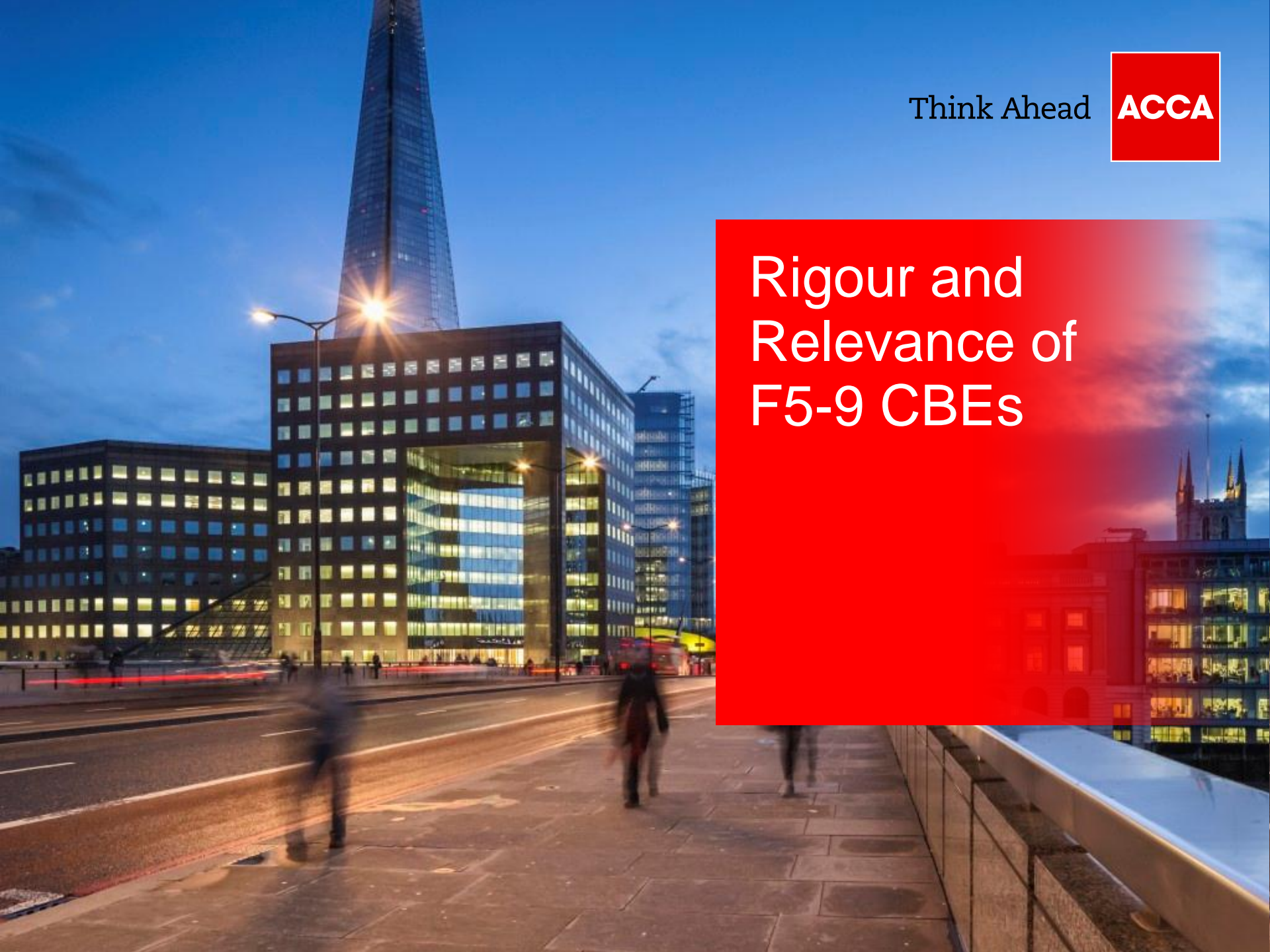


Think Ahead

ACCA

# Rigour and Relevance of F5-9 CBEs



# Our Vision

...to provide **innovative**, market leading assessment and learning support, enhancing the **flexibility** and **relevance** of our qualification through alignment of our exams and the workplace, which maintain or improve the **rigour** and security of assessments.

A man with glasses and a checkered shirt is sitting at a table in a cafe, working on a laptop. The background is a blurred city street with buildings and traffic lights.

## Using technology to better reflect the workplace

Increased relevance whilst maintaining integrity of Qualification.

A wide range of question types, including spreadsheets and word processing, to match the workplace.

