



Hong Kong Institute of
Accredited Accounting Technicians
香港財務會計協會

Professional Bridging Examination

Paper III PBE Auditing and Information Systems

June 2011 Session (Questions)

Time Allowed	3 hours
Examination Assessment Allocation	
• Section A – The One question is compulsory	40 Marks
• Section B – Answer 3 out of 4 questions	60 Marks

PAPER III – PBE AUDITING AND INFORMATION SYSTEMS

This examination is divided into TWO sections.

- Section A (40%). This consists of ONE compulsory question. You should allocate approximately 1 hour 12 minutes in total for Section A.
- Section B (60%). This consists of four questions, of which you must answer THREE questions only. Each of these three questions is worth 20% of the total marks (making Section B worth 60% of the total marks). You should allocate approximately 36 minutes for each question (that is, 1 hour 48 minutes in total for Section B).

Suggested Time Allocation (by marks):

Marks	Approximate time (minutes)
1	2
2	3
3	5
4	7
5	9
6	11
7	12
8	14
9	16
10	18
11	20
12	21
13	23
14	25
15	27
16	29
17	30
18	32
19	34
20	36

SECTION A (COMPULSORY) (Total: 40 marks)

Answer ALL questions in this section. Marks are indicated at the end of each question. Together they are worth 40% of the total marks for this examination.

CASE

Peter Pang is an audit manager of a CPA firm, ABC & Co. Recently, Peter was assigned by his firm to be the manager in charge of an existing audit client, Japanese Perfect Limited ("JPL"), a private company engaging in the operation of three schools located in different districts in Hong Kong, which was established by Mr. Sato Wataru about 20 years ago. The three schools provide Japanese courses to students. JPL also helps Hong Kong students to enroll on some courses provided by several schools located in Japan which are operated by unrelated parties. JPL is not the sole agent of overseas courses. School fees are collected on behalf of the schools in Japan and commission is charged on a percentage basis. The course fees are remitted to the schools in Japan (unrelated parties) after deducting the commission earned. The course fees are remitted on the next day after the course fees are received from the students, the exchange rate risk is borne by the schools in Japan.

JPL employs 8 administrative staff with fixed monthly salaries. In addition, JPL employs around 10 full-time teachers and several part-time teachers to conduct the Japanese courses. Full-time teachers are remunerated on a fixed monthly salary basis. Part-time teachers are remunerated on an hourly basis. For fixed monthly salaries, payment is made at the end of each month by auto-pay. For salaries calculated on an hourly basis, payment is made in the first week of the following month by cheque. In the past, the full-time teachers' turnover rate was very low. However, the turnover rate of part-time teachers has been very high over the years.

JPL provides two kinds of courses for different levels of Japanese learning to students: regular courses and irregular courses such as courses provided during summer holidays or Christmas and New Year holidays.

According to the working paper file for the year ended 31 December 2009, Peter knows that JPL maintained a computer system. The receptionists perform the roles of cashier and each of them will issue a receipt upon receiving the tuition fees. For regular courses, students are required to make payment of tuition fees on a monthly basis in advance. For irregular courses, students are required to make full payment on the registration day even if the courses last over one month. When tuition fees are paid, receipts will be generated through the computerised system. The receipts are generated in sequential numbers. The course code, course description, course period, number of lessons, dates of lessons and methods of payment are listed on the receipts. The attendance list including the names of students with tuition fees settled for each class is generated by the system on a monthly basis. Students who do not settle the tuition fees are treated as drop outs and their names are deleted from the attendance records. No refund is allowed for drop outs. Teachers will check the receipts of the students of irregular courses in the first class and check the receipts of the students of regular courses in the first class of each month. Students are required to keep the receipts and bring the receipts to the first class of a course.

Students who do not pay the tuition fees are not allowed to attend the class until tuition fees are settled. Attendance lists are updated immediately once the tuition fee is settled. There are two different sets of receipts issued in sequential order. One set for the courses offered and the selling of learning materials by JPL itself. Another set is for school fees collected on behalf of the schools in Japan.

