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*F1 & F2 Insufficient student numbers and not included in ACCA accredited results

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RBS

December 2010 ■ RBS ■ Worldwide (％)

F1* 100
F2* 100
F3 100
F4 100
F5 100
F6 100
F7 100
F8 100
F9 100
F10 100
F11 100
F12 100
P1 100
P2 100
P3 100
P4 100
P5 100
P6 100
P7 100

82 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

Worldwide (%)

82 84 85 86 88 90 92 94 100

84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

88 89 90 91 92 93 94 95 96 97 98 99 100

90 91 92 93 94 95 96 97 98 99 100

92 93 94 95 96 97 98 99 100

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Professional Education
ACCA is committed to providing support to all its students. As part of this support, a range of materials – in a variety of media to reach as many students as possible – is available specifically to address the ACCA Qualification exams. Information from ACCA’s examiners including examiner reports, examiner interviews and a wide variety of technical articles are available in a range of different media on the ACCA website.

The two sets of examiner interviews are available on www.accaglobal.com and are extremely valuable resources. Each set of interviews can help you prepare for your exams in different ways and, when used in conjunction with the paper resources available, they can make a big difference to your studies.

EXAMINERS’ APPROACH INTERVIEWS
The examiners’ approach interviews are very useful when you are undertaking a particular paper for the first time, giving you a real insight into what examiners are looking for in terms of exam performance. They cover the main themes of each paper and give information on the style of the exams and how they are structured. They also advise on exam technique, with tips on how to succeed and potential pitfalls to avoid.

The examiners’ approach interviews complement the examiners’ approach articles, which were written to give guidance on how to tackle each exam paper. These resources contain similar information but the difference in delivery method can be a useful advantage when studying and may give you a better chance of absorbing the examiners’ advice. The examiners’ approach interviews also contain useful links to other relevant resources for your exam.

EXAMINERS’ ANALYSIS INTERVIEWS
The examiners’ analysis interviews build on the examiners’ approach interviews. They highlight where students are performing well, where students are performing less well, and give advice on how students can improve performance in problem areas.

It’s never too soon to start listening to the examiners’ analysis interviews, but they would probably be most useful once you have covered the syllabus and are starting to think about the detail of a paper and how to apply what you have learned in the exam.

They are designed to give guidance around which areas of the syllabus students have been struggling with in recent exam sittings and how students can tackle the difficulties others have been having. The analysis interviews are closely related to the examiners’ reports, which are published after each exam session. They bring together the examiners’ reports from the first three sessions of the ACCA Qualification, illustrating that some mistakes are being repeated consistently and highlighting critical areas of the syllabus to focus on. Remember, this does not mean one of those areas will necessarily be examinable in the next session.

The ACCA website features examiner interviews recently at this year’s Learning Providers’ Conference. It is still very important to make use of the individual examiners’ reports available in this issue of the Essential Guide and on the ACCA website, as well as listening to the analysis interviews. After you have worked through a practice question, refer to the relevant examiner’s report and you will find an analysis of that question, what the examiner is looking for in a good answer, typical answers given by students, why they might not be relevant and so on.

All of these resources and others such as the Syllabus and Study Guide, past papers, examinable documents and technical articles can be accessed at www2.accaglobal.com/students/acca/exams/.

EXAM SUPPORT
EXAMINERS’ APPROACH AND EXAMINERS’ ANALYSIS INTERVIEWS
Values, ethics and governance are essential skills for finance professionals.

This is why ACCA has adopted a holistic approach to your ethical development via the exams syllabus, the practical experience requirements and the Professional Ethics module – requirements you need to complete in order to obtain your ACCA Qualification.

As an ACCA student, your ethical and professional development starts from day one – as soon as you have registered with ACCA.

PROFESSIONAL ETHICS MODULE

As part of your ethical development, students are required to complete the Professional Ethics module, developed by ACCA.

This will give you exposure to a range of ethical perspectives and includes several self-tests which require you to reflect on your own ethical behaviour and values.

You then apply what you have learned in a case study where you experience an audit situation from two points of view – that of the auditor and the corporate financial accountant.

MODULE CONTENT

So what can you expect the module to be like? It consists of nine units – detailed below – each designed to help you understand what it means to think and act as a professional accountant. Sometimes, without you even realising, your personal values can get in the way of your professional ethics. As accounting students, you have been learning the technical aspects of your chosen profession, and may not have spent much time thinking about your own values, how you make decisions, and how you may be influenced in making those decisions. The Professional Ethics module includes some exercises to help you explore these issues. Then, when you are faced with a difficult decision and find yourself applying the fundamental principles of your profession, you will be better prepared to apply your professional judgment rather than your personal beliefs.

Professional ethics module units

1 Start here
2 Judging the acceptability of arguments
3 What is ethics?
4 Rules vs principles
5 About ACCA’s fundamental principles
6 The framework
7 Case study
8 Applying what you have learned
9 Tell us what you have learned

Looking at some of the units within the Professional Ethics module more closely:

- Unit 2 gives you the opportunity to judge the acceptability of arguments for and against some difficult decisions. It is important that you give careful consideration to these arguments, and there is great value in discussing these with your friends and colleagues. The objective is to help you see what kind of arguments might make you change your mind. Providing you with this valuable knowledge about yourself will be useful when you are a qualified accountant, where you may be faced with a difficult decision and find that people are trying to influence your decisions or behaviour.

- Unit 3 contains a brief overview of ethical schools of thought to help you recognise your own personal values in the context of established theory.

- Unit 7 is an interactive case study. Based on a realistic scenario and using computer animation, the unit provides the opportunity to apply what you have learned from other units by evaluating information, assessing the consequences of your actions, and making ethical judgments. The case study is a chance for you to practise your ethical decision-making skills and will provide you with feedback on all the decisions you make.

- Unit 8 gives you further practice at making ethical decisions. Within this module you are presented with five situations. For each one, you are required to select what you think is the best solution, and obtain feedback on your decision.

- In Unit 9, you are required to write a short paragraph about what you have learned from completing the module.

You are given access to the Professional Ethics module as soon as you become eligible to take Paper P1, Governance, Risk and Ethics. It is recommended that you take the Professional Ethics module at the same time as, or before Paper P1.

While you have the flexibility to complete the Professional Ethics module in your own time, if you registered as a student after January 2007, you should note that ethics is now one of your requirements of membership. ACCA will now contact you as soon as you have met all of the requirements – exams, ethics, experience and performance objectives – and invite you to transfer to membership.
Paper P5 is an advanced performance management paper. It looks at different types of performance management systems and considers whether or not they provide useful information to the management of an organisation. By performance management systems, we include techniques such as budgeting, variance analysis, balanced scorecards and other such techniques used by organisations to manage their performance so they can plan and control their activities better. It also covers areas such as remuneration schemes for management and employees which attempt to motivate them to work towards the objectives of the organisation.

While performance management systems are covered in Paper F5, at Paper P5 additional models of performance management are included such as value based models, and the performance prism. In addition, candidates must be able to advise on what type of systems are relevant to a particular organisation. Different organisations have different information requirements, and candidates must be able to understand these, and be aware of the factors that determine what type of management accounting information is needed.

Finally, in Paper P5, there is more detailed discussion of qualitative factors surrounding performance management. Candidates need to have much more depth of knowledge than at Paper F5. So rather than just knowing the rationale of the Balanced Scorecard, for example, candidates might be asked to evaluate it in the context of a specific scenario.

WHAT DO I NEED TO KNOW?
Since Paper P5 builds on Paper F5, the examiner could assume you know all of the Paper F5 topics. In practice, the examiner is unlikely to examine Paper F5 topics in detail unless they are also specifically included within the syllabus for Paper P5 too. It is advisable however to have a good knowledge of certain areas of the Paper F5 syllabus before starting to study Paper P5. The areas of particular importance are as follows:

- Activity-based costing
- Budgeting
- Decision making
- Performance measurement.

Activity-based costing, which is in Section A1 of the Paper F5 syllabus, feeds into activity-based management, in the Paper P5 syllabus. Some activity-based management questions in Paper P5 exams have required candidates to perform calculations using activity-based costing principles, so it is important to have a good knowledge of this area.

The other specialist cost and management accounting techniques included in the Paper F5 syllabus which are also relevant to Paper P5 are target costing, lifecycle costing and environmental management accounting. However, as these are specifically included within the Paper P5 syllabus, candidates should be able to refresh and increase their knowledge of these from their Paper P5 materials.

Budgeting is another important area. In Paper P5, the focus is on whether budgets are a useful tool or not, and which types of budget are useful in what situations. It is useful, therefore, to be familiar with the following budgeting sections from Paper F5 syllabus:

- C1 – Objectives of budgeting
- C2 – Budgetary systems
- C3 – Types of budget
- C5 – Behavioural aspects of budgeting.

While quantitative aspects of budgeting have been excluded from this list, candidates would have to have to deal with some maths – for example to deal with simple forecasting. Candidates would not be required to do detailed calculations involving techniques such as regression and time series analysis.

Decision making is an area that sometimes gets examined in Paper P5. Candidates may be asked to evaluate a decision, so some calculation may be required in such questions. It is important, therefore, to be familiar with relevant costing principles, which are in Section B1 of the Paper F5 syllabus. An awareness of CVP analysis is also useful (Section B2) although it is extremely unlikely that you would be required to draw any of the charts in Paper P5. In addition, a practical understanding of cost structures, cost behaviour (fixed and variable) and break even analysis will often be useful in analysing and giving advice in a scenario.

Knowledge of limiting factors (Section B3) is required, not just for decision making, but also because it feeds into transfer pricing. You should know how to solve basic limited factor decisions. It would not be necessary to go into solving linear programming problems for Paper P5.

Pricing (Section B4) is not specifically in the syllabus for Paper P5, but the examiner has indicated that he would expect candidates to be aware to be able to calculate a simple cost plus price. Pricing is also relevant in the context of transfer pricing.

Risk and uncertainty is an important factor in control of an organisation so the Paper F5 topics on risk and uncertainty should also be known. Particularly important areas are expected values, maximax, maximin, minimax regret and the use of sensitivity analysis, and these have all been examined recently at Paper P5. It is unlikely that you would be asked to draw a decision tree at Paper P5 but knowledge the underlying principles of probability and joint probabilities would be useful.

Variance analysis is a core management accounting tool, so you do need to be aware of it, and be able to discuss whether it provides useful information to management. Candidates may also be required to calculate variances at Paper P5 level, so it is important to understand how to do these – particularly those variances with strategic implications.

Performance measurement is introduced at Paper F5, and is a core topic at Paper P5. However, the relevant learning outcomes from Paper F5 are also included within the Paper P5 syllabus too – so you should be able to pick up the required knowledge of this area from your Paper P5 study material rather than needing to go back and review your Paper F5 notes. The performance measurement topics are developed further at Paper P5 with the introduction of new techniques such as Economic Value Added™, the performance pyramid and the performance prism.

STUDYING PAPER P5
The core part of your Paper P5 preparation will be your Paper P5 study materials. When studying for Paper P5,
it is not necessary or desirable to learn everything in your study materials parrot fashion. Simply repeating what you have seen in your study manuals in an exam is never likely to satisfy the examiner’s requirements. What is important is to read the materials, understand and appreciate the issues, and think about them. Then practising past exam questions dealing with these areas. This will help you to develop the skills of critical analysis that you will need both in the exam, and in your professional work.

In the section ‘beyond budgeting’ for example, your textbook may well include a list of weaknesses of traditional budgeting processes, as suggested by Hope and Fraser. More important than learning this list is to understand the weaknesses suggested, and think about whether or not you agree with them. By doing this, you will be better placed to answer a question in the exam on the weaknesses of budgeting by coming up with your own ideas, even if you could not remember the list from the textbook.

Have a broad knowledge of the syllabus. It is better to have a reasonable knowledge of the entire syllabus, than a perfect knowledge of say 60% of it, and not to know anything about the rest.

Being a Professional level paper, it is important to read around the subject too. There are plenty of technical articles on the ACCA website relating to Paper P5, and these are essential reading. These articles have a long shelf-life so the older articles are equally as important as the articles from the past few years.

As a Paper P5 tutor, I find that using real-life examples help my students to understand the concepts covered during the courses, and makes the materials come alive. These examples can be found in quality newspapers and news websites, so try to read a good quality newspaper/website, if not every day, at least once a week.

Practising past exam questions under timed conditions is essential. A big part of the challenge in Paper P5 (and indeed all the Professional level papers) is being able to analyse a detailed scenario, and provide relevant answers to the questions asked. Unless you practise this in advance you are at a disadvantage in the exam hall. Many students get into the terrible habit of reading the question and then auditing the answer. This is a waste of time. You only learn from a question if you really try it yourself.

Finally, you should also read the examiner’s reports from the last sittings. These provide a useful insight into where students have done well or badly in previous exams. You can learn from their mistakes. It also gives an insight into what the examiner likes and dislikes. The examiners’ reports for Papers P1 to P7 start on page 15.

SKILL REQUIRED FOR PAPER P5

Paper P5 is a Professional level paper, and the examiner expects candidates to demonstrate the skills that they would need when working in a professional environment as an advisor or consultant. This is more than is required at Paper F5. In Paper F5, you are required to be able to apply given techniques to the short scenarios in the exam. For example, a question may ask you to calculate materials mix and yield variances for the last month. You are also required to be able to interpret numbers at Paper F5, for example, using pre-calculated variances to assess the performance of the sales manager. The scenarios in Paper F5 are usually fairly short, and the questions specify very clearly what is required of you.

