F3 Financial Strategy (2010 syllabus)
A guide for students

Introduction

CIMA’s Profession qualification is made up of the following levels and subjects:

- **Operational level** (E1 Enterprise Operations, P1 Performance Operations, F1 Financial Operations)
- **Management level** (E2 Enterprise Management, P2 Performance Management, F2 Financial Management)
- **Strategic level** (E3 Enterprise Strategy, P3 Performance Strategy, F3 Financial Strategy)
- **The Test of Professional Competence in Management Accounting** (T4 parts A and B)

The qualification consists of three learning pillars.

- **Enterprise pillar** (E1, E2 and E3)
- **Performance pillar** (P1, P2 and P3)
- **Financial pillar** (F1, F2 and F3)

Each of the learning pillars contains a subject from each of the three progressive levels – Operational, Management and Strategic.

Subjects within each learning pillar are designed to be sequential from Operational to Strategic, encouraging the progressive development of knowledge, techniques and skills.

The prefix for each subject name indicates which learning pillar the subject is from (E, P or F) and the level of the subject (1, 2 or 3). Therefore F3 is from the Financial pillar and is an Strategy level subject.

You must pass all six operational and management papers before attempting the Strategic level. All three Strategic level papers must be passed before you can attempt the T4 part B case study exam.

This guide focuses on F3 Financial Strategy which forms part of the Strategic level. 

Paper F3 deals with the key elements in designing and managing the organisation’s financial strategy, in the context of contributing to achieving the organisation’s objectives and within its external constraints, such as the general regulatory and investment environment. The features and implications of the full range of major financing instruments are covered. A broad range of types of investment decision is also covered and it is recognised throughout that such decisions need to take account of broader strategic issues as well the financial analysis.

**Section A – The syllabus structure and learning outcomes**

The F3 syllabus is split into 3 topic areas:

- **A: Formulation of Financial Strategy (25%)**
- **B: Financing Decision (30%)**
- **C: Investment decision and project Control (45%)**
Download the full F3 Syllabus

A percentage weighting is shown against each topic area. This is provided as a guide to the proportion of study time each area requires. The study weightings also indicate the approximate proportional distribution of marks that will be allocated to topics in any single exam.

It is essential that all areas in the syllabus are studied, since any single exam question may examine more than one topic.

Each subject within the syllabus is divided into a number of broad syllabus topics. The topics contain one or more lead learning outcomes, related component learning outcomes and indicative knowledge content.

A learning outcome has two main purposes:

(a) to define the skill or ability that a well prepared candidate should be able to exhibit in the examination
(b) to demonstrate the approach likely to be taken in examination questions.

The learning outcomes are part of a hierarchy of learning objectives. The verbs used at the beginning of each learning outcome relate to a specific learning objective.

The following table lists the hierarchy of learning objectives and verbs used by CIMA.

<table>
<thead>
<tr>
<th>LEARNING OBJECTIVE</th>
<th>VERBS USED</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>**Level 1</td>
<td>KNOWLEDGE**</td>
<td>What you are expected to know.</td>
</tr>
<tr>
<td></td>
<td>List</td>
<td>Make a list of</td>
</tr>
<tr>
<td></td>
<td>State</td>
<td>Express, fully or clearly, the details of/facts of</td>
</tr>
<tr>
<td></td>
<td>Define</td>
<td>Give the exact meaning of</td>
</tr>
<tr>
<td>**Level 2</td>
<td>COMPREHENSION**</td>
<td>What you are expected to understand.</td>
</tr>
<tr>
<td></td>
<td>Describe</td>
<td>Communicate the key features</td>
</tr>
<tr>
<td></td>
<td>Distinguish</td>
<td>Highlight the differences between</td>
</tr>
<tr>
<td></td>
<td>Explain</td>
<td>Make clear or intelligible/State the meaning or Purpose of</td>
</tr>
<tr>
<td></td>
<td>Identify</td>
<td>Recognise, establish or select after consideration</td>
</tr>
<tr>
<td></td>
<td>Illustrate</td>
<td>Use an example to describe or explain something</td>
</tr>
<tr>
<td>**Level 3</td>
<td>APPLICATION**</td>
<td>How you are expected to apply your knowledge.</td>
</tr>
<tr>
<td></td>
<td>Apply</td>
<td>Put to practical use</td>
</tr>
<tr>
<td></td>
<td>Calculate</td>
<td>Ascertain or reckon mathematically</td>
</tr>
<tr>
<td></td>
<td>Demonstrate</td>
<td>Prove with certainty or to exhibit by practical means</td>
</tr>
<tr>
<td></td>
<td>Prepare</td>
<td>Make or get ready for use</td>
</tr>
<tr>
<td></td>
<td>Reconcile</td>
<td>Make or prove consistent/compatible</td>
</tr>
<tr>
<td></td>
<td>Solve</td>
<td>Find an answer to</td>
</tr>
<tr>
<td></td>
<td>Tabulate</td>
<td>Arrange in a table</td>
</tr>
<tr>
<td>**Level 4</td>
<td>ANALYSIS**</td>
<td>How you are expected to analyse the detail of what you have learned.</td>
</tr>
<tr>
<td></td>
<td>Analyse</td>
<td>Examine in detail the structure of</td>
</tr>
<tr>
<td></td>
<td>Categorise</td>
<td>Place into a defined class or division</td>
</tr>
</tbody>
</table>
**Compare and contrast**
Show the similarities and/or differences between

