

Global Learning Providers' Conference 2017

P2 Corporate 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 there continue to be a UK adapted exam for Strategic Business Reporting?**

Yes there will be and it will continue to be based on the international version of the exam.

- **Can you give more guidance on how current issues and large exposure drafts will be examined in Strategic Business Reporting?**

Students will not be examined on the details of exposure drafts or discussion papers. The knowledge expected is the principles behind the exposure draft or discussion paper. The SBR syllabus will provide a list of current issues.

- **With the move of P2 into Strategic Business Reporting and with objective test questions in F7, there is a concern that students will not be able to prepare a full consolidation.**

The F7 syllabus will examine the preparation of a consolidated statement of profit or loss or a consolidated statement of financial position (or a summarised version of both). F7 candidates should be prepared to be examined on both. Strategic Business Reporting will examine aspects of consolidation with complexities specific to this level. We would still expect that learning providers would teach the full consolidation rather than every possible small segment in isolation.

- **What is strategic about Strategic Business Reporting?**

SBR has been developed to ensure that candidates employ more critical and analytical skills; for example, by making reference to the accounting principles that have driven the accounting standards or by considering financial statements from the perspective of a different user group. This approach aligns closely with the set of skills that are being embedded across Strategic Professional.

- **Is there any advice on the order of Strategic Professional exams?**

This will depend on the circumstances of the individual student, for some it may be appropriate to take Strategic Business Leader first, but for others it may not. Strategic Professional exams can be taken in any order and ACCA does not prescribe a recommended order.

- **With Strategic Business Reporting starting in September 2018, does this mean there are no P2 exams after June 2018?**

Yes, June 2018 will be the last P2 exam.

- **Will the move to Strategic Business Reporting have a negative impact on pass rates?**

The new format of Strategic Business Reporting has been developed to build on the skills developed in F7. For example, in SBR, the preparation of a consolidated statement of financial position is assumed prior knowledge from F7 and so SBR will no longer require the preparation of a full consolidated statement of financial position. However, SBR might ask a candidate to produce some complex workings or extracts from the consolidated financial statements and ask for an explanation of why a candidate has accounted for an issue in a particular way. This is where candidates need to be critical/analytical and refer to the accounting principles behind the accounting treatment. So, the move to SBR should not have a negative impact on pass rates because candidates are not being asked anything new, indeed the syllabus has hardly changed. Candidates are merely being asked to think about accounting issues in a different way. It is assumed that if candidates can produce the financial statements, they can also explain the rationales behind their selected accounting treatments.

- **Does the new Strategic Business Reporting exam bring more discursive elements into question one?**

Yes, the new format of the exam means that there is more of a focus on discussion rather than calculation. Candidates need to be prepared to understand and discuss the appropriateness of an accounting practice. The specimen exam demonstrates how this new focus will be executed.

- **How will entity reconstruction be dealt with in Strategic Business Reporting?**

This aspect of the syllabus will still be included but it will be more simple under the new format.

- **Does the move to four sessions contradict ACCA's strategy of creating professional accountants the world needs due to the shorter timeframe candidates have to prepare?**

The move to four sessions was not intended to encourage candidates to cram their studies into a shorter period but was to allow for greater flexibility and forward planning in how they move through the qualification.

The new Strategic Business Reporting exam is aiming to restrict rote learning and learned mechanics of applying a standard. Rather, SBR focuses on an individual's ability to apply the principles of the standards and to comment on financial statements. This more holistic approach is very much in line with ACCA strategy.