

Think Ahead

ACCA

Prepare to pass

A guide to help
you if you are
studying

Financial
Accounting

F3

Prepare to pass

Welcome to your guide helping you to study for your F3 exam

Why use this guide?

- ✓ Structured approach to show you how to succeed
- ✓ Signposted resources and how to use them
- ✓ Tips for success to help you through your studies
- ✓ Interactive clickable checklists to keep you on track

This guide is applicable for exams from September 2016 to August 2017.

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Getting started

Your checklist

- ☐ Enter for your exam
- ☐ Buy an Approved Content Provider study text and question & answer bank
- ☐ Draw up your study plan
- ☐ Get to know your exam

GETTING
STARTED

LEARNING
PHASE

REVISION
PHASE

FINAL
PREPARATION

THE EXAM

APPENDIX
- LINKS

Getting started - Tips for success



Tips for success

We strongly recommend that you buy an [F3 Approved Content Provider Study Text and Question and Answer Bank](#) to ensure exam success. These provide:

- the most up to date content and syllabus coverage
- tests, quizzes and other support designed to help you prepare for your exam
- past exam questions updated for changes to the syllabus, question style and exam format as well as practice questions and answers and full mock exams to ensure you are fully prepared for your exam

You may want to consider attending a face to face or online tuition course with one of ACCA's [Approved Learning Providers](#) for all or part of your studies or signing up for [ACCA-X](#) for all or part of your learning.

- ✓ The earlier you [enter for your exam](#) the less it costs! Use our [exam planner tool](#) to plan which exam(s) you want to sit and when.

- ✓ Use the [ACCA Learning Community](#) to link up with fellow students around the world studying the same exam as you – get tips, join discussions and share ideas and advice. You can also access live Q&A sessions and presentations.

- ✓ Spend some time familiarising yourself with the free resources available via the [exam resource finder](#) on the [student section](#) of the ACCA website –

we will provide you with specific guidance on when and how to use these resources during the relevant stages of study.

- ✓ Remember to personalise your edition of Student Accountant so you receive F3 specific information as you need it.

When drawing up your study plan (see page 5)

- ✓ Be realistic and consider when you are best able to study – maybe early mornings work better for you or perhaps shorter study periods more often.

- ✓ Once you have prepared your plan stick to it!




- ✓ Consider building in an extra study period after every few chapters to review and consolidate your learning.

- ✓ Take a 5 – 10 minute break every hour to help maintain your motivation and concentration.

- ✓ Use this plan whether you intend to self-study through all the phases or mix with some tuition from an [Approved Learning Provider](#).

Getting started - Draw up your study plan

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 1	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 2	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 3	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 4	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 5	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 6	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 7	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 8	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 9	REVISION						
Week 10	REVISION						
Week 11	REVISION						
Week 12	REVISION AND FINAL PREPARATION						

 Evening study period
  Daytime study period
  Other commitments

Study plan checklist

- Calculate the number of weeks from now until your exam date and draw up a plan – see the example to the left and a possible proforma for you to use on the next page
- You may need to add or take away weeks depending on your own circumstances
- Block out days/half days/evenings already committed to family/social events
- Plan study periods – evenings/half days/full days, aiming for roughly one evening/half day per chapter of your study text
- If possible leave a four week period for the revision and final preparation phases

Getting started - Your study plan

Print out and write down when you will study, relax and revise!

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 1							
Week 2							
Week 3							
Week 4							
Week 5							
Week 6							
Week 7							
Week 8							
Week 9	REVISION						
Week 10	REVISION						
Week 11	REVISION						
Week 12	REVISION AND FINAL PREPARATION						

☐ Evening study period
 ☐ Daytime study period
 ☐ Other commitments

Colour boxes in your preferred highlighter colours.

