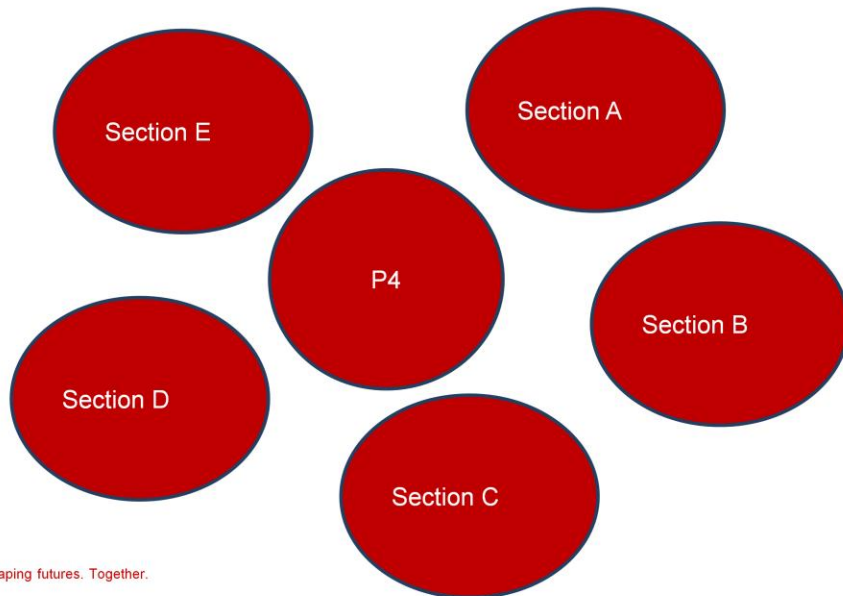


Think Ahead

ACCA

P4 Advanced Financial Management

P4 Syllabus



Embracing change. Shaping futures. Together.

Think Ahead **ACCA**

Since the previous conference, the syllabus has been updated. There are fewer syllabus areas.

Current developments (old section G) now incorporated within each of the section areas. International environment (old section B) is part of current section A

To get syllabus currency, some areas were removed and others added, for example behavioural finance and reverse takeovers

Structure of the P4 exam until and including June 2018

- Section A: One compulsory 50-mark question based on a small case scenario, testing a range of syllabus areas.
- Section B: Three 25-mark questions, students choose two. Smaller questions and focused mainly on one syllabus area but could go across more

Section A: Longer scenario question which can be complex. 4 professional marks are attached to this

Section B: Shorter scenarios.

The focus of P4 is on depth of knowledge and application of knowledge to a variety of scenarios. The aim is to test the syllabus range over a few exams, rather than within each single exam.

Past exam performance

Exam performance over the last two years has continued to be between 33% and 39%.

This is similar to the pass rates in previous sittings.

This is line with the other Option exams within the Professional level.

BUT I would like to see it higher, so what good practice attributes will result in this

Good practice

- Thorough sustained study to gain adequate knowledge
- Application of the knowledge
- Strategy to approach the exam: using reading time
- Student Accountant Articles

Depth of knowledge and understanding gained through sustained study and over a period of time. Last minute study, based just on short courses and revision sessions will probably not be enough.

Application of that knowledge to the scenario in question is essential.

Student Accountant articles should be extensively used to augment knowledge and understanding. They should not be used as hints of what may come in the next or future short term examinations. All articles that are currently available on the website are of value to students, not only the most recent ones.

Good Practice

- Adopt an organised and systematic approach to answering the question
- Answering all parts (and sub-parts) of the question fully. Read & understand the question.
- A good structure and presentation of the answer. Neat, tidy, non-crowded
- Good time management

Embracing change. Shaping futures. Together.

Think Ahead 

Points 1 and 3: A well-organised approach to answering the question and a well presented solution are key factors to gaining a good mark on a question.

Point 2: Some question parts have more than one requirement. All should be answered.

Understand what is wanted by different requirements. For example, what is required by an 'explain' requirement is different to what is required for an 'analyse' or 'evaluate' requirements.

Pitfalls to avoid

- Over reliance placed on past papers and intensive study programmes
- Making fundamental calculation errors
- Not understanding the context of the question. Not answering the question asked and/or relating it to the scenario

These are mostly the opposite of the good practice points

Pitfalls to avoid

- Not carrying forward knowledge of F9 and other ACCA exams
- Unclear structure and poor presentation
- Inadequate knowledge and understanding or inability to apply knowledge to the question

Pitfalls to avoid

- Not answering all the parts of the question
- Poor time management

Where can tuition providers help

- Emphasise the importance of background knowledge especially F9 knowledge but also other ACCA exams
- Emphasise the need for sustained study for knowledge and understanding. Question spotting is not a good idea, intensive courses on their own are not a good idea
- Stress that students must read Student Accountant articles and articles from the financial press

Help students to build a 'toolkit' of techniques and to recognise what 'tools' need to be applied to the question
Ensure that students only take the exam when they are reasonably well-prepared, have a good knowledge base and therefore have a reasonable chance of success.

Where can tuition providers help

- Use past exam questions effectively – efficiency, time management, building structure and presentation skills, interpreting requirements
- Demonstrate approach by working through questions fully
- Practice questions to time
- Present all answers well

Help students develop techniques which enable them to provide structure in scenarios which do not lend themselves to this naturally.

For example, APV versus a restructuring question.



Let's now look at how this exam will change in the new Strategic Professional, examinable from September 2018.

Structure of the Advanced Financial Management exam from September 2018

- Section A: One compulsory 50-mark question based on a small case scenario, testing a range of syllabus areas. At least two syllabus areas will be tested in the question
- Section B: Two compulsory 25-mark questions. Smaller questions and focused mainly on one syllabus area but could go across more

Embracing change. Shaping futures. Together.

Think Ahead 

From September 2018 the exam format will change and all questions will be compulsory.

Section A: longer scenario, more complex requiring students to understand the complexity, select appropriate theoretical models and theories and apply them to the scenario. A range of syllabus areas may be examined here and this question carries 4 professional marks.

Section B: Students will not have a choice of questions any longer. Based on shorter scenarios. These will each focus on one syllabus area mainly, but could go across more than one.

From September 2018

- Syllabus areas B and E will be tested
- Syllabus area B: Advanced investment appraisal
- Syllabus area E: Treasury and advanced risk management

- Importance of F9 Financial Management

In every exam, syllabus areas B and E will be tested. This could be in section A or in section B, or both.

The focus is on depth. The underpinning Financial Management exam provides some of the knowledge and techniques needed and studying Advanced Financial Management builds on these and introduces new knowledge and techniques. Students who will succeed will demonstrate deeper learning and knowledge, and an ability to apply that knowledge to the scenario by employing relevant techniques and skills.



Any
questions?

Embracing change. Shaping futures. Together.

Think Ahead **ACCA**