

Think Ahead

ACCA



## F5 Performance Management – a guide to using the examiner's reports

ACCA's self-study guide for F5 is a fantastic resource designed especially to help you if you are taking F5. 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.

# F5 Performance 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.

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## EXAMINING TEAM GUIDANCE

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**  
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- [F5 examiner's approach interview](#)
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**F5 examiner's report - June 2016**  
PDF 49KB

Last updated: 18 Jul 2016

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- FAQS

Now pick from our four exam sessions for 2016

- March 2016
- June 2016

You can access the examiner's reports for F5 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 F5.

## 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.

# F5 Performance 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 F5.

- ✓ 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 time management.

### Examiner's report

F5 Performance Management  
June 2016



**General Comments**  
There were two sections to the examination paper and all of the questions were compulsory. Section A consisted of 20 multiple choice questions (two marks each) which covered a broad range of syllabus topics. Section B had three shorter questions (worth 10 marks each) and two longer questions (worth 15 marks each.) These questions covered all of the key syllabus areas. In general, performance on Section A of the exam was significantly better than on Section B. **It is a good idea to do this section of the paper first to build your confidence before tackling the written questions. Make sure that you do not spend more than the allotted time on this section of the paper. It is better to move on and then come back at the end if you have time.**  
The following paragraphs report on each section of the June paper and focus on some of the key learning points.



### 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:

*Time management*

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 Q1	Time management	<i>It is a good idea to do this section of the paper first to build your confidence before tackling the written questions. Make sure that you do not spend more than the allotted time on this section of the paper. It is better to move on and then come back at the end if you have time.</i>

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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 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 Q1	Time management	It is a good idea to do this section of the paper first to build your confidence before tackling the written questions. Make sure that you do not spend more than the allotted time on this section of the paper. It is better to move on and then come back at the end if you have time.	Before you take your exam make sure you have attempted at least one full mock to time, allocating the total time across the exam and sticking to that time allocation.
M16 Q1	Reading the requirements	Many candidates did attempt to solve the problem using the algebraic method. It should have been clear that this was not the required method as the second part of the question asks why the company could not use this method. It's important to read the requirements of each question carefully, as they do often help determine the correct approach.	When reading through the requirements start your plan by noting, for example, the method you should / should not use for a particular calculation. In addition ensure you have identified all of the individual components of the requirement to maximise your marks.
M16 Q2		The biggest oversight was that the requirement asked for ROI, based on average capital employed. Many candidates missed this and calculated the ROI based on the closing capital employed. Whilst they would still pick up marks for their workings, this does highlight the need to read each requirement carefully, and keep checking back to ensure that you are answering the question that has been asked.	As you read through the requirements plan out the headings you will use in your answer – this will help give structure to your answer as well as helping you to actively engage with the requirements as you read them.  Before you start to write your answer, check back and re-read the requirement to ensure you have not missed anything vital.
D15 Q1		In part (b), which asked for reasons why an adverse yield variance might arise, common errors/issues included were as follows: Failing to read the question properly and giving	Make sure you do not pick up on key words in the requirement and then write everything you know about a particular topic.



### 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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Reference	Theme	Context	How to avoid the pitfalls
J16 Q1	Time management	It is a good idea to do this section of the paper first to build your confidence before tackling the written questions. Make sure that you do not spend more than the allotted time on this section of the paper. It is better to move on and then come back at the end if you have time.	Before you take your exam make sure you have attempted at least one full mock to time, allocating the total time across the exam and sticking to that time allocation.
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M16 Q2		The biggest oversight was that the requirement asked for ROI, based on average capital employed. Many candidates missed this and calculated the ROI based on the closing capital employed. Whilst they would still pick up marks for their workings, this does highlight the need to read each requirement carefully, and keep checking back to ensure that you are answering the question that has been asked.	As you read through the requirements plan out the headings you will use in your answer – this will help give structure to your answer as well as helping you to actively engage with the requirements as you read them.  Before you start to write your answer, check back and re-read the requirement to ensure you have not missed anything vital.
D15 Q1		In part (b), which asked for reasons why an adverse yield variance might arise, common errors/issues included were as follows: Failing to read the question properly and giving instead reasons for a favourable variance.	Make sure you do not pick up on key words in the requirement and then write everything you know about a particular topic.
D15 Q2		Other errors included: Getting the order of the three options to consider wrong, rather than following the instructions which were given in the question.	Read the F5 exam technique article <a href="#">Top tips for the Paper F5 exam</a> for further useful guidance.
D15 Q3		Here, a number of candidates failed to answer the requirement which had been set and instead saw the word 'budgeting' and started discussing zero based budgets or rolling budgets.	

