

Compliance with the fundamental principles in ACCA's Code of Ethics and Conduct can be threatened in a number of ways.

**Required:**

List the FIVE ethical threats to independence and objectivity and for EACH threat identify ONE example of a circumstance that may create the threat. (5 marks)

**Examiners Report**

This 10-mark question covered the topics of ethical threats, going concern responsibilities and emphasis of matter paragraphs.

Part (a) for 5 marks required candidates to list five ethical threats and for each to identify an example of a circumstance that creates this threat. This question was answered very well by almost all candidates with many scoring full marks.

Candidates were able to confidently list the five threats and to provide relevant examples. Some candidates failed to provide a relevant intimidation threat, believing that the existence of overdue fees results in an intimidation threat, whereas it's the threat of not being paid these fees that creates the risk. A small number of candidates provided fundamental principles rather than ethical threats.