In Paper P5 questions, particularly in Section A, you will need to be able to deal with much longer scenarios. The examiner is seeing if you can apply your knowledge to real life situations. This tests your ability to deal with a larger amount of data, and identify the most important issues. Can you see the big picture when presented with a lot of detail?

You may also have to decide for yourself what particular techniques you will use to answer the question. In a recent question, the examiner asked candidates to analyse the business environment within which an organisation was operating, and the implications on this for its strategy. The examiner did not tell you which technique to use to answer this. So you could have used FEST analysis, or any other approach that was sensible.

One Paper P5 question may well focus on several different parts of the syllabus: at this level you can’t just view each topic as being in a separate box, you have to appreciate how they are all linked. This is much more like real life. If you are a management accountant in the real world, the management of the company may ask you to assess the performance of a particular division. They are not likely to tell you to ‘assess the performance of the division using residual income with annuity based depreciation’. They would leave it to you to decide how to assess the performance. The Paper P5 examiner tries to do the same.

CONCLUSION

The P5 syllabus builds on the knowledge covered in Paper F5, and there are certain Paper F5 topics that you should know well before embarking on Paper P5. Much higher skills are required at Paper P5, and there is much greater application of your knowledge to life like scenarios. In order to improve your chance of success, it is good to read around the subject and practise past exam questions.

Nick Ryan is a tutor at ATC International
The aim of Paper P6, Advanced Taxation (UK), is to ensure that candidates can provide clients – both individuals and businesses – with the information and advice they require regarding the impact that the major UK taxes may have on their financial decisions and situations. The emphasis is on the practical application of tax rules to client scenarios and the production of professional documents incorporating helpful, clear advice. It should be noted that the ability to communicate with clients, HM Revenue & Customs and with other professionals, is one of the five main capabilities required of candidates sitting Paper P6 (UK).

The Syllabus
Paper P6 (UK) is directly underpinned by Paper F6, Taxation (UK). Knowledge and understanding of the technical content of Paper F6 is, therefore, vital if candidates are to be successful at Paper P6 (UK). It is quite possible that the technical content of a Paper P6 (UK) question could be drawn almost wholly from the Paper F6 (UK) syllabus. However, such a question will require the analysis of information provided, and the application of technical knowledge to the situation in order to solve the problem.

The Paper P6 (UK) syllabus extends the coverage of income tax, corporation tax, capital gains tax and inheritance tax and introduces stamp duty land tax and stamp duty. The syllabus is very wide, as befits an optional paper at this level. New technical content is clearly identified in the Study Guide and will be examined regularly.

While no part of the syllabus is more important than any other, it should be recognised from the above that knowledge of the technical areas that are exclusive to Paper P6 (UK) will not, on its own, be sufficient to pass the exam.

The technical areas included within the syllabus are set out in the Study Guide on ACCA’s website. Candidates should always check the website for the latest Study Guide relevant to their exam session to ensure that nothing has changed and hence the learning that they are about to embark on is up to date.

Candidates are required to explain, calculate and apply their knowledge of the system of taxation in the UK. This knowledge must be up to date. Candidates must familiarise themselves with the changes introduced by the recent Finance Acts as technical areas within the Finance Act articles published in Student Accountant.

The Style and Format of the Paper
The Paper P6 (UK) exam is offered in paper format only. Candidates are given three hours with an additional 15 minutes of reading and planning time (RAPT). (Read page 50 for advice on how to use the RAPT appropriately.)

Paper P6 (UK) differs from Paper F6 (UK) in that not all of the questions are compulsory. Paper P6 (UK) consists of two sections, A and B. Questions 1 and 2 in Section A are compulsory, and are worth a total of between 50 and 70 marks. Questions 3, 4, and 5 in Section B each have the same number of marks, ranging from 15 to 25. Candidates are required to answer two of these Section B questions only. The whole of the syllabus is examinable throughout both sections of the exam.

The Section A questions require candidates to analyse the information provided and to use any guidance given to help address the requirements. Both questions are likely to address a number of different taxes and to require a report or letter as part of the answer. Because Section A questions are relatively large, careful time management is important, and candidates are advised to use the number of marks allocated to each requirement to determine how much time to spend on each part.

The Section B questions contain an introductory paragraph, which outlines the technical area of the question, together with concise structured information and sub-headings to make them easy to assimilate and navigate. This enables candidates to determine which two questions to answer without having to read the whole of the question if they need to due to time pressure.

Throughout the exam, candidates are expected to be able to identify issues, as well as demonstrate detailed knowledge of the tax system. In line with this emphasis on practicality, questions may require candidates to address ‘the UK tax consequences’ of a given situation without indicating which particular taxes to consider. It is up to candidates to identify the relevant taxes, and the issues in respect of those taxes, before beginning their answers.

Calculations are normally only required in support of explanations and advice, and not in isolation. Again, it is often up to candidates to decide what calculations to produce in order to do this in the most efficient manner. Advice on how to approach a given problem may be provided in the question.

There is no specific allocation of numerical calculation versus narrative balance within Papers F6 and P6. However, in practice, Paper F6 is weighted towards numerical calculation approximately 60 to 85% whereas Paper P6 is weighted 60 to 70% towards narrative explanations. In both papers, the ability of candidates to be able to explain their treatments and opinions is vital. It is important to note that this does not mean that candidates need to have perfect grammar or spelling; it means that they need to make themselves understood.

Paper P6 has approximately five marks across the exam for professional skills, known as professional marks. In order to score well, candidates first have to satisfy the requirement in relation to the style and format of the document requested. Further marks are then available for providing clear explanations and coherent calculations (see page 12 for more about professional marks).

Approach to the Exam
Irrespective of whether a candidate is preparing for Paper F6 or P6, there are a number of stages that they need to go through in order to be successful. The approach to be taken is as follows:

1. Acquire the knowledge and obtain a solid understanding of the subject area. At both levels within the taxation stream, a good understanding of the UK system of taxation is vital to a successful exam result. Knowledge can be acquired using a range of different options, and it is best to select a method that is appropriate to you.

2. Throughout the exam, candidates are expected to be able to identify issues, as well as demonstrate detailed knowledge of the tax system. In line with this emphasis on practicality, questions may require candidates to address ‘the UK tax consequences’ of a given situation without indicating which particular taxes to consider. It is up to candidates to identify the relevant taxes, and the issues in respect of those taxes, before beginning their answers.

3. Calculations are normally only required in support of explanations and advice, and not in isolation. Again, it is often up to candidates to decide what calculations to produce in order to do this in the most efficient manner. Advice on how to approach a given problem may be provided in the question.

4. There is no specific allocation of numerical calculation versus narrative balance within Papers F6 and P6. However, in practice, Paper F6 is weighted towards numerical calculation approximately 60 to 85% whereas Paper P6 is weighted 60 to 70% towards narrative explanations. In both papers, the ability of candidates to be able to explain their treatments and opinions is vital. It is important to note that this does not mean that candidates need to have perfect grammar or spelling; it means that they need to make themselves understood.

5. Paper P6 has approximately five marks across the exam for professional skills, known as professional marks. In order to score well, candidates first have to satisfy the requirement in relation to the style and format of the document requested. Further marks are then available for providing clear explanations and coherent calculations (see page 12 for more about professional marks).

6. Irrespective of whether a candidate is preparing for Paper F6 or P6, there are a number of stages that they need to go through in order to be successful. The approach to be taken is as follows:

7. Acquire the knowledge and obtain a solid understanding of the subject area. At both levels within the taxation stream, a good understanding of the UK system of taxation is vital to a successful exam result. Knowledge can be acquired using a range of different options, and it is best to select a method that is appropriate to you.
However you choose to acquire the relevant knowledge, you should also use the support resources available on the ACCA website (technical articles, Study Guides, examiner reports, examiner interviews being just some of the available resources). These resources are there to support you as an additional source of information and learning.

To improve your exam technique and approach, practise exam-standard questions written by both Approved Learning Partners – content (ALP–c) and ACCA past exam questions. All of ACCA’s exams require candidates to apply their knowledge at an appropriate level for the stage of exam. Candidates who attempt exams without practising exam-standard questions are unlikely to pass as they are unlikely to have mastered the required exam technique or technical understanding.

ACCA’s website includes past exam questions and answers. Note, however, that these past exams are based on the legislation that was in force (and was therefore examinable) at the time of the exam session. This may mean that some of the content of a question or answer may be out of date.

ALP–c are allowed to use these past exam questions in varying degrees depending on whether they are Platinum or Gold. They adapt the question or answer so that the content is relevant for the exam session(s) to which the material (study text or revision bank) relates. ALP–c may also write their own exam standard questions which may look at areas that have not yet been examined.

When practising exam-standard questions it is vital to spend time reviewing your answer against the model answer to learn what was done well and where mistakes were made so as not to repeat these errors. It should be noted that the model answers for written questions will always contain more than a candidate needs to write in order to achieve a good pass. When attempting a past exam question it is worth also taking time to review the examiner report for that question to see what the common mistakes were, what was done well and how candidates can improve performance.

Finally, when actually attempting the real exam, it is important to follow the instructions of the exam and answer all the questions required. So, in Section A, both questions are compulsory and must be answered.

In Section B candidates must answer two of the three questions; no more or less. This way a candidate will have the best possible chance of passing by attempting the 100 marks available for the exam in the time available for those marks. If a candidate does not answer all of the exam questions that they are required to answer, they are reducing their chance of passing as they will not be marked out of a 100 marks but only the maximum marks attributed to the questions or question parts that have been attempted.

IN THE EXAM
Candidates should pay particular attention to the following in order to maximise their chances of success in the Paper P6 (UK) exam:

Address the requirement
- Read the requirement carefully – in the Section A questions the detailed tasks that candidates are to perform will be set out in one of the documents within each question. It may be helpful to tick off the tasks as they are addressed. Marks are awarded for satisfying the requirements and not for other information even if it is technically correct.
- The requirements of each question are carefully worded in order to provide guidance as to the style and content of answers.

Candidates should note the command words (calculate, explain, etc), any matters which are not to be covered and the precise issues they have been asked to address.

Candidates should also note any additional guidance given in the question or in any notes following the requirement regarding the approach that should be taken when answering the question.

Pay attention to the number of marks available – this provides a clear indication of the amount of time that should be spent on each question part.

Candidates should not provide general explanations or long introductions.
- If candidates are asked to calculate, there is no need to explain what they are going to do before they do it; they should just get on with it – explanations should only be provided when asked for.
- Candidates should think before they write. They should then write whatever is necessary to satisfy the requirement.
- Candidates should apply their knowledge to the facts by reference to the requirement.
- Candidates should think before they start and manage their time. This will:
  - Ensure that they allow the correct amount of time for each question.
  - Provide an opportunity to identify the relevant issues, and the calculations necessary, to support their advice.
  - Enable them to consider whether the necessary calculations could be carried out in a particularly efficient way. For example, it may be that the client will be a higher rate taxpayer regardless of proposed changes to income; the income tax implications can therefore be computed at the margin without the need to prepare full income tax computations.

Section A questions are relatively long and may include a number of requirements. A separate article, ‘Guidance on approach to questions in Section A of Paper P6 (UK)’ is available on the ACCA website.

Rory Fish is examiner for Paper P6 (UK)
This article looks at what candidates need to do in order to progress successfully from Paper F3 to Paper F7 to Paper P2. As such the article explains the difference in syllabus, exam and the approach that candidates should take to each of these exams.

PROGRESSION OF SYLLABUS
It should be noted that Paper F3 is changing from December 2011 onwards and the differences are explained with reference to the Paper F3 syllabus from December 2011.

Double entry, accounting treatments and preparation of financial statements
The Paper F3 syllabus has been designed to provide a solid grounding in double entry. From this basis, candidates will be expected to appreciate and be able to prepare financial statements, or extracts of these, from a trial balance focusing on the standard year end adjustments including depreciation, closing inventory, irrecoverable debts, accruals, prepayments and areas related to the standards listed within examinable documents. An accounting treatment can also be tested and regularly is in isolation so not in the context of producing the final financial statements.

There are only a limited number of accounting standards that are examinable within Paper F3 (see Table 1).

In most cases, the accounting standard is not examinable in its entirety and is examinable at a relatively superficial level. Full details as to what is examinable can be found within the Study Guide and examinable documents listed on ACCA’s website and on page 53. Candidates should always check the latest Study Guide and examinable documents relevant to their exam session to ensure that nothing has changed and, as such, that the learning that they are about to embark on is up to date.

The Paper F7 syllabus builds on knowledge of double entry, accounts preparation and accounting standards by requiring candidates to apply this to almost all of the accounting standards in issue. The level of detail is much greater than Paper F3. Candidates are required to define, compute, discuss, explain and apply their knowledge of the accounting standards. This means that a good working knowledge and understanding of the accounting treatment is required at this level.

The Paper P2 syllabus does not require candidates to prepare financial statements for individual business entities but does require a detailed understanding of almost all of the accounting standards listed as examinable within Paper F7 plus some selected exposure drafts identified as examinable within the examinable documents list. Candidates are expected to appraise the accounting treatments proposed within scenarios, apply the detail of accounting standards and advise on what the correct accounting treatment should be. Further, candidates are expected to be able to critique accounting standards and discuss proposed developments.

