

Examiner's Approach Interview: F1/FAB, Accountant in Business

Interviewer: Welcome to the Accountant in Business Examiner's Approach interview.

The following is an Examiner's Approach interview for Paper F1 or the FAB exam, called *Accountant in Business*. The content of this interview has been prepared by the examiner, working with the Qualifications team at ACCA, and is presented by actors representing an interviewer and the examiner in discussion. From now on the examination paper will be referred to as F1.

The F1 examiner is Bob Souster. Bob currently runs a successful education and training partnership. His previous background is in banking and he was divisional manager of a large financial institution. Bob also has many years of lecturing experience globally, specialising in teaching a variety of law and management subjects.

To begin, can you explain how F1 fits within the overall structure of the ACCA Qualification?

Examiner: Certainly. First of all, F1 or FAB is an examination within the new Foundations in Accountancy suite of qualifications, leading towards the Diploma in Accounting and Business. The examination is also the first of three examinations in the Knowledge module of the ACCA Fundamentals level leading towards the ACCA Qualification. Those studying towards the new Certified Accounting Technician Qualification will also need to take this examination. To be awarded the Diploma in Accounting and Business or the CAT qualification it is also necessary for those students to complete the Foundations in Professionalism module as part of those qualifications. Those registering directly to the ACCA qualification, who do not wish to obtain the Diploma while studying towards ACCA membership must take the three examinations, but need not take the Foundations in Professionalism module before progressing to the Skills module of the Fundamentals Level or to the Advanced Diploma in Accounting and Business.

Interviewer: From what you have just said, the F1 paper does not sit in isolation, so are there any links with other papers, or with other components of the ACCA qualifications?

Examiner: Yes, F1 introduces certain key business and accounting concepts which are developed in the other Knowledge module papers. The other papers introduce the student to the specific techniques used in financial and management accounting.

Other areas introduced in F1 include ethics, corporate governance and internal control which are explored further in P1, *The Professional Accountant*.

The syllabus also includes systems and people management topics which are further developed from a strategic and operational perspective in P3, *Business Analysis*.

Interviewer: Is any of the knowledge acquired in F1 useful for other papers?

Examiner: Yes, the paper also introduces some audit knowledge and concepts which will be applied in F8 and P7 of the ACCA Qualification. In addition, some of the ethics and governance content is also developed in the Foundations in Professionalism module which forms part of the Diploma in Business qualification and within the Professional Ethics Module which students can take once they are eligible to sit P1.

Finally, knowledge and capabilities acquired in F1 will be applied in the practical experience requirements for CAT or for ACCA membership, depending on the qualification registered for.

Interviewer: Is there an overall concept or theme for F1 as a paper?

Examiner: Yes, it introduces the student, who may not have a business background, to business as a subject area. It also sets business and its environment in context. It does this by exploring the purpose and objectives of business organisations and their stakeholders; how companies are governed, structured and managed and most specifically, how accounting plays a central role in business operations.

In other words, the F1 paper gives the aspiring accountant, who is aiming to become a technical expert in the specialised aspects of accounting, the bigger picture about how accounting relates to the rest of the business and its environment.

The following phrase sums up this idea: 'The accountant sees the wood AND the trees.' This refers to the fact that accountants need a broad view of the business organisation - how it is structured, integrated and managed - to help them understand how their

specialist skills and decision-making appropriately contributes to meeting wider organisational goals.

Interviewer: As you explained earlier, there is an overall concept for the paper, but are there any other broad themes which run through the syllabus?

Examiner: Yes, as previously mentioned, F1 is essentially about examining knowledge and comprehension of the business as a whole before student accountants get into the technical detail of the various financial disciplines.

There are, however, several main themes within this overall concept.

Theme 1: The purpose, organisation and stakeholders of a business and the environment which can affect and is affected by the business.

Theme 2: Business organisational structure, culture and how it is governed effectively.

Theme 3: Accounting functions and regulation, business accounting systems and internal control,

Theme 4: Leadership, individual and team management including personal effectiveness and communication

Theme 5: Professional ethics in accounting and business.

Interviewer: I note that the syllabus for F1 is structured into six main sections. Can you explain the main content of these syllabus sections please?