Getting started - Get to know your exam

- | | |
|--|---|
| <p>□ Review the syllabus and study guide and the examinable documents for F3 / FFA</p> | <p>➤ These give you an understanding of the aims and objectives of the exam, learning outcomes and exam structure as well as a comprehensive list of the documents examinable for the current exam sittings</p> |
| <p>□ Scan the F3 specimen exam</p> | <p>➤ The specimen exam provides you with a clear picture of how F3 will be assessed and how the exam is structured as well as the likely style and range of questions that you could see in the real exam</p> |
| <p>□ Review the examining team's guidance</p> | <p>➤ Using these resources at the start of your studies will help you understand the focus of the exam by concentrating on the exam structure, question style, exam technique and tips as well as pitfalls to avoid</p> |
| <p>□ Review the examiner's reports from the last four sittings</p> | <p>➤ These provide feedback on students' performance after each exam session, highlight problem areas that students need to improve on and tell you what the examining teams are looking for; these are critical to your success in passing F3 – see some of the most recent comments from your examiner over the page</p> |
| <p>□ View the study support video Paper F3/FFA MTQ advice</p> | <p>➤ View this video for pointers to some of the key skills you will need to pass F3 as well as more information about the exam structure and exam technique</p> |
| <p>□ Scan the exam technique and syllabus updates articles</p> | <p>➤ The articles here cover answering multiple-choice questions, computer-based exam technique and how to prepare for knowledge modules exams – you will need to come back to these during the revision phase but they will provide you with guidance that will be helpful in attempting questions throughout the learning phase</p> |

Getting started - What the examiner has said about F3 (extract from the examiner's approach article)



Comments on how candidates might improve performance:

Consolidated Statements of Financial Position

- ✓ In the paper version of the exam, use the correct format for a consolidated statement of financial position.
- ✓ Give the statement its correct title ie 'Consolidated statement of financial position at (year-end date)'
- ✓ The assets and liabilities of the parent and the subsidiary are added together on a line-by-line basis.
- ✓ The investment in the subsidiary (shown in the parents SoFP) is replaced with a goodwill figure. Where necessary, show clearly your workings for the goodwill figure.

- ✓ The share capital and share premium balances are not added together; only the balances related to the parent are used in the consolidation.
- ✓ The group share of the subsidiary's profit is calculated and added to the groups retained earnings. Where necessary, clearly show workings for the calculation of retained earnings.
- ✓ If there is intra-group trading then adjust the receivables and payables that cancel each other out.
- ✓ Any dividends paid by the subsidiary to the parent should be adjusted, as the net effect to the group is zero.
- ✓ Adjust for any unrealised profits on sales of inventory between the parent and the subsidiary.

Preparing a Statement of profit or loss for a sole trader

- ✓ Carefully read through the information provided in the question and decide what should be included in the statement of profit and loss. Remember not everything in a trial balance may be needed.
- ✓ Consider any notes provided and decide what adjustments or calculations are required eg prepayments or accruals.
- ✓ Exam questions of this type typically require a depreciation figure to be calculated using a stated method.
- ✓ In the paper version of the exam, always show your workings and reference them to the figures in the statement.





Learning phase

Your checklist

- Work through the control sheet which has been designed to give you a structured approach to your learning phase to ensure you:
 - gain the knowledge you need; and
 - learn how to apply that knowledge to pass the exam

Learning phase - Get the most out of your control sheet

Use the control sheet relevant to the Approved Content Provider's materials you have purchased:

- ✓ Becker Professional Education - page 12
- ✓ BPP Learning Media - page 13
- ✓ Kaplan Publishing - page 14

Tick the box **Content** in the control sheet once you have:

- ✓ Read through the introduction to the chapter
- ✓ Actively read and understood each chapter's content
- ✓ Noted any additional commentary and exam focus tips provided
- ✓ Worked through and understood examples and illustrations of concepts given

Tick the box **Quiz/Test** in the control sheet once you have:

