

## Corporate Reporting

### Session 1 - Thursday 7<sup>th</sup> Feb 10:00-13:00

Q – Regarding the marks and weighting of topics in the exam, when it's not the standard marking weight of 40, 30, 30 across the three questions, do students struggle with time management?

A – No, we don't find that. Students tend to find this okay. We change the number of marks per questions as a response to student moderation and this ensures students have appropriate amount of time to complete each question.

Q – Do students get marks for listing standards, audit procedures etc?

A – Referring to the relevant standard is useful but knowledge should always be applied to the scenario. With audit procedures, candidates need to include objectives and where relevant a justification. Listing procedures without justification rarely will demonstrate a higher level of skills required at Advance level. We need to see key procedures, relevant to the audit objectives and relating to the scenario in the question. These students get the top marks, it's not about volume; quality is key.

Q – In this particular example (CR, example of weak answer), the student has lost marks for their 'audit objectives being weak'. Is this because they stated the audit objectives but didn't explain why they referenced them or how they were using them?

A – It is because they are not linking them to the question or the matter at hand. (ICAEW examiner top tip!) Some advice here to avoid this pitfall is to use the word 'because'. 'Because' is an important word in the English language, it explains and qualifies your statements and reinforces your intentions.

Q - Should we tell students to show calculations of ratios?

A - There are no specific marks for calculating ratios without application to the scenario. The marks are for using the ratios in the context of answering the question. But it may help if they have something wrong if calculations are included, we can go back and see where the numbers are coming from.

### **Integration of FR and A&A**

Q - Do students have to give the actual numbers within their answers or can they reference them?

A – they will have to give the actual numbers if it is asked.

Q – If a student finds it easier to write numbers and then words underneath and not embed the numbers into their answer is this acceptable?

A – Yes, tables and calculations are fine. Just reference correctly.

Q – There is a trend in the questions asking students to correct information before using it. If they do this incorrectly, it will impact their answers; do you see this a lot?

A – If students don't correct them properly it will impact their answer but we abide by the principle of follow through marks.

## **Other notes?**

No changes to syllabus weightings from 2018 and the Ethics weighting is generally closer to 10%.

## **Changes to syllabus**

9b - Importance of front sections of reports reflected in syllabus

10c - Artificial intelligence – reflecting emerging issues in an audit context

11i - Feedback from employers – emphasised need for students to challenge

No major changes in technical knowledge weightings other than IFRS 9 and 15.

Q. Is it now policy to have something in the exam re the incoming standard?

A. It is possible but not policy. Reflective of what students are seeing in the real world.

Q. Will the new conceptual framework come in in 2020?

A. Will need to check this – see below

We work a year behind because we use the IFRS Blue Book from the previous year (so would use the 2019 version), which only includes standards that have a current effective date (ie for the 2019 version it would be effective dates of 1 January 2019 and before). We always work like this for FAR and CR. There is a note on the list of standards, at the end of the syllabus document, which specifies that this is what we have done.

Q. Distributable profits– how important is this?

A. Unlikely to be a large part of a question but necessary to test.

Q. Do students need to give the accounting standard number?

A. We would expect it if asked.

## **Marking workshop**

Q. If the headroom is 25, can a student actually get the total headroom or is it capped per section?

A. It is capped.

## **Nov 2018 – Question 1**

Q – Will you always base deferred tax around a foreign country?

A – We usually try to put it in an overseas jurisdiction – in any case we will give the tax rule

## **Audit question**

Q. Nov 2018 Q3 – explain specific audit objectives – could students have used ISAs in their answer?

A. Yes this would have generated some marks as long as they explain why these ISAs are relevant.

### **Financial statement analysis questions**

Q. How many marks for Financial Statement Analysis question?

A. If it is examined, it will be approximately 10%

Q Do ratios have to be in a table?

A. No

Q Do students have to show ratio workings?

A It would be useful to show these - however, ratios do not get credit on their own. The key is to use them in their answers

### **Question 3.2**

Q. When awarding marks, do you mark each individual procedure?

A. We look at the whole answer initially and then look deeper to give credit for relevant procedures and the adequacy and appropriateness of the overall testing proposed by the candidate.