# Maintaining integrity of Qualification

Trialling

Receiving valuable feedback to shape exams and the exam experience.

Item writer training

Trained writers so all students receive fair and equivalent questions.

Reviewing experts

Many experts resulting in error free exams.

Pre-exam sitting

Testing before use so we know it's appropriate and error free.

Seeding

An endorsed and recognised practice of using expertise to ensure exams are fair for students

Quality exam centres

Our own network of centres to ensure a quality exam experience for all students.

Expert marking

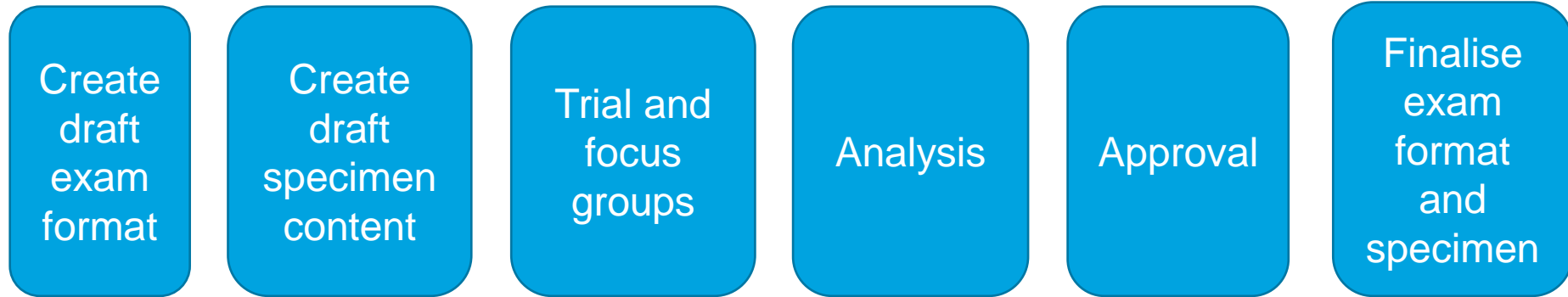
Human marking to maintain standards and equivalency with paper-based exams

Psychometrics

Industry standard use of psychometrics to ensure fair results to all students.