Group accounting
The Paper F3 syllabus introduces the concept of group accounting and covers the core techniques, issues and principles of accounting for subsidiaries, this includes basic calculation of goodwill with only simple consideration of shares and cash, fair value of non-depreciable assets, basic intercompany trading. Group accounting ends with syllabus addressing the issue of what an associate is, how they are accounted for within the group accounts but does not require candidates to apply the techniques to a numerical scenario.

Paper F7 continues the theme of group accounting by looking at the same areas of subsidiaries but in more depth, for example being able to understand and apply knowledge of how to account for a variety of different forms of consideration. Candidates are also required to apply knowledge of associates.

The Paper P2 syllabus focuses on the more complex areas of group accounting, including issues with regard to acquisition date valuation, changes in group, complex group structures (eg vertical groups), and foreign subsidiaries.

Interpretation of financial statements
The Paper F3 syllabus concludes with the interpretation of single company financial statements where the learning outcomes are focused on understanding the need for ratios and interpretation. Candidates should have the ability to conduct basic interpretation, and should focus on the movement of financial statement items, eg revenue, cost of sales, and operating expenses.
The Paper F7 syllabus expands the level of skill required in the area of interpretation as candidates are required to be able to interpret the main financial statements and/or a selection of ratios, usually in the context of a industry scenario or for a particular stakeholder in mind. While Paper P2 candidates are not required to interpret financial statements in a similar manner as Paper F7, there is an expectation that candidates will be able to appreciate and explain the implication of an accounting treatment on the financial statements and, therefore, consider how this will impact stakeholder understanding.

Current issues
The Paper P2 syllabus has a whole question dedicated to current issues including revisions of accounting standards. The examinable documents list any exposure drafts or discussion papers that are potentially examinable within a given exam period. In order to have an appreciation of the current issues it is important to read widely including following the accounting press, IAS plus or IFRS Foundation releases, Student Accountant and Accountant in Business articles.

EXAMINATION STYLE AND FORMAT
The Paper F3 exam is offered in both paper and computer-based exam (CBE) format. It is two hours long and from December 2011 will initially have 50 two-mark objective test questions which for the paper version will be multiple choice only but within the CBE format also includes number entry, multiple response, and multiple response matching question types. In the future, the exam format will move to comprise 35 two-mark objective test questions plus two longer 15-mark questions. The first of the long questions will be on group accounting and the second on accounts preparation (with some questions including a small element of interpretation of no more than five marks). Pilots for both these exam paper formats are available on the ACCA website.

Paper F7 and P2 exams are currently offered in paper format only and are three hours with an additional 15 minutes of reading and planning time (RAPT). Read page 50 for how to use the RAPT appropriately.

All of the questions within the Paper F3 and F7 exams are compulsory. The Paper P2 exam comprises one Section A compulsory question and then candidates need to select two questions from three within Section B.

Both the Paper F7 and P2 exams have questions dedicated to particular question types or areas of the syllabus (see Table 2). The Paper F7 and P2 examiners do not state a specific allocation of numerical calculation versus narrative balance within their papers. However, in practice, Paper F7 is weighted towards numerical calculation approximately 60 to 70% and Paper P2, 55 to 65% towards narrative explanations. As such in both papers the ability of candidates to be able to explain their treatments and opinions is vital. It is important to note that this does not mean that candidates need to have perfect grammar or spelling; it means that they need to make themselves understood.

The Paper P2 exam has marks across the paper awarded for professionalism. In order to score well, candidates need to ensure that they have attempted to focus their written answer on what was asked within the requirement, attempt all parts of the question, and adopt a logical flow and clear presentation to their answer (see page 12 for more on earning professional marks).

Approach to exam
Many candidates feel that objective test questions are easier to pass than longer-form questions. This is not true as objective test questions can and, do test, exactly the same detail and skill, and in many respects precise points of detail are even more important.

Irrespective of whether a candidate is preparing for Paper F3, F7 or P2, there are a number of stages that they need to go through in order to be successful. The approach to be taken is as follows:

- Acquiring the knowledge and obtain a solid understanding of the subject area. At all levels within the financial accounting and reporting stream a good understanding of double entry, the principles of accounting and the conceptual framework is vital to both a successful exam result and a career within accountancy. Knowledge can be acquired using a range of different options, and it is best to select the method that is appropriate to you.

- Consider the method that is appropriate to you.

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However you choose to acquire the relevant knowledge, you should also use the support resources available on the ACCA website (technical articles, Study Guides, examinable documents, examiner reports, examiner interviews being just some of the available resources). These resources are there to support you as an additional source of information and learning.

- Consolidate understanding by practising questions that focus on specific topic areas. In order to have a good understanding it is vital to attempt questions that are focused on the topic. For example, within Paper F3 the treatment of depreciation or revaluation is just one of many areas where this is required. These questions assist understanding of the basic approach to the topic but do not necessarily provide a grasp of exam technique.

- To improve your exam technique and approach, practise exam standard questions written by both Approved Learning Partners – content (ALP-c) and ACCA past exam questions. All of ACCA’s exams require candidates to apply their knowledge at an appropriate level for the stage of exam. Candidates who attempt exams without practising exam standard questions are unlikely to pass as they are unlikely to have mastered the required exam technique or technical understanding. ACCA’s website includes past exam questions and answers for all papers going back a number of years.

<table>
<thead>
<tr>
<th>Question</th>
<th>Paper F7</th>
<th>Marks</th>
<th>Paper P2</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group accounting</td>
<td>25</td>
<td>Group accounting with accounting standards, plus ethical issues</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>Accounts preparation</td>
<td>25</td>
<td>Accounting standards</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Cash flow and/or interpretation</td>
<td>25</td>
<td>Accounting standards in an industry context</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Accounting standards</td>
<td>15</td>
<td>Current issues</td>
<td>25</td>
</tr>
<tr>
<td>5</td>
<td>Accounting standards</td>
<td>10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When practising exam standard questions it is vital to spend time reviewing your answer against the model answer to learn what was done well and where mistakes were made so as not to repeat these errors. It should be noted that the model answer for written questions normally contains more than a candidate needs to write in order to achieve a good pass. When attempting a past exam question it is worth also taking time to review the examiner report for that question to see what the common mistakes were, what was done well and how candidates can improve performance.

Read the requirements

Finally, when actually attempting the real exam whether by paper or CBE, it is important to follow the instructions of the exam and answer all the questions required. So if all questions are compulsory answer all of them, if there are some questions that are optional (eg two from three questions) answer the required number of these option questions (so two questions) and not more or less. This way you are ensuring you have the best possible chance of passing by attempting the 100 marks available for the exam in the time available for those marks. If you do not answer all of the exam questions that you are required to answer, you are reducing your chance of passing as you will not be marked out of 100 marks but only the maximum marks attributed to the questions or question parts that you have attempted.

Sharon Machado is ACCA qualifications content manager and has responsibility for the financial reporting exams.
This article explores the similarities and differences between Paper F8 and P7 and identifies how best to prepare for the step up to the Professional level.

It comes as no great surprise that the audit papers are among the hardest ACCA exams to pass. Although there are many different reasons for this perhaps the most fundamental is that there is a lack of scope for repetition of pre-learnt knowledge in audit. Candidates like to learn tables, formulae, definitions, laws, standards and, put simply, audit doesn’t work like that. Of course, there are things that need to be learnt but audit is more concerned with how that knowledge is applied in practice.

Audit is, after all, a very practical aspect of the profession. It is concerned with gathering and presenting evidence, analysing that evidence and using it to inform a single – but very important – decision: are the financial statements free from material misstatement? You can’t simply perform the same procedures on every audit as each client is different and even recurring clients change continuously.

Audit is therefore about understanding the specific circumstances of those clients, selecting procedures to reflect this and interpreting the specific results obtained. It rarely involves standard formulae or repetition of laws or standards. So why would the exam?

SIMILARITIES BETWEEN PAPER F8 AND PAPER P7

Paper F8 underpins Paper P7. The key topics in Paper F8 (the audit framework, planning and risk assessment, control assessment, audit evidence, review and reporting) are all fundamental elements of performing an audit and are therefore assumed knowledge for Paper P7 as well. In fact the Paper P7 examiner identified planning, risk assessment, obtaining evidence, and reporting as topics that are likely to feature in every Paper P7 exam in her examiner’s approach article (January 2007).

There are further similarities: the opening questions are usually based on lengthy scenarios that commonly focus on elements of planning, risk assessment and audit procedures; both contain three questions based on shorter scenarios that focus on a range of topics that commonly include ethics, specific aspects of auditing and reporting. The latter topic typically forms the basis of Question 5.

Candidates need to make sure they are comfortable with these similarities to ensure the transition from Paper F8 to Paper P7 is as smooth as possible. However, Paper P7 is different. Put simply it is harder: it has more advanced syllabus requirements; it has a larger syllabus and is based on more complex financial reporting standards, and the question requirements are largely applied in nature, meaning that few, if any, marks are awarded for rote-learning.

SYLLABUS DIFFERENCES BETWEEN PAPER F8 AND PAPER P7

The most obvious difference between Paper F8 and Paper P7 is the additional topics in the latter’s syllabus. These include:
- Professional issues, such as money laundering, professional liability and practice management including advertising, publicity, obtaining professional work and fees, quality control (ISA 220 and ISQC 1), and tendering.
- Auditing groups (ISA 600).
- Business risk.
- Non-audit assignments, including due diligence, prospective financial information reviews, and forensic audit (ISAE 3400 and 3042, ISR 4400, ISRE 2400 and 2410).
- Current issues and developments.
- The accounting concepts developed in Paper P2 (including related parties ISA 550).

In addition, the UK and Irish adapted papers include auditing aspects of insolvency in the syllabus.

Some knowledge accumulation will, therefore, be required. For candidates who have reached Paper P7, many of the principles will have been covered in some way in previous studies. It should also be remembered that the ‘professional’ component requires commercial judgment and common sense.

EXAM FORMAT, STYLE AND REQUIREMENTS

The fundamental difference between Paper F8 and Paper P7 is the way in which they are examined. Candidates should be aware that there are three intellectual levels relevant to the exams: level 1, knowledge and comprehension; level 2, application and analysis; and level 3, synthesis and evaluation.

Paper F8 focuses purely on levels 1 and 2, while Paper P7 is primarily focused on levels 2 and 3.

This is emphasised in the examiner’s approach articles for each paper. In the Paper F8 version (March 2010), the
examiner states that the aim of Paper F8 is that it ‘can be passed by a candidate who understands the underlying theory of auditing and can apply that theory to relatively basic audit situations’. The emphasis on application is also apparent in the Paper P7 examiner’s approach article (January 2007) but the examiner also stresses that candidates need to be able to display: ‘an independent opinion backed by reasoned argument’, ‘an appreciation of commercial factors which influence practice management’ and ‘an appreciation of the fast-moving developments in audit and assurance practices’.

It is of vital importance that candidates understand the practical implications of these conceptual differences. Few people would take the same approach to a multiple-choice style exam as they would to a discursive one; they require different techniques and thought processes. For the reasons explained above the same should be true of Papers F8 and P7.

The easiest way to appreciate these differences is to compare the exam papers. The June 2011 papers can be downloaded from the ACCA website and even a quick scan will reveal some obvious differences. Please note that the analysis below is based on the international versions, however the principles discussed are equally valid for all papers.

First, in the Paper F8 exam there are 24 marks available for basic knowledge that requires no application. The same can be said for only six or seven marks in the Paper P7 exam. In both cases it should be clear that students cannot pass either exam simply with pre-learned knowledge.

Second, the language of the requirements is different. Paper F8 favours ‘explain’, ‘describe’, ‘state’, and ‘list’, with ‘recommend’ used sparingly. Paper P7 also uses ‘explain’ a lot but there is a significant emphasis on ‘recommend’ requirements with a number of ‘discuss’ and ‘critically evaluate’ type questions as well.

Finally, the wording of the scenarios and the complexity of the questions are more advanced in the Paper P7. This is perhaps best illustrated with some examples. The first uses the topic of audit risk, which is common to both Paper F8 and Paper P7.

In Question 3, Donald Co, of the June 2011 Paper F8 exam, candidates are presented with a scenario based on an airline. The scenario states that Donald Co offer a 90-day credit period to travel agents but due to the economic environment a number of receivables are struggling to pay. There is a clear risk of non-collection of receivables and therefore an increased risk that receivables may be overstated.

In Question 1, Bill Co, of the June 2011 Paper P7 exam, candidates are asked to perform a financial statements risk assessment (a component of audit risk) of two specific issues; one being the re-assessment of the profitability of a construction contract, and the second being the discontinuance of a specialist division of Bill Co.

Most people would agree that receivables accounting is a relatively more straightforward topic that requires little more than knowledge gained during Paper F3. The topics encountered in Paper P7 can include much more complex financial accounting matters, such as: group accounting, financial instruments, pensions accounting, leases, share options, and deferred tax. The differences continue beyond the topics. In the Paper F8 question ‘Donald’ candidates are asked to ‘describe five audit risks… in planning the audit of Donald Co’. In the Paper P7 equivalent candidates are requested to ‘prepare briefing notes for my (the audit partner’s) use, in which you explain the matters that should be considered in relation to the treatment of these two issues in the financial statements, and also explain the financial statements risks relating to them’.