The revenue accounts are updated with the amount of tuition fees received every day. The computer system maintains a master list of courses provided during the year. The details, such as the name of teacher, teachers' remuneration basis, number of students enrolled, period covered and dates of lessons of each course are listed on the master record. At the end of each month, an adjusting entry is prepared by the accounts clerk and inputted into the accounting system for the deferred income (unearned revenue) amount which is the total tuition fees for future lessons paid by students.

Students are required to buy learning materials at the start of each course from the school, including books and CDs. The learning materials are updated once every three to four years. JPL maintains good internal control on the keeping of learning materials. Due to the stable operation of the business, JPL can always maintain an appropriate level of learning materials.

Question 1 (40 marks – approximately 72 minutes)

- (a) HKSA315 (Clarified) requires the auditor to obtain an understanding of the entity and its environment, including the entity's internal control. An understanding of the nature of an entity enables the auditor to understand the classes of transactions, account balances, and disclosures to be expected in the financial statements.

What are the matters regarding the business operations of JPL that the auditor may consider when obtaining an understanding of the nature of the business operations of JPL?

(10 marks)

- (b) The amount of cash receipts of courses provided by the three schools of JPL is different from the courses fees earned. How might one calculate the courses fees earned for the year?

(2 marks)

- (c) State four substantive procedures for auditing deferred income (unearned revenue) and state the audit objectives for the said procedures.

(8 marks)

- (d) JPL has inventories of learning materials at the year end date. What should be Peter's assessment of material misstatement at the assertion level for the valuation of these inventories? Please provide explanations.

(4 marks)

- (e) Mr. Sato Wataru advised Peter that the amount of salaries for this year is much higher than last year and there is not much increase in course revenue earned. He wonders whether there is any fraud of unauthorised payments to fictitious employees or the payment of salaries without work performed. Peter determines to carry out additional procedures in this area. State the relevant audit procedures to identify the following types of fraud.

- (i) Non-existent employees (2 marks)
- (ii) Terminated employees (2 marks)
- (iii) Unclaimed wages (2 marks)
- (iv) Fraudulent hours (2 marks)

- (f) Mr. Sato Wataru seeks advice from Peter regarding the possible control activities regarding the payment of salaries. Peter mentioned that there are five major types of control activities.

State any four types and provide one example for each type in JPL's case.

(8 marks)

* * * END OF SECTION A * * *

SECTION B (ANSWER THREE QUESTIONS ONLY) (Total: 60 marks)

Answer any **THREE** questions in this section. Each question carries 20 marks. Together they are worth 60% of the total marks for this examination.

Question 2 (20 marks – approximately 36 minutes)

The firm of VC & Co. in which you are employed is the external auditor of Company A which is a company that operates a training centre providing IT engineers courses & photography courses. The company leased a flat in a commercial building located in Mongkok under an operating lease. The training centre promotes their IT engineers courses by providing powerful notebooks for students to use in class. At the same time, photographic equipment is provided to students to use when attending the classes of the photography courses. Recently, fewer and fewer students enroll on the photography courses, the directors consider not to offer those courses in the coming future. The company adopts the revaluation model for all the equipment.

Required:

- (a) State and explain the assertions for the auditing of the account balances, additions and disposals of notebooks and photographic equipment. (8 marks)
- (b) What is inherent risk? (2 marks)
- (c) What are the inherent risks for the auditing of the notebooks and photographic equipment in this audit? (4 marks)
- (d) What are the relevant assertions affected by these inherent risks? Explain. (6 marks)

Question 3 (20 marks – approximately 36 minutes)

The firm of WM & Co., your employer, is the external auditor of North West Limited ("NWL") which is a company in the manufacturing and retail business.

You have worked on this audit assignment for a few years and this year you are the senior in charge of the audit. You have to prepare the audit plan. The audit team consists of three members. You decide to let the senior assistant carry out the preliminary risk assessment procedures. The other assistant, Mary, a newly recruited accounting graduate, has no practical experience. Mary requested you to assign more tasks to her as she wants to accumulate more experience. She is confident that she can carry out the tasks effectively and efficiently because her boyfriend works at NWL as the accounting manager.