- ✓ Attempted the quiz at the end of the chapter (if you are using Becker or BPP material) or the test your understanding questions throughout the chapter (if you are using Kaplan material)

Tick the box **Questions** in the control sheet once you have:

- ✓ Attempted the questions referred to in the Question Bank (if you are using Becker or BPP materials) or the practice questions at the end of the text (if you are using Kaplan materials)

Tick the box **ACCA related resources** in the control sheet once you have:

- ✓ Read / viewed the related ACCA article(s) / video(s) signposted
- ✓ Note that ACCA produces new articles and videos throughout the year and so you should always check the [technical articles](#) page on the website to ensure you have seen all of the related resources

Learning phase - Tips for success



Tips for success

- ✓ Actively read the material – ask yourself ‘do I understand this?’ If not re-read and re-work examples – if you still struggle, make a note and come back to it.
- ✓ Scan headings before going into the detail to give you an idea of the content first and consider highlighting, underlining, making notes, drawing pictures or mind maps – whatever helps you to remember.
- ✓ Consider using the additional resources provided by the [Approved Content Providers](#) including for example passcards or pocket notes to help you remember the key knowledge areas.
- ✓ Always work through the questions signposted – it is vital that you practise questions throughout the learning phase as this will ensure that you are applying the knowledge you learn as you progress.
- ✓ Make sure you use the ACCA resources to help your understanding – these give you real insight to help you in your exam.
- ✓ If you find you are not covering all of the material in each study period, build some extra time into your study plan – everyone works at a different pace.
- ✓ Keep an eye on Student Accountant for any relevant articles.
- ✓ Visit the ACCA Learning Community regularly to view new video content and to join online study events.
- ✓ There are [PER \(Practical Experience Requirement\) objectives](#) associated with specific syllabus areas and, if possible, you should try to gain experience in these alongside your studying as this will help you to put your studies into a workplace context and reinforce what you have learned.
- ✓ Try to read a good quality business journal or newspaper regularly and use this to help bring your studies to life by linking your learning into what you are reading.