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Reference	Theme	Context	How to avoid the pitfalls
D15 Q4	Reading the requirements (cont.)	Part (a) required calculations of ROI and a justification of the figures being used for the calculation. Many candidates forgot to justify their figures and lost the opportunity to earn 2 marks straight away.	
S15 Q3		A significant minority of candidates misinterpreted the requirement, and discussed the performance of the company, and how it might improve. Careful analysis of the requirements would have avoided this.	
M16 Q4	Using the verb to determine the required level of detail	Most candidates were aware of the four perspectives of the balanced scorecard, although few went into any detail when asked to 'describe' the model in part (a). The verb used in the requirement is a useful indicator of how much detail is required – a description would need more than a list of the perspectives involved.	<p>Read through and understand the article <a href="#">What is the examiner asking?</a> This gives you an explanation of the most commonly used verbs as well as some key tips for answering the questions that include them.</p> <p>In addition the F5 exam technique article <a href="#">Approaching written questions</a> covers the verbs you would expect to see in this exam.</p>
S15 Q2		Part (b) required an explanation of an 'expected value' and discussion of its merits in this situation. This was another area where candidates struggled – a common approach was to write out the formula. This does not address the requirement, as it does not explain that it is a long-run weighted average return.	
M16 Q4	Not using the ACCA resources available	The difficulties encountered in this question could have been avoided at the revision stage – this style of question has been examined before, and practising past papers [from the approved content provider question banks] is a crucial part of preparing for these examinations.	<p>Work through past exam questions from the approved content provider question banks to ensure you are familiar with the types of questions asked as well as the key knowledge areas that are tested.</p> <p>Note that if you are using the past exams on ACCA's website the structure of the exam may have changed as well as the syllabus content – make sure you refer to the most up to date <a href="#">syllabus and study guide</a> for your exam sitting.</p> <p><b>Note:</b> 20 mark questions are being re-introduced as from September 2016.</p>
M16 Q5		As with question four, the style of this question is not new. Similar questions can be found on the December 2013 (this is material variances but the structure is the same) and the December 2012 papers. Although they are 'old style' 20 mark questions the technical content is still the same and they provide excellent practice.	

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Reference	Theme	Context	How to avoid the pitfalls
M16 Q4 S15 Q1	Breaking down the requirement	<p>It's easy to rush in and start answering the question now, but the requirement continues, and it's essential that you read the whole requirement carefully.</p> <p>Exam technique is important on questions like this too – the requirement asked for benefits and difficulties – two separate things.</p>	<p>Practise taking each requirement and breaking it down into its constituent parts so that you don't miss out on marks available for answering the whole question.</p> <p>When a question asks for eg, two separate things, use two heading in your answer so you do not forget to address both aspects of the requirement.</p> <p>Remember the marks will be allocated across each element of the requirement. You will not be able to score more than the allocated marks for each part and could therefore miss out, for example, on half of the available marks where there are two parts if you don't answer both parts.</p>
M16 Q4 D15 Q3 D15 Q5 S15 General comments	Application to the scenario	<p>A key requirement of this type of question is application to the scenario.</p> <p>It helps to read the requirement first, as we now know what we're looking for within the text – if you just read the scenario without knowing what the overall aim is you might not pick up on the key details. As you read the scenario, try and match the issues raised to the perspectives of the balanced scorecard and ideas for goals will become apparent.</p> <p>Poor answers to this type of question are too generic.</p> <p>Since this is a skills paper rather than a knowledge paper, most of the time it will be necessary to apply knowledge.</p> <p>The main issue that arose was that lots of bullet points were just written out about the problems of outsourcing without thinking about the particular situation the company in the question was in. Here, the business was thinking about bringing production in house so the answer needed to be tailored to that.</p> <p>However, many candidates did not apply the information given in the scenario to their answers in the written sections, and tried to rely on knowledge alone. Application of knowledge to the scenario is a vital skill, and will be tested throughout the ACCA syllabus.</p>	<p>Read the requirement before reading the scenario to ensure you know what you are looking for – as you find key points to help you answer the question, highlight them so you can easily refer back to them.</p> <p>Once you have read through each paragraph of the scenario, take a moment to think about what was included within that paragraph – just summarise it to yourself before you move on. This will help you actively read through the detail.</p> <p>For each point that you make in your answer make sure that you have related it to the scenario – so explained why that point is important in the context of the scenario. A good rule of thumb to have three sentences for each point. The first sentence identifies the point, the second explains it and the third relates it to the scenario.</p> <p>You should make full use of the scenario when answering questions – once you have completed your answer plan make sure you quickly skim through the scenario again to ensure you have not missed out any key points.</p>