Examiner: The first syllabus section is a fairly large section containing subject areas on organisational purpose, about stakeholders, and covers the business environment including political and legal, economic, social, technological and competitive factors. These areas will be further developed in P3 at the Professional level.

Section B examines organisational structure, design, culture and governance.

Section C introduces the student to the accounting functions within business, how they are regulated. It also covers accounting and IT systems and internal control and audit.

Sections D and E deal with leadership and with the management and development of individuals and teams. There is also a section on personal effectiveness and communication.

Section F introduces ethics and ethical behaviour including material covering the role of regulatory and professional bodies in promoting ethical and corporate codes. This section also deals with ethical conflicts and dilemmas.

Interviewer: Having explained the main content of the syllabus for us, can you tell us a bit about the exam itself?

Examiner: As with all papers within the Knowledge module, the completion time for this exam is two hours.

F1 is a wholly objective testing paper. For the shorter form questions students must select the correct option or options from a choice of alternatives. Where there are only two or three alternatives, each question will attract one mark; all other questions will attract two marks. In the current format of the exam there are also multiple choice questions including true or false, and the CBE version also includes multiple response and multiple response matching questions. The paper also contains longer questions which contain a wider variety of response types. Each

question examines one of the main sections of the syllabus to ensure broad syllabus coverage.

Interviewer: Can you tell us how many questions there are in the exam and what choice, if any, exists?

Examiner: The paper contains 30 two mark questions; 16 one mark questions and six four mark questions which test knowledge, comprehension and some application where relevant. All questions must be answered and there is no choice available.

Interviewer: What is the difference between 1, 2 and 4 mark questions?

Examiner: The questions which are generally quicker or easier to answer attract one mark. In addition, one mark questions have a higher guess factor where the candidate need only select the correct answer out of two or three options rather than four, as is the case with two mark questions. The four mark questions contain response types which can incorporate the types of questions contained in the shorter form questions, but allow more application and analysis than many of the shorter questions and the marks awarded reflect the time required to complete them.

Interviewer: Is the exam available on demand?

Examiner: The exam is available as a computer-based exam on demand at designated ACCA CBE centres, or as paper-based examinations held in both June and December sittings. The pass mark is 50%. For more information about the exam itself and how it is structured, there is a pilot paper available on the website.

Interviewer: Should students be aware of time allocation per question when doing objective testing exams?

Examiner: Yes, time allocation is important in any exam. A one mark question has an average time allocation of 1.2 minutes and a two mark question 2.4 minutes and a four mark question 4.8 minutes. It is important to remember, however, that not every question will take precisely the same amount of time to answer as another of the same value.

Interviewer: So, why is there no choice of questions offered at the Fundamentals level?

Examiner: This is because, as the name of the level implies, all subject areas and main capabilities within these papers are 'fundamental' to having a sound grasp and technical proficiency in all these topics.

Interviewer: Should students guess the answers to questions?

Examiner: Normally I would say no, in a conventional paper-based exam where calculations or workings are visible and given credit for. However, in an objective test, nothing is gained by leaving any question unanswered. Therefore, if the student does not know the answer, or they find themselves running out of time, I would recommend strongly that they guess and select one option rather than skip any question.

Interviewer: Is there any advice to give about revising effectively for, and passing, F1?

Examiner: Firstly, there are the main exam strategies, focusing on key areas and then there are some specific tips for F1 candidates during their revision, and for the examination itself.

I would recommend the best strategy to adopt in the revision phase is to focus only on areas of the syllabus that a student may not be too sure of, but more importantly, it is essential to complete lots of practice questions from the official study text for F1 and from the pilot samples available on the ACCA website.

