

Think Ahead

ACCA



F7 Financial Reporting – a guide to reflection for retake students

ACCA's retake guide for F7 is a fantastic resource designed especially to help you if you are retaking F7. Hopefully you have already had a chance to take a look at this but if not you can find it by clicking on the image above.

The first step towards success in your retake is to understand where you went wrong through a process of reflection...

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So, how do you reflect on what went wrong last time?

The key is to review the examiner's reports, which can be found [here](#). We suggest that at the very least you take a look at the last four – but of course you can look at as many as you like!



Understand where you went wrong

Students usually fail an exam because they do not have the necessary knowledge OR they have poor exam technique OR a combination of both – the first step to success in studying for your retake is to understand the reason you failed.

In this section we will help you to understand where you went wrong and then in the next two sections we will take you through what you should do to ensure you pass your retake exam.

- Review the last four available [examiner's reports](#) for F7 in detail

➤ These provide you with feedback on students' performance in each exam, highlighting problem areas that students need to improve on and telling you what the examining teams are looking for – work through the reports carefully, trying to identify whether the issues highlighted were issues for you in your exam

Remember that students often make the same mistakes exam sitting after exam sitting and you will see that the examining teams talk about the same key knowledge areas and the same issues around exam technique time and time again. Really think about whether you have made these mistakes as, once you know what caused you to fail, you can work on improving that area. We will show you how in the next two sections



Examiner's reports

What are the examiner's reports?

The reports are produced after each exam sitting and provide an analysis of students' performance – what they did well and what they didn't do so well.

They tell you which parts of the exam students found challenging and identify some of the key areas where students appear to lack knowledge as well as where they have demonstrated poor exam technique. The reports refer to specific questions in the exam, looking in detail at areas which caused difficulty. They also provide lots of useful tips.

How will the reports help you if you are retaking your exam?

If you review several of these reports you will notice that there are some key themes which the examining team comment on again and again. Typically students fail for the same reasons exam sitting after exam sitting.

For you to succeed in your retake you need to try to understand where you went wrong last time and then plan what to do differently next time round.

What are we going to do now?

In this document we are going to show you how to use the examiner's reports in reflecting where you went wrong last time.

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Step 1 – Read the last four examiner's reports

Read through each of the last four examiner's reports for F7.

- ✓ As you go through them note down any themes you notice which come up more than once.
- ✓ Also try to note down any areas where the examining team is providing advice – for example, you may see in the June 2016 report there is some advice to candidates about being able to explain calculations as well as prepare them.

Examiner's report F7 Performance Management June 2016



General Comments *(from paragraph 2 of the report)*

The results for both sections were well correlated, although most candidates scored slightly better in Section A than in Section B. The numerical parts of the Section B questions were generally very well answered; however, as in past papers, the interpretation question was not as well answered with many candidates stating the obvious (e.g. this year's ratio is higher than the previous year's) without offering any real interpretation or analysis and largely ignoring the effect of a very important discontinued operation.



Take note

You may need to read through each of the reports a couple of times – but to get you started you might note down:

Lack of explanation of ratios

You will see this pops up several times, for example in the June 2016 report.

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Now use this page to note down other themes or advice you notice which come up... include a reference to the report – so the exam sitting and the question number, the theme and then a bit of context (see example below)

Reference	Theme	Context
J16 General comments	Lack of explanation of ratios	However, as in past papers, the interpretation question was not as well answered with many candidates stating the obvious (e.g. this year's ratio is higher than the previous year's) without offering any real interpretation or analysis and largely ignoring the effect of a very important discontinued operation.

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Step 2 – Common themes identified by the examining team over the last four exam sittings

Now compare your list with our list over the following pages – how many did you identify?

Spend some time looking through the reports again with the table below at your side, to make sure you understand where each of the points comes from. You will see we have also included an additional column 'What to do differently next time' and we will talk about this in Step 4.

