

Examiner's analysis interview: F1 Accountant in Business

Interviewer: Hello. Welcome to the examiner's interview for F1, *Accountant in Business*. The examiner 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, identifying areas of strength and weakness in examinations held since 2011.

Second, it will consider lessons that can be drawn from the performance of candidates in this time.

Thirdly, the interview will summarise some of the actions that learning providers can take to improve the prospects of their students achieving success.

Lastly, it will look forward to future examinations and explain how the syllabus may evolve.

So what can you tell us about candidate performance?

Examiner: To put my comments into context, it is necessary first of all to describe some of the changes that were introduced in 2011. Some significant changes came into effect from the December 2011 examination, with the introduction of a whole new syllabus section on ethics, as well as a reorganisation of other syllabus areas.

The syllabus has six sections:

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.

Section C provides an introduction to the role of accounting generally, the different functions and key elements of control, including the prevention of fraud and other crimes.

Parts D and E of the syllabus examine leadership, managing teams, and the main activities in human resources management.

Part F of the syllabus deals with ethics.

Interviewer: So what is the structure of the presentation?

Examiner: The way I will structure this presentation is to cover the following areas since the June 2011 examination sitting.

First of all I will review performance since 2011 then I will review candidates' stronger areas and then examine their weaker areas. I will follow this by identifying some lessons learned and areas for improvement. Finally, I will try and point out where our learning partners can help.

Interviewer: So as we go on to focus on candidate performance, what are your observations?

Examiner: Now I would like to comment on performance by examination session. In doing so, it should be borne in mind that each examination is made up of 50 objective test questions. These are not in the public domain, except for the three questions discussed in each examiner's report. Therefore, my comments will be rather general in nature.

Interviewer: So what did you think about June 2011?

Examiner: In June 2011, candidates performed well on most human resources management questions as well as questions that called for knowledge of

accounting functions. The good performance on Section C questions was offset by a misunderstanding of the role of external auditors.

Interviewer: Thank you, and so what of December 2011?

Examiner: In the December 2011 session some topics were examinable for the first time, including micro-economics, money laundering and a new section on ethics. Candidates again did well on HRM topics and teams, though Tuckman's theory was examined in that paper and is a more straightforward theory than (for example) Belbin's team roles theory. Performance on the new ethics section on the syllabus was generally good, which was very encouraging.

Interviewer: Did the same pattern emerge in 2012?

Examiner: To some extent, yes it did.

Again, candidates fared well on HRM, leadership, motivation and personal effectiveness. One question on stakeholders was answered correctly by most candidates. Performance on accounting topics and ethics was again robust.

Interviewer: In which areas could candidates have done better?

Examiner: In June 2011 it was surprising that questions on SWOT and PEST caused difficulties, as this had not been the case in previous examination sessions. Again, the role of external auditors caused difficulties. Kolb's theory was not well known. For the first time, a question on ethics was answered badly.

There were also some surprises in the December 2011 session. Questions on stakeholders, culture and communications had rarely seen low pass rates in previous examinations, but these had low pass rates in this session. What was considered to be a relatively straightforward question on budgets caused major problems.

Consistent with the two previous sessions, candidates for the June 2012 examination found questions on teams, learning styles and ethics more difficult. The question on sustainability required only an understanding of the meaning of this term. Getting to grips with basic definitions is one of the issues that have emerged in recent times.

Interviewer: What general lessons can be derived from the performance of candidates sitting all these examinations?

Examiner: With the exception of questions on some of the more complex theories, HRM subjects have generally been answered competently in the last few examinations sessions. Though knowledge of this area cannot be taken

for granted, it must be assumed that candidates take on board lessons from the materials as well as personal experiences of recruitment, selection, training and performance appraisal. Questions relating to groups and teams can occasionally pose problems.

Generally, candidates are comfortable with questions on organisations, but sometimes questions on PEST, SWOT, culture and stakeholders cause unexpected difficulties.

Questions on syllabus areas A and B – organisations and the business environment – are answered quite well.

For some topics there is no pattern at all. These include economics, ethics, stakeholders, certain accounting functions and control.

Performance varied widely.

Scenario questions make up a maximum of 15 questions out of the 50 questions on the paper. They seem to pose no greater challenge than shorter questions. For example, in the most recent examination only four of these questions had lower than average pass rates. However, candidates probably have to spend longer on them, and think about them more.

