

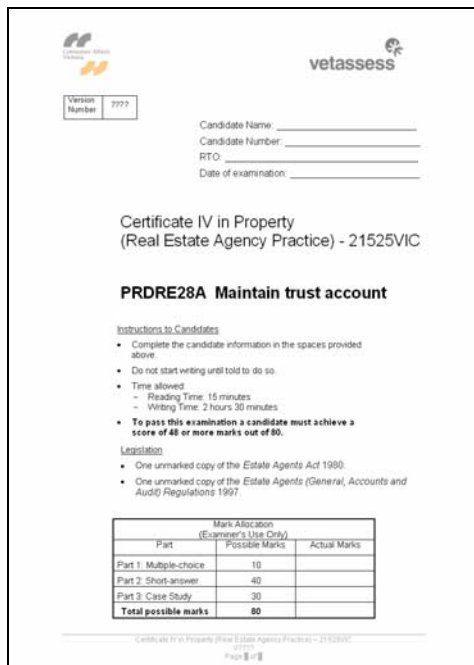
# CERTIFICATE IV IN PROPERTY (REAL ESTATE AGENCY PRACTICE) – 21525VIC PRDRE28A Maintain trust account



## EXAMINER REPORT (May 2007)

### 1. OVERVIEW

The examination comprises multiple-choice questions (10 marks), short-answer questions (40 marks) and one case study (30 marks), totalling 80 marks. To pass the examination, a candidate must achieve a score of 48 or more marks out of a possible 80.

This examination is two and a half hours in duration (plus 15 minutes reading time). One unmarked copy of the *Estate Agents Act 1980* and one unmarked copy of the *Estate Agents (General, Accounts and Audit) Regulations 1997* are permitted in the examination.



Version Number: 7777

Candidate Name: \_\_\_\_\_  
 Candidate Number: \_\_\_\_\_  
 RTO: \_\_\_\_\_  
 Date of examination: \_\_\_\_\_

**Certificate IV in Property  
(Real Estate Agency Practice) - 21525VIC**

**PRDRE28A Maintain trust account**

**Instructions to Candidates**

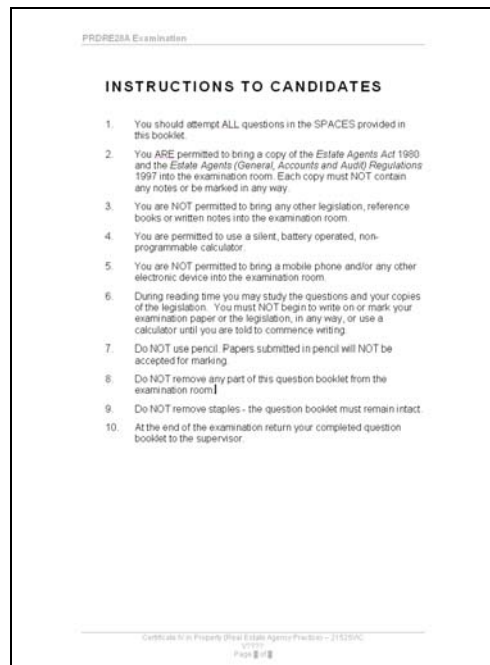
- Complete the candidate information in the spaces provided above.
- Do not start writing until told to do so.
- Time allowed:
  - Reading Time: 15 minutes
  - Writing Time: 2 hours 30 minutes
- To pass this examination a candidate must achieve a score of 48 or more marks out of 80.

**Legislation**

- One unmarked copy of the *Estate Agents Act 1980*.
- One unmarked copy of the *Estate Agents (General, Accounts and Audit) Regulations 1997*.