The Paper P7 version is much more open-ended. The ‘matters’ in this question include anything that affects the planning and conduct of the audit and the way in which the financial statements are prepared. Candidates are also required to present their responses in a professional manner and marks are awarded accordingly for this.

Another good example is the way in which substantive audit procedures are tested. In Paper F8 the items to be audited are identified in the syllabus and they are all basic elements of the financial statements studied in Paper F3.

In Question 1, Tinkerbell Toys Co, of the June 2011 Paper F8 exam, candidates are asked to ‘describe substantive procedures the auditor should perform to confirm Tinkerbell’s year-end receivables balance’. Although some application is required, a well-prepared candidate would be able to suggest sufficient pre-learned audit procedures to pass this question.

This is not possible in Paper P7: candidates could be asked what substantive procedures they would perform on any element of the financial statements. In addition, they may not just be asked how they would audit an asset or liability, they may be asked how they audit a specific element of the calculation or a specific assertion. Examples include the audit procedures to be performed on:
- The classification of non-controlling investments (June 2010).
- The training costs capitalised in respect of new machinery (Dec 2009).
- The recoverability of a deferred tax asset (Dec 2008).

It is not possible to pre-learn audit procedures for these; they are too narrowly defined and it is impossible to second guess which elements of the accounts are going to be scrutinised. The only way to approach questions of this nature is to thoroughly understand the basic principles of planning and performing audit procedures and then to learn how to apply them to never seen before requirements. Candidates need to learn the process of answering these questions and not focus on trying to learn the answers.

HOW TO APPROACH THE STEP UP TO PAPER P7

In some ways Paper F8 is perhaps more challenging than Paper P7: it is unfamiliar to most; there is a lot of new material to learn; and it is one of the first application style papers that candidates come across. However, many candidates, having mastered Paper F8 wrongly think that they can apply the same principles to studying Paper P7. Usually this means learning diagrams of how control systems operate, lists of controls tests, lists of tests for sales, receivables, purchases, payroll, etc, lists of advantages and disadvantages of internal auditing and
computer-assisted auditing. Practice of applying this knowledge to past exam questions is often left until the latter stages of study (this is not an approach I would advocate).

Paper P7 is about process; you are placed in unique, never seen before, real world situations with a set of tools at your disposal and you are asked ‘what do you need to do now?’. Would someone take exactly the same approach to building a factory in two different countries? The answer must surely be ‘no’. The basic principles of construction will be the same but you need to consider what resources (land, labour, materials) you have available, what the differences in pricing will be in the two locations, local building laws, interest rates and exchange rates.

This is Paper P7: the tools and the processes are the same but the environments and circumstances are always different. You can’t bludgeon a pre-learnt response into a question where it simply does not fit, in exactly the same way as you cannot force one country’s building principles on the rest of the world.

There is only one way to learn how to do this; they start with the audit of non-current tangible assets and cash because they are the simplest things to audit. Only with years of practise can they move on to the audit of subsidiary accounts, pensions and complex financial instruments.

If you seriously wish to pass Paper P7 do as many past paper exam questions as possible. In fact, do them all.

CONCLUSIONS
The problem with professional studies is that all too often people – and not just candidates – are too concerned with learning the right or wrong answer. In all honesty I doubt that anyone ever writes a response to a Paper P7 question that matches the examiner’s answer, not like it would for a tax or financial reporting question anyway. Paper P7 is about selecting the right tools and applying them to the, often narrowly defined and situation specific, question being asked.

If candidates can learn how to do this then they should be able to do well in Paper P7. Unfortunately this is not a skill that is easily or quickly gained. This process begins on day one of study and, for those who continue their auditing careers, it never ends.

Simon Finley is a content manager for Kaplan Publishing and an audit tutor

THIS IS PAPER P7: THE TOOLS AND THE PROCESSES ARE THE SAME BUT THE ENVIRONMENTS AND CIRCUMSTANCES ARE ALWAYS DIFFERENT. YOU CAN’T BLUDGEON A PRE-LEARNT RESPONSE INTO A QUESTION WHERE IT SIMPLY DOES NOT FIT, IN EXACTLY THE SAME WAY AS YOU CANNOT FORCE ONE COUNTRY’S BUILDING PRINCIPLES ON THE REST OF THE WORLD.
This article explains the rationale for introducing certain changes to Papers P3 and P5 from June 2011. The article clarifies the difference in approach taken to the potential examination of the new cost and management accounting areas in the Paper P3, Business Analysis syllabus and contrasts this with the approach taken by the Paper P5, Advanced Performance Management examiner.

The article also contains examples of the type of requirements that could be included in future exam papers to take into account these changes and how such requirements are set in different contexts in these two papers.

**Rationale for changes**

Since the major changes to the ACCA Qualification syllabus in 2007, ACCA’s policy on qualification development is to make regular changes and updates to qualifications on a continuous improvement basis, introducing, amending and removing syllabus areas as required, to anticipate and respond to external stakeholder needs and requirements.

As part of this regular qualification review process, it became necessary to make specific changes to Papers P3 and P5, alongside revisions to other areas of the ACCA Qualification syllabus.

To comply with regulatory requirements – and to make Paper P3 more relevant and ‘fit for purpose’ as a comprehensive business analysis paper – it was necessary to make some material changes to its syllabus. These were first explained in an article published in Student Accountant in 2010. The most significant changes were to increase the financial content of the syllabus, particularly in Section G, and to include forecasting, budgeting, costing and decision-making techniques. The section on quality was removed completely from the syllabus to make room for the new areas. This removal also reduced the potential overlap between Papers P3 and P5.

These new additions now help the Paper P3 examiner introduce a wider range of quantitative and financial information into business scenarios, allowing scope to examine these scenarios more comprehensively and in a wider range of different contexts than was previously possible. These new areas also allow the examiner to present internal management information, in addition to externally reported financial information, as well as enabling a wider and more holistic analysis of any given business situation.

To support this even further, a new subject area within Section G of Paper P3 will also be added from June 2013. This will read as follows:

**G3e** Evaluate the role and limitations of cost accounting in strategy development and implementation, specifically relating to:
(i) direct and indirect costs in multi-product contexts
(ii) overhead apportionment in full costing
(iii) activity-based costing in planning and control.

**Underpinning Knowledge for Papers P3 and P5**

Knowledge areas of the costing and management accounting techniques, as covered in Atrill (2010) Chapters 7 and 9, are assumed knowledge from Paper F5, Performance Management. Paper P3 questions could potentially draw on this knowledge and, therefore, Paper P3 candidates are expected to be familiar with it. Paper P3 students are referred to the additional reading that reviews and reinforces their Paper F5 knowledge. Understanding these techniques will help candidates provide a more rounded analysis of business financial and quantitative data in future Paper P3 exam questions.

Neither Papers P3 nor P5 would assess these techniques in the same level of technical detail as Paper F5 does. They are more likely to form part of an overall analysis of any financial information given. Paper P5 could, however, focus in depth on certain individual techniques or processes introduced in Paper F5, but would do so from a much broader business performance perspective.

**What Paper P3 Could Potentially Examining**

Before these changes, Paper P3 exam questions could often require candidates to interpret financial accounting or financial reporting data, usually as part of an analysis of the success of a company’s strategy, or as part of an assessment of a company’s strategic position. From June 2011 and onwards, cost accounting, budgeting and variance information could also be included within the financial and quantitative information given in the scenario. This data could be used to help the candidate select or evaluate the current strategic position of an organisation or to assess or prepare strategic options available to an enterprise.

From the June 2013 exam session, Paper P3 could also potentially require candidates to use or critically evaluate methods of costing and of cost apportionment to products and divisions in the context of strategy formulation, implementation or evaluation.

Paper P3 also now includes a specific learning objective concerning pricing. This learning objective requires candidates to describe a process for establishing a pricing strategy for products and services. This process would usually include quantitative issues (covered in Paper F5) and ‘softer’ factors, such as the need to align price to strategic positioning. Notice the focus of the learning objective is on ‘process’. The examiner might set a scenario describing the launch of a new product and then set a question asking how such a product should be priced, given the context of the product, organisation and market. Similarly, a Paper P3 scenario might require candidates to question the usefulness of crude allocation and apportionment techniques in cost-plus pricing.

Different budgeting techniques would not be directly assessed in Paper P3, but basic principles of sound budgeting as a business process could be part of a requirement of a Paper P3 question. Budgeting assists the short-term planning and control of a business strategy. Questions could concern the basic principles, benefits and disadvantages of budgeting. They could also include the notion of controlling costs and revenues and of flexing the budget to identify variances. An example is provided in Question 3 of the revised Pilot Paper available on the ACCA website.
Paper P3 may also require candidates, as part of a strategic analysis, to analyse the variable costs of a division or factory and offer advice on, for example, the outsourcing of a particular product or the wisdom of taking on a special contract. Up until the syllabus revision, outsourcing questions only examined the principles and qualitative advantages and disadvantages of outsourcing. The syllabus change now means that financial data might be included in such analysis, which of course, in reality, it would be. Again, such questions use and build on material in the Paper F5 syllabus.

Paper P3 also includes a specific learning objective concerning the production and interpretation of decision trees to assist in strategic and operational decision making. The construction of a tree might be required, or candidates might be asked to consider the accuracy of the data (particularly probability estimates) and interpret the results of a decision tree analysis.

Finally, note that quantitative forecasting methods (least squares regression and time series analysis) have been added as a specific learning objective. No formulas have to be use and build on material in the Paper F5 syllabus.

Paper P5 may potentially examine, in depth, the application of activity-based and zero-based budgeting and beyond budgeting as performance management techniques – again, in much greater depth than Paper P3. Paper P5 might only question the relevance and appropriateness of incremental budgeting as a valid business planning method in more general terms, for example.

Paper P5 would treat pricing differently to Paper P3, being more likely to focus on such areas as transfer pricing as a performance management control technique and as a method of motivating or rewarding performance. Paper P3 would not examine transfer pricing as a technique at any level.

Cost accounting techniques such as activity-based costing (ABC) will be covered in more depth than would ever be the case in Paper P3, which might only examine this as part of an overall requirement on cost-plus pricing, or on the effectiveness of such information for product portfolio management in a strategic context. These techniques link Paper P5 to pricing issues. However, Paper P5 will be interested in pricing only in so far as this is an obvious commercial implication of the costing techniques addressed in a question.

Strategic issues associated with pricing are examinable only in Paper P3.

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Strategic issues associated with pricing are examinable only in Paper P3.

Paper P5 may set a specific requirement where quantitative data on cost drivers and set-up costs etc, would be included in a scenario, and candidates would be expected either to calculate a product cost or comment on the validity of the costs arrived at using one method as compared to another, specifically from a performance management perspective.

Outsourcing is examinable as a strategy at Paper P3 and, while this also has relevance at Paper P5, Paper P5 will be interested in the terms and conditions of an outsourcing agreement (for example, service levels, quality implications) and how these are managed from either the supplier or the customer perspective.

SUMMARY

Paper P5 is now assumed knowledge for both Papers P3 and P5, but the detailed calculations required in Paper F5 are unlikely to form a substantial part of any question in Paper P3. Paper P5 could assess areas already covered in Paper F5, but at a more advanced level and in different contexts. Clearly, students opting to take the Paper P5 option need to ensure that they review their knowledge of the Paper F5 syllabus before undertaking study for Paper P5 by referring to the Paper F5 approved study texts and revision kits.

Chapters 7 and 9 of Atrill’s book also becomes relevant to cover the new learning objective defined earlier in this article (G3e).

Paper P3 includes high-level coverage of budgeting, forecasting, pricing, costing and quantitative decision making to allow a more comprehensive analysis of a company’s strategic position or strategic options. This contrasts with exam papers before the syllabus changes, where only externally reported information was used in this type of analysis. Paper P5 would examine transfer pricing as a technique in more technical depth at the divisional or corporate level in a performance management context and, more broadly, the general implications of costing techniques on pricing. Paper P3 would mainly examine pricing considerations or alternatives as part of a strategic approach, such as to gain market share or achieve cost leadership. Paper P5 would not cover pricing in this way.

Paper P3 will only assess principles of management accounting as part of a wider analysis of a business situation, whereas Paper P5 may discretely examine a particular management accounting area such as a specific budgeting, costing or pricing technique as appropriate to alternative business sectors. Paper P5 might also require the candidate to show an in-depth knowledge and understanding of the particular technique and its advantages and disadvantages in relation to planning, measuring and controlling business performance.
Reading and planning time (RAPT) is a 15-minute time allowance given to all students taking three-hour exam papers.

WHAT CAN YOU DO IN RAPT?
This additional time, to be spent at the beginning of each three-hour exam, allows you to familiarise yourself with, and to navigate around, the exam paper. During RAPT you can read and understand the questions on the paper and begin to plan your answers before you start writing in your answer books. You can also use calculators to make some preliminary numerical calculations.

RAPT begins when instruction is received from your centre supervisor. You must not open your question paper until advised to do so, and during RAPT you may only write or make notes on your question paper. You must not write anything in your answer booklets until advised to do so by the supervisor.

