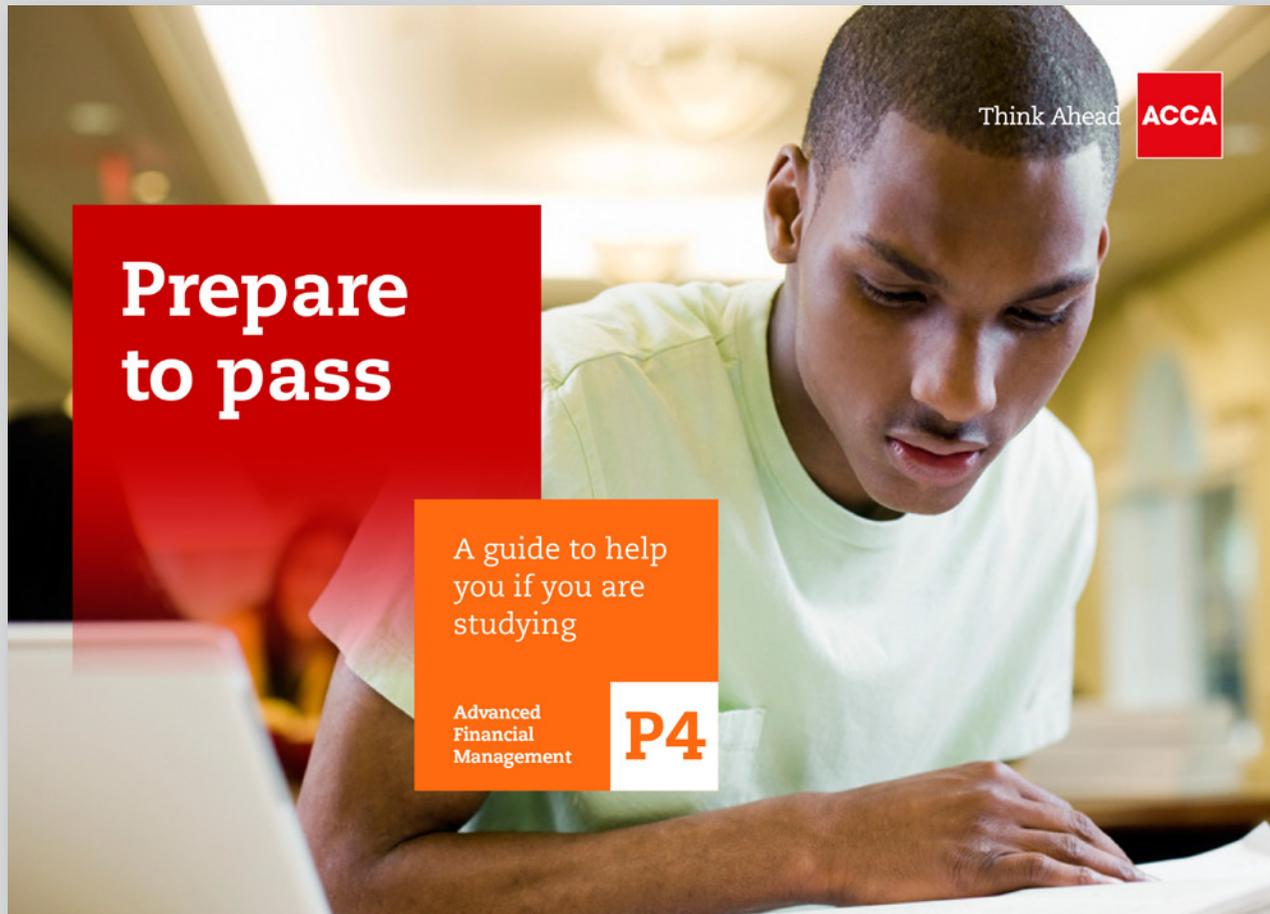


Think Ahead

ACCA



## P4 Advanced Financial Management – a guide to using the examiner's reports

ACCA's self-study guide for P4 is a fantastic resource designed especially to help you if you are taking P4. 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.

# P4 Advanced Financial Management – a guide to using the examiner's reports

Part of getting started is getting to know your exam and we recommend that you use the examiner's reports as a resource here.

In addition, when you come to the revision phase we strongly recommend that you come back to these reports and look at them in more detail.