Required:

- (a) What are the purposes of analytical procedures to be applied as part of risk assessment procedures at the planning stage?
(6 marks)
- (b) State some preliminary analytical procedures that may be performed by auditors.
(4 marks)
- (c) What is auditor's independence? Explain why is it essential for an auditor to be independent of his or her assurance clients?
(6 marks)
- (d) What is the independence issue in this case and how should the issue be solved?
(4 marks)

Question 4 (20 marks – approximately 36 minutes)

The firm of WM & Co., your employer, is the external auditor of Bubble Boom Limited ("BBL") which is a company in the wholesale business.

You have worked on this audit assignment for a few years and this year you are the senior in charge of the audit. You have already conducted tests of controls for the transaction cycles, and control risks are assessed as medium for these cycles. You decide to let an audit assistant help you perform some analytical procedures for accounts receivables and send out debtors' confirmation.

Required:

- (a) Provide four examples of analytical procedures for accounts receivable. (4 marks)
- (b) What are the procedures for sending out debtors' confirmation? (5 marks)
- (c) What control should the auditors maintain over the external confirmation procedures? (3 marks)
- (d) Subsequent to the date of the financial report, as part of your audit procedures after the balance sheet date; but before the issue of the audit report, you learned of the bankruptcy of BBL's unsecured debtor with a material balance. The newspaper described the event in detail. BBL did not write off this bad debt. There is no other material misstatement except this issue.

What kinds of opinion may be expressed by the auditor? (5 marks)
- (e) Define materiality and state how it affects the audit opinion. (3 marks)

Question 5 (20 marks – approximately 36 minutes)

Nowadays, there is keen competition in most of the industries as people can obtain information easier than before. Information systems have become an important element of a company's strategy that gain competitive advantage in the industry. Porter's model of five competitive forces can help identify areas of a business where information systems can supply a strategic advantage.

Required:

- (a) What are the five competitive forces? Elaborate. (10 marks)
- (b) Provide examples of how to develop an appropriate information systems strategy under Porter's five competitive forces model? (10 marks)

* * * END OF EXAMINATION PAPER * * *

Answers

Paper III
PBE Auditing and
Information Systems
(June 2011 Session)

SECTION A (COMPULSORY) (Total: 40 marks)

Answer 1(a)

The matters regarding the business operations of JPL that the auditor may consider are as follows:

- (i) nature of revenue sources — JPL operates three schools which provide language courses and sell learning materials to its customers. JPL also acts as an agent for courses provided by some unrelated parties located in Japan.
- (ii) key customers — JPL has a large number of customer accounts, the people who have interest in Japanese are their potential customers.
- (iii) products or services and markets — JPL engages in the provision of language courses and selling of learning materials, and it is facing keen competition as more and more language course providers are established nowadays as there is no entry barrier for new course providers. There is also competition of agency service as JPL is not the sole agent.
- (iv) conduct of operations — JPL adopts a prepayment system for course fee income.
- (v) alliances, joint ventures, and outsourcing activities — JPL serves as agent for some course providers in Japan.
- (vi) employment — there are approximately 8 administrative staff, 10 full time teachers in JPL and several part-time teachers. The salaries of the administrative staff and full time teachers are on a fixed monthly basis. The salaries of the part-time teachers are on an hourly basis.
- (vii) geographical dispersion — there are three schools located in different districts in Hong Kong.
- (viii) research and development activities and expenditures — JPL updates the teaching materials every 3 to 4 years.

Answer 1(b)

Opening deferred income + cash receipts - closing deferred income for the year.

Answer 1(c)

Audit procedures for deferred income:

- Obtain the deferred income list from the client and agree the deferred income list total with the trial balance to ensure the correct amount is stated.
- Carry out analytical procedures by comparing this year's *uncompleted courses* with prior year's *uncompleted courses* to ensure the existence, completeness, and accuracy of the liability.
- Review the list for large and unusual items and verify to ensure the existence and accuracy of the liability.
- Select samples of courses from the master list of courses provided and check against the deferred income list to ensure the courses which are not completed on or before the year end date are included on the deferred income list to ensure completeness of the deferred income liability.
- Select samples of courses from the deferred income list and check against the master list of courses provided to ensure the existence, right and obligation of the liability.
- Select samples of uncompleted courses, recalculate the amounts of deferred income/unearned revenue and match with the amounts stated on the list to ensure the accuracy of the liability.
- Review the basis for computing deferring income/unearned revenue, ensure that it is valid, complete and has been correctly and consistently applied as in the prior year and in accordance with GAAP.