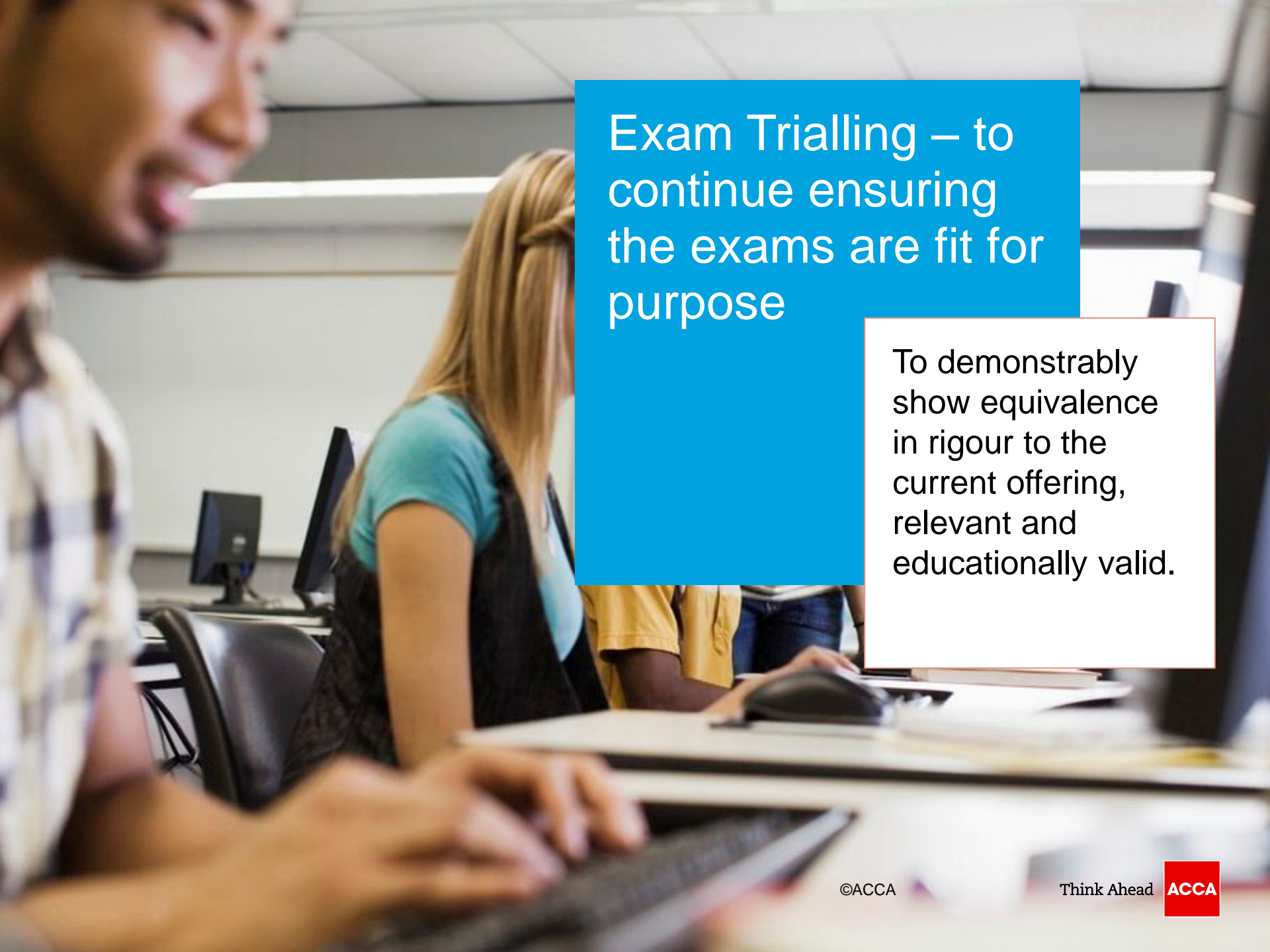
Rigour

# Our exam development process – ensuring our exams are fit for purpose.



Consulting with regulators, education frameworks and partners from the very start ensures that what we develop and launch is fit for purpose.



A blurred background image of a computer lab with students sitting at desks, working on computers. The focus is on the text overlays.

## Exam Trialling – to continue ensuring the exams are fit for purpose

To demonstrably show equivalence in rigour to the current offering, relevant and educationally valid.

# Exam Development - stakeholders are positive about ACCA's future exams

*'Before these exams were developed, I did not realise how a well written Objective Test question can assess high order skills. These exams have changed my perception, the OT sections really do place a high demand on the student.'*

**Regulator**

*'The structured and measured approach that ACCA is taking towards migrating to these exams is very reassuring'*

**Learning  
Provider**

# F5-F9 exam format for both paper and CBE

Using a mix of  
objective test and  
constructed  
response  
questions



# Paper and CBE exam format from September 2016

## Auto-marked content

### Section A

#### **Objective Test (OT) questions:**

In paper single MCQ questions.  
In CBE a mix of single, short questions.

### Section B

#### **OT case questions:**

a group of five OT questions linked to one scenario.

## Expert/human marked content

### Section C

#### **Constructed response (long) questions:**

using spreadsheet and word processing tools, students have to construct their own response.

## SUMMARY OF NEW EXAM FORMATS FOR F5-F9

Exam	Current paper format to June 2016	CBE and paper format from September 2016
F5 Performance Management	<ul style="list-style-type: none"> <li>■ 20 x 2 mark MCQ</li> </ul>	<ul style="list-style-type: none"> <li>■ 15 x 2 mark OT*</li> </ul>
F7 Financial Reporting	<ul style="list-style-type: none"> <li>■ 3 x 10 mark CR**</li> </ul>	<ul style="list-style-type: none"> <li>■ 3 x 10 mark OT* case</li> </ul>
F9 Financial Management	<ul style="list-style-type: none"> <li>■ 2 x 15 mark CR**</li> </ul>	<ul style="list-style-type: none"> <li>■ 2 x 20 mark CR</li> </ul>
F6 Taxation (UK only)***	<ul style="list-style-type: none"> <li>■ 15 x 2 mark MCQ</li> <li>■ 4 x 10 mark CR</li> <li>■ 2 x 15 mark CR</li> </ul>	<ul style="list-style-type: none"> <li>■ 15 x 2 mark OT*</li> <li>■ 3 x 10 mark OT* case</li> <li>■ 1 x 10 mark CR</li> <li>■ 2 x 15 mark CR</li> </ul>
F8 Audit and Assurance	<ul style="list-style-type: none"> <li>■ 8 x 2 mark MCQ</li> <li>■ 4 x 1 mark MCQ</li> <li>■ 4 x 10 mark CR</li> <li>■ 2 x 20 mark CR</li> </ul>	<ul style="list-style-type: none"> <li>■ 3 x 10 mark OT* case</li> <li>■ 1 x 30 mark CR</li> <li>■ 2 x 20 mark CR</li> </ul>

***\*Paper exams will only use MCQ objective test items***

***\*\* Existing F7 CR section contains 2 questions of 15 marks each and 1 question of 30 marks***

***\*\*\* The format of all other F6 variants will remain unchanged***

# Specimen exam – objective test questions

A budget is a quantified plan of action for a forthcoming period. Budgets can be prepared using a variety of different approaches.

