

## **Examiner's interview: F1 – Accountant in Business**

Interviewer: Hello. Welcome to the examiner's interview for *F1/FAB, Accountant in Business*. The examiner, Bob Souster, has provided the answers and his words are spoken by an actor.

This interview will cover a range of issues, focussing on candidates' performance over the last four exam sessions and how to improve it. First, it will provide a general review of the performance of candidates in the context of the syllabus as a whole.

Second, it will consider specific areas of strengths and weaknesses with reference to each part of the syllabus. This analysis will include some broad recommendations on how learning providers can support their students and maximise their prospects of success.

Lastly, the presentation will look forward to December 2011 and beyond.

So what can you tell us about candidate performance?

**Examiner:** Before I answer this, I should explain that although the first F1 exam took place in December 2007 and there have been seven exams so far, I will only comment on candidates' performance in the last four examination sessions, during 2009 and 2010.

In doing so, it must be borne in mind that each examination has consisted of 50 questions, drawn from a database which is not in the public domain. Therefore, there is a limit to how detailed my comments can be, but the main purpose is to present information which is of most significance to learning providers and students.

**Interviewer:** Thanks for explaining that. Can I begin by asking which areas of the syllabus have seen students score well and at a consistent level?

**Examiner:** Yes, but the natural starting point is to consider the structure of the syllabus as a whole and then I can comment on candidate performance against these main syllabus sections.

**Interviewer:** So can you remind us how the syllabus is structured please?

**Examiner:** Yes I can. The syllabus is made up of six parts. The first two parts provide students with a broad consideration of different types of organisation, the ways in which they are structured, how they are managed and the environment in which they operate. Students learn about the importance of stakeholders and the features of the external environment that impact on organisations.

Parts C and D of the syllabus provide an introduction to the role of accounting generally, the different functions and key elements of control.

The last two parts of the syllabus examine leadership, managing teams, and the main activities in human resources management.

**Interviewer:** So in which parts of the syllabus have candidates performed well?

**Examiner:** Generally, students have performed well on questions relating to the accounting and finance areas of the syllabus, while performance on questions relating to the other four parts of the syllabus has been more inconsistent. This was true even in the first two examinations in December 2007 and June 2008, when the overall pass rates were very high.

Organisational and HRM topics have presented candidates with problems, while candidates have performed well on questions relating to subjects, including PEST and SWOT analyses, Porter's theories and Handy's cultural typologies. Students seem to learn these theories without any obvious misconceptions, and also appear to be able to apply them to mini scenarios presented in questions that require applications of knowledge.

Other areas in which candidates have scored well include stakeholders (though as we shall see, some questions on Mendelow's theory can present difficulties), marketing, spreadsheets and databases, time management, personal development plans and performance appraisal.

What I have noticed though is more consistency in candidate performance between syllabus sections over time, which indicates that tuition providers and students are learning how to cover this broad syllabus more effectively.

**Interviewer:** That was useful. So shall we have a look at what was done well in the recent exams?

**Examiner:** As I just mentioned examinations in 2009 and 2010 saw some of the gaps in performance between the various parts of the syllabus narrow. This seems to suggest that learning providers and their students are addressing the whole syllabus in a more systematic manner.

While it was once possible to see quite consistently poor performances on HRM questions, for example, later examinations have seen fewer examples of questions that have been 'disaster areas'. This is probably a result of learning providers and students becoming more attuned to the needs of the syllabus, and more aware of the best practices necessary to achieve a pass.

Scenario questions pose fewer problems than might be expected. These questions have more words in them and are therefore capable of greater misinterpretation. However, there is no evidence to suggest that this is the case. In the most recent examination, only three out of the nine scenario questions on the paper had pass rates of less than 50%. Conversely, it might be expected that single mark questions are easier as they have fewer distracters, but empirical evidence does not bear this out.

The December 2010 paper saw very high pass rates on questions that tested computerised v. manual systems, organisational concepts (tall and flat organisations, span of control, scalar chain), the Blake and Mouton managerial grid and the purposes of financial accounts. Note that only the last of these subjects comes from an area of the syllabus (part C) where pass rates for individual questions had previously been much higher.

**Interviewer:** Thank you. Shall we go on to what lessons you believe have been learned over these last four examination sessions, and more importantly what needs to be improved?

**Examiner:** There are a number of weak areas I must report on. Understandably, subjects that are perceived to be more 'soft' or related to some of the management areas appear to present problems. This may be attributable to the fact that some of the HRM topics and theories do not have to be studied in great depth. Therefore, while the syllabus introduces these subjects, the breadth of the paper does not afford the opportunity to debate or question.

