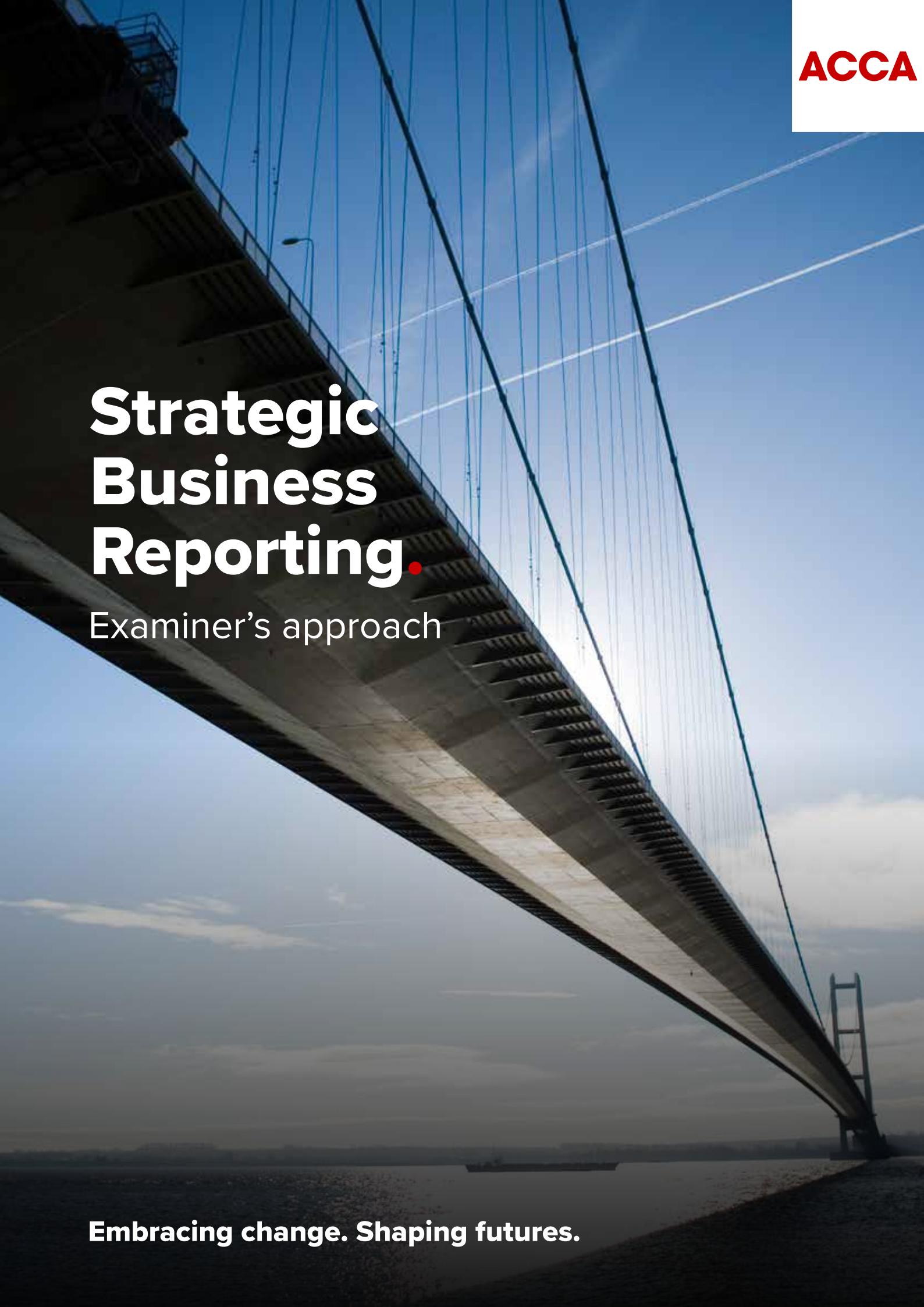


The background of the entire page is a photograph of a large suspension bridge, likely the Humber Bridge, viewed from a low angle looking up at the bridge deck and the suspension cables against a clear blue sky. The bridge deck is a prominent diagonal element in the frame.

Strategic Business Reporting.

Examiner's approach

Embracing change. Shaping futures.



Examiner's approach

The Strategic Business Reporting (SBR) exam tests professional competences within the corporate reporting environment. Candidates will be examined on concepts, theories, principles and the ability to apply this knowledge to real life scenarios.