Mark Allocation (Examiner's Use Only)		
Part	Possible Marks	Actual Marks
Part 1: Multiple-choice	10	
Part 2: Short-answer	40	
Part 3: Case Study	30	
<b>Total possible marks</b>	<b>80</b>	

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PRDRE28A Examination

### INSTRUCTIONS TO CANDIDATES

- You should attempt ALL questions in the SPACES provided in this booklet.
- You ARE permitted to bring a copy of the *Estate Agents Act 1980* and the *Estate Agents (General, Accounts and Audit) Regulations 1997* into the examination room. Each copy must NOT contain any notes or be marked in any way.
- You are NOT permitted to bring any other legislation, reference books or written notes into the examination room.
- You are permitted to use a silent, battery operated, non-programmable calculator.
- You are NOT permitted to bring a mobile phone and/or any other electronic device into the examination room.
- During reading time you may study the questions and your copies of the legislation. You must NOT begin to write on or mark your examination paper or the legislation, in any way, or use a calculator until you are told to commence writing.
- Do NOT use pencil. Papers submitted in pencil will NOT be accepted for marking.
- Do NOT remove any part of this question booklet from the examination room.
- Do NOT remove staples - the question booklet must remain intact.
- At the end of the examination return your completed question booklet to the supervisor.

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## 2. COMMENTS ON QUESTION TYPES

### 2.1 Multiple-choice questions

Generally, the multiple-choice question section of the examination is completed better than other sections, with the majority of candidates achieving a score of 6 out of 10 or better. Candidates who perform poorly in this section usually do so in the remainder of the examination.

Candidates show a tendency to be aware of the various time frames for trust account receipting, record keeping requirements, as well as the various key roles of the regulatory authority Consumer Affairs Victoria. Knowledge of the roles of an auditor and executor respectively tends to be adequate, but with a lack of depth and breadth apparent in many cases.

Some candidates do not answer one or more of the questions. Whether this is due to a lack of knowledge or understanding of the question or is unintentional is not clear. Questions that are not answered can not be given any marks. As marks are not deducted for incorrect answers, it may be advisable that some instructional attention be given to candidates' examination techniques for multiple-choice questions – specifically regarding the consequences of leaving a multiple-choice question unanswered compared with the potentially desirable consequence of at least attempting to answer each question.

Where candidates alter their answer choice, this is usually clearly marked and evident. However, a small number of candidates provided two answers to one or more questions, perhaps unaware of or even ignoring the specific instructions within the examination to “Select the best answer for each question” and that “No marks will be given for a question if more than one answer is supplied.

Access to relevant legislation in the exam can and should assist candidates in answering the multiple-choice questions, particularly if they are familiar with the legislation, where relevant information is contained and how to apply it to relevant trust accounting contexts and practices.

## 2.2 Short-answer questions

The short-answer question topics assess understanding of legislative requirements for trust accounting and how legislative requirements must be implemented in trust accounting practices. Some candidates demonstrate a very well-developed understanding of legislative requirements, translating clearly what needs to be done, often explaining clearly and succinctly in non-jargonistic “layperson’s” terms. However, these candidates are the exception rather than the norm.

Generally, candidates tend to have a satisfactory understanding of the different categories of trust money, appropriate use of the securities register, appropriate and inappropriate uses of trust moneys, completion of specific trust documentation and internal control procedures for specific agency practices. However, a significant number of candidates demonstrate lack of breadth and depth of understanding. For example, many know the basic information in receipt completion but not all the required details.

Some candidates score insufficient marks for a short-answer question because they simply fail to answer the question or their response is elaborate but mostly irrelevant. This seems to be primarily attributable to a lack of knowledge and understanding in relation to the question topic area. Of particular concern is an apparent inability on the part of many candidates to distinguish between “stating” relevant legislation and “explaining” with reference to relevant legislation. The former requires a simple but accurate citation that would efficiently lead to the source, whereas the latter requires an accurate citation as well as explanation or reasoning that demonstrates accurate application of the relevant legislation to the specific context or issued posed by the question.

There is also evidence that the following problems may warrant instructional attention as they impact directly on examination performance:

- (i) *Apparent failure to read a question carefully.*

This problem leads to incorrect or poor responses by the candidate. Some candidates simply give the wrong answer, whereas others apparently attempt to “twist” the question to fit what they know or understand, possibly unaware that their answer will ultimately not match the actual question asked. Clearly, the best way of avoiding this problem is to read the

question carefully, to ensure a clear understanding of what is being asked, and also to contemplate the different possibilities where appropriate, before putting pen to paper.