Learning phase - Control sheet for Becker Professional Education

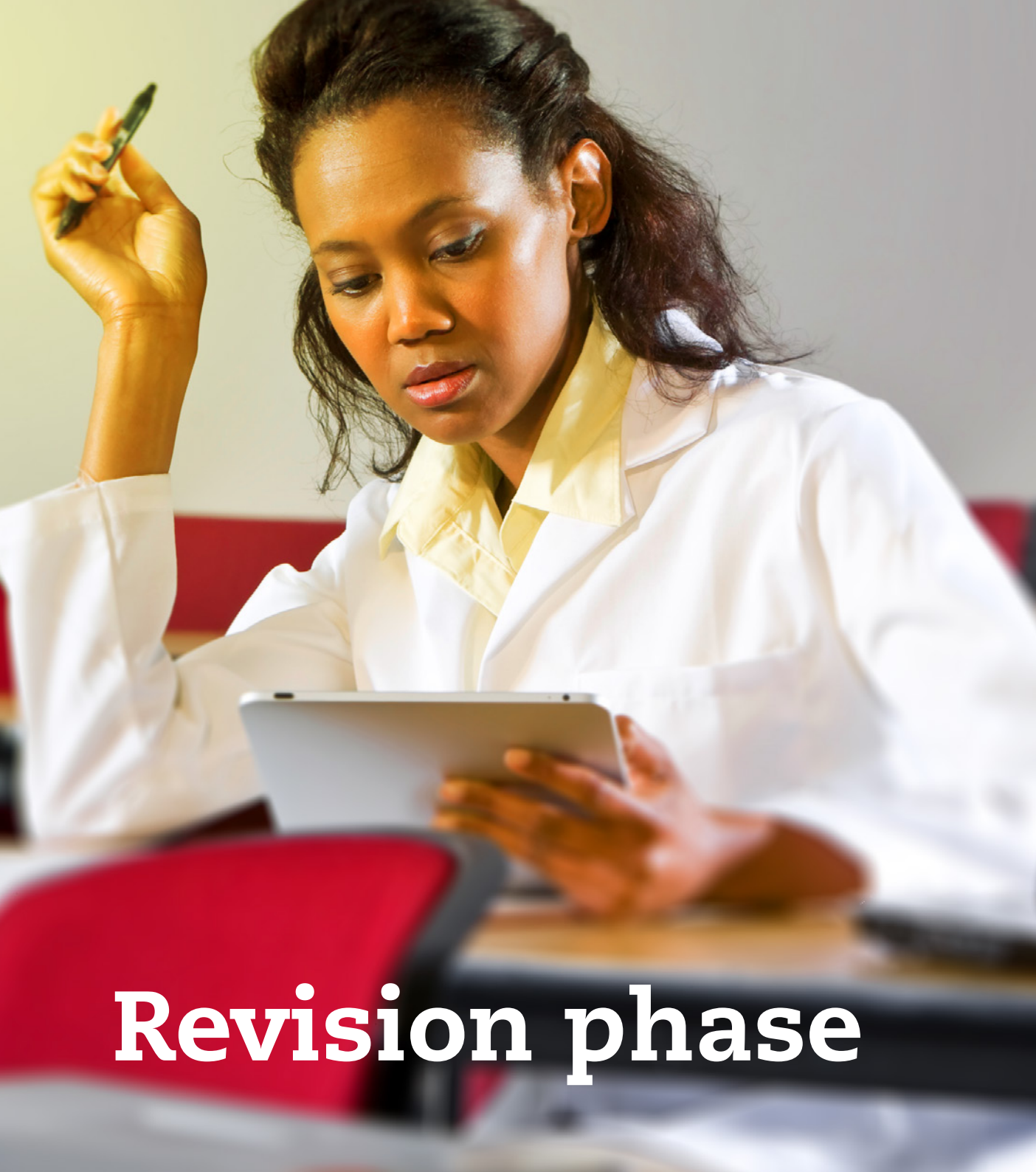
Chapter	Content	Quiz/Test	Questions	ACCA related resources	
✓ tick the boxes below when complete					
Introduction					
1 Context of financial reporting					
2 Financial statements					
3 Accounting systems					
4 Double-entry bookkeeping principles					
5 Ledger accounts					
6 Credit transactions					
7 Trial balance					
8 Accruals and prepayments					
9 Depreciation and disposals					
10 Receivables and payables				• Trade receivables	
11 Inventory				• Adjustments to financial statements	
12 Books of prime entry and control accounts					
13 Control account reconciliations					
14 Bank reconciliations					
15 Suspense accounts					
16 Incomplete records					
17 Regulatory framework					
18 Conceptual framework					
19 IAS 1 Presentation of financial statements					
20 Capital structure and finance costs					
21 IAS 2 Inventories					
22 IAS 18 Revenue					
23 IAS 16 Property, plant and equipment					
24 IAS 38 Intangible assets					
25 IAS 37 Provisions, contingent liabilities and contingent assets					
26 IAS 10 Events after the reporting period					
27 IAS 7 Statement of cash flows				• Cash flow statements	
28 Consolidated financial statements				• Preparing simple consolidated financial statements • Preparing a group statement of financial position	
29 Further consolidation adjustments					
30 Interpretation of financial statements					

