

## CIMA-P1-Performance Operations Area D- Self Study Guide

Session (duration)	Component Learning Outcomes	Study Guidance/Tips	CIMA Technical Articles
1 (1 hr)	“Warming up”	Familiarising yourself with the syllabus and what the exam is all about.  Review the certificate level syllabus if exemptions were received to ensure there are no knowledge gaps.	<a href="#">P1-Syllabus guide</a>  <a href="#">Video Presentation of P1</a>
<b>SECTION D: DEALING WITH UNCERTAINTY IN ANALYSIS (15%)- Recommended study time-24 hours over 2 weeks</b>			
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2 (Wk 1, 4 hours)	<b>1(a)</b> Analyse the impact of uncertainty and risk on decision models that may be based on relevant cash flows, learning curves, discounting techniques etc.	1. Risk and uncertainty will involved analysing decision models by likelihood of outcomes and attaching probabilities to these outcomes, or it could be that probabilities cannot be quantified; think how this could impact long term decision.	<a href="#">Uncertainty and sensitivity</a>
<b>1(a) Exam questions:</b>  <a href="#">Nov-10</a> -Q2b & Q2c <a href="#">Sept-12</a> -Q2b <a href="#">Mar-13</a> -Q4b			
3 (Wk 1, 4 hours)	<b>1(b)</b> Apply sensitivity analysis to both short and long-run decision models to identify variables that might have significant impacts on project outcomes.	1. Understand how to calculate sensitivity analysis. 2. Each variable can be tested to check sensitivity and then a decision can be made based on the likelihood of that happening.  <b>TOP TIP:</b> Remember some outcomes of analysis may not be realistic e.g. decrease in sales price to improve volume of sales.	<a href="#">How does risk and uncertainty affect decision making</a>

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<b>1(b) Exam questions:</b>			
<a href="#">May-10</a> -Q1.3 <a href="#">Sept-10</a> -Q1.3 <a href="#">Mar-12</a> -Q1.2 & Q2b <a href="#">May-12</a> -Q2b			
4 (Wk 1, 3 hours) (Wk 2, 1 hour)	<b>1(c)</b> Analyse risk and uncertainty by calculating expected values and standard deviations together with probability tables and histograms.	<ol style="list-style-type: none"> <li>1. Know how to calculate expected values with the use of probabilities.</li> <li>2. Understand why standard deviation is used and know the formula.</li> </ol>	<a href="#">Risk and probability (part one)</a>  <a href="#">Risk and probability (part two)</a>
<b>1(c) Exam questions:</b>			
<a href="#">May-10</a> -Q1.4 & Q1.5 & Q1.7 <a href="#">Sept-10</a> -Q1.4 & Q1.5 & Q1.7 <a href="#">Mar-11</a> -Q1.2 & Q1.5 & Q2c <a href="#">May-11</a> -Q1.2 & Q1.3 & Q1.8 <a href="#">Sept-11</a> -Q1.2 & Q1.3 <a href="#">Nov-11</a> -Q1.3 & Q2e <a href="#">Mar-12</a> -Q1.1 & Q1.8 <a href="#">Nov-12</a> -Q2f <a href="#">Mar-13</a> -Q2e			
5 (Wk 2, 4 hours)	<b>1(d)</b> Prepare expected value tables.	<ol style="list-style-type: none"> <li>1. Know how to produce a two-way data table</li> </ol>	
6 (Wk 2, 4 hours)	<b>1(e)</b> Calculate the value of information.	<ol style="list-style-type: none"> <li>1. Have ability to calculate the value of information. This could be either perfect or imperfect information and probabilities could be applied to each to understand it's value.</li> </ol>	
<b>1(e) Exam questions:</b>			
<a href="#">Nov-10</a> -Q1.8 <a href="#">Mar-11</a> -Q2b <a href="#">May-11</a> -Q2b <a href="#">Sept-11</a> -Q1.8 <a href="#">May-12</a> -Q2e			

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7 (Wk 2, 2 hours) (Wk 3, 2 hours)	<b>1(f)</b> Apply decision trees.	<ol style="list-style-type: none"> <li>1. Know how decision trees can be used to help decision making.</li> <li>2. Understand the method of drawing a decision tree.</li> </ol>	
<b>1(f) Exam questions:</b>  <a href="#">May-10-Q2f</a> <a href="#">Sept-10-Q2f</a> <a href="#">Sept-11-Q2c</a> <a href="#">Nov-11-Q2b</a> <a href="#">Nov-12-Q2e</a>			
		<p><b>TOP TIP:</b> Remember that some companies thrive on taking risky decisions. So giving advice on risk will also depend on the attitudes of the company's management team, are they risk averse or risk taker.</p> <p>Think of some company's that would be considered a risk taker and the high results they achieved as a result of their risky decisions.</p> <p>E.g. Virgin are a good example, research their website for more information, think of all the industries they operate in the most recent being banking.</p>	<a href="#">Risky decisions and approaches managers take</a>

## CIMA-P1-Performance Operations Area D- Self Study Guide

## Quiz Days:

1. Attempt at least two mock papers to timed conditions before the exam including reading time of 20 minutes (Total 3 hrs and 20 minutes to complete). Review the examiners answers and post exam guides after you have finished the mock exam.

[Nov-12 exam](#)   [Examiners answers](#)   [Post exam guide](#)

[May-12 exam](#)   [Examiners answers](#)   [Post exam guide](#)

[Studying smart; A prize winner's story](#)

[Against the odds: A CIMA student inspirational story](#)

## OTHER STUDY RESOURCES:

[Find all examiners suggested answers here](#)

[Post exam guides](#)

[CIMA Publishing](#)

[Velocity-student e-magazine](#)   [Financial Management magazine](#)

[Chat to other students on CIMAsphere-discussion boards for operational level](#)

Please note that the session duration time given for each area is a rough guide based on % of P1 syllabus weightings. Research has shown that **students who study a minimum of 11 hours per week are more likely to pass**. These timings must be taken into account with other personal commitments such as work, family time, recreation etc.

Obviously the more hours students can dedicate to studying the higher their chance of success.

Please use this as guidance rather than as an exact science of how to study, and please feel free to change it to suit your requirements.