(ii) *Quoting slabs of legislation as the answer.*

No question specifically requires the candidate to transcribe or recite legislation. When required to “explain with reference to relevant legislation”, candidates are expected to apply legal principles. Their ability to do so is best demonstrated by paraphrasing what the legislation requires of an estate agent, perhaps incorporating a line or two from the legislation where appropriate, rather than demonstrate their skill in transcription. Merely copying the legislation usually provides insufficient evidence of understanding of the meaning or implication of legislation, and will typically lead to fewer marks than may have been awarded for an answer which attempted to interpret the legislation and restate it in the context of the specific question being answered. In a practical sense, paraphrasing is usually briefer than citing the legislation verbatim. There is often insufficient space allocated for citing slabs of legislation and consequently, time is lost with excess detail and “overwriting” into space allocated for other questions.

### **2.3 Case study question**

This is the section of the examination which enables the candidate to demonstrate their knowledge and understanding of trust accounting principles, practices, regulations and legal requirements. In a practical sense, the case study requires the candidate to adopt roles required of the principal agent when reviewing the bookkeeper’s work. As would be the case in everyday practice as the principal agent, it is not the task of the candidate to be the bookkeeper. Of central importance to competently answering the case study, is the ability of the candidate to identify and apply legal principles embodied in relevant legislation.

#### **Common problems arising in this section are:**

- Attempting to redo all/part of the case study documentation correctly rather than highlighting what the problems are. There are few or no marks awarded for redoing documentation as it is rarely a task requirement. The principal would not continually re-do the books if the bookkeeper was performing poorly in their position as recorder of trust account transactions. The bookkeeper would be

counselled as to what should or should not be done and asked to remedy any unacceptable practices.

- Looking for problems in the financial institution's published statement (including layout), despite the instruction that "it is office policy to assume the bank's statement is correct".
- Not identifying existing errors.
- Identifying an existing error but not clearly explaining why the particular entry is a problem. For example, consider the following candidate answer: "There is a transcription error in the TCRJ. This is poor bookkeeping practice". This answer does not indicate the specific error and would be awarded part rather than full marks. A better answer would be: "The entry on June 30 in the TCRJ has a transcription error in the sales column. The entry made is \$788 and should read \$878 as in the bank column. This is an example of inaccurate/poor bookkeeping practice". Consider also, another example of a candidate answer: "No cheque number cited in TCPJ – breach of R 25 EAR". This answer would also be awarded part rather than full marks. A better answer would be: "No cheque number cited on June 17 for the amount of \$9999. This is a breach of R 25 EAR". This answer clearly informs the examiner about the erroneous entry, the specific journal and the relevant breach. A generic statement or paragraph at the end of the candidate's comments stating, for example, that "Regulation 36 of EAR has been breached", or "S 63 of EAA has been breached", but with no explanation of where this occurred is insufficient and would be awarded part marks only. The examiner will not infer from the candidate's comment which entry this is to be applied against. It is also noteworthy that "S 63 of EAA" is an all-encompassing section and if the candidate wishes to apply this section then the specific area should be cited eg. S 63 (1) (c) & (d) of EAA.
- Identifying an existing error but not how to remedy the error (although sometimes identification of the problem is also the remedial explanation eg supplying the information too late, or transcription error).
- Not identifying whether an error is poor bookkeeping practice or a breach of regulation or legislation.
- Assuming that the examiner will know what a comment means. It would be wiser for the candidate to assume the examiner knows very little or nothing and to assume responsibility for demonstrating their knowledge and/or understanding.

