



ACCA Teachers' Conference February 2009

P2 Corporate Reporting

Based on notes taken by Richard Briston

Q. Often students with exemptions are not as proficient as those who have attempted and passed F7. Given that teaching timetables and course lengths are restricted; do you have any guidance on how best to adapt teaching approach to compensate?

A. It is important that teaching focuses on ensuring the students have good basic group accounting knowledge, understand and can apply the conceptual framework and have done some pre-course work such as attempting as homework a past F7 exam as appropriate revision before the P2 course. This message equally applies to students who have attempted and passed F7.

Q. To what extent are UK students required to know proposed changes in IFRSs?

A. These candidates will only be expected to have an awareness of the main conceptual issues.

Q. IFRS5 covers non-current assets held for sale and FRED32 covers the equivalent under UK GAAP. FRED32 is not listed as an examinable document within the UK paper however IFRS5 is an examinable document within the International paper. Does this potentially create differences between the content and standard of the two papers? Or do you not intend to test held for sale non current assets?

A. The papers will be differentiated accordingly if and when held for sale non current assets are tested. A lot of work goes into ensuring the all variant or adapted papers are of comparable standard.

Q. Will ACCA test impairment of assets in a sub-subsidary?

A. Potentially yes.

Q. Will ACCA test impairment of assets in a pre-existing group?

A. Potentially yes although this is more likely to appear within an impairments question rather than a preparation of consolidated accounts question.

Q. In complex groups can students use proportionate measure of non-controlling interest?

A. Yes.

Q. Are marks given for workings not included in final answer?

A. Yes.

Q. What should be the starting point for a cash flow question?

A. Although guidance on the starting point under IAS7 is not prescriptive the suggested solution will follow the illustration within the appendix of the standard and marks will be awarded accordingly. The suggestion is therefore follow the standard.

Q. To what extent of exam is the previous version of an IFRS examinable?

A. The current revised version of the IFRS is examinable if it has been issued before the cut off date 30 September and hence forms part of the examinable documents.

Q. Does examiner prefer full or partial measurement of goodwill?

A. This will depend on the question, both could potentially be examinable.

Q. Can local knowledge be used in an interpretation question?

A. Yes as long as the knowledge suitably illustrates the point the candidate is making and answers the question then credit will be given.

Q. Are there any planned changes to future format or style of the paper?

A. There aren't any planned changes in the format of the exam paper other than to the current issues question. The current issues question is likely to include an aspect of numerical calculation. If any further amendments to the format of the paper arise these will be announced giving candidates and tuition providers plenty of notice.

Q. How do questions take account of local tax variations?

A. Students are given enough information for this not to matter.