Outline

CIMA F1

Before the exam
• revision techniques
• question practice

During the exam
• time management
• narrowing down the options
CIMA F1

Before the exam
• revision techniques
• question practise

During the exam
• time management
• narrowing down the options
CIMA syllabus

Pre-requisite entry requirements (e.g. CIMA Certificate in Business Accounting, degrees in business or accounting or AAT Technician/Diploma level (level 4)).
## Summary of syllabus

<table>
<thead>
<tr>
<th>Weight</th>
<th>Syllabus topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>A. Regulatory environment for financial reporting and corporate governance</td>
</tr>
<tr>
<td>45%</td>
<td>B. Financial accounting and reporting</td>
</tr>
<tr>
<td>20%</td>
<td>C. Management of working capital, cash and sources of short-term finance</td>
</tr>
<tr>
<td>25%</td>
<td>D. Fundamentals of business taxation</td>
</tr>
</tbody>
</table>
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Revision techniques

Practising questions

CIMA F1 Exam Practice Kit
Financial Reporting & Taxation

Exam sittings: Objective Test Assessments in 2016
Author: Kaplan Publishing
Delivery: Orders will be delivered in 3 - 5 working days. See delivery details for more information.

Price: £20.00
Add to basket

http://kaplan-publishing.kaplan.co.uk/cima/f1/pages/practice-kit.aspx
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What is an Objective Test

Put simply an objective test is a test where the answer is not open to interpretation i.e. It is either right or wrong.

They are used to reduce marker bias and enable a far broader examination of content.

They are not easy.
What do they look like

Multiple Choice Questions - Single Answer

A multiple choice question with a single answer appears like this on your screen:

Which of the following numbers is the answer to the sum below?

4 + 4 =
○ 2
○ 4
○ 6
○ 8

Multiple Response Questions

Some questions require more than one response. Here is an example:

Which of the following numbers is greater than the answer to the sum below?

4 + 4 =

Select ALL that apply:

- 2
- 4
- 6
- 8
- 10
- 12

Drop Down Questions

Below is an example of a drop down menu question:

Which of the following numbers is the answer to the sum below?

4 + 4 =

Select...

Drag and Drop Questions

Below is an example of a drag and drop question:

Place the numbers below in numerical order starting with the lowest on the left hand side:

1st
2nd
3rd
4th
5th

15  43  50  63  26
What do they look like

You will have access to
An online calculator
A scratch pad
Tables/Formula

There are 60 questions to be answered in 90 minutes
Useful websites

http://www.pearsonvue.com/cima/practiceexams/

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Time management – during the exam

Go for the quick wins - shorter straightforward Qs

Keep moving - skip the more tricky complex Qs

Flag Qs you’re not sure you have answered correctly

**Tables and Formulae**

**Exhibit**

Click on the exhibit button to view AB’s trial balance at 31 December 20X1. Place the correct values from the options listed on the right in each of the highlighted boxes in the table.

<table>
<thead>
<tr>
<th></th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revaluation Reserve $'000</td>
<td>0</td>
</tr>
<tr>
<td>Balance at 1 January 20X1</td>
<td>500</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>1,250</td>
</tr>
<tr>
<td>Balance at 31 December 20X1</td>
<td>4,000</td>
</tr>
<tr>
<td></td>
<td>4,500</td>
</tr>
</tbody>
</table>
# Time management – final review

## F1 - Financial Reporting and Taxation Practice Test - Julia E Falvey

**Instructions**

### Item Review Screen

<table>
<thead>
<tr>
<th>Exam Section</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 2</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 3</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 4</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 5</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 6</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 7</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 8</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 9</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 10</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 11</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 12</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 13</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 14</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 15</td>
<td>Incomplete</td>
</tr>
<tr>
<td>Question 16</td>
<td>Incomplete</td>
</tr>
</tbody>
</table>

**End Exam**

- **Review All**
- **Review Incomplete**
- **Review Flagged**
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Narrowing down the options

Look for opposites

When two answers are opposites: one is likely to be right

On 1 June an entity purchased goods from a foreign country for Z$32,400. On 5 August the goods were paid in full.