Match each of the following statements to the correct budgeting process.

Statements		Budgeting approach
Builds in previous problems and inefficiencies	<input type="text"/>	Beyond budgeting
Recognises different cost behaviour patterns	<input type="text"/>	Incremental budgeting
Focuses employees on avoiding wasteful expenditure	<input type="text"/>	Activity-based budgeting
Focuses on controlling the causes of costs	<input type="text"/>	Rolling budgeting
Always extends the budget one year into the future	<input type="text"/>	Flexible budgeting
Uses adaptive management processes	<input type="text"/>	Zero-based budgeting





# Specimen exam – constructed response (spreadsheet)

Time Remaining 00:44:25

2 of 4

Scratch Pad Symbol Calculator

Flag for Review

Vip Co, a large stock-exchange listed company, is evaluating an investment proposal to manufacture Product W33, which has performed well in test marketing trials conducted recently by the company's research and development division. Product W33 will be manufactured using a fully-automated process which would significantly increase noise levels from Vip Co's factory. The following information relating to this investment proposal has now been prepared:

Initial investment	\$2 million
Selling price (current price terms)	\$20 per unit
Expected selling price inflation	3% per year
Variable operating costs (current price terms)	\$8 per unit
Fixed operating costs (current price terms)	\$170,000 per year
Expected operating cost inflation	4% per year

The research and development division has prepared the following demand forecast as a result of its test marketing trials. The forecast reflects expected technological change and its effect on the anticipated life-cycle of Product W33.

Year	1	2	3	4
Demand (units)	60,000	70,000	120,000	45,000

It is expected that all units of Product W33 produced will be sold, in line with the company's policy of keeping no inventory of finished goods. No terminal value or machinery scrap value is expected at the end of four years, when production of Product W33 is planned to end. For investment appraisal purposes, Vip Co uses a nominal (money) discount rate of 10% per year and a target return on capital employed of 30% per year. Ignore taxation.

**Required:**

**(a) Calculate the following values for the investment proposal:**

**(i) net present value; (5 marks)**

**(ii) internal rate of return; (3 marks)**

**(iii) return on capital employed (accounting rate of return) based on average investment. (3 marks)**

The screenshot shows a spreadsheet application interface. At the top, there is a menu bar with 'Edit' and 'Format' options. Below the menu bar is a toolbar with various icons for editing and formatting, including a font color selector set to red. The main area of the spreadsheet is a grid with columns labeled A through H and rows numbered 1 through 27. Cell D7 is highlighted with a yellow background and a black border. The rest of the grid is empty.

# Specimen exam – constructed response (word processing)

Time Remaining 00:44:25

2 of 4

Scratch Pad Symbol Calculator

Flag for Review

Thatcher International Park (TIP) is a theme park and has for many years been a successful business, which has traded profitably. About three years ago the directors decided to capitalise on their success and reduced the expenditure made on new thrill rides, reduced routine maintenance where possible (deciding instead to repair equipment when it broke down) and made a commitment to regularly increase admission prices. Once an admission price is paid customers can use any of the facilities and rides for free.

These steps increased profits considerably, enabling good dividends to be paid to the owners and bonuses to the directors. The last two years of financial results are shown below.

	20X4	20X5
	\$	\$
Sales	5,250,000	5,320,000
Less expenses:		
Wages	2,500,000	2,200,000
Maintenance - routine	80,000	70,000
Repairs	260,000	320,000
Directors' salaries	150,000	160,000
Directors' bonuses	15,000	18,000
Other costs (including depreciation)	1,200,000	1,180,000
Net profit	<b>1,045,000</b>	<b>1,372,000</b>
Book value of assets at start of year	13,000,000	12,000,000
Dividend paid	500,000	650,000
Number of visitors	150,000	140,000

TIP operates in a country where the average rate of inflation is around 1% per annum.