Learning phase - Control sheet for BPP Learning Media

Chapter	Content	Quiz/Test	Questions	ACCA related resources	
✓ tick the boxes below when complete					
Introduction					
1 Introduction to accounting					
2 The regulatory framework					
3 The qualitative characteristics of financial information					
4 Sources, records and books of prime entry					
5 Ledger accounts and double entry					
6 From trial balance to financial statements					
7 Inventory					
8 Tangible non-current assets					
9 Intangible non-current assets					
10 Accruals and prepayments					
11 Provisions and contingencies					
12 Irrecoverable debts and allowances				• Trade receivables	
13 Sales tax					
14 Control accounts					
15 Bank reconciliations					
16 Correction of errors					
17 Incomplete records					
18 Preparation of financial statements for sole traders				• Adjustments to financial statements	
19 Introduction to company accounting					
20 Preparation of financial statements for companies					
21 Events after the reporting period					
22 Statements of cash flows				• Cash flow statements	
23 Introduction to consolidated financial statements				• Preparing simple consolidated financial statements • Preparing a group statement of financial position	
24 The consolidated statement of financial position					
25 The consolidated statement of profit or loss					
26 Interpretation of financial statements					

Learning phase - Control sheet for Kaplan Publishing

Chapter	Content	Quiz/Test	Questions	ACCA related resources	
✓ tick the boxes below when complete					
Introduction					
1 Introduction to financial reporting					
2 The regulatory framework					
3 Double entry bookkeeping					
4 Recording basic transactions and balancing the ledgers					
5 Returns, discounts and sales tax					
6 Inventory					
7 Non-current assets: acquisition and depreciation					
8 Non-current assets: disposal and revaluation					
9 Intangible non-current assets					
10 Accruals and prepayments					
11 Receivables				• Trade receivables	
12 Payables, provisions and contingent liabilities					
13 Capital structure and finance costs					
14 Control account reconciliations					
15 Bank reconciliations					
16 The trial balance, errors and suspense accounts					
17 Preparing basic financial statements				• Adjustments to financial statements	
18 Incomplete records					
19 Statement of cash flows				• Cash flow statements	
20 Interpretation of financial statements					
21 Consolidated statement of financial position				• Preparing simple consolidated financial statements • Preparing a group statement of financial position	
22 Consolidated statement of profit or loss and associates					



Revision phase

Your checklist

- ☐ Revisit areas you struggled with during the learning phase
- ☐ Ensure you are confident with the knowledge needed to pass the exam
- ☐ Make sure you are able to apply that knowledge in questions

Revision phase – Question practice

- Exam-standard question practice is vital now
- Work through as many questions as possible and all mock exams included in the [Approved Content Provider](#) question and answer banks – remember these are best for question practice as they include past exam questions updated for syllabus and format changes
- Work through the [specimen exam](#) – this will provide you with a clear picture of what the exam will look like making sure you know what to expect on the day



Tips for success

- ✓ Consider blocking time in your study plan for specific questions or mock exams to ensure you cover everything.
- ✓ Don't be afraid to attempt questions you have already done – especially the ones you found tricky first time round.
- ✓ It is really important that you do some questions in full, to exam time – time management is often an issue and the more you prepare yourself the better you will perform in the exam.
- ✓ To keep motivation high, break some questions into individual parts, write plans or notes for some parts and do others in full.
- ✓ Work through the answers carefully – pay attention to areas you got wrong and understand where you went wrong – it is better to do a few questions well than lots of questions badly.
- ✓ Try not to look at the answers before really attempting the question – you won't be able to do this in the real exam!

Revision phase – Key resources

- Review the [examining team's guidance](#) again in the context of what you have learnt
- Remind yourself of areas that students often struggle with and obtain tips on how to ensure you do not make the same mistakes by reviewing the [examiner's reports](#) from the last four sittings again
- View the study support video [Paper F3/FFA MTQ](#) advice again
- Read the [exam technique and syllabus updates articles](#) – this time linking into what you have learnt
- Make sure you read the [study skills articles in Student Accountant](#) covering topics such as how to overcome exam anxiety as well as checking the Student Accountant Hub for any new technical articles related to F3



Tips for success

- ✓ Don't give up easily – if you really cannot understand something then consider posting a question on the ACCA Learning Community – if you found it difficult so will others.
- ✓ Don't miss the [specimen exam](#) – this is a full example of the exam available for both paper and CBE format and replicates the exam environment - attempt in full to time.
- ✓ Think about purchasing a [Practice Test](#) – practice makes perfect and, even better, you get personalised feedback diagrams highlighting your strengths and weaknesses, so you can refine your revision. See the [Practice tests video](#) on the student section of the website for more information on how useful these can be for your revision.

