Global Learning Providers' Conference 2017

F7 Financial Reporting

This document summarises the Question and Answer discussion which took place in the examiner's workshop at the Global Learning Providers' Conference on 26-27 April 2017.

Will ACCA release proforma responses for CBE answers?

ACCA publishes CBE answers under the explain answer button in the published CBEs. These are in a PDF format.

Will a full cash flow be asked for in an exam?

Cash flow statements are examined fully in F3 and so similar questions are unlikely to appear in an F7 exam. In F7 it is more likely to be an extract of a cash flow which examines more complex F7 issues; for example finance leases, issue of loan notes etc.

Will there be any full questions on disposal accounting?

The disposal of a subsidiary has been brought in to F7 to better prepare a candidate for P2. However, F7 will only examine a very simple disposal and neither it, nor discontinued operations, will form part of a consolidation preparation question in Section C. However, disposal of a subsidiary might form part of the interpretation question in section C. There is an example in an MCQ in the specimen exam.

Some students report that the objective test questions in the exam are very different to those in the approved content question banks. Could this be the case?

Approved content provider question banks are reviewed to check that the style and level of difficulty is consistent with exam questions, so this should not be the case.

F7 regularly tests convertible bonds as a liability, is this likely to ever be tested as an asset?

F7 will not test this issue.

In relation to deferred tax, is F7 likely to test losses carried forward?

Based on the F7 syllabus learning outcomes, F7 is unlikely to test this issue. The more technical aspects of IAS 12 Income taxes are more likely to be tested at P2.

There seems to be differences between F3 and F7 in relation to accounting for irrecoverable debts in relation to IAS 10 Events after the Reporting Period, in that F7 seems to consider this to be a non-adjusting event can you please comment on this difference?

There should be no difference between the subjects but the accounting treatment in terms of adjusting versus non-adjusting will vary depending on when the conditions exist. It will always be clearly stated in the question when the conditions exist to allow candidates to make the appropriate determination in terms of whether the issue should be treated as an adjusting or non-adjusting event.

In relation to financial instruments, how do candidates know how to treat preference shares?

The question will always use clear terms to ensure that candidates can make the determination between equity and liability. To the greatest extent possible, the question will use appropriate terminology from the relevant accounting standard.