

33. (1 point)

a. (0.5 point)

Describe the concept of materiality.

b. (0.5 point)

Identify two considerations in the determination of materiality.

EXAM 6C SPRING 2015 SAMPLE ANSWERS AND EXAMINER'S REPORT

QUESTION 33	
TOTAL POINT VALUE: 1.0	LEARNING OBJECTIVE: D1d
SAMPLE ANSWERS (BY PART, AS APPLICABLE)	
Part a: 0.5 point	
An omission, understatement or overestimate is material if it will affect the user's decision making or reasonable expectation	
Part b: 0.5 point	
Candidates would receive credits if they mentioned anything related to the characteristics of the entity and anything related to users' intent/situation/purpose. Sample answers include:	
<ul style="list-style-type: none"> - Size of the company - User of the work 	
EXAMINER'S REPORT (BY PART, AS APPLICABLE)	
Part a	
Candidates generally performed well on this question	
Part b	
<ul style="list-style-type: none"> • Candidates were typically able to provide one consideration • Common error is that candidates typically omit one of the two considerations or providing the same considerations in different wordings. 	