**Construct**
Build up or compile

**Discuss**
Examine in detail by argument

**Interpret**
Translate into intelligible or familiar terms

**Prioritise**
Place in order of priority or sequence for action

**Produce**
Create or bring into existence

**Level 5 | EVALUATION**
How you are expected to use your learning to evaluate, make decisions or recommendations.

<table>
<thead>
<tr>
<th>Verb</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advise</td>
<td>Counsel, inform or notify</td>
</tr>
<tr>
<td>Evaluate</td>
<td>Appraise or assess the value of</td>
</tr>
<tr>
<td>Recommend</td>
<td>Propose a course of action</td>
</tr>
</tbody>
</table>

---

**Example from F3 Financial Strategy syllabus**

**Component learning outcome** – recommend optimal strategies for the management of working capital and satisfaction of longer term financing requirements.

The verb ‘Apply’ is from Level 5 in the learning objective hierarchy. Therefore an exam question based on this component learning outcome could use one of the verbs from level 5 or from the lower levels 1, 2, 3 and 4.

To see which learning outcomes have been examined in past exam papers have a look at this table for F1.

**Section B - Pre-requisites for studying F3 Financial Strategy**

Before you can take any Strategic level exam you must have either passed, or been exempt from, all of the six Operational and Management papers.

If you have accepted exemptions from any of the Operational or Management subjects, or you have been offered exemptions, you should take a look at the syllabus for the exempt subject and make sure that you are confident that you have a thorough knowledge and understanding of all syllabus areas before accepting the exemption. If you feel that you have any knowledge gaps then you should make sure that you spend some time refreshing your knowledge in these areas.

Please note that the knowledge and understanding acquired at the lower levels of CIMA’s qualification is assumed knowledge at the higher levels and the exams at the higher levels require a good understanding of the preceding knowledge, so that you are able to apply it in the context of the higher level learning.

Download the full Certificate in Business Accounting syllabus and full 2010 professional qualification syllabus.

**Section C – Study routes for F3 Financial Strategy**

All three strategic level subjects must be studied at the same time and students must sit all three exams (E3, P3 and F3) together at the first sitting. Following this, any re-sits can be taken in any combination (for example one at a time).
Advice for F3 students:

At strategic level the examiners do not expect candidates to make petty knowledge mistakes, it is recommended that candidates ensure they have rightly understood and retained the knowledge that is required at strategic level, a lack of knowledge or understanding of the finance theories and the implications leads to a meaningless discussion and thus poor decision making.

Each exam at strategic level comes with a unique case which by nature requires a unique solution like in the real business world, students are advised to develop skills which enable them to develop analysing skills along with the ability to make a commercial judgement for different business challenges.

Section D – Studying for F3 Financial Strategy

We recommend that, wherever possible, you attend a course taught by an approved CIMA Learning Quality Partner. Visit our college list at www.cimaglobal.com/colleges to find details of colleges local to you that teach F3.

The official CIMA study texts have full syllabus coverage for each Professional qualification subject.

You can also study with CIMAstudy.com - the CIMA endorsed online study system.

Each subject has a "study resources" area on www.cimaglobal.com. From here you will find past exam papers and answers, post exam guides, reading lists and useful articles. Question practice is an essential part of preparing for the exams – so make sure you use all of the resources which are available to you.

CIMAsphere, our online community, provides a resource for students to share information and find expertise and support among peers, as well as gain advice from CIMA members and alumni. See the Strategic level discussion board. And look out for regular blogs on F3 and other studying and exam related topics.

Useful articles are published regularly in Financial Management magazine and in Velocity.

Planning your learning, engaging with other students and accessing all of the useful resources on the CIMA website will help you keep focussed and motivated.

Section E – Assessment strategy and assessment information

Each of the Professional qualification exams is 3 hours along, with a further 20 minutes of pre-exam reading time. The F3 exam paper will have the following sections:

- Section A (50 marks) - A maximum of four compulsory questions, totalling 50 marks, all relating to a pre-seen scenario and further new un-seen case material provided within the examination.

  (Note: The preseen case study is common to all three of the strategic level papers at each sitting)

- Section B (50 marks) – Two questions, from a choice of three, each worth 25 marks. Short scenarios will be given, to which some or all questions relate.
The pass mark for each exam is 50%.

Have a look at past exam questions and answers on our website, along with post exam guides. These are all essential reading and an important part of your exam preparation.

Read this articles on 'making the most of your reading time' for some important advice on the 20 minutes pre-exam reading time.

The main global exam sittings are in May and November each year. A limited number of places are available, in certain countries, for T4 part B and resit students to sit exams in March and September.

Find full details about entering the Professional qualification exams here.

Exam results are sent out by first class post or airmail to your current address in your MY CIMA account. To also receive your results by email you need to update your communication preferences in MY CIMA.

You will receive a question breakdown summary on your results letter which shows the number of marks awarded by the exam marker for each question you attempted in the exam.

**Section F - Useful reading and resources**

The 2010 CIMA Professional qualification structure and syllabus document

F3 past exam questions and answers

F3 post exam guides

F3 relevant articles from Financial Management and Velocity

CIMAsphere discussion forum

Blogs

Study help videos

F3 study resource map