Home > Students > Exam resources > Professional level > P4 Advanced Financial Management

## GUIDANCE FROM THE EXAMINING TEAM

RELATED LINKS

- [Video: Five minutes with the P4 examining team](#)
- [P4 examiner's approach article](#)
- [P4 examiner's approach interview](#)
- [Adobe reader](#)

The examiners' reports are an essential study resource. Read them to learn about mistakes that students commonly make in exams and how to avoid them. The guidance articles and interviews set out the general approach to the syllabus and the exam, and provide tips on how to improve your exam performance.

EXAMINER'S REPORTS

EXAMINER'S GUIDANCE

EXAM SUPPORT RESOURCES

Return to the exam resource finder to locate other materials to help with your studies

SEARCH EXAM RESOURCES

WHY CHOOSE THIS PAPER?

SYLLABUS AND STUDY GUIDE

EXAMINING TEAM GUIDANCE

SELF-STUDY GUIDES

RETAKE GUIDES

SPECIMEN EXAMS

PAST EXAM PAPERS

TECHNICAL ARTICLES

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FAQS

Last updated: 18 Jul 2016

RELATED DOCUMENTS

**P4 examiner's report - June 2016**  
PDF 49KB

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You can access the examiner's reports for P4 by clicking on the image above. 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!



# 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 when you are revising for 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 exam you need to try to avoid the pitfalls that have led to students failing P4.

## What are we going to do now?

In this document we are going to show you how to use the examiner's reports as part of your revision phase.

# P4 Advanced Financial Management – a guide to using the examiner's reports

## Step 1 – Read the last four examiner's reports

Read through each of the last four examiner's reports for P4.

- ✓ 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 about how to earn the full professional marks available in each question.

### Examiner's report

P4 Advanced Financial Management  
June 2016



**General Comments** *(from paragraph 3 of the report)*

Like a senior financial person at work, a candidate is expected to read a business brief in the form of an exam question carefully, take notes and decide on a relevant methodical approach to meeting the brief's objectives. Senior management work under scheduled deadlines, and hence prioritising and good time management is crucial to performing well under examination conditions. Business reports and proposals are expected to be succinct, professionally written and easy to read with clear headings and conclusions. A candidate, who does not demonstrate this approach, will fail to earn the full professional marks that are easily available in question one.



### 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:

*Professional marks*

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

## P4 Advanced Financial Management – a guide to using the examiner's reports

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 | Professional marks | <i>Business reports and proposals are expected to be succinct, professionally written and easy to read with clear headings and conclusions. A candidate, who does not demonstrate this approach, will fail to earn the full professional marks that are easily available in question one.</i> |
|                      |                    |   |
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# P4 Advanced Financial Management – a guide to using the examiner's reports

## 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 over the following pages 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 'How to avoid the pitfalls' and we will talk about this in Step 3.

| Reference                          | Theme              | Context   | How to avoid the pitfalls   |
|------------------------------------|--------------------|---|---|
| J16 and M16<br>General<br>comments | Professional marks | Business reports and proposals are expected to be succinct, professionally written and easy to read with clear headings and conclusions. A candidate, who does not demonstrate this approach, will fail to earn the full professional marks that are easily available in question one.                | Listen to the study support video <a href="#">Professional marks – the difference between a pass and a fail</a> to ensure you know how best to ensure you obtain these marks in the exam.   |
| M16 Q1                             |                    | It was disappointing that many candidates did not draft their answers in a discussion paper format, with a title heading, a brief introduction of its objectives, clearly headed workings and concluding comments.  | Also read the article <a href="#">How to earn professional marks</a> which will provide further guidance.   |
| D15 and<br>S15 Q1                  |                    | Many candidates did not draft their answers in a report format, with a brief introduction, appendices and conclusion. Some candidates did not follow any report format and the overall structure and presentation was not neat and therefore these candidates gained few or no professional marks.    |   |
| M16 Q1                             | Assumed knowledge  | Candidates struggled to explain how this purchasing power parity relationship may affect a company's cash flows, a topic introduced in F9.<br><br>Knowledge of hedging using forward contracts is at F9 level, yet quite a number of candidates were unable to apply the right forward exchange rate. | Make sure you are comfortable with the assumed knowledge from F9 applicable to P4. Read the article <a href="#">Stepping up from Paper F9 to Paper P4</a> and if there are gaps in your knowledge review the relevant sections of an F9 study text. |



