

## Examination Techniques

(Relevant for ATE Paper 7 – Advanced Accounting)

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### Introduction

This article provides the recommended approach for dealing with the ATE Paper 7 – Advanced Accounting examination. Paper 7 is one of the final papers of the ATE examination and, therefore, is a demanding and challenging paper. Paper 7 aims to test whether you possess knowledge and practical skills of the principles and practice of financial accounting, and also your professional competence and judgement at the semi-professional level.

### Before the examination

You should plan your revision well in advance of the examination; the amount of time you spend revising will depend on the number of subjects you have to revise and your own capabilities. Your revision can be divided into two stages:

- Foundation stage – familiarize yourself with all key relevant basic concepts and techniques covered in the syllabus so as to form a solid and comprehensive base of required knowledge and skills.
- Revision stage – focus on the practice and application of knowledge to the specific requirements of the question and within the context of the given case or scenario.

You should identify your preferred approach to study and prioritize topics for revision based on your planned goals and objectives. The following is important:

- Be mentally prepared for the exam, be positive and clear about your goals and how to pursue them.
- Plan the topics to be revised and the time allocated to each main topic.
- Make sure your revision environment is free from distractions.
- Find out what the examiner wants by going through past examination / prepared questions and answers, and take note of the key points.
- Make full use of resources other than the main study text, such as syllabus and examinable standards for the current examination, the examiners' comments on past examinations, and also relevant articles in T/Dialogue.
- Simulate the exam experience by attempting past papers in an undisturbed environment and within the appropriate time frame.
- Improve your retention level by continuously reviewing and revising what you have studied.

### Time management during the examination

Time management is vital. You must spend an appropriate amount of time on each question you have to answer. The

quality of the overall script will be reviewed, and you have to attempt the correct number of questions and allocate your time properly among questions. In particular:

- Time must be allocated between the requirements of the questions to ensure that the amount of time given to each part is in line with the mark distribution. Each question should be properly attempted and sufficient time left towards the end of the exam to attempt the final question.
- If a part of a question has not been attempted, then the overall mark available for a question will be reduced and the easy marks available for each part lost.
- Since the choice of questions enables you to perform at your best in the exam, then you should identify which question offers you the best opportunity to earn marks by taking stock of your strengths and weaknesses.
- You should not waste excessive time chasing difficult marks on a question at the cost of missing easier marks on the others.

### Understand the requirements of the question

The skills you need for the Paper 7 examination are not simply to explain techniques or concepts but also to use your knowledge in different contexts or situations and to illustrate your ability to comprehend, apply, analyze, synthesize and evaluate. Examiners often comment that candidates fail to relate their answers to the specific requirements of the question or to the facts and information contained within the question.

When attempting a question, no matter whether it is a case study, computational-type or essay-type question, you must read the question carefully so that you understand the question's requirements and know exactly what is being asked for. Usually, you will face the following types of requirements in the exam questions:

- Describe – to list the nature and characteristics of the subject matter.
- Explain – to give details on, clarify and make clear the subject matter.
- Compute – to calculate an answer based on the numerical data given.
- Identify – to find out the relevant issues from the information given.
- Comment – to provide an opinion or argument on a certain issue or particular circumstance.
- Evaluate – to make a judgement or decision by weighing up the advantages and disadvantages of a certain scenario.
- Discuss – to decide on an alternative or to come to an opinion after considering the subject matter/ circumstance in depth.
- Justify – to give reasons and arguments for or provide rationale for the actions taken or decisions made.

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## Highlight relevant information and financial data

When reading through the exam paper it is useful to highlight the important pieces of financial and non-financial data given:

- The requirements in the question will need to be carefully read and sufficient time should be spent in digesting and understanding the information given.
- Having carefully read the question requirements, you can now highlight any relevant information or data which you feel are of most relevance with reference to each question requirement and how it might be used to answer the questions.
- When reading a case study and situational question, you should consider the requirements, time scale, business nature of the entity and also the relationship among different pieces of information. Understanding these basic facts will enhance your ability to approach the question requirements from the correct viewpoint.

## Provide relevant answers to the question set

In every examination session, many candidates do not gain the relatively easy marks because of their poor approach in answering questions. You must answer the question in a sensible way so that you can achieve a better examination result. To achieve this, you should:

- take time to consider the exact requirements of the question and the scenario; this will result in relevant answers that focus on main theme of the question. Not thinking properly about the actual requirements will lead you to answering the question inappropriately.
- have a brief plan that:
  - highlights the main points to be covered so as to keep the focus on the key elements of the requirements
  - prioritizes the most significant issues to the question set
  - links or relates different pieces of information provided in the question
- be able to apply knowledge to the specific situation when answering discussion or evaluation type questions. Marks will be awarded for answers in terms of their:
  - structure and presentation in language appropriate to the addressee
  - clarification and explanation of the main themes
  - presentation of arguments on both sides of a debate
  - appreciation of relevant current issues
- consider the main character of the requirements and how different pieces of information relate to each other to ensure that a logical and relevant answer can be produced. For example, if an investor is the audience of the requirement, then you should comment on the cash position of the company presented in the company's cash flow statement from the point of view of an investor.
- provide appropriate comments or recommendations based on the information given. For example, interpretation of

results of ratio analysis should be based on the company's business nature, recent economic environment and also the development of the industry; otherwise, comments on the company's financial position will be mis-focused.

- evaluate and select the appropriate accounting method for a particular circumstance based on the situation given in question. For example, if a new environmental protection ordinance has been passed, then it is important to think about whether this event will lead the company to having to pay fines that will affect its financial position at the year end. You should make your choices based on the facts from the scenario and not automatically assume that a provision needs to be made.
- use the correct figure in the right way when performing computational questions. For example, when calculating the materiality for a certain expenses item, net profit should be the appropriate benchmark for comparison.

## Present your answer in a proper way

The presentation and layout of your answer will affect the marks awarded. In particular:

- Clear handwriting is essential since markers cannot award any marks for an answer that they cannot read.
- Start each answer on a new page.
- Identify relevant points and group them under a few broad headings/ main themes, and structure your answers in a logical flow.
- Answer every part of a question before moving on to the next question. The reason for this is that if your mind is engaged with the information contained within a particular question and you leave it half way through to move on to another question, you will need time later to go through that information again when you return to that question.
- Label different parts of your answer to illustrate a logical and progressive structure to the requirements of a question.

## Conclusion

You can secure a pass mark using appropriate study skills and examination techniques. In particular, you must:

- study the syllabus thoroughly and practise as many past examination papers as possible in preparation for the exam.
- recognize clearly the requirements of the question and highlight the main theme and relationship among financial and non-financial information given in question.
- evaluate these findings within the specific situation and/ or real world context and present an answer that is relevant, logical and in proper format.
- have self-discipline and manage your time well both before and during the examination.