As far as a revision approach is concerned, it is best to ensure that the student understands the business from the top down – in the order that the syllabus is laid out. Key areas to focus on, therefore, are how the business is structured, organised and governed and who its stakeholders are. The student needs to understand stakeholder analysis and how organisations are structured and governed. They also need to be aware of environmental influences on a business such as legal, political, economic, technical and social. There needs to be some focus on understanding how accounting systems work and of the differences between accounting disciplines such as financial reporting, audit, tax, performance management and finance or treasury and why financial reports are prepared and how the accounting and audit functions are regulated. A significant part of the syllabus concentrates on people management from leadership and team behaviour, to business communication and motivation, including the recruitment and development of staff. There is also greater emphasis on ethics in the new syllabus, including knowing about fundamental principles of ethical behaviour, about codes of ethics and corporate codes, and the nature of ethical conflicts and dilemmas

The following are my three main revision and exam tips:

My first tip is for the student to gain an understanding of the business as an overall entity, which is interacting with its environment and responsible to its stakeholders. Students should also understand that businesses are structured in many different ways to suit their environments and have an accounting department with several key functions, the aim of which is to support, manage and control the business as a whole. Finally, students must know the named theories about people management and leadership, including communication and group and team behavioural theories and about the ethical aspects of business.

My second tip is to advise students not to learn sections or subject areas of the syllabus in too much depth to the exclusion of other areas. The philosophy in the Diploma in Accounting and Business and in the Fundamentals Knowledge module is about breadth rather than depth. This means that it is important to be familiar at a general level with all the sections and subject areas of the syllabus, but always in the context of business as a whole.

My final tip is to practice questions as much as possible. There is no substitute for actually attempting exam style questions or for experiencing the computerised exam simulation if taking the

computer-based version. There are demo questions published on the ACCA website to help you.

Interviewer: Can you tell us what you believe to be the main potential pitfalls in preparing for and taking the F1 exam?

Examiner: The main pitfalls I have seen students fall into are the following:

Many students come into the exam unprepared, without sufficient knowledge or understanding of certain areas of the syllabus or of how the syllabus links together. Students need to ensure that they, or their tutors, cover the whole syllabus to avoid this problem and ensure that links between sections are explained and understood.

The second main pitfall is rushing through questions through fear of not completing all 52 in the allotted time. This can be a temptation for nervous students who are fearful of the relatively high number of questions to complete. In practice most students will have plenty of time to complete the exam, so students should take care to read and fully understand the question, including the question statement where relevant, to give themselves the best chance of answering questions correctly.

The final pitfall is leaving questions unanswered through lack of time or knowledge. To avoid this, effective time management is important, but remember not all questions will take the standard time allowed. If lack of time or knowledge becomes a factor, students should ensure that they always make a reasonable guess and that they have answered all the questions on the paper. Students must be especially careful that they leave themselves enough time for the six four mark questions which are worth a total of 24 marks which come towards the end of the exam.

Interviewer: It is clearly important to follow the tips and avoid any common pitfalls in exam revision and performance, but is there other information that can help students prepare?

Examiner: Students should be aware that F1 is a global paper. As a result, any knowledge of law, regulation or codes, such as with corporate governance for example, will not be examined specifically. Tuition providers covering these areas are, therefore, welcome to refer to any legislation or regulation, either locally or in another jurisdiction, for illustration purposes and to put them in context. They should concentrate on the broad principles within such legislation and the purpose served. Everyone must be aware that detailed knowledge of law, regulation or codes from any jurisdiction is not required.

Interviewer: Is there a way that students can find out what common errors have been made in the past?

Examiner: Yes, there is. After each exam session an examiner's report will be produced which will highlight two or three questions which many students answered incorrectly, outlining the common problems.

Interviewer: Do you have any concluding advice about the F1 examination paper?

Examiner: I believe there are some key summary points to mention about the exam questions themselves.

Students must always read the question and, where relevant, the accompanying statement as carefully as possible, and make sure they have understood them.

Where there are statements included in an objective test question, a student is usually expected to think about and apply some knowledge to a specific situation in a particular context.

Students must also remember not to dwell for too long on any question that they are not sure about, don't understand or simply don't know the answer to. As there are 52 questions to get

through, think about each question carefully, but briefly, and if the answer isn't sufficiently clear, move on and return to it later. As I mentioned earlier it is important to ensure that by the end of the examination all questions have been answered even if some are just guesses!

Interviewer: Thank you very much for sharing your insight into this exam paper. I'm sure it has given the students and tutors lots of useful information.

Examiner: Thank you.