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Reference	Theme	Context	How to avoid the pitfalls
J16 Q1 M16 Q5	Lack of knowledge – variances	<p>It was disappointing to see a lack of knowledge on these variances which are really useful in understanding a business' sales performance.</p> <p>Some candidates clearly did not know the variances calculations.</p>	<p>Ensure you revise this area of the syllabus carefully and practise questions – this is the only way to ensure you have learnt all of the calculations needed. Remember a variance is effectively all about comparing actual results with expected results.</p> <p>Also make sure you watch the study support video, <a href="#">Variances</a>, for further guidance on this key area.</p>
M16 Q5	Scoring marks	<p>The way to score marks, as with any performance measurement question, is by identifying WHY things happened, and what they mean.</p> <p>Explaining reasons for variances or movements will score many more marks than bland comments such as 'the variance is adverse which is bad.'</p>	<p>For each mark allocated to a question make sure you do as advised by the examining team – identify why something has happened and what it means for the business (for example).</p> <p>For everything you write down, ask yourself, what does this mean for the business?</p>
D15 Q1		<p>In part (b), which asked for reasons why an adverse yield variance might arise, common errors/issues included were as follows: Failure to expand upon why an issue may cause an adverse impact upon the yield.</p>	<p>When reviewing model answers to the questions you practise, focus on how each area is explained – noting the need to do more than merely identify a point.</p>
D15 Q3		<p>They simply needed to divide up the requirement into its two parts, look at the scenario and consider:</p> <p>Incremental budgeting – What is it? Is the partner using it? Yes – why? No – why not?</p> <p>Participative budgeting – What is it? Is the partner using it? Yes – why? No – why not?</p>	
S15 Q5		<p>Basic marks will be awarded for saying what a variance means, but more marks can be given if a candidate explains WHY it happened. For example, "The sales price planning variance was adverse, meaning that the market price was lower than expected," will get some credit, but "The sales price planning variance was adverse, meaning that the market price was lower than expected. This was due to the government's tax cut, which was out of the control of the sales manager," will gain more marks.</p>	

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Reference	Theme	Context	How to avoid the pitfalls
D15 Q3	Superfluous detail	Many candidates also included superfluous detail regarding how to improve the current situation which was not what the question had asked. This meant that time was wasted that could have been spent earning marks elsewhere.	Don't waste time writing an answer to a question you wish had been asked. Only answer the requirement given – there is no need, and no marks will be awarded for, detail included over and above what has been asked for.
S15 Q5		Many candidates attempted to calculate cost variances in answering this question. While no marks could be lost, valuable time is wasted.	Planning your answer before starting to write will help you avoid superfluous detail – your plan should identify the key points you want to make so, when writing your answer, stick to your plan and avoid writing additional detail which is not asked for.
D15 Q4	Reading the scenario properly	It was attention to detail that let a majority of candidates down with inadequate reading of how the bonus was to be calculated.	Often there is information in the scenario which tells you the approach you need to take to a calculation. Follow this carefully to avoid losing marks.
S15 Q3	Question spotting	The F5 syllabus is very broad, and there is a lot to learn – however, question spotting is a tactic which can prove damaging – it is much better to spend the time going through the syllabus and trying to cover everything, rather than being an expert on only some topics such as ABC or linear programming.	<p>ACCA's exams examine breadth as well as depth – if you do not cover all areas of the syllabus you are at risk of losing many marks. Some areas will be examined more than others and appear more important but there is no guarantee that your exam will feature those same topics.</p> <p>Practice as many section A objective test questions from the approved content provider question banks as you can to ensure you are testing your knowledge across all areas of the syllabus.</p> <p>Ensure you have reviewed all of the available <a href="#">technical articles</a> and <a href="#">study support videos</a> as these will cover the areas of the syllabus that students have found challenging in past sittings as well as topics which are new to the exam.</p>

# F5 Performance Management – a guide to using the examiner's reports

## Step 3 – Question practice

The key to passing F5 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 [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!
- ✓ 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.