

ACCA

P7 Exam technique

(see also the section on general exam technique)

- put very simply, the way to approach the P7 exam is to **“read, plan, read again and then write”**
 - ▶ work on the principle that each valid, relevant point that you make will score a mark
 - ▶ and the more valid points you make, the more marks you will score!
 - ▶ common sense? I should say so!
- **“But the pass rate percentage can be down in the low 30s. If the large majority of my contemporaries are employed by accounting / auditing firms, why is the pass rate so low? And what chance do I have - I have absolutely no auditing experience at all?”**
 - ▶ around 70% - 75% of your contemporaries are employed by audit firms. Yet there is a pass rate in the low 30s. Does this not tell you that, even if no non-auditors were to pass, the majority of those with auditing experience still fail?
 - ▶ there have to be some underlying reasons for this!
 - I personally believe that there are a number of contributory factors including, in no particular sequence:
 - not reading the question carefully enough and therefore failing to address the question requirements
 - knowing too much and therefore misallocating their time
 - failing to write the obvious points - because they are so obvious
 - reluctance on the part of non-natural-English-speaking students to write enough points
 - when I was a student my own audit manager (big 4 firm) managed to fail the audit exam!

- ▶ the solution?
 - read the questions carefully and make sure you fully appreciate what the question is asking
 - plan your answers
 - re-read and ask yourself "If I write down in answer form what I have planned, will that answer the question which has been set and, crucially, will it answer the entire question (all parts of the question) ?"
 - finally, write out your answer
- ▶ beware that little word "**and**" as in "**Identify and explain ...**" - that's two questions and each element will have marks allocated to it – some for identification and some for explanation
 - that type of question can easily be answered in columnar form - the left hand column for the identification and the right hand column for the explanation
 - you could even turn your answer booklet on its side in order that you can more clearly set out the explanation
 - I mentioned earlier that I believe the auditing paper to be, in large part, common sense
- and I have used that expression in the exam technique notes for F8
- however, P7 is a step up from F8
- at this higher level, the examiner considers you to be at partner level (or at least senior manager) in an audit firm whereas at F8 you were more likely put the position (in the exam questions) of a junior audit assistant.
- in P7 you are more likely to be asked to analyse a situation and draft or comment on an audit report
- a common question asked in P7 is "Comment on the matters that you should consider (10 marks) and state the audit evidence that you should expect to find (10 marks)"

- **as in F8 there are many “standard” points which can be brought into auditing answers:**
 - ▶ last year’s file
 - ▶ discussions with management
 - ▶ cash element of a transaction
 - ▶ additions and calculations
 - ▶ written representations
 - ▶ internal auditors
 - ▶ internal controls
 - ▶ schedules prepared by client
 - ▶ last year’s recommendation letter
 - ▶ ratio calculation and analytical procedures
 - ▶ third party confirmations
- **none of these is sufficient in its unexplained form – it’s no good saying “Talk to management”**
- **you would need to explain exactly why you wish to talk to management, why you want to look at last year’s audit file or what you want with the internal auditors**
- **not all of these will be applicable to all questions – in fact, its unlikely that they will all be applicable to any one question – but at least they can stir your thought processes**

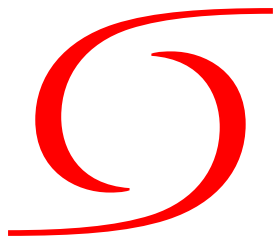
- in the fifteen minutes' reading time, start by reading through the **requirements** of all the questions "noting the rubric of the paper" (finding out which topics are covered!)
 - ▶ then select the question you feel is the best to omit and jot down on your **question** paper those points / matters which spring immediately to mind for the other four questions
 - ▶ do this for all four questions!
 - ▶ at the end of the fifteen minutes reading time, you should have four very rough outline plans
 - ▶ now, take the question you feel you could answer best, replicate your plan into your **answer** paper (question papers are NOT marked)
 - ▶ this outline plan now needs to be considered – "Have I got enough points to score all the available marks?" How many do you think you'll need to score, say, 15? Simple answer - fifteen! That's fifteen different, valid, relevant points.
 - ▶ if you have only four or five then, without further things to say, you have a maximum of 27% - 33% of the marks available. Do that enough times and, no matter how good the remaining answers are, you will be unlikely to achieve the necessary 50%
 - ▶ you therefore need to stretch those five points into (hopefully!) fifteen
 - ▶ this is done in your planning time for the question. Planning time? YES!!! Take the number of marks per the question – or, equally important – per part of question. Divide by 2 and that's the number of minutes you should be spending planning your answer and trying to stretch those five points into fifteen
 - ▶ thus, for a part question worth, say, six marks, that's a planning time of three minutes. For a full fifteen marker, that's 7.5 minutes planning
 - ▶ for the fifteen mark scenario, if at the end of say six minutes you still have only six points, that's only 40% of the available marks and that's a fail. No good!
 - ▶ so try this. Take any one of those six points and try to make two points out of it. For instance, if you have used the word "and" within the point, you could make two separate points out of it eg "The auditors should consider the strength of the internal controls and whether those controls have been exercised throughout the reporting period"
 - ▶ surely, there are two separate points here – "strength" is one and "continuity" is the second
 - ▶ try this for each of your original six points - but it doesn't always work. Try making two points out of "An auditor reports on whether the financial statements show a true and fair view"!

- ▶ Ok, now we're up to more than six - say eight or nine. It's still not enough - what if the marker doesn't like one or two of those points - maybe they aren't really relevant. In addition, you're not giving yourself the greatest chance of scoring heavily and achieving a comfortable pass.
- ▶ you've nothing else to say? No more points that can be made? You're stuck on just nine?
- ▶ then take any one of them, say the second, and
- ▶ say it again!
 - use different words
 - don't repeat yourself
 - express the point in an alternative manner
 - change the subject of the original thought into the object
- ▶ there are numerous ways in which a perfectly valid point can be made by cunningly changing the matter described
 - just look again at that indented list above - a classic example of saying the same thing but using different words
 - do that for three or four of your original thoughts and you're up to fifteen before you know it
 - "Ah! But what if the marker sees what I've done?" So what - what have you lost? Nothing! What have you gained - the potential for the marker to give you that extra one or two which you certainly would not otherwise have gained



- now, at the end of your 7.5 minutes planning exercise you will hopefully have a plan in your answer booklet with twelve or thirteen points in it
- head it "Plan", rule it off, and under **no circumstance** cross it out
- but you only have nineteen minutes left to write out an answer - fifteen paragraphs / fifteen points / potentially fifteen marks
- that's only 1.3 minutes per paragraph so ask yourself "How long is a paragraph?"
 - ▶ answer - no more than 2 - 2.5 lines. Effectively, it's one sentence
 - ▶ leave a line between your paragraphs - it makes it more marker-friendly
- write out your fifteen paragraphs - ok, fourteen with an introduction or a conclusion - ok, thirteen with an introduction **and** a conclusion (if a conclusion is asked for eg "Advise Ross ..." you **MUST** have a concluding paragraph which advises Ross and, even if it's incorrect, so long as it's supported by your persuasive argument you should still score)
- now move on to the next question and do the whole process again
- but remember, **NO MORE THAN 1.8 MINUTES PER MARK**
- clearly identify at the start of each question the number of the question in the paper and start every answer on a new page
- the examiners like the answers to be subdivided into sections with appropriate headings

90,000 members can't be wrong

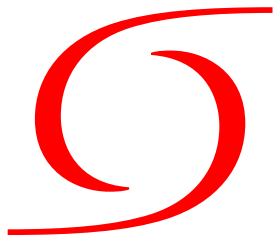


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