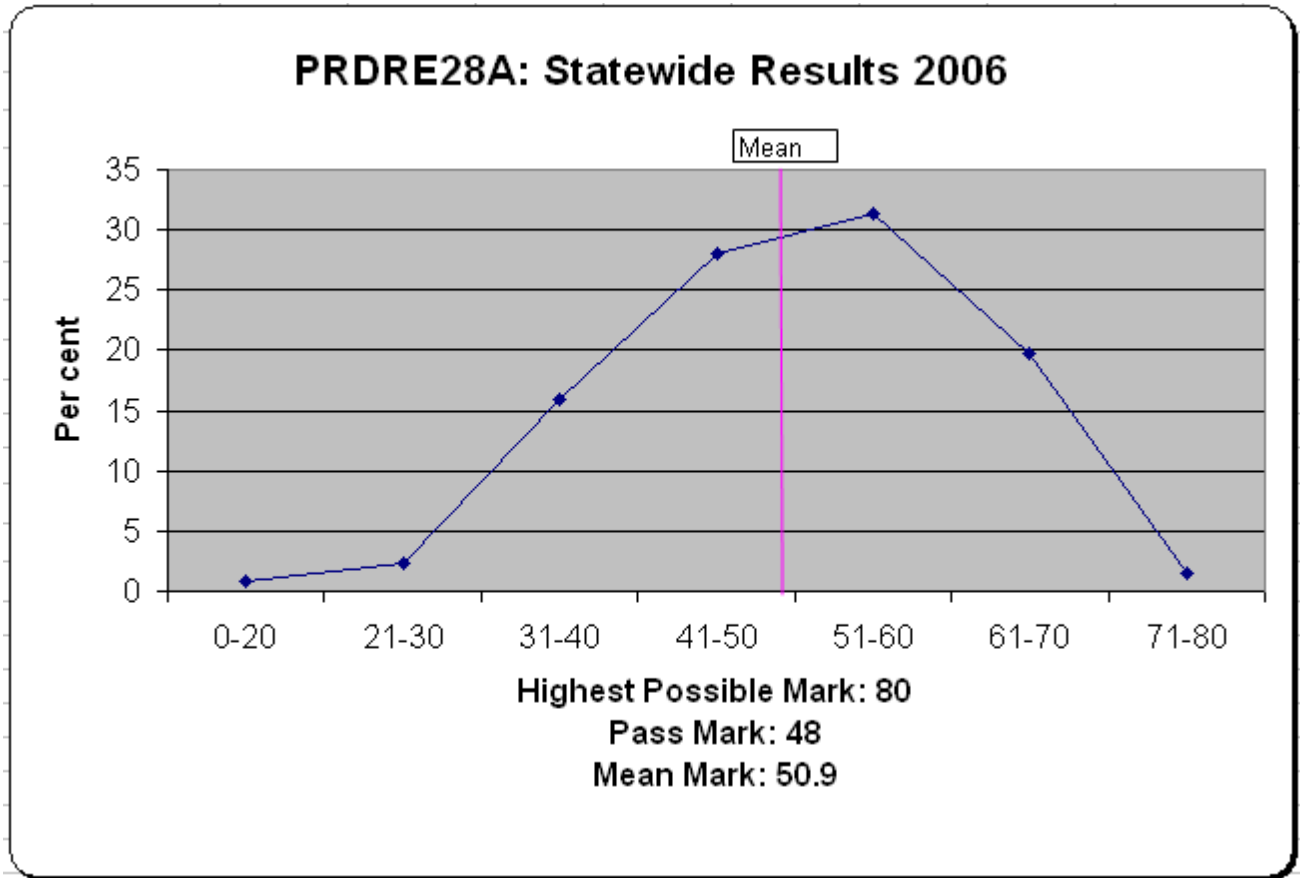
### 3. **GENERAL COMMENTS**

Candidate results on a statewide basis indicate the time allowance of 2 ½ hours is adequate, although a small number of candidates appear to be pressed for time. Writing comments to the examiners about lack of time is not productive use of exam time because such comments are ignored.

Some candidates also write comments that they lack copies of legislation or that they are using out-of-date legislation. Again, this is not productive use of limited time but it is an issue warranting attention at the RTO and candidate level.

Candidates need to be aware that poor written expression can impact on the examiner's task of reading and/or comprehending an answer. Some candidate written responses are almost indecipherable. Candidates should also take note to avoid time wasting practices referred to in the body of the report. It should be noted that the specified entry requirements of the *Certificate IV in Property (Real Estate Agency Practice)* include acquisition of competency to "read, comprehend and discuss printed information in English and write simple sentences." This entry requirement is addressed in the descriptors for literacy at level 2 of the National Reporting System (NRS).

**4. CANDIDATE RESULTS**



<b>PASS/FAIL RATES</b>	
Pass	91.70%
Fail	8.30%