Answer 1(d)

Inventories should be stated at lower of cost and net realisable value.

The learning materials were developed by the school itself, the net realisable value is easy to be determined as there is no direct competition in the market.

The assessment of risk of material misstatement of the inventory at assertion level should be low as JPL maintains an appropriate level of inventories, making the saleable value of learning materials easy to be determined.

Answer 1(e)

(i) Non-existent employees

Tracing the selected transactions recorded in the payroll journal to the personnel records, teaching records and MPF statements to determine whether the employees were actually employed during the payroll period.

(ii) Terminated employees

Selecting several samples from the personnel records, teaching records and MPF statements for employees who were terminated in the current year to determine whether each received his or her termination pay in accordance with company policy and Employment Ordinance.

Examining the payroll records in the subsequent period to ascertain that the employee is no longer being paid.

(iii) Unclaimed wages

Requesting a surprise payroll payoff where each part-time teacher must pick up and sign for his or her cheque in the presence of a supervisor and the auditor.

Investigating those unclaimed wages outstanding for a period of time to determine whether an unclaimed cheque is fraudulent, also check the detail wage records against the teaching records and subsequent clearances.

(iv) Fraudulent hours

Reconciling the total hours paid according to the payroll record with the course and teaching records for the hours of teaching conducted by part-time teachers.

Examining evidence of proper authorisation for payroll since it is ordinarily easier for the client to prevent this type of defalcation by adequate controls than for the auditor to detect it.

Answer 1(f)

Authorisation

authorisation by appropriate personnel for all additions, changes and deletion of personnel records.

- authorisation for payments of salaries.

Performance review

- compare actual expenses against budgets.
- compare current month's expenses against previous month's payroll.

- relate the number of staff during the month to monthly expenses.

Information processing

- unique staff number in sequential order to avoid creation of fictitious personnel record.
- checking of arithmetical accuracy of salaries to ensure the amounts are in accordance with employment contracts

Physical control

- restrict access to personnel data.
- restrict access to employment contracts.

Segregation of duties

- persons authorising salaries are not responsible for recording.
- persons recording salaries are not responsible for payment

* * * END OF SECTION A * * *

SECTION B (ANSWER THREE QUESTIONS ONLY) (Total: 60 marks)

Answer 2(a)

The assertions for auditing fixed assets (notebooks and photographic equipment) are as follows:

Occurrence / Existence

Acquisitions and disposals of notebooks and photographic equipment are recorded and are properly authorised.

The recorded notebooks and photographic equipment and related depreciation are in respect of notebooks and photographic equipment in existence.

Rights and obligations

The recorded notebooks and photographic equipment and related depreciation are in respect of notebooks and photographic equipments for which the risks and benefits of ownership accrue to the company. Disposals of notebooks and photography equipment represent the transfer of the risks and benefits in them to third parties.

Completeness

Acquisitions and disposals, are included in notebooks and photographic equipment accounts. All notebooks and photographic equipment owned by the company are recorded and a serial number is attached to each item. All depreciation is recorded in the accounting records and costing records.

Accuracy

Acquisitions and disposals of notebooks and photographic equipment are correctly calculated in accordance with relevant accounting principles. Depreciation is correctly calculated using appropriate depreciation methods and useful lives.

Valuation and allocation

The carrying amount of notebooks and photographic equipment reflects events affecting their valuation in accordance with relevant accounting standards.

Cut-off

All acquisitions and disposals are recorded in the right period. Depreciation is allocated in the right period.

Classification

Capital expenditure and revenue expenditure, and finance lease and operating lease are properly classified. Revenue items such as repair expenses are excluded. Assets are classified appropriately.

Presentation and disclosure

Cost or revalued amount of notebooks and photographic equipment and related accumulated depreciation have been properly disclosed in the financial statements.