### 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.

## P4 Advanced Financial Management – a guide to using the examiner's reports

| Reference   | Theme                                 | Context   | How to avoid the pitfalls   |
|---|---------------------------------------|---|---|
| J16 and M16<br>General<br>comments<br><br>M16 Q1<br><br>D15 and<br>S15 Q1 | Professional marks                    | <p>Business reports and proposals are expected to be succinct, professionally written and easy to read with clear headings and conclusions. A candidate, who does not demonstrate this approach, will fail to earn the full professional marks that are easily available in question one.</p> <p>It was disappointing that many candidates did not draft their answers in a discussion paper format, with a title heading, a brief introduction of its objectives, clearly headed workings and concluding comments.</p> <p>Many candidates did not draft their answers in a report format, with a brief introduction, appendices and conclusion. Some candidates did not follow any report format and the overall structure and presentation was not neat and therefore these candidates gained few or no professional marks.</p> | <p>Listen to the study support video <a href="#">Professional marks – the difference between a pass and a fail</a> to ensure you know how best to ensure you obtain these marks in the exam.</p> <p>Also read the article <a href="#">How to earn professional marks</a> which will provide further guidance.</p> |
| M16 Q1  | Assumed knowledge                     | <p>Candidates struggled to explain how this purchasing power parity relationship may affect a company's cash flows, a topic introduced in F9.</p> <p>Knowledge of hedging using forward contracts is at F9 level, yet quite a number of candidates were unable to apply the right forward exchange rate.</p>  | <p>Make sure you are comfortable with the assumed knowledge from F9 applicable to P4. Read the article <a href="#">Stepping up from Paper F9 to Paper P4</a> and if there are gaps in your knowledge review the relevant sections of an F9 study text.</p>  |
| M16 Q1<br><br>D15 and<br>S15 Q1   | Volume of information in the scenario | <p>Many candidates were not able to see and extract the information relating to the dividend valuation model.</p> <p>The question's scenario was complex and required candidates to undertake a number of detailed calculations and discuss the issues thereon. Therefore, it was essential that candidates managed the volume of information provided effectively, in order to provide coherent and detailed answers.</p>  | <p>As with all the Professional level exams you must use the information given in the scenario. As you work through it, highlight and underline the key points which you plan to use in your answer.</p>  |

## P4 Advanced Financial Management – a guide to using the examiner's reports

| Reference | Theme                                 | Context  | How to avoid the pitfalls  |
|-----------|---------------------------------------|--|--|
| J16 Q1    | Lack of application                   | Common discursive errors included articulating very simplistic assumptions, whereas at the professional level candidates need to be able to demonstrate a clear link with the scenario instead of just repeating a pre-prepared list of assumptions. | Once you have completed an answer, skim through the scenario to ensure that you have used the majority of the information contained within it – if you have not you may not have applied your knowledge sufficiently.  |
| J16 Q2    |                                       | Weaker answers just provided lists of advantages and disadvantages without considering the responses in terms relevance to the question scenario.  | Read the exam technique article <a href="#">How to tackle exams from a marker's perspective</a> for further pointers on this area.   |
| M16 Q3    |                                       | Candidates whose discussion was based on mergers in general, scored fewer marks.   |  |
| D15 Q4    |                                       | It seems that a number of candidates struggle to apply knowledge to non-standard situations and scenarios. The ability to apply knowledge to non-standard situations requires a sustained study by candidates over a longer time period.             |  |
| M16 Q3    | Reading widely                        | A number of candidates would have received more marks if they had gone on to discuss the additional information required, drawing their knowledge from having read business journals and magazines widely.   |  |
| S15 Q1    | Lack of knowledge – management buy in | On the whole the answers to part b) iii) were unsatisfactory given that an article on this topic area was published in a recent Student Accountant article.  | Aim to read the business pages of a good quality newspaper on a regular basis as well as appropriate business journals. These will help you to consolidate the knowledge from your studies and understand better how that knowledge can be applied to real world examples. |
| D15 Q1    |                                       | Many candidates confused a management buy-in with a management buy-out.  | Review this area of the syllabus carefully and practise questions covering the topic to consolidate your knowledge.  |