HOW CAN YOU MAKE THE BEST USE OF RAPT?
RAPT gives you the opportunity to make sure you are clear about what the examiner is assessing. It also allows you valuable extra time for thinking and planning. To use this additional 15 minutes most effectively:

- carefully read and understand all question requirements, making an informed choice about which optional questions to attempt where applicable
- read through and highlight relevant information and financial data, noting why it is included
- take note of the marks awarded for each question and the allocation of marks between different requirements within a question
- start to plan your answers, particularly for discursive questions
- think about the order in which to attempt questions
- make preliminary calculations.

Reading the question requirements
You should use some of the RAPT to carefully read through the main requirements in each question. This is particularly important in exams where you need to decide which questions to answer. Even where there is no choice of question, it is still important to read the question carefully so that you understand what the examiner is asking you to do. All too often, examiners’ reports contain references to students who have answered questions they wanted to answer rather than the ones the examiner was asking. The best way to avoid this is to use RAPT to ensure that you fully understand the verbs used by examiners. For example, if the examiner has asked you to compare and contrast two theories or techniques, they are not looking for a full description or explanation of each, but an explanation of the similarities or differences.

Read and highlight relevant information and financial data, noting why it is included. RAPT allows you to have a first read through of all the information contained in each question. Having already carefully read the question requirements, you can now highlight any relevant information or data which you feel are of most relevance with reference to each question requirement. You can use calculators during RAPT, which allows you to make quick calculations of key financial or quantitative data contained within the exam paper.

Reading through the paper will allow you to familiarise yourself with – and find your way around – the exam paper. As a result, when you come to writing in your answer book, you will already have a good idea what is relevant information, where it is located, and possibly how to use it. In case study or scenario questions, RAPT is a particularly good opportunity to familiarise yourself with the facts and data contained within the case study and to decide what information may be the most relevant. RAPT also allows you to gain an initial understanding of the main facts of a case study. This means that when you come to read it again during the exam, things will become much clearer, and more points will become apparent, as happens when watching a film or reading a book for the second time.

As would be expected, most ACCA exam questions contain financial data and information that must be considered and analysed. During RAPT it is useful to think about why such information is included, with reference to the question requirements, and to consider which of this information or data is of particular relevance and how it might be needed to answer the questions.
Take note of the mark allocation between different requirements within questions. You should also use RAPT to help you plan your approach to answering the questions. This is particularly important when you are deciding which questions to attempt at the Professional level of the ACCA Qualification.

When you are first reading the question requirements, you should undertake a personal exam SWOT analysis – matching your own strengths and weaknesses to the opportunities available and thereby identify any potential threats to your performance within the exam paper.

Where you have a choice, you should identify those question requirements (and their specific parts) which offer you the best opportunity to earn marks. It is particularly important that your choice of questions enables you to give your best performance in the exam. When making your question choices you need to be aware of the mark allocation. A question could look very attractive if you see one or two requirements in areas you have studied and revised. However, if these requirements only attract a few marks – and the main requirement, which attracts the most marks, is one which you feel unprepared for – it may be advisable to attempt another question.

By doing this you will make a more informed choice of question, where choice exists. Even where there is no choice, it is still important to assess which parts of which question requirements attract most marks and where you need to focus your attention.

Start to plan answers – particularly for discursive questions.

If time allows, after reading the paper, it is worth planning answers to certain questions, particularly to longer-form discursive questions. Start by trying to identify the relevant main themes within a question; normally relevant points can be classified under a few broad headings. There is usually insufficient time to identify specific points during RAPT, but it is very useful to identify the main headings under which to put these points.

Identifying these headings or themes also acts as a way for you to structure your answers logically, for which some professional marks are available at the Professional level of the ACCA Qualification. It will also help to remind you about the types of points you should be making under each heading so that you can maximise the marks you can earn. For example, a Paper P1 exam question could contain the following requirement: ‘Explain four roles of a non-executive director and how cross-directorships could undermine these roles.’

During RAPT, you could identify the four roles that you would need to explain, and quickly write these down as an aide-memoire. For example, you could identify the following roles:
- strategy
- scrutiny
- risk
- people.

When you answer this question in the exam you can develop these roles and expand on them before you go on to identify how cross-directorships could undermine these roles.

Think about the order in which you should attempt the questions. You can answer questions in the order they are presented in the exam paper, but there may be good reasons why you shouldn’t do this. For example:
- There is a question you believe you can answer well, that you have revised for thoroughly and therefore, by answering it first, you get yourself off to a good, confident start.
- There is a question which, if you don’t answer it first, could worry and distract you during the exam, and may be more difficult to answer later on when you become more tired.
- You want to tackle the question with the highest mark allocation while you are at your freshest and most disciplined, both to ensure that you perform well and that you leave enough time to attempt all other questions.
- You prefer to start with a shorter question and leave a longer case study question until you have settled into the exam.
- There may be other reasons why you might want to tackle a paper in a particular order, so RAPT is the ideal time to make that decision and to decide on your exam strategy.

It is important that you always answer every part of a question before moving on to the next question – clearly labelling all parts of your answer. Ideally, you should answer all parts of a question in order, and there are two main reasons for this. First, there may well be a logical and progressive structure to the requirements of a question, and so answering these in the wrong order could put you at a disadvantage. Second, if your mind is engaged with the information contained within a particular question, and you leave it part way through to move on to another, you will need time to get to grips with that information again when you return to that question later. This is not a good idea.

SUMMARY
Making the best use of RAPT, rather than rushing ahead to write down as much as you can in the time allowed, will help you develop a better and more effective exam strategy. It will also help you develop a more relaxed, positive, and controlled approach.
PER: PATHWAY TO MEMBERSHIP

ACCA TRAINEES CAN WORK IN ANY SECTOR AND SIZE OF ORGANISATION. WHAT’S IMPORTANT IS TO LOOK FOR THE OPPORTUNITIES TO HELP YOU MEET YOUR PER AND TO OBTAIN A TOTAL OF 36-MONTHS’ EXPERIENCE IN A RELEVANT ROLE OR ROLES.

Becoming an ACCA-qualified accountant does not just involve passing your exams and the Professional Ethics module, you also need to complete the practical experience requirement (PER). You can gain your practical experience before, during or after you complete the exams.

WHAT IS PER?
PER provides a structure for you to follow by setting you a range of performance objectives. The performance objectives ensure you gain the experience to demonstrate that you have the abilities required to become an ACCA member.

The performance objectives are closely linked to the exam syllabus and many students try to coordinate their studies and practical experience achievement to gain the most from both.

WHAT DO I HAVE TO DO?
To begin achieving your PER, you need to be working in an accounting or finance-related role. You will need to:
- find a workplace mentor
- complete 36 months’ employment in an accounting or finance-related role(s)
- achieve 13 performance objectives
- record your progress using the trainee development matrix (TDM)
- make a PER return each year.

If you think the opportunities to achieve your PER in your current role are limited, consider other options available to you before you choose to find alternative employment. Aim to get your employer’s support to help you gain your PER; consider work shadowing, secondment or an internship; and work closely with your workplace mentor.

ARE YOU A FULL-TIME STUDENT?
If you are a full-time student or you are not working in a relevant role, start thinking about what steps you will need to take in the future to gain the practical experience you need in order to become a member.

For a more information on the practical experience requirement, read our PER Guide for Trainees available at www2.accaglobal.com/students/acca/per/support.

36-MONTHS’ PRACTICAL EXPERIENCE
It doesn’t matter what sector or organisation you work in or choose to work in. ACCA trainees can work in any sector and size of organisation. What’s important is to look for the opportunities to help you meet your PER and to obtain a total of 36-months’ experience in a relevant role or roles.

Ideally, this means that you have a job where the majority of your time is spent on activities and tasks that are accounting, finance, audit and assurance related, or in other related technical areas such as taxation, insolvency and forensics.

Even if your job includes only a small amount of accountancy and finance work, it can count as long as you pro rata the time you spend on these activities.

For example, if only a quarter of your working time (equivalent to three months) during the year is spent in an accounting capacity, you may only claim three months as relevant time in your PER return. This may mean that it will take you more than three years to achieve the relevant experience because some of your experience is not relevant and will not count.

Your experience doesn’t have to be gained in a single role or one continuous period and relevant experience gained before you joined ACCA may be counted, providing it can be verified by a workplace mentor.

PERFORMANCE OBJECTIVES
Performance objectives are ACCA’s indicators of effective performance and set the minimum standard of work that you are expected to achieve and demonstrate in the workplace. They describe the kind of work activities you may carry out and the values and attitudes you are expected to possess and demonstrate as a trainee accountant.

Performance objectives are divided into key areas of knowledge which are closely linked to the exam syllabus – reinforcing that any knowledge developed through the exams will have a clear application in the workplace.

You will demonstrate your achievement of the performance objectives to your workplace mentor by answering three unique challenge questions for each performance objective.

CHALLENGE QUESTIONS
For each performance objective you complete you will need to answer three challenge questions which are then submitted to your workplace mentor for review and sign off.

The challenge questions help you summarise your work activity so your workplace mentor can evaluate whether you have achieved the standard required for that performance objective. This is the only way you can achieve a performance objective.

For more information on challenge questions, read ACCA’s guide on answering challenge questions available at www2.accaglobal.com/students/acca/per/support.

You are required to achieve 13 performance objectives in total:
- all nine Essentials – performance objectives one to nine, and
- any four Options – performance objectives 10 to 20.

For more information on PER, including details on performance objectives, visit www2.accaglobal.com/students/acca/per/support.
EXAM NOTES

EXAMINABLE DOCUMENTS

Relevant to the December 2011 exam session

Exam notes provide guidance on ACCA examinable material, including any relevant accounting and auditing documents. Use them in conjunction with your studies and revision.

54 PAPER P6 (UK)

55 PAPER P2

58 PAPER P7

To access Syllabus, Study Guides, past papers, examiner feedback, and examiner resources, visit the links below:

PAPER P1
www2.accaglobal.com/students/acca/exams/p1

PAPER P2
www2.accaglobal.com/students/acca/exams/p2

PAPER P3
www2.accaglobal.com/students/acca/exams/p3

PAPER P4
www2.accaglobal.com/students/acca/exams/p4

PAPER P5
www2.accaglobal.com/students/acca/exams/p5

PAPER P6
www2.accaglobal.com/students/acca/exams/p6

PAPER P7
www2.accaglobal.com/students/acca/exams/p7
EXAM NOTES
WHAT YOU NEED TO KNOW

TAX
PAPER P6 (UK), ADVANCED TAXATION
The following notes refer to Paper P6 (UK) only. Guidance for other variant papers – where available – is published on the ACCA website.

Legislation which received Royal Assent on or before 30 September annually will be assessed in the exam sessions being held in the following calendar year. Therefore, examinations in June 2011 and December 2011 will be assessed on legislation which received Royal Assent on or before 30 September 2010.

FINANCE ACT
The latest Finance Acts which will be examined in Paper P6 (UK) at the December 2011 session are the Finance (No 1) Act 2010 and the Finance (No 2) Act 2010.

With regard to prospective legislation when, for example, provisions included in the Finance Act will only take effect at some date in the future, such legislation will not normally be examined until such time as it actually takes effect. The same rule applies to the effective date of the provisions of an Act introduced by statutory instrument.

SUPPLEMENTARY INSTRUCTIONS, TAX RATES AND ALLOWANCES
The following supplementary instructions and tax rates and allowances will be reproduced in the exam paper in the December 2011 exam and are examinable in Paper P6 (UK). In addition, other specific information necessary for candidates to answer individual questions will be given as part of the question.

- Calculations and workings need only be made to the nearest £.
- All apportionments should be made to the nearest month.
- All workings should be shown.

Income tax

<table>
<thead>
<tr>
<th>Normal rates</th>
<th>Dividend rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic rate</td>
<td>£1–£37,400</td>
</tr>
<tr>
<td>Higher rate</td>
<td>£37,401–£150,000</td>
</tr>
<tr>
<td>Additional rate</td>
<td>£150,001 and over</td>
</tr>
</tbody>
</table>

A starting rate of 10% applies to savings income where it falls within the first £2,440 of taxable income.

Personal allowances

<table>
<thead>
<tr>
<th>Allowance</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal allowance</td>
<td>Standard 6,475</td>
</tr>
<tr>
<td></td>
<td>65–74 9,490</td>
</tr>
<tr>
<td></td>
<td>75 and over 9,640</td>
</tr>
</tbody>
</table>

Income limit for age related allowances 22,900
Income limit for standard personal allowance 100,000

Car benefit percentage

The base level of CO₂ emissions is 130 grams per kilometre (g/km).

Petrol cars with CO₂ emissions of 75 g/km or less 5
Petrol cars with CO₂ emissions between 76 and 120 g/km 10

Car fuel benefit

The base figure for calculating the car fuel benefit is £18,000.

