

2019 BST workshop notes

The theme of this conference is the evolution of the paper for 2019, with a focus on the numerical/calculation questions as these are the requirements that consistently see the poorest performance.

A discriminator for marginal students is their ability to perform calculations and to achieve an appropriate balance on requirements that are a mix of narrative AND calculation.

Features of each BST exam in 2019

Numbers

Every exam will include three types of number requirements:

- Data analysis
- A specific calculation eg break-even
- A narrative requirement with a request for supporting calculations

If there are numbers in the question, they have been given for a purpose and should be used within an answer. Numbers help turn opinions into evidence-based judgement.

Evolving style of data analysis

Particularly now that figures can be copied and pasted from the question, calculations of percentage changes are very straightforward, so the ability to identify other appropriate data analysis/calculations to undertake is more important. Candidates who perform percentage change calculations only will score a maximum of 1-2 marks for these and will limit their ability to produce an insightful commentary.

Statistical information may be presented. For example, if given information about a RANGE of data, e.g. water prices in D18, we expect candidates to interpret that.

There is also a greater focus on management accounting calculations.

The examiner is looking at the depth of analysis - a starting point is to consider WHAT has happened, and WHY. So an important word in an answer is BECAUSE. After WHAT and WHY, candidates should develop their analysis by considering the SO WHAT, then WHAT THAT MEANS and also WHEN things may have an impact.

Technology

As in 2018, technology is not a bolt on feature – it is embedded.

There is specific new technology content in the 2019 syllabus which is reflected in the learning materials. In particular Chapters 2 and 6 have been updated to include the additional content.

At least one scenario will be heavily based on technology and at least one question will have a technology-related requirement.

All of the mocks will reflect this.

'Own ideas' requirements

In 2019 each exam will include a requirement that requires candidates to think on their feet and see the bigger picture e.g they may be asked to suggest possible strategies rather than being given strategies and asked to evaluate them. Requirements such as these have been set previously but not necessarily in each exam. They will be harder to mark but credit will be awarded for any reasonable points that are justified even if they don't appear on the mark plan. The examiner will create a mark plan, then during sample marking will see what the candidates come up; these ideas will feed into the mark plan.

Marks are not just awarded for the idea but also for the way in which it is justified – the analysis, the BECAUSE etc.

Q: Should candidates use their own external knowledge of industries, technology etc?

A: We will not include marks on the mark plan for specific current ideas/knowledge but if they justify it, that will clearly add credibility to their answers. However it needs to be relevant to the question [similar to 'wider context' in Case Study] - candidates who try to show off specific technical knowledge and go off on a tangent will attract minimal marks.

Presentation of information in paper

There will be more use of different styles and formats of information eg. graphs, diagrams, pie charts, data dashboards, blogs. The 2018 papers give good illustrations of this.

Q: Is this more about the information they are given than the way they need to present their answers – presumably you are not asking them to produce graphs and pivot tables in the exam?

A: Exactly. The software is not there for students to create these. However presenting information in different ways in the exam paper requires students to consider the source of the information, identify what is relevant and consider any bias.

Q: Could you include a question that asks them whether this is the best way to present the data, and whether it could be done better etc

A: Yes. And even if not, comments like that could add value.

Ethics

Ethics requirements in 2019 will carry on in a similar way to 2018 but ethics will gradually become more embedded and not as heavily flagged.

Weaker ethics answers arise when candidates think the issue is black and white. Often there are more grey areas that should be analysed. Also we expect Professional level candidates to be more sophisticated in their recommended actions and not just advise 'contact the ICAEW ethics helpline'.

Transparency, effect, fairness (TEF) sometimes helps with the structure of answers but may limit their scope. Also candidates often use it with equal weighting to each element.

Candidates should identify which of the TEF elements is more relevant and ensure they use additional ethical language/principles.

Q: Speaking of the approach to ethics, it is not always clear how what is expected and it differs between exams eg BST vs Audit and Assurance. Should they identify which ICAEW principle or IFAC principle is under threat, then evaluate what is important and suggest the appropriate safeguard?

A: In BST it's more about the accountant in business and what is going on in the business scenario than a detailed knowledge of the Code, the principles, threats and safeguards. Contextualisation is important. The issue could relate to a chartered accountant and cover ICAEW ethical principles but in BST it could also relate to general ethical principles eg a designer copying someone else's work. In addition to recommending safeguards to ensure the problem doesn't happen again, we are looking for specific things the board might do to address this issue, rather than just a general list.

Q: Would you recommend giving an action if not asked?

A: Yes, although we will normally ask for both issues and actions. Also there may be more than one party affected so candidates need to think about ethical issues for whom and actions for whom.