Answer 2(b)

Inherent risk is the susceptibility of an assertion about a class of transaction, account balance or disclosure to a misstatement that could be material, either individually or when aggregated with other misstatements, before consideration of any related controls.

Answer 2(c)

Difficulties in making estimates of useful lives for the calculation of depreciation of the fixed assets.

The notebooks and photographic equipment are high value and movable items with high risk of loss.

Fast changing technology may render notebooks and photographic equipment obsolete.

The fair value of notebooks and photographic equipment may not be available for revaluation as old models may not have an active market.

Because of the termination of the photography courses, the photographic equipment may have to be stated at realisable value.

The application of capitalisation policies for the repair and maintenance of the notebooks and photographic equipment requires clear policies and procedures and also subjective judgements.

Answer 2(d)

Valuation assertion – difficult to estimate the fair value and useful life of fast changing technological equipment.

Existence assertion – highly movable equipment is subject to high risk misappropriation, stated items may be stolen by someone.

Classification assertion – difficult to distinguish whether the replacement of components as revenue items or capital items.

Answer 3(a)

The analytical procedures to be applied as part of risk assessment procedures at the planning stage are for the following purposes:

To understand the client's business and industry in order to assess the client's business risk.

To understand the client's classes of transactions and account balances.

To indicate aspects of the entity of which the auditor was unaware and will assist in assessing the risks of material misstatement, in particular risks of material misstatement due to fraud in order to determine the nature, timing and extent of further audit procedures.

To identify financial statement accounts that are likely to contain errors.

To provide an indication of the company's performance by comparing client's ratios to ratios of industry or competitors.

To identify areas of increased risk of misstatements that may require further attention during the audit where unusual changes in ratios compared to prior years or industry average.

To identify areas of specific risk by comparing the liquidity and activity ratios with prior years.

To allocate more resources for investigation of areas of high risk of material misstatement.

To help identify the existence of unusual transactions or events, and amounts, ratios, and trends that might indicate matters that have audit implications.

Answer 3(b)

Analytical procedures are the evaluations of financial statements made by a study of comparison of recorded amount to expectation developed by the auditor.

Auditors compare client's account balances or ratios with:

1. industry data, e.g. industry average
2. prior period data, e.g. account balance, total balance and ratios
3. auditor-determined expected results
4. client-determined expected results
5. expected non-financial data

Answer 3(c)

Independence requires independence of Mind and independence in Appearance.

Independence of Mind

The state of mind that permits the provision of an opinion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism.

Independence in Appearance

The avoidance of facts and circumstances that are so significant that a reasonable and informed third party, having knowledge of all relevant information, including any safeguards applied, would reasonably conclude a firm's, or an assurance team members' integrity, objectivity or professional skepticism had been compromised.

It is important for an auditor to maintain objectivity which means not to allow bias, conflict of interest or undue influence of others to override professional judgments.

Answer 3(d)

The close relationship between Mary and the accounting manager of NWL creates the familiarity threat.

Familiarity threat is the threat that due to a long or close relationship with a client or employer, a professional accountant will be too sympathetic to their interests or too accepting of their work.

The familiarity threat created would be so significant that the safeguard available to eliminate the threat or reduce it to an acceptable level is to remove Mary from the assurance team.

Answer 4(a)

Examples of the analytical procedures for accounts receivable are:

Compare accounts receivable turnover and days outstanding in accounts receivable with previous year data.

Compare accounts receivable turnover and days outstanding in accounts receivable with industry data.

Compare bad debt expense as a percentage of sales revenue to previous year data.

Compare bad debt expense as a percentage of sales revenue to industry data.

Compare percentage of allowance for doubtful debts to accounts receivable to previous year data.

Compare percentage of allowance for doubtful debts to accounts receivable to industry data.

Answer 4(b)

Procedures for sending out debtors' confirmation:

Select sample of receivables to be circularised.

Inform client of intended list of those to be circularised.

Consider implications if client objects to any of the accounts selected being circularised.

Record names and amounts circularised.

Record replies received and consider implications of any accounts not agreed.

For non-replies perform alternative procedures so as to obtain sufficient appropriate audit evidence for accounts receivable balances.