(a) Assess the financial performance of TIP using the information given above.  
(14 marks)



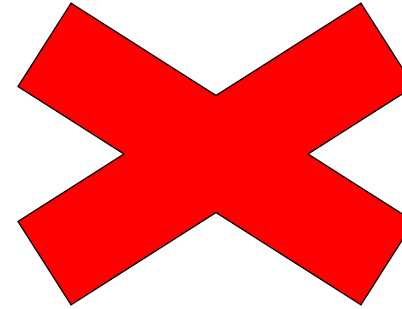


# Unparalleled Recognition

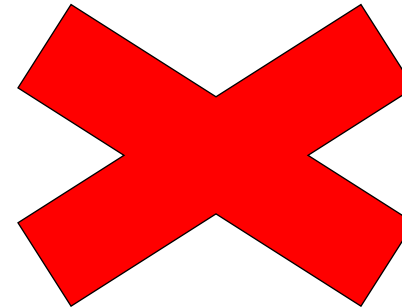
We have worked closely with regulators throughout the entire exam development process to ensure our current levels of recognition are continued.

# Common misconceptions around CBEs - debunked

OT questions are easier than longer question formats



CBE exams are all the same







Session CBE exam  
duration 2016

3 hours

Taking into  
account time  
saving  
efficiencies with  
CBEs

# Time saving efficiencies within the CBE

## Objective test

- No need to bubble answers
- Some OTs require less reading time

## Constructed response

- Use of spreadsheet functions
- It is easier and quicker to edit your answers
- Faster typing speed

# General time saving efficiencies across the CBE

- Timer and item review screen.
- Ability to see both the question and your answer on the same screen.
- No need to request and complete an extra answer booklet.



Session CBE exam  
duration from 2017

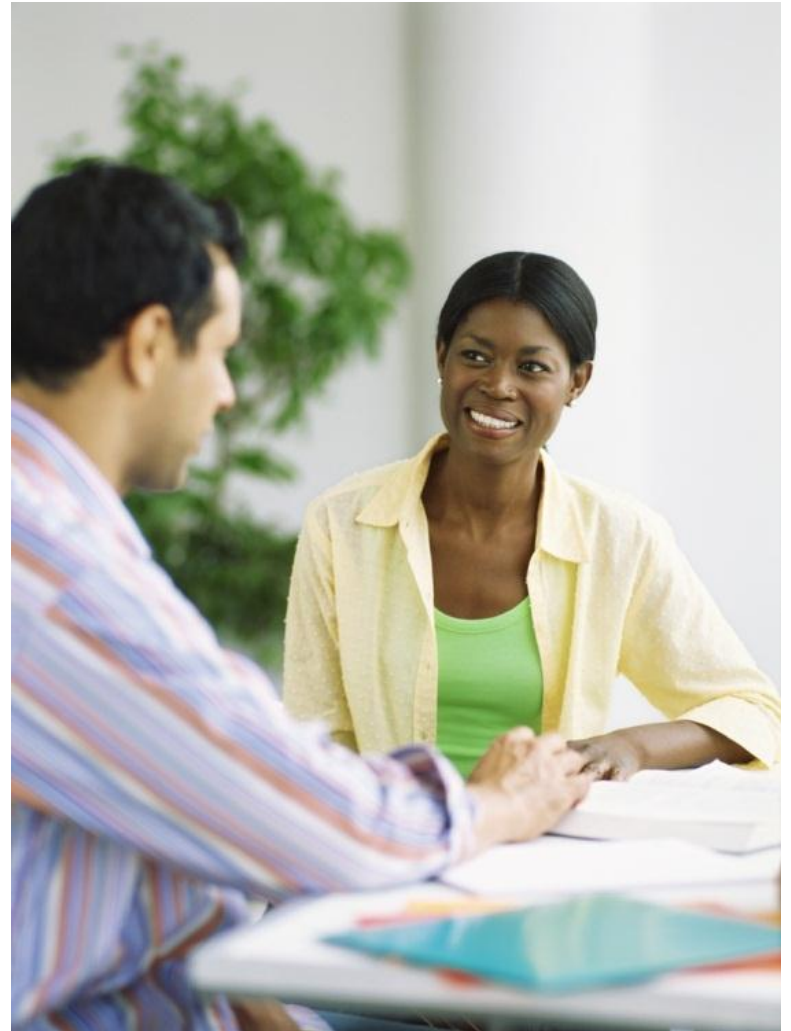
3 hours 20 minutes

Introducing  
seeded questions  
in OT sections for  
quality assurance  
and security  
control



# How seeded content is used to ensure quality and security

- To balance future exams ensuring equal difficulty.
- To more accurately and reliably determine results.
- To closely monitor security.



# Seeded content – essentials

- The CBE will contain 110 marks of exam content:  
100 marks contributing to the student result and 10 marks of seeded content that don't.
- The 10 marks of seeded questions with either be 5 OT questions or 1 OT Case (5 OT questions make up 1 OT Case).
- Students will not know which questions are part of the seeded content.



Think Ahead

