



Essential Examination Techniques in Management Accounting

(Relevant to PBE Paper II – Management Accounting)
Dr. Gerry Li, Value Creation Management Ltd.

Introduction

Professional accounting examinations develop and test candidates' professional skills in solving practical problems. Achieving success in examinations is never easy. The major purposes of written examinations are for the candidates to demonstrate their knowledge about the subject area and to show that they adhere to instructions when answering questions. It is therefore important to consider both these points when preparing for examinations. However, acquiring knowledge and skills in management accounting is a very

different matter from preparing in other subject areas in the accounting discipline, such as financial accounting and reporting, auditing practices and standards, and taxation rules and regulations, all of which are more structured and standardised in nature. This article provides a general guide to candidates on the essential examination techniques needed in management accounting.

The Nature of Management Accounting

The primary role of management accounting is to provide relevant

information in a timely manner to the company's management to help them plan and control the activities of the organization and with which optimal and sound decisions can be made. All the topic areas examined relate to this primary role. Although this role and its related topics covered are clearly understood by most, if not all, candidates or even managers in organizations, different types of relevant information are needed for different organizations at different times for different situations and purposes. Therefore, business skills and sense are often required when tackling examination questions, along

2

with good analytical and writing skills. In addition, there is room for flexibility in the nature, depth, and format of relevant information required depending on the specific purpose and reason for obtaining the information.

Examination Techniques

A majority of candidates work very hard in preparing for the management accounting examination but are still unable to achieve a pass. As with other problem areas, failing examinations consistently need to be addressed and dealt with in a proper manner. Good examination techniques include preparation before the examination,

and writing during the examination both of which require a set of generic skills.

Preparation before the examination

While failing to plan is planning to fail, an essential step usually overlooked by most candidates is to plan ahead for the number of hours “budgeted” to be spent in the revision process having considered all their commitments in their work/family/social activities. Adjustments to the activities are required if the “budget” is not realistic or practical. Managing time at the outset rather than being managed by time is a critical factor for success in preparing for the examinations.

One of the common traps in preparing for examinations is just to read the textbooks, exam manuals and past exam papers but not to understand the approaches used in solving problems. Most candidates wrongly think that it is enough for them to go through all past exam papers. However, those past exam questions will never appear again and, thus, the candidates fail if all they do is just memorise past suggested answers. It is important to note that it is useless to simply read past questions and answers without digesting the lessons that can be learnt from them. Instead candidates should ask themselves what information is provided in the questions, what is being asked, and what should be written down in answer to the questions to gain marks. This is the required

learning process when preparing for examinations.

It is inappropriate to read the answers immediately after reading the questions. The proper approach is to try to write the answers briefly on a piece of paper without referring to the suggested answers. The purpose is to test whether you possess the required knowledge to answer the questions. This **thinking** process ensures an effective focus on the ability to answer the questions during the preparation stage. The above processes will uncover any deficiencies or weaknesses in reading, analytical and writing skills so that the root cause(s) of not being able to pass the examination can be identified early in order to improve these weaknesses as soon as possible.

Writing during the examination

The format used and information provided in management accounting examination questions are very diverse, even in the same topic area. Therefore, understanding what information, be it quantitative and qualitative, is given in the question is the first hurdle to get through. The next step is to understand what is/are being asked: some candidates possess the knowledge needed on the topic but fail to address the question’s requirements specifically. In addition, even though what is given and asked are understood, it is critical to be able to demonstrate the capability to provide solutions in a written format on paper since this is



not an oral examination.

A common weakness observed by many markers of exam scripts is that candidates often do not plan before writing their answers, particularly the longer descriptive answers. A lack of focus and repetition in the answers indicate poor planning in answering the questions. Instead, candidates should plan a complete and balanced answer all the time. A good candidate should follow three steps in answering exam questions: plan, write, and review. It is obviously easier to write answers to short questions which worth relatively few marks. For longer answers, however, it is worth taking

time to plan your answer in order to organize your thoughts.

After reading the problem and understanding what is being asked, it is essential to plan how to solve the problem and how to present your answer legibly using a good structure, especially calculations, analyzes, arguments, etc., in a professional, coherent, and easily understood format in order to demonstrate your knowledge and understanding of the particular question being examined. Good writing requires continuous practice and efforts. There is no shortcut on the road to success here. Writing is the most critical process

in passing the examination since the marker does not know you personally and is only evaluating your performance based on what is written down in the answer booklet.

Generic examination skills

A written examination normally allows you three hours and, therefore, effective time management within the three hours is necessary in order to pass the examination. Allocating the proper length of time to each question based on the relative marks allocated is extremely important because time overrun on a particular question will result in having insufficient time to



finish other questions. Stop writing the answer when your allocated time runs out as marks will be lost by not moving on to the next question. Remember that answering all questions with balanced and adequate marks for each question is far better than trying to produce a perfect answer for a particular question but leaving one or two questions unanswered.

As the examination is conducted in English it requires candidates to demonstrate their skills in reading the question; in analyzing the information; and in writing the answer. Satisfactory mastery of English language skills will help your learning process before the examination and your writing process during the examination. Those who always have trouble understanding the question and what is being asked during revision should first work harder by spending more time improving their English language skills, in particular reading and writing skills, because this is their major barrier to passing the examination.

Some candidates do not understand why they fail an examination as they had completed the revision on all the examined topics. Their problem is often due to deficiencies in problem-solving skills. Exam questions are fresh and although similarities with past papers are common, candidates will not have seen these questions before. They must therefore be able to solve the problems given and write their answers for scenarios which differ from those they have come



across during their preparation. This problem is more obvious if candidates rely too much on teachers explaining questions in class and just follow what they are told to do or copy the answer without thinking about it. Candidates should develop their own independent problem-solving skills without teachers when preparing for examinations.

Summary

Management accounting knowledge is perceived by many students as easy to learn but difficult to apply in solving examination problems. Application of knowledge in a variety of business situations addressed in the examination require the ability to know what is specifically asked and what you need

to answer, based on the information given in the question. It is important that you direct your learning effectively in the preparation stage and, during the examination, that you follow the proper steps as stated below:

- + read the question carefully
- + give the question some thought and analysis
- + plan ahead before writing your answer legibly in an appropriate format while observing the time allocated for each question

Lastly, it is important to note that relatively weak English language and problem solving skills are the common reasons for failure in examinations.