The exchange rates were: 1 June $1 = Z$11.10 5 August $1 = Z$10.95

Calculate the exchange difference to be included in profit or loss according to IAS 21 The Effects of Changes in Foreign Exchange Rates.

- $39.98 loss
- $39.98 profit
- $437.83 loss
- $4,860 loss
Narrowing down the options

Mark off the WRONG ones first

According to IFRS 10 Consolidated Financial Statements, which TWO of the following are conditions that need to be satisfied if a parent entity is to be exempt from preparing consolidated financial statements?

☐ The parent entity is itself a wholly owned subsidiary of another entity.

☐ The parent entity only has one subsidiary.

☐ The parent entity's debt or equity instruments are not traded in a public market.

☐ The parent entity does not hold more than 60% of its subsidiary's equity shares.

☐ The parent entity's control is obtained through an agreement with its subsidiary rather than an equity share holding.
Narrowing down the options

Cover them up

Questions where all / most of the answers are plausible

On 1 January 20X1 an entity purchased a property for $2 million for its investment potential.

The land was valued at $750,000 and the buildings at $1,250,000. The property's remaining useful life was 50 years. On 31 December 20X1 the property was valued at $2.1 million (land $850,000; buildings $1,250,000). The property is to be accounted for under IAS 40 Investment Properties, using the fair value model.

Place the amounts given to complete the table for the year to 31 December 20X1.

<table>
<thead>
<tr>
<th>Investment property depreciation</th>
<th>Gain on investment property</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>25,000</td>
</tr>
<tr>
<td>42,000</td>
<td>75,000</td>
</tr>
<tr>
<td></td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td>100,000</td>
</tr>
<tr>
<td></td>
<td>140,000</td>
</tr>
</tbody>
</table>
Narrowing down the options

Eliminate the outliers
Where the answers are obviously different or wrong

Which of the following would be classified as an associated entity of P according to IAS 28 Investment in Associates and Joint Ventures?

- P acquires 35% of Q's equity shares but cannot exert any influence on Q due to another entity controlling 60% of Q's equity
- P acquires 55% of the equity shares in S
- P acquires 80% of non-voting preferred shares in T
- P acquires 15% of the equity shares in R and can exert significant influence over the financial and operating policy decisions of R
Narrowing down the options

Go for the long answer
Research has shown that it is often the longest answer that is correct

Which of the following would be classified as an associated entity of P according to IAS 28 Investment in Associates and Joint Ventures?

- P acquires 35% of Q's equity shares but cannot exert any influence on Q due to another entity controlling 60% of Q's equity
- P acquires 55% of the equity shares in S
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- P acquires 15% of the equity shares in R and can exert significant influence over the financial and operating policy decisions of R
Narrowing down the options

Look out for general words
The correct answer will often use general words such as ‘may’, ‘mostly’, ‘regularly’, ‘often’, ‘usually’

In accordance with IFRS 8 *Operating Segments* an operating segment is a component of an entity:

- That is a primary cost centre for the entity but generates no revenue.
- Which does not produce its own discrete financial information but is significant to the entity as a whole.
- Where operating results are regularly reviewed by the entity’s chief operating decision maker.
- That provides a service to other segments of the business that generates only internal business.
Narrowing down the options

Look out for hints in other questions

Which THREE of the following, (if included in the measure of segment profit or loss reported to the chief operating decision maker), are required by IFRS 8 Operating Segments?

- Revenues from transactions with other operating segments
- Cost of sales
- Amortisation
- Income tax expense
- Administrative expenses
- Distribution costs
Where can I go for information on Kaplan?

Website:  www.kaplanfinancial.co.uk/CIMA
Email:  Customersupport@kaplan.co.uk
Phone:  +44 1908 540069