

Global Learning Providers' Conference February 2015

P3 Business Analysis

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.

- **The P3 syllabus is getting very large. With the addition of the new study outcomes from December 2014, why are we not looking at removing areas because it is getting very challenging to teach?**

We will continue to review the content of all of the Professional exams and it is never our intention to increase the overall volume of content that is within the syllabus.

- **Why are the case scenarios so long, particularly Q1?**

The opinion of the examining team is that longer scenarios, containing enough relevant information provide a richer source of data and supporting evidence which candidates can then use to apply their knowledge and skills to the particulars of the case. In addition, the structure of such cases has been improved to make them easier to read and navigate under exam conditions, by having more section headings, diagrams and tables of information. However, the examining team would encourage education providers to help candidates develop better reading and comprehension skills to help them become familiar and highlight the key information in the case before answering the requirements.

- **Why is there less focus on strategy and more on management accounting in P3 compared with its predecessor Papers?**

P3 is called Business Analysis, so it is a broader subject than a syllabus focused wholly on strategy. The relational diagram shows that the overarching content and basis for the syllabus is strategy, but it is also about the implementation of strategy and about managing the business processes, projects the supporting IT systems to manage change, including the management and leadership implications. Since 2011, ACCA has introduced more of the management accounting techniques, such as forecasting, cost management and decision-making to the syllabus to comply with our statutory regulatory requirements, but also to allow the examination to test wider application and interpretation skills in relation to analysing the financials of an

organisation. The emphasis should always be more on interpreting this type of financial information and relating it to strategic issues, than on calculation in isolation.

- **What is the balance of P3 in terms of knowledge versus application?**

As an ACCA Professional Level examination, the requirements of P3 are set at Masters' level. Therefore, the higher order intellectual skills are being tested, such as application, analysis, synthesis and evaluation. Broadly a candidate would expect that no more than 30% of marks on a typical exam would be for demonstration of knowledge and 70% or more would be for the higher order requirements including application.

- **How is Integrated Reporting to be examined in P3?**

When teaching P3, it is not necessary to teach the IIRC guidelines in detail. But a working knowledge and understanding of the principles behind <IR> is necessary, including how these principles help a company communicate about its strategy and performance to stakeholders in the wider sense. It would be useful for candidates to look at the IIRC Framework and the latest ACCA Integrated Report to help them understand the more holistic way in which information can be conveyed using <IR>. Please see the following links:

<http://www.theiirc.org/wp-content/uploads/2013/12/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf>

<http://annualreport.accaglobal.com/>

- **Will P3 ever require candidates to calculate standard cost variances?**

No, P3 will not require candidates to calculate variances or provide calculations using more basic techniques already examined in the Skills level examinations. They may be required to evaluate variances or other quantitative information already presented in a particular way or to criticise how some calculations have been arrived at. Alternatively, they may have to use that information to assess or analyse the business in some way, either to identify a significant problem or business opportunity and then to draw conclusions and make recommendations.

- **How many candidates fail because of illegibility of scripts in P3?**

Not many candidates actually fail because their scripts are completely illegible, but many of the scripts are very hard to read and are badly organised with answers located all over the script, making them very difficult to navigate and mark accurately. Most markers are quite expert in reading different styles of writing, but some are so difficult to read they are treated as 'exceptions', meaning they are then sent for marking by an expert reader. In some cases, these scripts cannot be read or parts of the script are completely illegible, meaning that ACCA may have no other choice but may fail a script which might otherwise have passed.

- **Is drawing figures, tables and diagrams useful and do they attract many marks?**

Candidates should only draw a table or diagram if they were explicitly asked to do so or if it helps explain a point more concisely. Just drawing models or depicting them visually does not attract marks automatically. They would have to be used in combination with clear explanations of why the model was relevant or why it was being applied to the specific requirement.