Reference	Theme	Context	What to do differently next time
J16 General comments	Lack of explanation of ratios	However, as in past papers, the interpretation question was not as well answered with many candidates stating the obvious (e.g. this year's ratio is higher than the previous year's) without offering any real interpretation or analysis and largely ignoring the effect of a very important discontinued operation.	F7 requires you to be able to explain calculations as well as prepare them. You must always think about what the calculations you prepare mean for the business concerned – so for every calculation, ask yourself, what does this mean for the business?
M16 Section B Q2		Part (b) of this question was generally poorly answered – many candidates merely stated a particular ratio was higher or lower than the sector average, often without even stating whether this meant the company's financial performance or position was better or worse than that of the sector. Few candidates displayed any ability to connect the ratios and discuss causes or implications arising from them.	Watch the study support video, Cashflows and interpretations for further support in understanding how to discuss ratios.
D15 Section B Q2		On the whole, part (a) was poorly answered with many candidates gaining only 3 or 4 marks. The main problem, which has been commented on many times in previous examiner's reports, was that the majority of the interpretation consisted of repeating what the ratios were for each company and saying that one was higher than the other.	
M16 Section B Q1	Preparation of extracts	The requirement for a schedule of adjustment to draft profit is an alternative approach to the preparation of a full statement of profit or loss, but one which still tests key principles of profit measurement.	The requirement for a schedule of adjustment to draft profit is an alternative approach to the preparation of a full statement of profit or loss, but one which still tests key principles of profit measurement.



Take note

Note that this table is based on the examiner's reports for June 2016, March 2016, December 2015 and September 2015 – if you are sitting exams from December 2016 you may find some different references.

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J16 General comments	Lack of explanation of ratios	However, as in past papers, the interpretation question was not as well answered with many candidates stating the obvious (e.g. this year's ratio is higher than the previous year's) without offering any real interpretation or analysis and largely ignoring the effect of a very important discontinued operation.	F7 requires you to be able to explain calculations as well as prepare them. You must always think about what the calculations you prepare mean for the business concerned – so for every calculation, ask yourself, what does this mean for the business?
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Reference	Theme	Context	What to do differently next time
J16 Section B Q1	Own figure rule	It is important that candidates realise that errors in previous calculations are not penalised in subsequent calculations. This principle is referred to as method marking or applying the 'own-figure' rule.	ACCA follows the own figure rule which means you will not be penalised for an error that impacts on a later calculation where you need to use the figure you have calculated earlier. However, the markers must be able to follow your workings so ensure that everything is clearly referenced and easy to follow. Maybe ask a tutor or another student to see whether they can follow your workings when you practise a question.
M16 Section B Q1		Provided clear workings were shown, markers awarded the allocated marks in part (b) for following through candidate's figures from part (a) under the "own figure rule" used during marking.	
S15 Section B Q1		The error with share capital meant that the dividend was calculated on the wrong number of shares, but candidates gained marks under the own figure rule for deducting dividends from retained earnings (those candidates who deducted dividends from other elements of equity did not obtain those marks).	
J16 Section B Q1	Answering the requirement	However, a word of caution – a number of candidates produced a full consolidated statement of financial position which was not asked for and so merely wasted time.	Make sure you read the requirement very carefully to avoid wasting time answering the wrong question. Before you start on your answer take a minute to plan what you need to include and ensure you read the requirement through twice. Review past exam questions included within the approved content provider question banks to familiarise yourself with how certain aspects of the syllabus are examined. Although be aware, you still must read through the requirements very carefully to ensure you are not answering a question that you think you have been asked! Whilst it is appreciated that many candidates might use journal entries as part of their workings, be aware that writing out extensive lists of journal entries will waste time during an exam. Also, marks are not allocated to journal entries unless they are specifically required.
M16 Section B Q1		A number of candidates prepared a full statement of changes in equity as part of their answer, although this was not required by the question (and so wasted time).	
S15 Section B Q1		However, many candidates wasted valuable time by preparing lengthy journal entries to support the adjustments in the question. These were not necessary to answer the question and candidates should refer to similar F7 single company financial statement preparation questions in recent past papers. A number of candidates also prepared either the statement of financial position or supporting workings (such as non-current asset carrying amounts) which was also not necessary and earned them no marks.	