Candidates should use their answers to demonstrate their ability to make strategic business reporting decisions. The study guide outlines the level of understanding required by students and the verbs used in this document imply a high level of understanding of the subject matter. They include the ability to appraise, assess, discuss, justify and evaluate. In addition, verbs such as prepare and explain are also used. Thus, the examination requires some calculation and explanation of IFRS[®] Accounting Standards but the

majority of the examination requires the application of that knowledge and understanding. Questions will be based upon corporate reports, of which a deep understanding is required. Candidates will not be able to successfully answer SBR questions by rote learning and reproducing textbook answers. Candidates who read around the subject, think critically about the information and relate it to practical examples will be rewarded in this examination.

The structure of the exam is as follows:

Section A	Total marks: 50
Question 1	Question 1 will be worth 30 marks and will always examine group accounting. It may also examine other financial reporting issues. In this question, candidates will be required to discuss the correct accounting treatments of a range of issues. Moreover, candidates will need to use a pre-populated spreadsheet response option to correct a draft consolidated financial statement (either a statement of financial position, or a statement of profit or loss and other comprehensive income, or a statement of cash flow). Between 8 and 14 marks will be awarded for the spreadsheet requirements. Candidates will not be asked to prepare consolidated financial statements from the individual financial statements of the parent and its subsidiaries.
Question 2	Question 2, worth 20 marks, will involve the consideration of the reporting and ethical implications of some accounting issues presented in a specific scenario. Students must demonstrate their understanding of the fact that ethics and integrity are central to the accounting profession and be able to exercise sensitive professional and moral judgments. Ethics will feature in every exam, and it is essential that candidates understand the implications of these ethical issues. Two professional skills marks will be awarded to this question and these marks relate to the discussion of the ethical issues set out in the question. The requirement within the question will always clarify how the professional skills marks will be awarded.
Section B	Total marks: 50
Two 25-mark questions	Section B will contain two compulsory 25-mark questions, which may be based on a short scenario, or a case study which has several parts, or an essay. They may contain both discursive and computational elements and could deal with any aspect of the syllabus. The section will always contain either a full or part question that requires the understanding of financial and/or non-financial information from the perspective of a preparer of financial statements or another stakeholder's perspective. Two professional skills marks will be awarded in question 4 and are likely to relate to the appraisal of information from a stakeholder's perspective. The requirement within the question will always clarify how the professional skills marks will be awarded.



Overall, candidates will have to demonstrate a range of skills and abilities, which include relating accounting issues to relevant concepts and practical situations. Besides the specific technical knowledge relating to financial statements prepared in accordance with IFRS Accounting Standards, the examination will require candidates to exercise professional and ethical judgement. There will be a requirement to adopt a stakeholder/investor focus in answering some questions, which may involve the discussion of specific aspects of the financial statements or the supplementary information disclosed by entities or issues faced by investors in the understanding of those corporate reports.

CANDIDATES WILL HAVE TO DEMONSTRATE A RANGE OF SKILLS AND ABILITIES, WHICH INCLUDE RELATING ACCOUNTING ISSUES TO RELEVANT CONCEPTS.

To pass this exam, candidates require an in-depth knowledge of the Conceptual Framework for Financial Reporting (Conceptual Framework) which sets out the concepts upon which IFRS Accounting Standards are based. Forms of non-financial reporting, such as sustainability reporting, are increasingly important, and questions will be asked on their contribution to the information needs of company stakeholders. Candidates require knowledge of the IFRS Sustainability Disclosure Standards and the ability to apply them in a scenario-based question.

The principles of group accounting will be examined in section A, in question 1, but could also be examined in section B. For example, Section B could include a question on control or whether the acquisition of an entity meets the definition of a business combination. Detailed knowledge of an industry, or specialised accounting knowledge, will not be required but candidates should be prepared to apply their knowledge to the scenario provided in the question.

The SBR exam will test contemporary scenarios and contemporary issues. For example, question 2 could require discussion of ethical issues arising from the use of artificial intelligence. Questions in Section B might ask candidates to consider the accounting implications of digital asset investments, a natural disaster, or climate change.

Candidates should be aware that the same topic can appear in more than one question. For example, impairment of assets or financial instruments can be issues to consider in several questions in the exam. Candidates should also be aware that, if an area is consistently generating poor answers then the examining team may wish to reassess it from a different perspective. In this context, it is important to look at examiner's reports and articles and to understand the examiner's views on these issues.

For SBR, there will be significantly more marks allocated to written answers than numerical answers. Simply practising numerical questions will not result in success in this examination and the written answers should be in sufficient depth to answer the question that is being asked. Brief narrative answers are unlikely to meet the requirement of the question even though the numerical content may be correct. This means that a thorough analysis of the question requirements is imperative.

THE STYLE AND CONTENT OF THE EXAM IS EXEMPLIFIED IN THE SAMPLE EXAMINATION.

More SBR resources
for students **here**

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THINK AHEAD

