



Institute of Chartered Accountants of Jamaica



Ethics Test for new applicants

Instructions

- This test has 3 pages including this cover page and consists of 6 multiple-choice questions, each worth 4 marks.
- Circle the correct letter that corresponds to the appropriate answer for each question.
- No marks are deducted for wrong answers.
- The passing mark is 75.

Definitions

- The term “members” refers to all members of ICAJ. Reference to members **in** public practice and members **not** in public practice is clearly distinguished from reference to **all** members.
- The term “Institute” refers to the Institute of Chartered Accountants of Jamaica (ICAJ)

1. Regardless of service or capacity, members should protect the integrity of their professional services and maintain objectivity in their judgment. If when providing a professional service, a relationship which will allow prejudice, bias or influence of others to override objectivity, cannot be avoided, then the assignment
 - a) should still be undertaken, but with caution
 - b) should not be undertaken
 - c) should be undertaken and the relationship compromised
 - d) should still be undertaken after 4 months have passed

2. When faced with significant ethical issues, members should follow the established policies of the employing organization to seek a resolution of such conflict. If those policies do not resolve the ethical conflict, then which of the following actions is **most** appropriate for the member to pursue?
 - a) if the member's supervisor is not involved, the member should communicate the problem to senior management **without** informing the member's immediate supervisor
 - b) if member's supervisor is not involved, the member should communicate the problem to senior management **after** informing the member's immediate supervisor
 - c) resign without exhausting all the levels of internal review
 - d) report the matter to the police without exhausting all the levels of internal review

3. Attainment of Professional Competence by a member **normally** requires
 - a) A period of work experience, followed by specific professional qualifications and then a high standard of general education
 - b) A high standard of general education and then specific professional qualifications
 - c) Specific professional qualifications, followed by work experience and then a high standard of general education
 - d) A high standard of general education, followed by specific professional qualifications and then work experience

4. A member should not disclose any confidential information obtained in the course of a professional engagement except with the consent of his client. In which of the following situations below would disclosure by a member be in violation of the Code of Ethics?
- a) disclosing confidential information in order to properly discharge the member's responsibilities in accordance with professional standards
 - b) disclosing confidential information to provide evidence in the course of legal proceedings
 - c) disclosing confidential information to another member interested in purchasing the member's practice.
 - d) disclosing confidential information during an authorized peer review.
5. In which of the following circumstances should a member **not** be associated with a tax return?
- I. The return contains estimates
 - II. The return was prepared using reasonable information furnished by the client or employer
 - III. The return omits information and such omission will mislead the revenue authorities
- a) I, II and III
 - b) II and III only
 - c) III only
 - d) II only
6. Mark Anderson, a member who provides tax services, discovered that the prior-year tax return of his newly acquired client was erroneously prepared by James Stevens. Mr. Anderson is contemplating the following options:
- I. Advise the client of the error and terminate his association with the client
 - II. Advise the client after informing the revenue authorities
 - III. Inform the revenue authorities and the client simultaneously

Which of the above options is **most** appropriate?

- a) I only
- b) II only
- c) III only
- d) None of the options are appropriate