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Reference	Theme	Context	What to do differently next time
D15 Section B Q3	Lack of knowledge – cashflow statements	It was pleasing to note that the answers for this paper were much improved, most candidates at least attempted it, but there were still several errors. The main problems were that most candidates could not work out the cash repayment of the finance lease which was the cash payments during the year less the amount attributable to (and reported as) finance costs. The redemption of the loan notes was either omitted or shown at the full amount (rather than the just the cash element).	<p>This is a key area of the syllabus which students often struggle with. Make sure you are clear on this topic, practise questions to consolidate your knowledge and read the technical article, Cashflow statements to ensure you are fully prepared for your exam.</p> <p>In addition watch the study support video, Cash flows and interpretations for further guidance.</p>
S15 General comments	Question spotting	Section A questions will continue to provide a broad coverage of the syllabus and therefore candidates should aim to revise all areas of the F7 syllabus, rather than attempt to “spot questions”.	<p>ACCA exams aim to test breadth as well as depth and so you should make sure you cover all areas of the syllabus. Practising the objective test questions will help to ensure that you have that breadth of knowledge.</p> <p>Review all of the technical articles and study support videos related to F7 as these cover the areas that students have found challenging in the past.</p> <p>Review the exam technique article Multiple-choice questions for further hints and tips around answering the section A questions.</p>
S15 Conclusion	Appropriate level of workings	An appropriate level of workings supports good answers and allows markers to understand how answers have been arrived at – excessively lengthy and absent workings do not allow that to happen.	When practising questions review the model answers carefully to understand how many workings are required and compare with your own to ensure you are on the right track.

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Step 3 – Where did you go wrong?

Have you identified where you went wrong last time?

- ☐ Lack of knowledge
- ☐ Poor exam technique
- ☐ A combination of the two

If you really are not sure, then assume it was a combination of the two, and move on to the next section where we will help you to plan the time between now and your retake.



Take note

Now you need to be honest with yourself and think about which of the statements in the table at step 2 reflect where you may have gone wrong.

Use the space below to note down which of these areas you think could be the reason you failed last time you sat F7.

Some of the points are related to exam technique and some are about a lack of knowledge.

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Step 4 – How to change your approach

Having identified where you think you went wrong you now need to do something about it!

As you will have seen from the retake guide, the key to changing your approach and improving your chances of success next time is to practise questions. This is absolutely vital.



Take note

Refer back to the statement(s) you included at step 3 and compare this (these) to the table we provided at step 2. Make a note below of 'What to do differently next time' based on the statement(s) reflecting where you went wrong last time. So, for example if you have noted down

Lack of explanation of ratios

At Step 3 above, then note down below

F7 requires you to be able to explain calculations as well as prepare them. You must always think about what the calculations you prepare mean for the business concerned – so for every calculation, ask yourself, what does this mean for the business?

Watch the study support video, [Cashflows and interpretations](#) for further support in understanding how to discuss ratios.

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And finally...

For further guidance and tips around how to improve your chances of success with your retake, return now to the retake guide.

Reflect – Other hints to help you understand where you went wrong



Tips for success

Join events in the ACCA Learning Community

- ✓ ACCA regularly hosts events in the Learning Room which you can access via the Learning Community. These are planned around your exams and cover technical topics as well as more general exam technique.

Take advantage of any new resources provided specifically for you, to help you with your retake

- ✓ ACCA is continually producing new resources developed specifically to help you pass your exam whether it be the first time or a retake, so keep an eye on [Student Accountant](#), and the [technical articles](#) on the website (where you will find not only specific syllabus areas covered but also exam technique articles and study support videos).
- ✓ If you haven't done so already make sure you have personalised your edition of [Student Accountant](#) to ensure you receive advice specific to your exam.



Why did you fail?

Marginal fail?

- ✗ If you scored a marginal fail (between 45% and 49%) last time it is likely that you failed because of poor exam technique.

Very low mark?

- ✗ If you scored a very low mark (perhaps under 25%) last time then it is more likely that your mark is due to lack of knowledge.

Did you struggle to come up with answers?

- ✗ It's more likely to be a lack of knowledge if you felt that you were either guessing answers or had struggled to come up with ideas.

Did you run out of time?

- ✗ It's more likely to be poor exam technique if you ran out of time, perhaps missing out whole questions or parts of questions or not finishing the exam.

REFLECT

PLAN

QUESTION
PRACTICE

FINAL TIPS

APPENDIX
- LINKS