Interviewer: Based on your observations, what matters should learning providers concentrate on in order to prepare their students as thoroughly as possible?

Examiner: Learning providers have the unenviable task of covering a very broad syllabus. They have to make sure that all areas are covered, but cannot spend too long on any single learning objective. For this reason, candidates have to know something about every topic, but avoid exploring each in depth. If too much time is spent on certain topics, it is impossible to cover them all.

Obviously, some topics are more complex than others, so these will demand more attention. For example, when studying teams, students encounter theories by Belbin and Tuckman. Belbin's theory has nine typologies to remember, but Tuckman's theory only has four stages, and they are relatively easy to remember.

At the same time, it should not be assumed that students will know the basics, particularly the meaning of words, phrases and concepts that are commonly understood jargon and ideas to experienced business people. An example occurred in December 2012 when candidates had problems with a question on Porter's five forces theory. This may have been caused, to some extent, by encountering the word 'substitutes' in both micro-economic theory and Porter's theory. They have different

meanings, depending on the context. Another example could be the term 'investment', which has different meanings in financial management and Keynesian macro-economic theory.

Interviewer: That is very useful. Have you any other observations you would like to share with us?

Examiner: I think that assuming that non-business students studying F1 have any prior business awareness or knowledge is a potential problem and it has been an issue for many candidates. For example, in one of the earliest F1 papers, candidates were asked to select a phrase that best described the primary role of an external auditor. Most candidates selected 'to prevent and detect fraud', and the correct answer 'to give a professional opinion on whether the financial statement provides a true and fair view' was the third most popular choice out of four. We should never assume that students know these things, as many enter the qualification with little or no business experience.

Interviewer: What can you tell students about examination techniques?

Examiner: Students should be told to attempt all of the questions! It can be taken for granted that there is only one correct answer to be chosen from four options, so by definition, candidates have a 25% probability of selecting the correct answer even if they have no knowledge at all of the subject

matter. Yet in every examination so far, many candidates make no attempt at all at some questions. I do not believe that this is due to time pressure. I would not encourage candidates to enter the examination and use piecemeal knowledge to attempt some questions and guess the answers to the others, but leaving any questions unanswered is not to be recommended even if the candidate has no idea which option is correct.

Try and encourage candidates to interpret the questions more effectively with a view to eliminating distracters, even if they are not sure of the correct answer directly. I firmly believe that the typical candidate will rarely have no idea at all about which distracters are incorrect, therefore students may benefit by practising answers through a process of deduction in order to eliminate distracters. This can help them to arrive at the correct answer, or at least reduce the number of potentially correct answers. A candidate able to eliminate at least one distracter can considerably increase their chances of success even if they do not know the right answer.

One reason for poorer performance on some questions may be that candidates choose an obvious answer at first reading of the question. For this reason, best practice is to read the questions carefully and more than once.

As I mentioned earlier, at this level, it is also easy to assume that students will know the basics and will therefore be able to answer 'easy' questions. Evidence suggests that this is not always the case.

Interviewer: How do you see the paper evolving in the future?

Examiner: An updated syllabus will be rolled out in 2014, and there will be some minor changes introducing some new topics, including changes in the way businesses are organising themselves. This is inevitable, as some of the subjects in the syllabus are dynamic and evolving very fast. We will be working hard to ensure that the content of the syllabus is pertinent to contemporary business organisations.

We will also be looking to remove topics that have less relevance to trainee accountants. Lastly, the testing methods will change. It is envisaged that the current structure of the paper, which relied on choosing one correct answer from four options for each of the 50 questions, will be modified so that single mark questions, as well as questions worth up to four marks, will be introduced.

Interviewer: What are the changes to the question styles?

Examiner: The structure of F1 exam will change. Multi-task questions will be introduced in all ACCA Knowledge modules (F1, F2 and F3) in both the paper and CBE exams. For F1, the exam will have two sections. Section A will have 30 two-mark objective test questions and 16 one-mark objective test questions while Section B will have six multi-task questions of four marks each. Each multi-task question will relate to one of the main syllabus sections. These changes will take effect for CBEs from February 2014 and from the June 2014 sitting for the paper exams. Pilot papers and CBE demos will be made available. Keep watching the website for more information.

Interviewer: Thank you very much for all that useful information.