Pension scheme limits

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual allowance</td>
<td>£255,000</td>
</tr>
<tr>
<td>Lifetime allowance</td>
<td>£1,800,000</td>
</tr>
<tr>
<td>Maximum contribution that can qualify for tax relief without evidence of earnings</td>
<td>£3,600</td>
</tr>
</tbody>
</table>

Authorised mileage allowances: cars

<table>
<thead>
<tr>
<th>Distance</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 10,000 miles</td>
<td>40p</td>
</tr>
<tr>
<td>Over 10,000 miles</td>
<td>25p</td>
</tr>
</tbody>
</table>

CAPITAL ALLOWANCES: RATES OF ALLOWANCE

<table>
<thead>
<tr>
<th>Allowance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main pool</td>
<td>20</td>
</tr>
<tr>
<td>Special rate pool</td>
<td>10</td>
</tr>
</tbody>
</table>

Motor cars (purchases since 6 April 2009 (1 April 2009 for limited companies))

<table>
<thead>
<tr>
<th>CO₂ emissions range</th>
<th>Main rate</th>
<th>Additional rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 110 grams per kilometre</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>between 111 and 160 grams per kilometre</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>over 160 grams per kilometre</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

Annual investment allowance

First £100,000 of expenditure 100%

Industrial buildings allowance

Writing-down allowance 1%

Corporation tax

<table>
<thead>
<tr>
<th>Financial year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small companies rate</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Main rate</td>
<td>28%</td>
<td>28%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Lower limit 300,000
Upper limit 1,500,000
Standard fraction 7/400
Standard relief Standard fraction x (U–A) x N/A

Inheritance tax: tax rates

<table>
<thead>
<tr>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>£1–£325,000</td>
</tr>
<tr>
<td>Excess – Death rate</td>
<td>40</td>
</tr>
<tr>
<td>Excess – Lifetime rate</td>
<td>20</td>
</tr>
</tbody>
</table>

Inheritance tax: taper relief

<table>
<thead>
<tr>
<th>Years before death</th>
<th>Percentage reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 3 but less than 4 years</td>
<td>20</td>
</tr>
<tr>
<td>More than 4 but less than 5 years</td>
<td>40</td>
</tr>
<tr>
<td>More than 5 but less than 6 years</td>
<td>60</td>
</tr>
<tr>
<td>More than 6 but less than 7 years</td>
<td>80</td>
</tr>
</tbody>
</table>

FOR MORE EXAM RESOURCES, VISIT WWW2.ACCAGLOBAL.COM/STUDENTS/ACCA
**TAX**

Capital gains tax

<table>
<thead>
<tr>
<th>Rate of tax</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower rate</td>
<td>18</td>
</tr>
<tr>
<td>Higher rate</td>
<td>28</td>
</tr>
</tbody>
</table>

Annual exemption £10,100

Entrepreneurs’ relief – Lifetime limit £5,000,000

<table>
<thead>
<tr>
<th>Rate of tax</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>10</td>
</tr>
</tbody>
</table>

National Insurance contributions (not contract out rates)

| Class 1 Employee | £1–5,715 per year | Nil |
| Class 2         | £2.40 per week    | 12.8 |
| Class 4         | £1–5,715 per year | Nil |

Rates of interest (assumed)

| Official rate of interest | 4% |
| Rate of interest on underpaid tax | 3% |
| Rate of interest on overpaid tax | 0.5% |

Stamp duty land tax

|Nil| 1% |
|£150,000–£250,000| 3% |
|£250,000–£500,000| 4% |

1. For residential property, the nil rate is restricted to £125,000.
2. From 25 March 2010 to 24 March 2012 there is an exemption for first-time buyers purchasing residential properties for no more than £250,000.

Stamp duty

| Shares | 0.5% |

**FINANCIAL REPORTING - INTERNATIONAL AND UK PAPER P2, CORPORATE REPORTING (UK)**

Knowledge of new examinable regulations and legislation issued by 30 September will be examinable in examination sessions held in the following calendar year. Documents maybe examinable even if the effective date is in the future. The documents listed as being examinable are the latest that were issued prior to 30 September 2010 and will be examinable in the December 2011 exam session.

The Study Guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The Study Guide should be read in conjunction with the examinable documents list.

International Accounting Standards (IAS)/International Financial Reporting Standards (IFRSs)

<table>
<thead>
<tr>
<th>IAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>10</td>
</tr>
</tbody>
</table>

IAS 11 Construction Contracts
IAS 12 Income Taxes
IAS 16 Property, Plant and Equipment
IAS 17 Leases
IAS 18 Revenue
IAS 19 Employee Benefits
IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
IAS 21 The Effects of Changes in Foreign Exchange Rates
IAS 23 Borrowing Costs
IAS 24 Related Party Disclosures
IAS 27 Consolidated and Separate Financial Statements
IAS 28 Investments in Associates
IAS 31 Interests in Joint Ventures
IAS 32 Financial Instruments: Presentation
IAS 33 Earnings per Share
IAS 34 Interim Financial Reporting
IAS 36 Impairment of Assets
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IAS 38 Intangible Assets
IAS 39 Financial Instruments: Recognition and Measurement
IAS 40 Investment Property
IAS 5 First-Time Adoption of International Financial Reporting Standards
IAS 6 Share-based Payment
IAS 3 Business Combinations (revised)
IAS 5 Non-Current Assets Held for Sale and Discontinued Operations
IAS 7 Financial Instruments: Disclosures
IAS 8 Operating Segments
IAS 9 Financial Instruments
IAS 10 SMEs
IAS 11 IFRS for small and medium-sized entities
IAS 6 Fair Value Measurements
IAS 10 An improved Conceptual Framework for Financial Reporting-Chapter 1 and 2*
ED 2009/6 Management Commentary
ED 2009/5 Fair Value Measurements
ED 2010/09 Leases
ED 2010/06 Revenue from contracts with customers
ED 2009/12 Financial Instruments: Amortised Cost and Impairment
ED Note: * The Conceptual Framework was issued 28 September 2010. Given the proximity to the cut off ACCA has made the decision that in the interests of all stakeholders this revised document will not be examined and any questions relating to the framework will be based on the documents listed in the above table.

**THE STUDY GUIDE OFFERS MORE DETAILED GUIDANCE ON THE DEPTH AND LEVEL AT WHICH THE EXAMINABLE DOCUMENTS WILL BE EXAMINED.**
Indicated below are the main areas of difference between IFRS and UK standards/legislation and whether these differences are examinable in Paper P2 (UK).

<table>
<thead>
<tr>
<th>International Standard</th>
<th>UK Standard</th>
<th>UK difference</th>
<th>Is the difference examinable in Paper P2?</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAS 1</td>
<td>Co Act</td>
<td>Difference in in terminology</td>
<td>No</td>
</tr>
<tr>
<td>FRS 3</td>
<td>Disclosure of certain exceptional items on face of income statement not specified by IAS 1 although some picked up by IFRS 5</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>FRS 3</td>
<td>Separate presentation of STRGL and income statement whereas International combines statements</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>FRS 18</td>
<td>Less extensive disclosure requirements for estimation techniques</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>IAS 2</td>
<td>SSAP 9</td>
<td>Slight wording differences which mean that LIFO could be allowable whereas this doesn’t appear within International</td>
<td>No</td>
</tr>
<tr>
<td>IAS 7</td>
<td>FRS 1</td>
<td>Format more detailed</td>
<td>No</td>
</tr>
<tr>
<td>FRS 1</td>
<td>Cash and cash equivalents more strictly defined</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>FRS 1</td>
<td>Exemptions available from preparing cash flow</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>IAS 8</td>
<td>FRS 3</td>
<td>Fundamental errors vs International’s material errors although broadly similar</td>
<td>No</td>
</tr>
<tr>
<td>IAS 10</td>
<td>FRS 21</td>
<td>Services fall within scope whereas in International this is addressed by IAS 18, although principle broadly the same</td>
<td>No</td>
</tr>
<tr>
<td>IAS 11</td>
<td>SSAP 9</td>
<td>Disclosure of year end balance split into recoverable on contracts and long-term contract balances</td>
<td>No</td>
</tr>
<tr>
<td>IAS 12</td>
<td>FRS 19</td>
<td>Timing differences rather than temporary differences</td>
<td>Yes</td>
</tr>
<tr>
<td>FRS 19</td>
<td>Permits discounting</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>FRS 19</td>
<td>Revaluation less likely to create deferred tax balance</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>IAS 16</td>
<td>FRS 15</td>
<td>Revaluation frequency specified by time (every five years) whereas International solely based on material changes in fair value as frequency indicator</td>
<td>Yes</td>
</tr>
<tr>
<td>FRS 15</td>
<td>Different methods of revaluation dependent on the asset type</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>FRS 15</td>
<td>Treatment of revaluation gains and losses especially with reference to clear consumption of economic benefit</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>IAS 17</td>
<td>SSAP 21</td>
<td>90% test included as part of guidance in lease classification</td>
<td>Yes</td>
</tr>
<tr>
<td>SSAP 21</td>
<td>Disclosure of year end balance split into recoverable on contracts and long-term contract balances</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
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<td>FRS 19</td>
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</tr>
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<tr>
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<td></td>
</tr>
<tr>
<td>IAS 12</td>
<td>FRS 19</td>
<td>Timing differences rather than temporary differences</td>
<td>Yes</td>
</tr>
<tr>
<td>FRS 19</td>
<td>Permits discounting</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>FRS 19</td>
<td>Revaluation less likely to create deferred tax balance</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Additionally examinable for UK and Irish papers only.
<table>
<thead>
<tr>
<th>IAS 28</th>
<th>FRS 9</th>
<th>Equity accounting in income statement shows associate split out across a number of lines whereas International show associate as one balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAS 29</td>
<td>FRS 24</td>
<td>No examinable differences</td>
</tr>
<tr>
<td>IAS 31</td>
<td>FRS 9</td>
<td>Does not allow proportional consolidation for joint venture but gross equity accounting instead</td>
</tr>
<tr>
<td>IAS 32</td>
<td>FRS 25</td>
<td>No examinable differences</td>
</tr>
<tr>
<td>IAS 33</td>
<td>FRS 22</td>
<td>No examinable differences</td>
</tr>
<tr>
<td>IAS 34</td>
<td>Statement on Interim reports</td>
<td>No examinable differences</td>
</tr>
<tr>
<td>IAS 36</td>
<td>FRS 11</td>
<td>Impairment on IGU specifically allocated to specifically damaged asset then to goodwill, intangibles and then tangible assets. International does not separate intangibles from tangibles</td>
</tr>
<tr>
<td>IAS 36</td>
<td>FRS 11</td>
<td>Allocation of impairment loss on clear consumption to income statement irrespective of revaluation balance relating to asset</td>
</tr>
<tr>
<td>IAS 36</td>
<td>FRS 11</td>
<td>Reversals of goodwill and intangibles only if external event clear demonstrates reversal of impairing event. UK standard more restrictive. Goodwill impairments will realistically not be reversed whereas International specifically disallows reversals of goodwill impairments.</td>
</tr>
<tr>
<td>FRS 11</td>
<td>Requires future cash flows to be monitored for next five years to ensure that asset not further impaired.</td>
<td></td>
</tr>
<tr>
<td>IAS 37</td>
<td>FRS 12</td>
<td>No examinable differences</td>
</tr>
<tr>
<td>IAS 38</td>
<td>SSAP 13</td>
<td>Choice as to whether capitalise development costs or write off to income statement</td>
</tr>
<tr>
<td>FRS 10</td>
<td>Only separable intangibles can be capitalised whereas International allows capitalisation if non separable but legal or contractual rights are held</td>
<td></td>
</tr>
<tr>
<td>IAS 39</td>
<td>FRS 26</td>
<td>Treatment of financial asset differences due to IFRS 9 otherwise no examinable differences. See IFRS 9</td>
</tr>
<tr>
<td>IAS 40</td>
<td>SSAP 19</td>
<td>No choice between cost model or fair value model</td>
</tr>
<tr>
<td>SSAP 19</td>
<td>Treatment of revaluation gains and losses to revaluation reserve unless permanent diminution</td>
<td></td>
</tr>
<tr>
<td>IAS 41</td>
<td>FRS 27</td>
<td>Goodwill amortised with rebuttable assumption of life not exceeding 20 years</td>
</tr>
<tr>
<td>FRS 10</td>
<td>Negative goodwill capitalised and amortised over life of assets to which they relate</td>
<td></td>
</tr>
<tr>
<td>IFRS 1</td>
<td>No UK equivalent</td>
<td></td>
</tr>
<tr>
<td>IFRS 2</td>
<td>No UK equivalent</td>
<td></td>
</tr>
<tr>
<td>IFRS 3</td>
<td>No examinable differences</td>
<td></td>
</tr>
<tr>
<td>FRS 6</td>
<td>Merger accounting where applicable</td>
<td></td>
</tr>
<tr>
<td>FRS 6</td>
<td>Merger accounting on reconstructions</td>
<td></td>
</tr>
<tr>
<td>FRS 7</td>
<td>NCI only calculated under partial method</td>
<td></td>
</tr>
<tr>
<td>FRS 7</td>
<td>Acquisition costs capitalised</td>
<td></td>
</tr>
<tr>
<td>FRS 7</td>
<td>Changes in contingent consideration capitalised within cost of investment</td>
<td></td>
</tr>
<tr>
<td>FRS 7</td>
<td>Only separable intangibles can be capitalised</td>
<td></td>
</tr>
<tr>
<td>FRS 10</td>
<td>Goodwill amortised with rebuttable assumption of life not exceeding 20 years</td>
<td></td>
</tr>
<tr>
<td>IFRS 4</td>
<td>Goodwill calculation difference on piecemeal acquisitions</td>
<td></td>
</tr>
<tr>
<td>IFRS 5</td>
<td>Covers life assurance businesses although principles are similar</td>
<td></td>
</tr>
<tr>
<td>IFRS 5</td>
<td>Discontinued criteria difference meaning that UK likely to show discontinuance later that International</td>
<td></td>
</tr>
<tr>
<td>FRS 3</td>
<td>Both continuing and discontinued must be analysed on face of profit and loss account</td>
<td></td>
</tr>
<tr>
<td>FRS 3</td>
<td>Encourages separate disclosure of acquisitions</td>
<td></td>
</tr>
<tr>
<td>IFRS 6</td>
<td>Covers oil and gas, with similar principles of capitalisation and impairment</td>
<td></td>
</tr>
<tr>
<td>FRS 29</td>
<td>No examinable differences</td>
<td></td>
</tr>
<tr>
<td>IFRS 8</td>
<td>Identification of segments based on risks and returns approach whereas International based on management information and decision-making process</td>
<td></td>
</tr>
<tr>
<td>SSAP 25</td>
<td>Disclosure for both business and geographical segments unlike International which is based on management decision-making process</td>
<td></td>
</tr>
<tr>
<td>SSAP 25</td>
<td>Segment information prepared in accordance with accounting policies whereas International based management information</td>
<td></td>
</tr>
<tr>
<td>SSAP 25</td>
<td>Seriously prejudicial exemption available</td>
<td></td>
</tr>
<tr>
<td>IFRS 9</td>
<td>Not yet updated to changes in financial asset classification categories and therefore recognition differences</td>
<td></td>
</tr>
<tr>
<td>IFRS 26</td>
<td>Differences in principle not actual accounting differences examinable between FRSSE and IFRS for SME</td>
<td></td>
</tr>
</tbody>
</table>