Revision phase - What the examiner has said about F3 (extract from December 2015 examiner's report)



Section A Sample questions for discussion

Example 2

P Co makes a 1 for 5 bonus issue using the share premium account to the extent that it is possible. Immediately before the bonus issue, P Co had the following equity balances:

	\$
Share capital (\$1 shares)	100,000
Share premium account	15,000
Retained earnings	460,000

What is the balance on the retained earnings account after the bonus issue has been recorded?

- A \$460,000
- B \$465,000
- C \$440,000
- D \$455,000

A bonus issue is where new shares are issued to existing shareholders in proportion to their existing shareholding. There is no cash received by the company from a bonus issue, usually the share premium account and/or retained earnings are used to account for the debit side of the transaction.

The steps to answering this question are as follows:

1. Calculate the nominal value of the bonus issue. Share capital is \$100,000 therefore the 1 for 5 bonus issue is valued at \$20,000 ($\$100,000/5$). The P Co would credit the share capital account \$20,000.
2. The question states that the share premium account should be used to the extent to which it is possible. Therefore the share premium account is debited \$15,000 (the total available).
3. The balance of \$5,000 is therefore debited to retained earnings. Retained earnings is now \$455,000 ($\$460,000 - \$5,000$).

The correct answer to this question is D: \$455,000





Final preparation

Your checklist

- ☐ You are clear on the knowledge you need to pass the exam as well as how to apply that knowledge
- ☐ You have the skills you need to pass the exam – eg time management

Ensure you are familiar with:

- ☐ the exam format
- ☐ the style of questions
- ☐ the way the marks are allocated
- ☐ what specific syllabus areas are likely to be tested and in which questions

Final preparation - Tips for success

“ An extract from the Syllabus and study guide for F3

The syllabus for FFA/F3, Financial Accounting, introduces the candidate to the fundamentals of the regulatory framework relating to accounts preparation and to the qualitative characteristics of useful information.

The syllabus then covers drafting financial statements and the principles of accounts preparation. The syllabus then concentrates in depth on recording, processing, and reporting business transactions and events. The syllabus then covers the use of the trial balance and how to identify and correct errors, and then the preparation of financial statements for incorporated and unincorporated entities.

The syllabus then moves in two directions, firstly requiring candidates to be able to conduct a basic interpretation of financial statements; and secondly requiring the preparation of simple consolidated financial statements from the individual financial statements of group incorporated entities.