## P4 Advanced Financial Management – a guide to using the examiner's reports

| Reference | Theme                       | Context  | How to avoid the pitfalls   |
|-----------|-----------------------------|--|---|
| J16 Q3    | Reading the requirements    | A number of candidates also decided to calculate the gain/loss of the acquisition, although this was not asked for in the question.  | Read the requirements for every question you attempt very carefully – highlighting the verbs used and underlining any key information given, for example, timelines.  |
| D15 Q1    |                             | A number of candidates correctly estimated the value created from tax savings and redundancies made, but many then took these to perpetuity. The narrative of the question set a time limit for these savings at four years. | Review the content of the exam technique article <a href="#">Passing the professional level papers</a> in detail.   |
| S15 Q1    |                             | A number of candidates wasted time in calculating the cost of capital which was already given in the question.   |   |
| S15 Q2    |                             | However, a number of candidates did not read the question carefully and used Euros instead of dollars as the currency of settlement.   |   |
| S15 Q2    |                             | A number of candidates did not follow the settlement instructions given in the question and hence earned fewer marks than if they had read the question more carefully.  |   |
| D15 Q1    | Not using the right verb    | The written elements tended to be explanatory rather than discursive, and therefore did not gain the full marks here.  | Make sure you understand what the commonly used verbs mean. Take a look at the Student Accountant article <a href="#">Answering the Question</a> for more help in understanding the verbs used in exam questions. |
| J16 Q2    | Study the full syllabus     | Similar to question one, part (b) it seems that candidates considered this part of the syllabus to be a minor area and had not studied it in detail. They therefore did not know how to approach answering this question.    | Ensure you have covered the entire syllabus for P4. You cannot afford to miss any areas out.  |
| D15 Q1    |                             | This suggests that a number of candidates did not study the full P4 syllabus and became stuck on a relatively straightforward question.  | Review all of the <a href="#">technical articles and study support videos</a> for P4 as these cover the areas that students typically find challenging.   |
| D15 Q2    | Need to justify conclusions | The discussion element of part (a) gained fewer marks, as a number of candidates just presented a conclusion but did not discuss the concerns around the figures in sufficient detail.                                       | You must always justify your answers in P4 – think about the pros and cons and present both sides of an argument before coming to a conclusion.   |

## P4 Advanced Financial Management – a guide to using the examiner's reports

| Reference        | Theme                              | Context  | How to avoid the pitfalls  |
|------------------|------------------------------------|--|--|
| D15 Q4           | Lack of knowledge – securitisation | Candidates who had studied the reasons for undertaking a securitisation arrangement and associated risk did well, but some candidate's answers demonstrated a lack of knowledge and understanding of this area.  | Ensure your knowledge of this area is consolidated by reading through the article <a href="#">Securitisation and tranching</a> .   |
| S15 Q2           | Lack of knowledge – hedging        | Even though questions on hedging are regularly tested for P4, a number of candidates are not able to attempt these types of question satisfactorily.   | Make sure you review this area of the syllabus in detail and practise related questions.   |
| S15 Q2<br>S15 Q3 | Calculations                       | Other candidates made simple calculation errors.<br><br>It is worth reminding candidates that occasionally as in this part of the question, there are marks available for relatively straight forward calculations without needing to apply complex techniques, when they use the information in the question carefully. | Take your time working through the calculations, taking a logical and measured approach.<br><br>Don't lose marks by not checking your answers – you don't need to redo every calculation but sense-check once you have completed a calculation to make sure it looks reasonable. However, be careful not to spend too long on a question, watch the clock and move on to the next question when the allocated time for that question has passed. |
| S15 Q4           | Answers too narrow                 | Many answers focussed on one particular area or point and hence limited their ability to earn marks.<br><br>Although this was perhaps the easiest part of this question, many candidates failed to discuss more than one or two issues to earn high marks.   | At Professional level you must be able to demonstrate breadth of knowledge. When planning your answer think through all of the implications related to the requirement to ensure you answer the question as fully as possible.   |

# P4 Advanced Financial Management – a guide to using the examiner's reports

## Step 3 – Question practice

The key to passing P4 is question practice. Make sure you refer to the self-study guide for hints and tips but keep in mind what the examiner's reports have said. You want to try to avoid the pitfalls so use the advice given in the table at step 2 when practising your 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 most recent [past exam for P4](#) – 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!
- ✓ Don't forget to review the marking guide too – you need to understand how marks are allocated to ensure you know how to maximise your marks.