Some theories present greater difficulty than others because they are quite complex or conceptual in nature. A simplistic conclusion might be that there is more information to be remembered in theories such as Belbin (where nine typologies that are not easy to commit to memory can potentially appear in a question), or that some theories are more difficult to understand than others. Belbin is indeed an area in which students can produce poor performances, but the learning styles theories (Honey and Mumford, Kolb), some motivation theories, Mendelow and Tuckman are all examples of subjects that have seen low pass rates.

Corporate governance can pose problems for students, and this carries over into performance on questions relating to the role of bodies such as the Audit Committee and the role of non-executive directors. It has to be remembered that corporate governance is a 'young' concept in many countries, so students may find it difficult to relate what they study to real life experience in their respective business environments.

Questions on economics are not always troublesome for students, but there are examples of questions on the macro-economic environment, and fiscal policy in particular, where pass rates have been low.

In the accounting and finance areas of the syllabus, candidates are often confused about the primary role of external auditors, data processing controls, segregation of duties and substantive tests. These questions would probably be answered more consistently and routinely were they to be encountered later in the students' programme of studies through the ACCA qualification.

**Interviewer:** How can tuition providers help?

**Examiner:** Some of the best practices of tuition providers and the students themselves can build on the impressive success rates for this paper. As questions are drawn across all learning outcomes, students must know something about all areas, so a comprehensive but balanced approach to the programme of study is necessary.

More time should be given to deal with areas of greater perceived difficulty, and where students find the detail or complexity more challenging. Where this is the case, using intensive question and answer practice to complement input and discussion will help to cement understanding.



Learning providers should stress the importance of reading the question very carefully. It is possible to instinctively go for an answer that is 'too obvious'. Equally though, it is possible to spend too much time on a single question, resulting in the student concluding that a correct answer is actually incorrect.

Students should be encouraged to think about why the choices in an answer might be incorrect, enabling them to answer a question by deduction, even if they are unsure of the answer.

In particular, no assumptions should be made about basic knowledge. In one of the early papers, it was surprising to learn that when asked what the main purpose of external audit is, the most popular answer was to detect fraud and the second most popular answer was to check all transactions of the company.

**Interviewer:** So what lies ahead for F1 and what will be the focus in future exams?

**Examiner:** There are no syllabus changes at all for the June 2011 examination session. The existing structure of the paper will remain in place for that session.

**Interviewer:** Looking beyond June 2011, what about the structure of the exam in December 2011 and after that?

**Examiner:** December 2011 sees major syllabus changes with the introduction of Foundations in Accountancy. F1 will also be called FAB.

In December 2011 there will be 50 questions worth 2 marks each, with no single mark questions at all. The style of the questions will be similar to those already used in the F2 and F3 papers.

Beyond December 2011, the paper will see new types of question introduced, including scenario questions sub-divided into parts, worth a total of four marks each. CBE candidates will also answer questions using different testing methodologies such as matching and multiple response. Future FAB papers will also see the reintroduction of single mark questions.

**Interviewer:** Now you have explained about the structure changes to the exam, can you tell us about any syllabus changes?

**Examiner:** The new syllabus from December 2011 will have six parts, with several sections carried over from the June 2011 syllabus.

Parts A and B examine the areas currently covered in the same parts of the F1 syllabus, though in a different order and with greater emphasis on certain topics, notably corporate governance.

Part C effectively merges current parts C and D, consolidating the study of accounting and finance subjects into one part.

Parts D and E include most areas currently examined in parts E and F of the F1 syllabus, the main topics being leadership, individuals and teams, management theories and HRM subjects.

Part F is entirely new at this level of study and introduces the students to ethics in accounting and business. An introductory article will appear in *Student Accountant* magazine to provide preliminary guidance and provide early reading on this important subject.

**Interviewer:** Thank you for explaining that, but are there specific changes in terms of subject coverage?

**Examiner:** Yes. The syllabus sees some substantive changes.

- The history of accounting is removed from the syllabus.
- There will be more emphasis on corporate governance.
- Within the section of the syllabus on fraud, a new section is included to examine money laundering as a discrete subject.
- As we have seen, ethics and professional values will be examined as a new area.

**Interviewer:** Well thank you very much for your thoughts on F1. I'm sure they will be very useful for the tutors and for future F1 and FAB examination candidates.

**Examiner:** Thanks very much.