

Think Ahead

ACCA

**F5-F9
Session CBE**

A series of webinars

1. Overview
2. Exam tips to maximize benefits
3. Effective use of functions
4. Study resources
5. Teaching approaches (for tutors)

Think Ahead

ACCA

**Series 2
Exam tips to
maximize benefits**

CR questions: No more messy handwriting

NO MORE
messy handwriting!

$2 + 2 = 4$
 $\sqrt{4} = 2$

- No need to worry about messy handwriting or presenting neat calculations.
- By taking your exam by CBE your answer is always clear and easy to read!

Spreadsheet Illustration – F9 NPV

Workings								
Year		0	1	2	3	4	5	
Sales revenue			1,250,000	2,570,000	6,890,000	4,530,000		
Inflation rate	4.70%							
Inflated sales revenue			1,308,750	2,817,257	7,907,865	5,443,584		
Working capital*		^						
Incremental working capital								
* The level of working capital investment at the start of each year is expected to be 10% of the sales revenue in that year.								
Year			1	2	3	4	5	
Costs			500,000	1,000,000	2,500,000	1,750,000		
Inflation rate	4.70%							
Inflated costs								

Spreadsheet: never use a calculator!

- In paper exams, you are often required to do a lot of calculations using a calculator
- Doing calculations on a calculator is a very menial task requiring a lot of attention to avoid any mistakes in inputs or copying outputs.
- In a spreadsheet, you should always **apply formulae** for calculations
- **Copy/ paste** them for repetitive calculations
- This will save you time and allow you to focus on analysing the scenario, instead of being occupied with calculations

Spreadsheet Illustration – F5 Expected Value

Profit outcomes		Jun-14				Hand out 2	
Unit contribution				Sales price per unit			
				\$30	\$35		
Up to 100,000 units				\$18	\$23		
Above 100,000 units				\$19	\$24		
Sales volume	Unit contribution	Total contribution	Fixed costs	Advertising costs	Profit	Probability	Expected value of profit
Sales price \$30/ unit							
120,000	\$ 19	2,280,000	(450,000)	(900,000)	930,000	0.4	372,000
110,000	\$ 19	2,090,000	(450,000)	(900,000)	740,000	0.5	370,000
140,000	\$ 19	2,660,000	(450,000)	(900,000)	1,310,000	0.1	131,000
							873,000

Spreadsheet Illustration – F5 Expected Value

Sales price \$35/ unit							
108,000							
100,000							
94,000							
<u>Details for remaining question</u>							
Price per unit \$35							
Probability	Sales volume						
0.3	108,000						
0.3	100,000						
0.4	94,000						
Advertising costs: \$970,000 at selling price of \$35/ unit							

Spreadsheet: copy and pasting parts of an answer

- In case of **repetitive calculations**, you can easily copy and paste part of an answer
- When you copy and paste part of an answer, you only need to **update figures**; the structure and formatting remains the same
- This can result in significant time savings.
- If you use this technique, you may be able to complete your answer in even less than half of the allocated time in paper exam.

Spreadsheet Illustration – F7 Consolidation

31 (a) Kandy Co – Schedule of retained earnings of Kandy as at 30 September 20X5

	\$'000
Retained earnings per trial balance	15,500
Adjustments re:	
Note (i)	
<i>Add back</i> issue costs of loan note (w (i))	1,000
Loan finance costs (29,000 x 9% (w (i)))	(2,610)
Note (ii)	
Gain on disposal of investment property (17,000 – 15,000)	2,000
Gain on revaluation of investment property prior to transfer (6,000 – 5,000)	1,000
Depreciation of buildings (w (ii))	(2,825)
Depreciation of plant and equipment (w (ii))	(3,000)
Note (iii)	
Income tax expense (w (iii))	(800)
Adjusted retained earnings	<u>10,265</u>

Spreadsheet Illustration – F7 Consolidation

(b) Kandy Co – Statement of financial position as at 30 September 20X5

	\$'000	\$'000
Assets		
Non-current assets		
Property, plant and equipment (50,175 + 21,000 (w (ii)))		71,175
Current assets (per trial balance)		68,700
Total assets		<u>139,875</u>
Equity and liabilities		
Equity		
Equity shares of \$1 each		20,000
Revaluation surplus (32,000 – 6,400 (w (ii) and (iii)))	25,600	
Retained earnings (from (a))	<u>10,265</u>	<u>35,865</u>
		55,865
Non-current liabilities		
Deferred tax (w (iii))	8,400	
6% loan note (w (i))	<u>29,810</u>	38,210
Current liabilities		
Per trial balance	43,400	
Current tax payable	<u>2,400</u>	<u>45,800</u>
Total equity and liabilities		<u>139,875</u>

Spreadsheet: show workings within a cell

- In paper exams, you are often required to do show the calculations before you produce the outcome of those calculations
- For example, if you are calculating WACC in paper F9, you will first show the working and then the final number
- In a spreadsheet, you do not need to separately show the working if you have directly done the calculation in the cell
- Calculations within cells will be visible to the examiner

Spreadsheet: Editing is convenient if numbers are interlinked

- Please **do not copy/ paste values or type values from workings**, as it will make editing difficult.
- Make sure that your **main answer is linked to workings**.
- If there is any **interdependency within workings**, make sure to link them as well.

