

## Global Learning Providers' Conference

### F9 Financial Management

This document summarises the Question and Answer discussion which took place in the examiner's workshop at the Global Learning Providers' Conference on 11-12 February 2015.

- **What is the anticipated weighting going forward between calculations and numerical content in the F9 exam?**

*Traditionally the balance has been around 60% to 40% narrative to computational although this is not fixed (sometimes it is closer to 50%/50%). The examining team wish to continue to meet student and tuition provider expectations, so do not envisage a drastic change to this approach.*

- **In terms of syllabus weightings, is there currently a mechanism to ensure each syllabus area is given appropriate attention in each paper?**

*It is always the examining team's aim to ensure that an exam is balanced and this is something that is considered thoroughly as part of the exam quality assurance process. For example, an exam with two long questions on investment appraisal would perhaps be seen as unbalanced but an exam with one long question on investment appraisal would be viewed as more appropriate from a syllabus weighting perspective.*

- **When F9 moves to Computer-Based Exam (CBE), will there then be a structured selection method to ensure all exams are balanced in terms of syllabus coverage?**

*As stated above, the overall balance of each exam is an important consideration in our exam development and quality assurance processes. This will continue to be the case under CBE.*

- **Previously with the 25 marks questions under the old exam format, these questions were often integrated in that they covered more than one syllabus area. Will this still happen under the new exam format in the 15 mark questions or will these questions just focus on one syllabus area? This is particularly important given there are 6 main syllabus areas and only 5 questions in Section B.**

*There is scope for integrated 15 mark questions so there may be a question that is (for example), mainly on Investment Appraisal but contains other aspects.*

- **Are there any amendments to the syllabus for September 2015?**

*There is a small addition to the syllabus regarding sources of finance for SMEs including the addition of crowd funding and peer-to-peer finance. Please refer to the syllabus and study guide on the ACCA website, which includes a summary of changes section at the end, to highlight anything that has been changed since the previous version.*

- **Could a student expect a calculation question on foreign currency derivatives or interest rate derivatives?**

*No, any questions set are necessarily bound by the syllabus and if the syllabus states that no numerical question can be set then this is the case. Therefore, the F9 exam can only examine numbers in a certain contexts – for example, forward exchange contracts.*

*There have been some queries raised in the past about why the approved study texts include numerical examples on areas which will not (per the syllabus) be examined computationally. This is to assist students in the learning of the underlying principles.*

- **Given the comments in the last question, maybe ACCA should consider allowing numerical questions in these areas? Otherwise, given how limited tutors' time is in class, they may not teach it in this way, despite it being the best way for it to be taught.**

*Whilst it is accepted that some concepts (for example, over-or under-hedging) may be easiest to teach by way of a numerical example, this does not necessarily mean that ACCA would wish to examine the concept in this way.*

- **How will Section B of the exam work once done by way of e-assessment? For example, will students be given rough paper to do their workings and then enter them directly into the computer?**

*Whilst the examining team have some ideas about how the future of the F9 exam may look, this is still going through our exam development process. ACCA will continue to provide more information on this in advance of the launch of these through the website and other channels.*

- **How will Section B be marked following the move to e-assessment?**

*It is envisaged that Section B will continue to be expert marked and the own figure rule will continue to apply to the longer form questions. The Objective Test questions (OTs) can be computer marked.*

- **This is a specific query on Section A from the December 2014 exam. Some tutors felt that the questions in this section were a bit trickier than they had expected. For example, there was a question on securitisation which had not been covered in class. In light of this, would it be a fair message to say that candidates really need to know everything in the study texts in order to be prepared for Section A as anything could be examined?**

*This would be fair advice. Certainly, there is a balance within Section A with some of the questions likely to be more time-consuming than others. One of the reasons behind the new format was to encourage students to study the whole syllabus, in order to give them a solid grounding for their later studies.*

- **Following on from this question, is it fair to expect students to learn all the theory within the relevant textbook?**

*We are not saying that an exam will test everything but rather than anything in the syllabus could be tested. A robust assessment instrument should be able to differentiate between stronger and weaker students rather than merely categorising as either a pass or a fail. However, this is not to say that the examining team are going to deliberately try to examine obscure areas for no purpose – this is not the case.*

- **This is another specific question relating to the December 2014 exam. Q1 asked candidates to calculate the closing cash balance at the end of three months from a cash flow forecast. This was felt to be worth more than the allocated 5 marks. Could the examining team comment on the mark allocation here?**

*It is important to note here that the F9 paper should be of an equivalent level to final year undergraduate studies. This particular question part was widely discussed as part of the exam setting process and was felt to be balanced out with other questions in terms of the overall exam. Although the calculations were lengthy, they were repetitive and thus felt worthy of fewer marks. A timeframe of three months (one quarter) was used in the question. There is always judgement involved in setting an exam and, although perhaps two months may have been sufficient, a one month period would not.*

- **There were a number of questions in Section A of the December 2014 exam which had the format “Which of these statements are correct?”. Given the high number of questions in this style, are there any particular learning techniques which are recommended to help prepare candidates for such questions?**

*It is acknowledged that such questions often require very precise knowledge and this should be emphasised to candidates. One of the factors considered when an exam is being quality assured by ACCA is to try to ensure that candidates are not unduly surprised by the structure or wording of a question (and also that all distractors are plausible). It is likely that with the future move to e-assessment, a wider range of*

*question types will be available which should have a positive impact on student engagement in an exam.*

- **In the future, would the examining team consider using other types of Objective Test questions in Section A rather than just multiple-choice questions (MCQs)?**

*In the current paper-based format, MCQ is the only type of OT question that will be used. However, this is something that is being considered as part of the Computer-Based Exam (CBE) development. Technology is advancing and ACCA wishes to ensure that the qualification remains relevant to the world in which our students are living and working in, and different question types could assist with the relevance of the exam.*

- **In terms of the transition phase to e-assessment, if both CBEs and paper-based exams may be running in tandem for a period, will these papers be identical to each other at each sitting?**

*Not necessarily. Whilst they will test the same syllabus areas and be equivalent in terms of difficulty, as noted in answer to an earlier question, the CBEs could use different item types other than just MCQs.*

- **Does the ACCA recommend that students pass Paper F5 before attempting Paper F9?**

*We do not make a recommendation in this respect as this will depend on the individual student. F9 can be seen as a stand-alone subject although candidates are required to master the basic accounting ratios.*

- **Do you feel that the new exam structure from December 2014 has made the exam more or less time pressured?**

*This is very hard to answer. It was not felt that the December 2014 exam was time pressured when compared with previous sittings. However, less well-prepared students can often find themselves under time pressure if they are struggling to interpret the data in the question or where to start answering the requirements.*

- **This is a specific question on Q20 of the December 2014 exam. To what extent is micro-economics covered in Paper F9?**

*The focus at F9 is on the business and its decisions and the impact of the economic environment on such decisions. Therefore, the focus is mainly on macroeconomics although microeconomics is also relevant. The syllabus does not split economics into macro and micro but rather refers to “the economic environment for business”, so the focus is all about business decisions.*

- It was noted that the published solutions to Section A of the December 2014 exam just showed the correct option (A, B, C or D) in respect of narrative questions and the correct answer calculation for computation questions. It has been queried by some parties whether this is sufficient.

*This is something that ACCA will consider.*