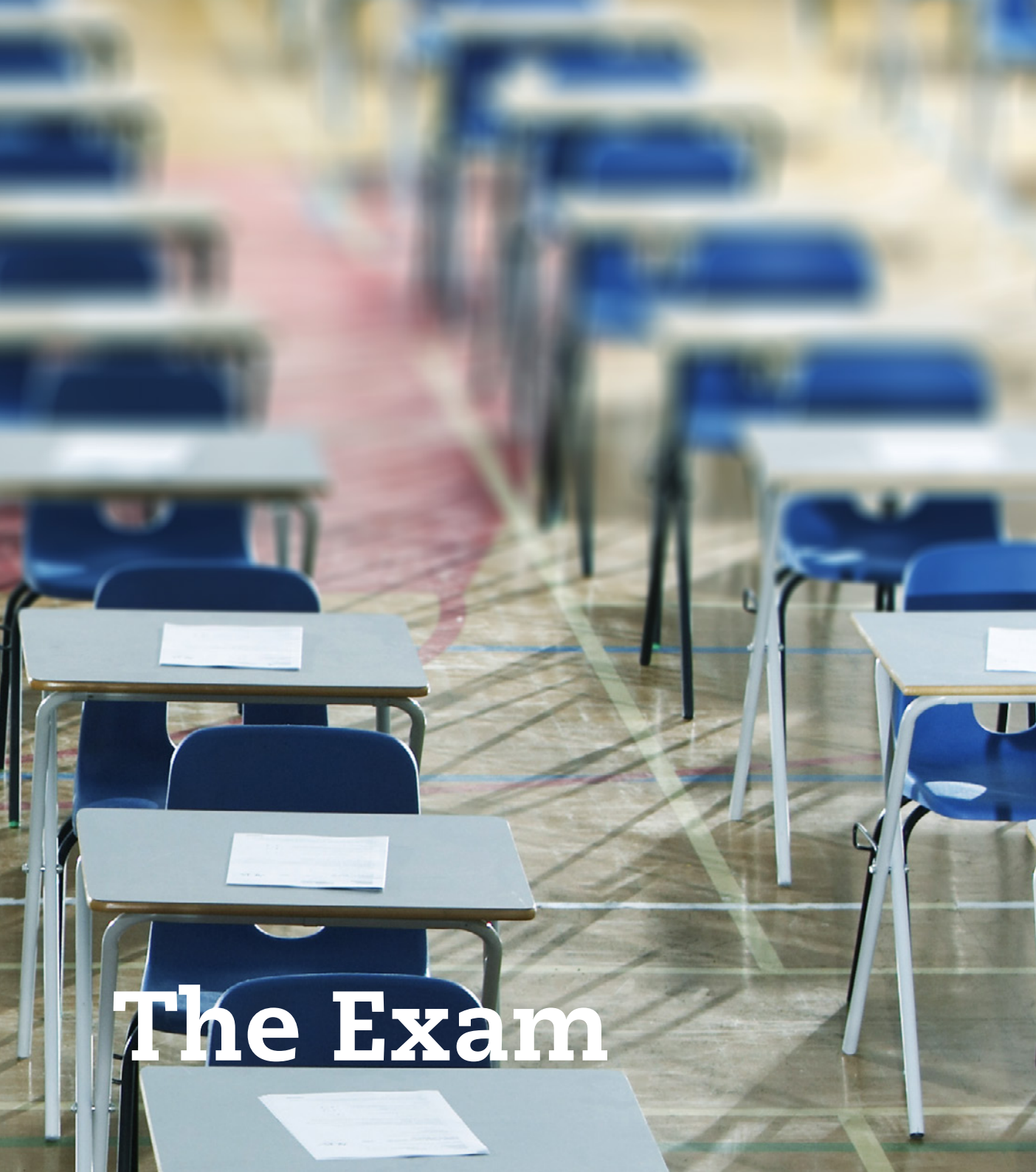
“ An extract from the F3 specimen exam answer

23 D		\$
Depreciation:		
Jan-Mar	$240,000 \times 20\%$ $\times 3/12$	12,000
Apr-Jun	$(240,000 - 60,000)$ $\times 20\% \times 3/12$	9,000
Jul-Dec	$(180,000 + 160,000)$ $\times 20\% \times 6/12$	34,000
		<u>55,000</u>



Tips for success

- ✓ Go over questions again that you found difficult during the revision phase and make sure you attempt at least one mock again in full to time.
- ✓ If you are unsure about the exam format, the style of questions or what specific syllabus areas are likely to be tested in which questions, read the [Syllabus and Study Guide](#) again.
- ✓ If you are not sure about how the marks are allocated review the [specimen exam](#) again.



The Exam

Your checklist

- ☐ Make sure you are ready to walk into your exam

The Exam - Tips for success



Tips for success

Very few students enjoy taking exams but there are things you can do to make the experience less stressful!