Answer 4(c)

HKSA 505 (Clarified) requires the auditor, when using external confirmation procedures, to maintain control over external confirmation requests, including:

- Determining the information to be confirmed or requested;
- Selecting the appropriate confirming party;
- Designing the confirmation requests, including determining that requests are properly addressed and contain return information for responses to be sent directly to the auditor; and
- Sending the requests, including follow-up requests when applicable, to the confirming party.

Answer 4(d)

This is a material misstatement of the financial statements as BBL should, but did not, write off the bad debt since this is an adjusting event. A misstatement is defined as a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.

A *qualified opinion* should be expressed when the auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements.

An *adverse opinion* should be expressed when the auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

Answer 4(e)

The concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements.

In general, misstatements, including omissions, are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in the light of surrounding circumstances, and are affected by the auditor's perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both. The auditor's opinion deals with the financial statements as a whole and therefore the auditor is not responsible for the detection of misstatements that are not material to the financial statements as a whole.

Materiality should be considered by the auditor when evaluating the effects of misstatements. If a material misstatement is identified and management refuses to adjust the financial statements, the auditor should consider the appropriate modification to the auditor's report.

Answer 5(a)

Threat of entry:

If a business or industry is attractive, other companies will try to enter the market. However, the threat of entry is relatively low for those industries that require heavy capital investment.

Rivalry among existing competitors:

Rivalry from competitors usually comes from enterprises manufacturing and/or supplying similar products or services to the same market. Tactics used by competitors involve price cutting, aggressive marketing and advertising as well as enhanced customer service.

Pressures from substitutes:

Intensity of competition also depends on the availability of similar products/substitutes. The threat of a substitute increases when the price of the substitutes cut or the quality of substitutes improve dramatically. The more substitutes available in the market, in effect, the more competitive is the industry.

Buyers' bargaining power:

Buyers can exert power over a business by changing suppliers. A buyer's bargaining power tends to be enhanced when the product purchased is undifferentiated and the switching costs to another supplier are low.

Suppliers' bargaining power:

The suppliers can exert their bargaining power on a company by pushing up their prices or selling their products to competitors of the same or similar industry. Suppliers tend to have greater bargaining power when their industry is dominated by a few firms.

Answer 5(b)

The five forces model can help identify areas of a business where information systems can supply a strategic advantage. The company should consider the intensity of the five competitive forces to ensure how an appropriate information system strategy can be formulated.

Threat of entry:

In response to the threat of entry, information systems can provide two strategic roles: Information systems, such as computer-controlled production methods which require high capital investment, can be used to create barriers that new entrants must overcome if they wish to enter the market.

Information systems can be used to break down the barriers or lower the cost of entering a market. For example, companies can sell their products to customers in locations where there is no branch.

Rivalry among existing competitors:

The use of information systems to support collaboration with alliances so as to lower costs in order to carry out a price cut strategy.

The use of just in time (JIT) systems to enhance efficiencies by reducing the number of staff required to deliver the same service or by speeding up the service delivery. As a result, the company can provide better service or carry out a price cut strategy.

Pressures from substitutes:

Examples of how companies deal with pressures from substitutes with the support of an appropriate information system:

A system for e-commerce is developed for the convenience of customers to order goods. Computer-aided design (CAD) and computer-aided manufacturing (CAM) can be used to differentiate products from that of competitors and/ or develop tailor-made products for individual customers.

Buyers' bargaining power:

Buyer's bargaining power can be properly dealt with by applying appropriate information systems strategies and techniques; examples are:

Once a customer gets used to the company's e-commerce system, gaining advantage from it, there will be switching costs (that is, a learning disincentive) to switch to another system.

Customer Relationship Management (CRM) systems have been developed for companies to maintain relationship with customers. CRM systems provide analysis to maintain databases of customer details and activities, allowing better service to be provided to customers.

Suppliers' bargaining power:

The bargaining power of suppliers can be weakened by using appropriate information systems strategies; examples are:

Information systems can be used to more easily scan the prices offered by different suppliers and then make comparisons of product specifications from a number of suppliers.

The implementation of electronic data interchange (EDI) systems is beneficial to a company because such systems provide more accurate information.

* * * END OF EXAMINATION PAPER * * *