**FRS 9**

- Requires future cash flows to be monitored for next five years to ensure that asset not further impaired.
- No examinable differences
- No examinable differences
- No examinable differences
- No examinable differences
- No examinable differences

**FRS 11**

- Impairment on IGU specifically allocated to specifically damaged asset then to goodwill, intangibles and then tangible assets.
- Allocation of impairment loss on clear consumption to income statement irrespective of revaluation balance relating to asset.
- Reversals of goodwill and intangibles only if external event clear demonstrates reversal of impairing event. UK standard more restrictive. Goodwill impairments will realistically not be reversed whereas International specifically disallows reversals of goodwill impairments.
- Requires future cash flows to be monitored for next five years to ensure that asset not further impaired.

**FRS 24**

- No examinable differences
- No examinable differences
- No examinable differences
- No examinable differences
- No examinable differences

**FRS 26**

- Goodwill calculation difference on piecemeal acquisitions
- Covers life assurance businesses although principles are similar
- Discontinued criteria difference meaning that UK likely to show discontinuance later that International
- Both continuing and discontinued must be analysed on face of profit and loss account
- Encourages separate disclosure of acquisitions
- Covers oil and gas, with similar principles of capitalisation and impairment
- Identification of segments based on risks and returns approach whereas International based on management information and decision-making process
- Disclosure for both business and geographical segments unlike International which is based on management decision-making process
- Segment information prepared in accordance with accounting policies whereas International based management information
- Seriously prejudicial exemption available
- Not yet updated to changes in financial asset classification categories and therefore recognition differences
- Differences in principle not actual accounting differences examinable between FRSSE and IFRS for SME
Additionally for Paper P2 (UK) the following basic Companies Act requirements surrounding when:
- single and group entity financial statements are required and when exemptions may be claimed from the preparation.
- a subsidiary may be excluded from the group financial statements are also examinable.

**AUDIT - INTERNATIONAL**

**PAPER P7, ADVANCED AUDIT AND ASSURANCE**

Knowledge of new examinable regulations issued by 30 September will be examinable in exam sessions being held in the following calendar year. Documents may be examinable even if the effective date is in the future. This means that all regulations issued by 30 September 2010 will be examinable in the December 2011 exam.

The *Study Guide* offers more detailed guidance on the depth and level at which the examinable documents should be examined. The *Study Guide* should therefore be read in conjunction with the examinable documents list.

**ACCOUNTING STANDARDS**

The accounting knowledge that is assumed for Paper P7 is the same as that examined in Paper P2. Therefore, candidates studying for Paper P7 should refer to the Accounting Standards listed under Paper P2. Note: Paper P7 will only expect knowledge of accounting standards and financial reporting standards from Paper P2. Knowledge of exposure drafts and discussion papers will not be expected.

**International Standards on Auditing (ISAs)**

Glossary of Terms
- International Framework for Assurance Assignments
- Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services

ISA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with ISAs

ISA 210 Agreeing the Terms of Audit Engagements

ISA 220 Quality Control for an Audit of Financial Statements

ISA 230 Audit Documentation

ISA 240 The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements

ISA 250 Consideration of Laws and Regulations in an Audit of Financial Statements

ISA 260 Communication with Those Charged with Governance

ISA 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

ISA 300 Planning an Audit of Financial Statements

ISA 315 Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment

ISA 320 Materiality in Planning and Performing an Audit

ISA 330 The Auditor’s Responses to Assessed Risks

ISA 402 Audit Considerations Relating to an Entity Using a Service Organisation

ISA 450 Evaluation of Misstatements Identified During the Audit

ISA 500 Audit Evidence

ISA 501 Audit Evidence – Specific Considerations for Selected Items

ISA 505 External Confirmations

ISA 510 Initial Audit Engagements – Opening Balances

ISA 520 Analytical Procedures

ISA 530 Audit Sampling

ISA 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures

ISA 550 Related Parties

ISA 560 Subsequent Events

ISA 570 Going Concern

ISA 580 Written Representations

ISA 600 Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)

ISA 610 Using the Work of Internal Auditors

ISA 620 Using the Work of an Auditor's Expert

ISA 700 Forming an Opinion and Reporting on Financial Statements

ISA 705 Modifications to the Opinion in the Independent Auditor’s Report

ISA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report

ISA 710 Comparative Information – Corresponding Figures and Comparative Financial Statements

ISA 720 The Auditor’s Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements

International Auditing Practice Statements (IAPs)

IAPS 1000 Inter-bank Confirmation Procedures

IAPS 1013 Electronic Commerce: Effect on the Audit of Financial Statements

International Standards on Assurance Engagements (ISAEs)

ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information

ISAE 3400 The Examination of Prospective Financial Information

ISAE 3402 Assurance Reports on Controls at a Service Organisation

International Standards on Quality Control (ISQCs)

ISQC 1 Quality Controls for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements

International Standards on Related Services (ISRs)

ISR 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information

International Standards on Review Engagements (ISREs)

ISRE 2400 Engagements to Review Financial Statements

ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity

**Exposure drafts (EDs)**

Auditing Complex Financial Statements

Proposed ISA 315 (Revised) Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment

Proposed ISA 610 (Revised) Using the Work of Internal Auditors

**Other Documents**

ACCA’s ‘Code of Ethics and Conduct’
IFAC’s ‘Code of Ethics for Professional Accountants’ (Revised July 2009)
ACCA’s Technical Factsheet 94 – Anti Money-Laundering (Proceeds of Crime and Terrorism)
The UK Corporate Governance Code as an example of a code of best practice in relation to audit committees.

IAASB Practice Alert Audit Considerations in Respect of Going Concern in the Current Economic Environment (January 2009)

IAASB Applying ISAs Proportionately with the Size and Complexity of an Entity (August 2009)

IAASB Practice Alert Emerging Practice Issues Regarding the Use of External Confirmations in an Audit of Financial Statements (November 2009)

IAASB XBRL: The Emerging Landscape (January 2010)

IAASB Auditor Considerations Regarding Significant Unusual or Highly Complex Transactions (September 2010)

Note: topics of exposure drafts are examinable to the extent that relevant articles about them are published in Student Accountant.

AUDIT – UK

PAPER P7, ADVANCED AUDIT AND ASSURANCE

Knowledge of new examinable regulations issued by 30 September will be examinable in exam sessions being held in the following calendar year. Documents may be examinable even if the effective date is in the future. This means that all regulations issued by 30 September 2010 will be examinable in the December 2011 exams.

The Study Guide offers more detailed guidance on the depth and level at which the examinable documents should be examined. The Study Guide should therefore be read in conjunction with the examinable documents list.

Should you wish to practise as a registered auditor within the UK and/or Ireland (obtain the audit qualification/audit practising certificate), you must attempt the P2 UK/Irish and P7 UK/Irish papers from June 2011 onwards. This is not a retrospective ruling, so any International papers you have already passed will be unaffected by this ruling.

Read page 60 for a schedule of differences between Study Guide and examinable documents for:
- 2010 P7 International paper to 2011 P7 UK/IRL paper
- 2010 P7 UK/IRL paper to 2011 P7 UK/IRL paper.

All UK and Irish professional accountancy bodies are governed by the requirements of the Statutory Audit Directive (SAD). In order to comply with the requirements of SAD— and to practise as an auditor – certain elements of UK/Irish legislation and regulation should be examined. The revised Papers P2 (UK/IRL) and P7 (UK/IRL) fully meet regulatory and business environment requirements for those wishing to obtain the UK/Irish audit qualification and hence practise as a registered auditor in the UK/Ireland.

All questions set in the UK auditing papers from June 2011 will be based on International Financial Reporting Standards.

ACCOUNTING STANDARDS

The accounting knowledge that is assumed for Paper P7 is the same as that examined in Paper P2. Therefore, candidates studying for Paper P7 should refer to the Accounting Standards listed under Paper P2. Note: Paper P7 will only expect knowledge of accounting standards and financial reporting standards from Paper P2. Knowledge of exposure drafts and discussion papers will not be expected.

International Standards on Auditing (ISAs) (UK and Ireland)

- ISA 200: Glossary of terms 2009
- ISA 210: Overall objectives of the independent auditor
- ISA 220: and the conduct of an audit in accordance with ISAs (UK and Ireland)
- ISA 230: Agreeing the terms of audit engagements
- ISA 240: Quality control for an audit of financial statements
- ISA 250A: Audit documentation
- ISA 260: The Auditor’s responsibilities relating to fraud in an audit of financial statements
- ISA 265: Communication with those charged with governance
- ISA 266: Identifying and assessing the risks of material misstatement through understanding the entity and its environment
- ISA 300: Materiality in planning and performing an audit
- ISA 301: The auditor’s responses to assessed risks
- ISA 302: Audit considerations relating to entities using a service organisation
- ISA 303: Evaluation of misstatements identified during the audit
- ISA 304: Audit evidence
- ISA 305: Audit evidence – specific considerations for selected items
- ISA 310: External confirmations
- ISA 315: Initial audit engagements – opening balances
- ISA 320: Analytical procedures
- ISA 325: Audit sampling
- ISA 330: Auditing accounting estimates, including
- ISA 335: fair value accounting estimates and related disclosures
- ISA 340: Related parties
- ISA 345: Subsequent events
- ISA 350: Going concern
- ISA 355: Written representations
- ISA 360: Special considerations – audits of group financial statements (including the work of component auditors)
- ISA 365: Using the work of internal auditors
- ISA 370: Using the work of an auditor’s expert
- ISA 375: The auditor’s report on financial statements
- ISA 380: Modifications to opinions in the independent auditor’s report
- ISA 385: Emphasis of matter paragraphs and other
- ISA 390: matter paragraphs in the independent
- ISA 395: auditor’s report
- ISA 396: Comparative information – corresponding figures
- ISA 400: and comparative financial statements
- ISA 405: The auditor’s responsibilities relating to other
- ISA 410: information in documents containing audited
- ISA 415: financial statements
- ISA 420: The auditor’s statutory reporting responsibility in relation to directors’ reports

International Standards on Quality Control (ISQC)

ISQC 1: Quality control for firms that perform audits and reviews of financial statements and other assurance and related services engagements
Practice Notes (PNs)
PN 12 (Revised) Money Laundering – Guidance for auditors on UK legislation (September 2010)
PN 16 Bank reports for audit purposes in the United Kingdom (Revised)
PN 23 (Revised) Auditing complex financial instruments – interim guidance (October 2009)
PN 25 Attendance at stocktaking (Revised)
PN 26 (Revised) Guidance for smaller entity audit documentation (December 2009)

Ethical Standards (ESs)
ES1 (Revised – April 2008) Integrity, objectivity and independence
ES2 (Revised – April 2008) Financial, business, employment and personal relationships
ES3 (Revised – October 2009) Long association with the audit engagement
ES4 (Revised – April 2008) Fees, remuneration and evaluation policies, litigation, gifts and hospitality
ES5 (Revised – April 2008) Non-audit services provided to audit clients
Glossary

Bulletin
2001/03 E-business: identifying financial statement risks
2008/01 Audit issues when financial market conditions are difficult and credit facilities may be restricted
2008/06 The ‘senior statutory auditor’ under the United Kingdom Companies Act 2006
2008/10 Going Concern Issues During the Current Economic Conditions
2009/2 Auditor’s Reports on Financial Statements in the United Kingdom
2010/1 XBRL tagging of information in audited financial statements – guidance for auditors

Statement of Standards for Reporting Accountants (SSRAs)
ISRE (UK) Review of Interim Financial Information and Ireland
2410 Performed by the Independent Auditor of the Entity

Exposure drafts (EDs) (UK and Ireland)
Consultation Paper: Revised Draft Ethical Standard for Auditors
Consultation Draft: Practice Note 25 Attendance at Stocktaking (Revised)
Consultation Draft: Practice Note 16 Bank reports for audit purposes in the United Kingdom
Discussion Paper Auditor Scepticism: Raising the Bar
Consultation Draft: ISA (UK and Ireland) 700 The auditor’s report on financial statements
The Provision of Non-Audit Services by Auditors Consultation Paper on Revised Draft Ethical Standards for Auditors

Other Documents
ACCA’s ‘Code of Ethics and Conduct’ (Revised July 2009)
The UK Corporate Governance Code
The UK Corporate Governance Code in relation to audit committees

Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009
Scope and Authority of APB Pronouncements (Revised) – October 2009
ACCA’s Technical Factsheet 94 – Anti-Money Laundering (Proceeds of Crime and Terrorism)
IAASB Practice Alert Challenges in Auditing Fair Value Accounting Estimates in the Current Market Environment (October 2008)
IAASB Applying ISAs Proportionately with the Size and Complexity of an Entity (August 2009)
IAASB Practice Alert Emerging Practice Issues Regarding the Use of External Confirmations in an Audit of Financial Statements (November 2009)
IAASB Auditor Considerations Regarding Significant Unusual or Highly Complex Transactions (September 2010)
Note: topics of exposure drafts are examinable to the extent that relevant articles about them are published in Student Accountant.