- ✓ Identify where the CBE centre (if you have entered for the computer based exam) or exam hall (if you have entered for the paper based exam) is.
- ✓ Plan your route to the CBE centre or exam hall, considering the time of day you will be travelling and any potential issues.
- ✓ Have in place a back-up plan in case of traffic problems or public transport delays.
- ✓ Ensure you have all the equipment you need for the exam (black pens, calculator etc).
- ✓ Don't forget to take your exam docket with you as well as your student identification.
- ✓ Eat properly before you leave for the exam.
- ✓ Sleep properly – do not spend the night before doing last minute late night revision – you will perform so much better if you are alert and well rested (and in any case, last minute revision will only cause you to panic!).
- ✓ Try not to get into discussions with fellow students just before the exam about what might come up – again this will only cause you stress.

Once the exam is over:

- ✓ Relax.
- ✓ Don't over analyse - you cannot change anything now!

Good
Luck!

Appendix – Links

Appendix – Links

Page No.	Link	URL
04	Enter for your exam	http://www.accaglobal.com/gb/en/student/acca-qual-student-journey/exams/enter-an-exam.html
04	ACCA Learning Community	https://www.accalearningcommunity.com/
04	Exam planner tool	http://www.accaglobal.com/gb/en/student/exam-entry-and-administration/enter-an-exam/exam-planner.html
04	Exam resource finder	http://www.accaglobal.com/gb/en/student/exam-support-resources.html
04	Student section	http://www.accaglobal.com/gb/en/student.html
04	Approved Learning Provider(s)	http://www.accaglobal.com/gb/en/student/your-study-options/learning-providers.html
04	ACCA-X	http://www.accaglobal.com/gb/en/student/your-study-options/acca-x-online-courses-from-acca.html
04, 11, 16	Approved Content Provider(s)	http://www.accaglobal.com/gb/en/learning-provider/learningproviders-alpc.html
07, 16, 17, 20	Specimen exam	http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f3/past-pilot-papers.html
07, 17	Examining team's guidance	http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f3/examiners-reports.html
07, 17	Examiner's reports	http://www.accaglobal.com/gb/en/student/acca-qual-student-journey/qual-resource/acca-qualification/f3/examiners-reports.html
07, 17	Paper F3/FFA MTQ advice	http://www.accaglobal.com/gb/en/student/acca-qual-student-journey/qual-resource/acca-qualification/f3/technical-articles.html
07, 17	Exam technique and syllabus updates articles	http://www.accaglobal.com/gb/en/student/acca-qual-student-journey/qual-resource/acca-qualification/f3/technical-articles.html
07, 20	Syllabus and study guide	http://www.accaglobal.com/gb/en/student/acca-qual-student-journey/qual-resource/acca-qualification/f3/syllabus-study-guide.html
10	Technical articles	http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f3/technical-articles.html
11	PER (Practical Experience Requirement) objectives	http://www.accaglobal.com/gb/en/student/practical-experience/performance-objectives.html
12, 13, 14	Trade receivables	http://www.accaglobal.com/gb/en/student/acca-qual-student-journey/qual-resource/acca-qualification/f3/technical-articles.html
12, 13, 14	Adjustments to financial statements	http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f3/technical-articles/adjustments-financial-statements.html

Appendix – Links

Page No.	Link	URL
12, 13, 14	Cash flow statements	http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f3/technical-articles/cashflow-statements.html
12, 13, 14	Preparing simple consolidated financial statements	http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f3/technical-articles/preparing-simple-consolidated-financial-statements.html
12, 13, 14	Preparing a group statement of financial position	http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f3/technical-articles/group-statement.html
17	Practice test	http://www.accaglobal.com/gb/en/student/acca-qual-student-journey/exams/preparing-for-exams/practice-tests.html
17	Practice tests video	http://www.accaglobal.com/gb/en/student/exam-entry-and-administration/preparing-for-exams/practice-tests.html
17	Study skills articles in Student Accountant	http://www.accaglobal.com/gb/en/student/sa/study-skills.html

