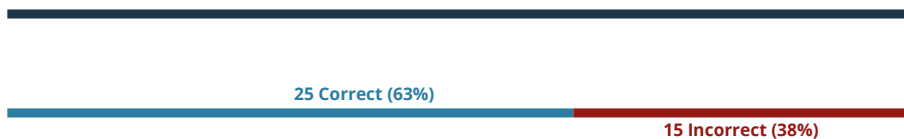


When compared to the existing norm group, Susan Jones scored in the 68<sup>th</sup> percentile on this test, suggesting that they would achieve a greater than or equal score to 68 in 100 Audit Seniors/Audit Managers .

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%)**

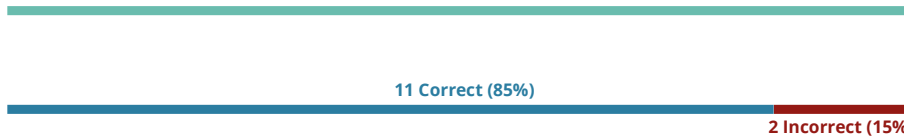


**Analysis By Difficulty**

**Basic**

Performance in Basic questions in Accounting, Financial Reporting, Analytical Review and Auditing Standards

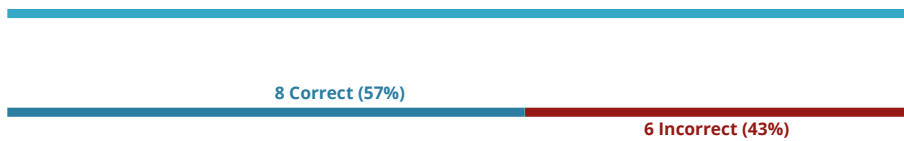
13 Questions (100%)



**Intermediate**

Performance at the level expected of Financial Statement Auditors in questions covering Accounting, Financial Reporting, Analytical Review and Auditing Standards

14 Questions (100%)



**Advanced**

Performance above the level expected of most Financial Statement Auditors, or at the level of senior Financial Statement Auditors in questions covering Accounting, Financial Reporting, Analytical Review and Auditing Standards

13 Questions (100%)



**Test – Areas within this test cover:**

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Accounting

**Accounting** : skills in double entry accounting including complex journals.

**5 Questions (100%)**

**4 Correct (80%)**

**1 Incorrect (20%)**

Financial Reporting

**Financial Reporting** : reporting and disclosure requirements based on reporting standards applicable for IFRS & US GAAP.

**15 Questions (100%)**

**8 Correct (53%)**

**7 Incorrect (47%)**

Analytical Review

**Analytical Review** : ability to interpret financial statements and management information to assist the audit procedures.

**10 Questions (100%)**

**6 Correct (60%)**

**4 Incorrect (40%)**

Auditing Standards

**Auditing Standards** : demonstrate knowledge and ability to apply International Standards of Auditing.

**10 Questions (100%)**

**7 Correct (70%)**

**3 Incorrect (30%)**

**Performance in each of the individual questions**

1	Journal to fix a coding error	Accounting	Basic	✓
2	Effect of credit / debit notes	Accounting	Basic	✓
3	Journal for a tax payment	Accounting	Basic	✓
4	Effect of a transaction on the balance sheet	Accounting	Int	✗
5	Journal for a dividend	Accounting	Int	✓
6	When to depreciate	Financial Reporting	Basic	✗
7	Capitalization of costs	Financial Reporting	Basic	✓
8	Changes in accounting policy	Financial Reporting	Basic	✓
9	Consolidation	Financial Reporting	Basic	✓
10	Equity accounting	Financial Reporting	Int	✗
11	Inventory costing	Financial Reporting	Int	✓
12	Accounting for foreign subsidiaries	Financial Reporting	Int	✗
13	Treatment of foreign exchange on export sales	Financial Reporting	Int	✓
14	Recognition of revenue	Financial Reporting	Int	✗
15	Depreciation start date	Financial Reporting	Adv	✓
16	Recognition of losses	Financial Reporting	Adv	✓
17	Accounting for foreign exchange contracts	Financial Reporting	Adv	✓
18	Depreciation in particular circumstances	Financial Reporting	Adv	✗
19	Post balance date events	Financial Reporting	Adv	✗
20	Inventory net realisable value adjustments	Financial Reporting	Adv	✗

Basic Basic 
 Int Intermediate 
 Adv Advanced 
 ✓ Correct 
 ✗ Incorrect 
 Omitted

21	Inventory turnover	Analytical Review	Basic	✓
22	Industry benchmarking	Analytical Review	Basic	✓
23	Cashflow methods	Analytical Review	Basic	✗
24	Breakeven point	Analytical Review	Int	✓
25	Receivable collection periods	Analytical Review	Int	✗
26	Interest coverage ratio	Analytical Review	Int	✓
27	Budgeting method options	Analytical Review	Int	✓
28	Analysis of management accounts	Analytical Review	Adv	✓
29	Price and volume variances	Analytical Review	Adv	✗
30	Calculate working capital	Analytical Review	Adv	✗
31	Performance materiality	Auditing Standards	Basic	✓
32	When might going concern be relevant	Auditing Standards	Basic	✓
33	How to extend procedures	Auditing Standards	Basic	✓
34	Analytical review of expenses	Auditing Standards	Int	✓
35	Materiality	Auditing Standards	Int	✗
36	Identify unrecorded liabilities	Auditing Standards	Int	✓
37	Testing inventory valuation	Auditing Standards	Adv	✓
38	When to use analytical review	Auditing Standards	Adv	✗
39	Sampling approaches	Auditing Standards	Adv	✗
40	Post audit adjustments	Auditing Standards	Adv	✓

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 an international norm group of similarly qualified and experienced people.

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

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

Try not to fall into the trap of only considering candidates with very high percentile scores for selection. A candidate with a percentile score in the 'average band' can be described as a typical performer of technical auditing tasks among the norm group, which is representative of the applicant pool in your country. The average band ranges from the 34th - 66th percentile.

If your candidate has achieved an 'average score', take a closer look at their performance in the auditing subjects in the test with a view of determining whether they have performed well in the tasks in the Job Description for your vacant role. You can then determine whether they have reached a benchmark for selection and where you may need to concentrate professional and technical training and support in getting a candidate up to speed if appointed.

#### 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.

#### Auditing Topics

For each of the four Auditing 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 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.