PAPER P7 (INT) 2010 TO PAPER P7 (UK/IRL) 2011
Below is a high level summary of the changes between Paper P7 International in 2010 and P7 UK/IRL for 2011 exams. Full details can be found within the Study Guide and examinable documents.

Insolvency
E7 Auditing aspects of insolvency – additional area of the Study Guide.

Auditor reports
ISA 700 (UK and Ireland) is different to ISA 700, and knowledge is also required of the APB bulletins on audit reports.

Examinable documents
As well as those documents mentioned above knowledge of practice notes, bulletins, different exposure drafts, and a few different other documents required for UK. Most of these do have equivalents in the INT examinable documents so in the main it will be similar knowledge learnt. Exposure drafts are only examinable to the extent that relevant articles about them are published in Student Accountant.

Knowledge of the UK Companies Act 2006 is required.

Question requirement differences
In Questions 1 and 2 the requirements may be more open-ended and practical, and combined together to form a single requirement covering different aspects of the scenario.

PAPER P7 (UK/IRL) 2010 TO PAPER P7 (UK/IRL) 2011
Below is a high level summary of the changes between Paper P7 (UK/IRL) in 2010 and P7 UK/IRL for 2011 exams. Full details can be found within the Study Guide and examinable documents.

Insolvency
E7 Auditing aspects of insolvency – additional area of the Study Guide.

Examinable documents
Knowledge of some additional examinable documents required.

IFRS
Knowledge of international reporting standards required rather than UK/ROI GAAP.
The Resources section contains important information to prepare for your exams and contact details for ACCA Connect.

62 CONTACT POINTS
ACCA Connect contact details

62 FEES
Exam fees for ACCA Qualification students and exam fees

63 EXAM TIMETABLE
Detailed exam timetable for the December 2011 exam session to help with your diary planning

63 EXAM ENTRY
The exam entry procedure and key dates have changed

64 EXAM RULES
Important exam rules for students intending to take exams in December 2011

64 RULES AND REGULATIONS
Information about ACCA's Rulebook
ACCA CONNECT

For all enquiries, simply contact ACCA Connect – our global customer service centre. However you want to contact us, by phone, fax, email or post, one of our expert advisers will be happy to assist you.

MONDAY TO THURSDAY
Open 21 hours (closed 20.00 to 23.00)

FRIDAY
Open 20 hours (closed 20.00 to midnight)

SATURDAY
Closed

SUNDAY
Open 09.00 to 17.00 and 23.00 to midnight (all times based on GMT/BST as appropriate)

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e-mail: students@accaglobal.com
website: www.accaglobal.com

FEES
ANNUAL SUBSCRIPTION – 2011
Please note that, as a student, you are required to pay an annual subscription for each year you are registered with ACCA. This is a separate fee to your initial registration fee. Your annual subscription is due on 1 January – irrespective of the month you registered.

For example, if you registered in December, you will still be required to pay an annual subscription by 1 January. The payment enables ACCA to provide you with services and support to assist you with your studies and training as you work towards gaining your qualification.

Students who fail to pay fees when due (including exam/exemption fees) will have their names removed from the ACCA register. Students wishing to re-register are required to submit any amounts unpaid at the time of their removal in addition to the re-registration fee. No penalty fee will be charged. Confirmation of your unpaid fees can be obtained from your national ACCA office or ACCA Connect.

The following fees and subscriptions apply:

ACCA Qualification students
Initial registration £72
Re-registration *£72
Annual subscription £72
*plus unpaid fee(s)

EXAM FEES
Professional level exams
P1, P2 and P3 (and any two from P4, P5, P6 and P7)

Exam entry December 2011 exam June 2012 exam
period fee (per exam) fee (per exam)
Early £81 £81
Standard £89 £94
Late £211 £222

When you pass the final ACCA Qualification exams you will pay the affiliate subscription rate, which is significantly less than the membership subscription rate (2011 affiliate fee £99/ membership fee £193). You are allowed to pay the affiliate subscription rate for the first three years. This is to help while you work towards completing the PER. After three years, if you haven’t progressed to membership, you will pay the permanent affiliate rate which equals the membership subscription rate at the time.

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website: www.accaglobal.com

ACHIEVING ACCA MEMBERSHIP

ACCA will now invite you to transfer to membership as soon as your records indicate that you are ready.

For more information visit www2.accaglobal.com/students/acca/membership/. However, if, after the next set of results in February 2012, you think you are ready, you can download and complete the application form available at www2.accaglobal.com/students/acca/membership/ and return it to ACCA Customer Services, 2 Central Quay, 89 Hydepark Street, Glasgow G3 8BW, United Kingdom.

It will take approximately four to six weeks to process your application for membership.
The following dates have been confirmed for the next exam session:

**DECEMBER 2011**

- Week 1: 5 to 9 December
- Week 2: 12 to 14 December

Exams will take place over an eight-day period with one session of exams each day. The exams will be held concurrently in five different time zones. The base starting times in each of these time zones will be:

- Zone 1 (Caribbean) – 08.00hrs
- Zone 2 (UK) – 10.00hrs
- Zone 3 (Pakistan and South Asia) – 14.00hrs
- Zone 4 (Asia Pacific) – 15.00hrs
- Zone 5 (Australasia) – 17.00hrs.

Local starting times will be set falling out from these base start times for every centre. Details of local start times can be found against each centre on the Examination Centre List accompanying your Examination Entry Form. Papers F1 to F3 are two-hour exams, and Papers F4 to F9 and P1 to P7 are three-hour exams.

**Monday 5 December**
- FTX Foundations in Taxation
- F5 Performance Management
- P7 Advanced Audit and Assurance

**Tuesday 6 December**
- MA2 Managing Costs and Finance
- FFM Foundations in Financial Management
- F6 Taxation
- P4 Advanced Financial Management

**Wednesday 7 December**
- FA2 Maintaining Financial Records
- F7 Financial Reporting

**Thursday 8 December**
- MA1 Management Information
- F8 Audit and Assurance
- P5 Advanced Performance Management

**Friday 9 December**
- FAB Accountant in Business
- F1 Accountant in Business
- F9 Financial Management
- P6 Advanced Taxation

**Monday 12 December**
- FAU Foundations in Audit
- F4 Corporate and Business Law
- P3 Business Analysis

**Tuesday 13 December**
- FFA Financial Accounting
- F3 Financial Accounting
- P2 Corporate Reporting

**Wednesday 14 December**
- FA1 Recording Financial Transactions
- FMA Management Accounting
- F2 Management Accounting
- P1 Governance, Risk and Ethics

ACCA exam rules: www.accaglobal.com/students/rules/exam_regs

**IMPORTANT CHANGES TO EXAM ENTRY**

Via your myACCA account, you can now:
- submit an exam entry at any time of the year
- enter for exams early and save money
- enter for one of the next two exam sessions – December or June
- make amendments to existing exam entries – including changing exam centre, variant papers or entering for other exams.

**DETAILS OF LOCAL START TIMES CAN BE FOUND AGAINST EACH CENTRE ON THE EXAMINATION CENTRE LIST ACCOMPANYING YOUR EXAMINATION ENTRY FORM.**

**STUDENT ACCOUNTANT ESSENTIAL EXAM GUIDE 10/2011**

Are your contact details up to date?
https://www.acca-business.org

**EXAM TIMETABLE**

**DECEMBER 2011 EXAM SESSION**
EXAM RULES

Important information for ACCA students intending to take exams at the December 2011 exam session

1. You are required to comply in all respects with any instructions issued by the registrar, exam supervisor, and invigilators before and during an exam.

2. You may not attempt to deceive the registrar or the exam supervisor by giving false or misleading information.

3. You are not allowed to take to your exam desk, possess, use, or intend to use while at that desk, any books, notes or other materials except those authorised by the registrar. If you are found to have taken to your desk, or possessed while at that desk, unauthorised materials which are relevant to the syllabus being examined, it will be assumed that you intended to use them to gain an unfair advantage in the exam. In any subsequent disciplinary proceedings, it shall be for you to prove that you did not intend to use the materials to gain an unfair advantage in the exam.

4. You may not assist, attempt to assist, obtain, or attempt to obtain assistance by improper means from any other person during your exams.

5. You are required to adhere at all times to the Instructions to Candidates, which you receive with your Examination Attendance Docket.

6. You are required to comply with the exam supervisor’s ruling. Supervisors are obliged to report any cases of irregularity or improper conduct to the registrar. The supervisor is empowered to discontinue your exam if you are suspected of misconduct and to exclude you from the exam hall.

7. You may not engage in any other unprofessional conduct designed to assist you in your exam attempt.

8. You are not permitted to remove either your script booklet or your question paper from the exam hall. All exam scripts remain the property of ACCA. If the exam has started, you are not allowed to leave the exam hall permanently until the end of the session, and then only when instructed by the supervisor.

9. There are no provisions for students to leave the exam hall permanently until the end of the exam session. Any student in breach of this regulation will be reported.

These regulations are reproduced on your Examination Attendance Docket – you should take time to familiarise yourself with them. In order to be eligible to sit your exams you must sign your docket confirming your agreement to comply with these regulations.

Important examination rules

- Mobile phones and pagers should not be taken to your desk under any circumstances. Mobile phones are not permitted on your desk even if they remain switched off.

- Calculators taken into the exam hall must comply with the regulations stated on your Examination Attendance Docket. Mobile phones should be noiseless, pocket-sized, and they must not have a print-out facility or graphic word display facility in any language.

- For security reasons, the exams are held concurrently in five different time zones. Students are therefore not permitted to leave the hall permanently until the end of the exam session. Any student in breach of this regulation will be reported.

In the exam hall

Every effort is made to ensure that you sit your exams in the best conditions. However, if you have a complaint regarding the centre operation, you should make this known to the exam supervisor in the first instance. The supervisor will do everything within their power to resolve the matter to your satisfaction there and then. If the complaint is of a fundamental nature, ACCA will take whatever further remedial action it considers appropriate in the circumstances.

RULES AND REGULATIONS

ACCA’s disciplinary procedures cover matters such as professional misconduct, misconduct in exams and breaches of regulations which include any actions likely to bring discredit to you, ACCA, or the accountancy profession. The rules governing disciplinary procedures for students (and members) are set out in ACCA’s Bye-laws and Regulations. All registered students are bound by these Bye-laws and Regulations. Further enquiries about matters which may be subject to disciplinary procedures, can be directed to the Professional Conduct Department at our London office in the UK. ACCA’s Rulebook is available for reading online, or at ACCA offices. Visit www2.accaglobal.com/students/rules/ for more information.
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ACCA CAREERS ALLOWS YOU TO BROWSE AND APPLY ONLINE, AND HAS A HOST OF OTHER FEATURES TO BOOST YOUR PROSPECTS

ACCA Careers allows you to browse and apply for jobs all on one platform – and has a host of other features to boost your prospects.

ACCA Careers is open to all students studying for an ACCA qualification. On ACCA Careers you can create and upload your CV, access global career opportunities and find comprehensive guidance, insight and tips around careers in accountancy and finance.

Use your student registration number to join the site and apply for jobs.

KEY FEATURES

- Expert careers content (news, videos, articles, advice and information).
- Includes advice on how to research and apply for schemes with major companies that support employees through to ACCA membership.
- Prepares you for the selection process.
- Find out about the recruitment market in a destination of your choice.
- Search vacancies by job title, skills required and region.
- Sign up to receive tailored email alerts when relevant jobs are posted.
- Upload and store your CV.
- Apply for jobs with one click.

CAREERS CLINIC

This includes features to help you make your next move, wherever you are in your career and whatever your level of experience – for example:

- interview preparation checklist
- writing a new-generation CV
- career advice column

WORKING INTERNATIONALLY

We talk candidates through the benefits that working in a different environment brings to you and your CV, as well as country profiles and details of business culture and the job market for finance professionals in your chosen destination.

THINK TANK

Articles and videos designed to help you develop your non-technical skills, as well as a forum for professionals across the globe to discuss the latest hot topics – explore the art of negotiation, time management or the role managers can play in developing talent.
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