

Global Learning Providers' Conference 2017

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 26-27 April 2017.

- **Can students do an NPV calculation without expressly using/showing the discount factor they have used?**

If the answer is correct then marks can be awarded. If not and no workings are supplied then a mark cannot be awarded.

- **Can an industry beta be given instead of a proxy company beta as it would be more accurate?**

An industry beta may be given in some exam questions, but proxy companies will also continue to be used as well.

- **In Section C of the exam, would risk management be a substantial part of a question?**

Risk management can appear in a section C question, but it would not be for a significant number of marks.

- **In the CBE can students use the IRR function in the spreadsheet tool?**

They can use this, but it is not necessary to be able to use this function to answer the question in the time allocated, all questions can be answered using simple spreadsheet formulae and functions.

- **Derivatives are not examined by calculations at F9 level, this makes it difficult to teach. Could either calculations be added, or this element of the syllabus removed?**

Numerical examples can be used as a way to teach about derivatives and explain them to students, we are conscious of the size of the syllabus and don't want to add to it in a significant way. It should be remembered that not all students go on to do the advanced paper and qualified accountants need to have an understanding of derivatives so, this is likely to remain in the syllabus as it is.

- **The syllabus is large, how do we know how much depth to go into in different areas?**

The intellectual level is indicated by either a 1 or a 2 in the ACCA study guide. This can be used to gauge the depth required, but also refer to published exam questions and the examiner reports for information on the depth of knowledge required.

- **For currency, can there be one way of expressing exchange rates?**

ACCA has a set method for presenting exchange rates in F9, this can be seen in the specimen exam.

- **Will questions be set in the context of developing countries?**

This is something we are open to, for example in the past the introduction of Islamic finance to the syllabus.

- **Could project specific cost of equity be removed from the syllabus? This adds to the amount of teaching needed, but does not go as far as required in P4 and leads to potential confusion.**

This is something that will be considered in future syllabus reviews.

- **Sometimes questions are asked on specific details that are felt to be non-core areas of the syllabus. Could theory questions only be set on the core syllabus areas?**

Sections A and B of the exam are designed to cover the entire syllabus. These sections contain questions with a spread of difficulty levels to allow stronger students to distinguish themselves.

- **When a requirement asks for a number of reasons (for example three), is it the first three that are marked?**

Yes, this is the case. Any further reasons given do not attract any marks.

- **Do students receive credit for using diagrams in written answers on paper?**

Credit can be given where a diagram has been given as part of a narrative answer, where it demonstrates understanding and is explained, an example could be capital structure diagrams. A diagram on its own is unlikely to attract any marks.

- **Should candidates type out an explanation of all their workings in CBE as well as using formulae in a cell?**

Candidates can do either but what is important is that they clearly identify to the marker what number they have calculated.

- **Can you please share the performance of CBE to PBE?**

Broadly performance for both has been the same.

- **What are the problems that candidates are facing in CBE?**

Often the problems/issues with the F9 exam are the same for CBE as for PBE.

- **How will the variation in the level of detail of answers in a spreadsheet be managed?**

As usual markers will be expected to be able to mark all answer variations provided by candidates and this includes the more advanced functions in the spreadsheet.

- **If a student provides a hedging recommendation based on preferring a hedging technique which is not the cheapest method, can they get a mark for this?**

If a mark for advice is available then any reasoned recommendation can be awarded a mark.