Limited use of models

Very few requirements will ask for a named model. Where a model is asked for it may only be some parts eg three of Porter's 5 forces.

Other requirements may ask candidates to use a relevant model and leave the choice to them. Some requirements may benefit from the use of a model to provide structure but will not specifically refer to models per se.

Q: If candidates decide to use a model, do they need to explain which model fits the best, and why? Should they also note why the other models are not relevant?

A: We wouldn't expect a candidate to list every single model and evaluate each one. It's about discriminating use. Time constraints will probably mean they won't have time to cover models or elements of models that are not important. It's the skill of identifying what is important and using that to move forward that is being tested.

The use of models may help structure answers and ensure coverage of a range of points. However some candidates try and use models to answer all requirements which is not recommended – they need to make a judgement call on which ones are relevant to the scenario/requirement. Weaker candidates regurgitate models, but fail to apply them to the scenario.

Big pool of marks covering more than one requirement

Some exams will continue to have questions that have a large pool of marks covering two or three bulleted requirements. The marks may not necessarily be equally divided between the bullets. However this type of question will not necessarily feature in all exams.

Spotting the key issues/themes

Scripts are never negatively marked – but candidates will limit the amount of marks that they can access if they fail to identify big themes in questions. For example, in a recent question on a company that was originally famous for making cigarette lighters, candidates who failed to identify that the cigarette industry is in decline would struggle to score highly.

Marks will also be limited if numbers that are included in the question are not addressed in the candidate's answer.

Conclusions in answers

Conclusions are not supposed to be a summary of all the points made, nor should they be used to make new points. The conclusion should identify the major issues and/or bring together the key arguments. There is not necessarily one correct answer/recommendation – it is much more about the candidate's justification for their recommendation and whether it is consistent with the analysis that precedes it.

Observations relating to CBE

The examiners appreciate the paper is being sat in CBE format and are thinking of this when creating tables in exhibits, and when determining requirements.

Legibility is still important as typed answers must be comprehensible to award marks (minor typos will be ignored unless there are so many that they obscure meaning). Candidates must also clearly label requirements.

Q: Is there any analysis on the number of failures due to legibility?

A: There have been very few answers so far that are completely incomprehensible and certainly fewer problems than there were when answers were submitted in handwriting.

Q: What is the examiner's preference for use of the software?

A: Some candidates are better than others at using the software. Practice on the software is very important. Common sense suggests candidates should produce narrative answers in the Word function and numbers in the Excel function. Markers and examiners cannot expand cells themselves so if cells are not expanded by the candidate, that text is lost to the examiners/markers i.e they can only see what is visible to the candidate on screen. Starting each paragraph in a new cell may help.

Calculations

A bigger issue is candidates not showing their calculations / workings, which may attract credit even if their final answer is incorrect.

Also the marker can't give for example 4 marks if a candidate only provides a single cell with a number in it as their final answer, even if it is correct. Some of the marks available are for the workings/ showing understanding of the formulae/relevant figures that have gone into the calculation.

As far as calculations are concerned, examiners can't interrogate the cells. For all but the simplest of calculations (eg percentage changes) it is worth candidates typing out their workings, or using copy/paste from the formula cell so it is clear how figures have been derived.

Copy/Paste

Some candidates copy and paste numbers from questions. If they do this they need to make sure that their own calculations stand out against what has been copied/pasted.

It appears that some candidates, who are running out of time, copy and paste written text from the question. This is plagiarism and will not score marks unless there is added value.

Q: So could a candidate take a quote from the scenario if they reference it correctly?

A: Yes, that's fine. But candidates shouldn't state text from the question as if it is their own analysis.

Scripts and marking

Marking guidance:

If there are three bullet points for knowledge then usually this would be worth three marks. This is not the same for skills which are marked as a pool – the skills bullets represent the range of points that could be made and the answer often includes more than we expect of candidates. So if there are 10 skills points for 5 marks, this does NOT mean it is half a mark for each point.

We try to keep the wordcount to 3,000 but recognise the exam can be time pressured. A suggested technique is to read the first sentence for each paragraph to start with, as this may give a decent idea of the bigger picture quite quickly.

In relation to data analysis, some candidates create an appendix of numbers upfront and some include it at the end of their answer. We have no preference as to where numbers/tables and narrative are placed, as long as the appendix is clear and labelled as required.

Q: In relation to a question that asks the candidate to do a calculation and briefly comment, what does 'Briefly' imply for the amount of narrative?

A: In the big data analysis question the narrative/discussion is likely to be worth more marks than the calculations. In a question that asks for calculations with brief comments, candidates' comments should focus on the key implications of their calculations - this is likely to mean that the numbers are worth at least as much as the commentary, possibly more.