WHY DO WE NEED TO LINK

- In case of any subsequent editing, all linked figures will be **automatically updated**, saving a lot of time
- If you have done proper linking, there is no need to give references.

Spreadsheet/word processing – Illustration F8

This scenario relates to four requirements.

Vieri Motor Cars Co (Vieri Co) manufactures a range of motor cars and its year end is 30 June 20X5. You are the audit supervisor of Rossi & Co and are currently preparing the audit programmes for the year-end audit of Vieri Co. You have had a meeting with your audit manager and he has notified you of the following issues identified during the audit risk assessment process:

Land and buildings

Vieri Co has a policy of revaluing land and buildings, this is undertaken on a rolling basis over a five-year period. During the year Vieri Co requested an external independent valuer to revalue a number of properties, including a warehouse purchased in January 20X5. Depreciation is charged on a pro rata basis.

Work in progress

Vieri Co undertakes continuous production of cars, 24 hours a day, seven days a week. An inventory count is to be undertaken at the year end and Rossi & Co will attend. You are responsible for the audit of work in progress (WIP) and will be part of the team attending the count as well as the final audit. WIP constitutes the partly assembled cars at the year end and this balance is likely to be material. Vieri Co values WIP according to percentage of completion, and standard costs are then applied to these percentages.

(a) Explain the factors Rossi & Co should consider when placing reliance on the work of the independent valuer.

(5 marks)

Paragraph

CR questions: Planning and editing your answer

- In paper exams, most of the answer planning and structuring happens in the head or scratch paper
- Session CBEs allow you to **jot down key points** and then **expand them** to produce a well-structured answer
- **No more crossing out or arrows!** It's easy to edit your answers whilst still keeping your answers presentable.

CR questions: typing speed



Let us take a simple test.

Reliability of audit evidence

The following generalisations can be made when assessing the reliability of audit evidence:

1. The reliability of audit evidence is increased when it is obtained from independent sources outside the entity.
2. Audit evidence obtained directly by the auditor is more reliable than audit evidence obtained indirectly or by inference.

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No Badges Earned
Complete lessons to earn badges


Speed **0** WPM

Accuracy **0**%

Time Typing **0:00**


Problem Keys **none**

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BEGIN



Intermediate

BEGIN



Advanced

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Easy Home Row Words ▶

Easy Top Row Words ▶

Easy Bottom Row Words ▶

Shift Key & Capitalization ▶

Faster you type, the better!

SCENARIO	LENGTH OF SOLUTION	SPEED (WORDS PER MINUTE)	ANSWERING TIME	TIME SAVING VS PAPER STANDARD
Paper standard	2,870 words	19.93 wpm	144 min	N/A
Typing speed: 22wpm	2,870 words	22.00 wpm	130 min	14 min
Typing speed: 25wpm	2,870 words	25.00 wpm	115 min	29 min
Typing speed: 27wpm	2,870 words	27.00 wpm	106 min	38 min
Typing speed: 30wpm	2,870 words	30.00 wpm	96 min	48 min

Student Activity Summary 2016-10-01 to 2016-10-28 [68 records]

EXPORT

PRINT

Username	First Name	Last Name	Class	Screens Typed	Time Spent [▲]	Avg Speed	Avg Acc
1777706	Zeeshan	Hasan	ACCA platform training 1	491	06:39:26	31 WPM	96%
2902638	Aiman	Osmany	ACCA platform training 1	206	04:57:53	12 WPM	93%
3322308	shahsaood	khan	ACCA platform training 1	250	04:19:19	18 WPM	91%
3511710	Aliha	Azhar	ACCA platform training 1	453	04:16:23	43 WPM	98%
3201666	Arun	Kumar	ACCA platform training 1	291	04:06:20	23 WPM	94%
3564992	ramsha	furqan	ACCA platform training 1	219	03:53:53	17 WPM	95%
2008218	Muhammad Amsaal	Bawani	ACCA platform training 1	365	03:53:34	33 WPM	97%
2554277	KIRAN	MUMTAZ	ACCA platform training 1	252	03:05:57	24 WPM	94%

OT questions: benefits vs paper

Paper	Session CBEs
Be employability gap	Equip students with skills required by modern workplace
Changing your answer can be messy and time consuming	Changing your answer is convenient
Difficult to keep track of questions where you are not confident	You can flag questions which you may want to review later



F5-F9 session CBEs

**Let's do some
question
practice!**

Think Ahead

