

# Strategic level examination blueprint

Incorporating Strategic Case Study  
Examination, E3, P3 and F3 Objective Tests

Objective tests from November 2019 to January 2021

Case study examinations in February, May, August,  
November 2020 and February 2021

Publication date: 31 January 2019

# Introduction

## Blueprints for the future

In a rapidly digitising ecosystem, the competencies expected from finance professionals are radically different. CIMA has been at the forefront of equipping finance professionals with the aptitude and the attitude that drive businesses forward. And with the 2019 CIMA Professional Qualification, we seek to give learners the skill set and the mindset to be resilient and ready for the future.

Passing each of the three levels of the CIMA Professional Qualification is the litmus test against which employers evaluate a candidate's capabilities to drive organisational success.

For the first time, CIMA is releasing blueprints for its Professional Qualification Examination. The blueprints will demystify the examination — giving greater clarity on examinable topics; assessment approach, design and weightings; and learner expectations. The blueprints won't just aid learners taking the examination, but will also orientate learning partners and employers about the judging parameters and the capabilities of finance professionals for tomorrow.

## The purpose — setting expectations

The examination blueprints give learners the clearest expression of what is expected of them in the CIMA Professional Qualification Examinations. It tells learners what to prepare for and how to prepare for the Case Study Examinations and the Objective Tests. Working in tandem with the syllabus document, it aids the learner in anticipating the type of questions to expect in the examination.

Along with explaining the Examinations' key features, it lists the competencies, skills and knowledge necessary to pass the Case Study Examination and Objective Tests; appraises educators about the knowledge and skills needed to pass the examination; aligns employers with the capabilities of the candidates; and, above all helps us keep the examinations current, relevant and up to date with the latest standards.

As our most comprehensive statement to date on CIMA Professional Qualification Examinations, one of the core purposes of the blueprints is to assist learners in getting into the mindset the examination demands.

## Improving employability — now and in the future

The purpose behind the updated 2019 CIMA Professional Qualification is to ensure the relevance of the finance professional. In a business environment where digitisation is reshaping and reimagining more and more roles, we are looking to build capabilities, enhance competencies, drive the employability and add to the confidence of a CIMA qualified finance professional.

At the Strategic level, the objective is to equip learners with the skills for long-term decision-making, being capable of supporting leaders and crafting strategy and to evaluate and manage risks that might prevent organisations from successfully implementing strategy; value organisations; and source financial resources required to implement a strategy.

The 'I Can' statements, which reflect the competencies of a learner at the end of a Case Study Examination and the representative task statements that emerge from the successful completion of Objective Tests, correspond directly with what employers are looking for and businesses need to transform and thrive.

## Arriving at the blueprint

As automation and digital platforms take over and reshape some of the core finance functions, we wanted to understand the future of the profession. We set out on a year-long research – consulting with finance professionals across the world to learn what the future of finance looks like and, more importantly, what businesses need to thrive.

In a digitally disrupted business environment, it's even more important that finance professionals shift their focus from foundational and intermediate proficiency level, to applying a higher-level expertise. The 2019 CIMA Professional Qualification is a result of these research findings and has been designed to drive employability and continued growth.

The CIMA Professional Qualification is made up of three levels – Operational, Management and Strategic. Each level imparts the knowledge and business acumen that's expected from a finance professional working at an entry level, managerial level or at a senior leadership level.

At the end of each level, learners have to take a Case Study Examination – a business simulation of real-life job tasks that someone at that level is expected to perform. In addition, the purpose of the Case Study Examination is to assess the candidate's proficiency in those specific skills that are less likely to be automated. The Case Study Examination blueprints articulate the business simulation through the core activities and assessment outcomes. The Objective Test blueprints state the job tasks through the representative task statements. As a result, learners are clear about the basis for each type of assessment.

## Getting the skill sets and the mindset that matter

The fundamentals and the skills acquired through each subject will be tested in the Objective Tests. Questions can be asked across the whole breadth of the Syllabus and the tests are weighted based on remembering, understanding and application with some analysis and evaluation in highly structured scenarios. Learners must pass the Objective Tests to move on to the Case Study Examination.

While the Objective Tests check that learners have the best knowledge and skill set to tackle a situation, what's equally important is having the right attitude and mindset to affect and influence decisions, actions and behaviours. The Case Study Examination gives learners ample opportunities to demonstrate these traits and an awareness and understanding of their simulated organisation and the ecosystem in which it operates. To be successful in the examination – and by extension in the real world of work – a learner is also required to demonstrate qualities and competencies such as leadership, professional judgement and ethical awareness.

## The Case Study Examination – demonstrating the aptitude and the attitude

The Case Study Examination tests the knowledge, skills and techniques from the three pillars within one simulated scenario and is taken at the end of each level of the CIMA Professional Qualification. Candidates are given a fictional Case Study before the examination and are expected to give solutions to the situations and challenges presented within the examination – based on the knowledge and skills acquired from the three subjects. The Case Study mimics their role in a real-work scenario, at each level of the qualification.

The Strategic Case Study Examination is the final competency test in the CIMA Professional Qualification and expects the learner to think and respond like a senior finance manager. After completing this level and gaining the required experience, CIMA membership and the CGMA® designation is awarded. To attempt this examination, learners must either first pass the three Objectives Tests for each of the subjects or have gained necessary exemptions.

## Driving employability through simulation

Case Study materials are provided well in advance of the actual examination so that learners can immerse themselves into its context. The pre-seen materials provide an opportunity for learners to consider their previous studies in the context of the workplace and explore the links between the individual subjects as part of their research and preparation for the Case Study Examination. The Case Study Examination presents challenges and situations that a finance professional will encounter and employers have identified as critical at that level.

In a Strategic Case Study Examination five core activities – that are most frequent, critical and important to the work of a senior finance manager – will be assessed. Successfully completing these activities is directly reflected in the 'I Can' statements that showcase the competencies acquired by a successful learner.

The CIMA Professional Qualification Examination Blueprints are pointers to the direction the future of finance will take. With the needs of the employer and the needs of a digitising business landscape at its core, the 2019 CIMA Professional Qualification seeks to build capabilities, future-proof skills, improve employability and create finance professionals who will be navigators of disruption. It is yet another step from CIMA to help and partner you in leading the transformation – go beyond limits, beyond insights and beyond expectations.

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# Outline

This is the examination blueprint for the Strategic level of the CIMA Professional Qualification. It will set out in detail what is examinable in the Case Study Examination and the Objective Tests for the period stated on the cover of this document. It also provides information about the format, structure and weightings of the assessments. It complements the syllabus document and provides details specifically related to the different type of assessments and is our most comprehensive statement to date on CIMA's examinations.

The purpose of the examination blueprint is to:

- ▶ Explain the key features of the examination.
- ▶ Describe how the examination was developed in consultation with employers.
- ▶ Document the competencies, skills and knowledge necessary to pass the Case Study Examination.
- ▶ Assist learners in preparing for the examination
- ▶ Apprise educators about the knowledge and skills learners will need to pass the examination.
- ▶ Apprise employers of what passing learners can do.
- ▶ Guide the development of examination tasks and questions.

This blueprint sets out the examinable content and assessment structure for the Strategic level Case Study Examination and Objective Tests for:

- ▶ E3: Strategic Management
- ▶ P3: Risk Strategy
- ▶ F3: Financial Strategy

You can find the blueprints for the Operational and Management level at [cimaglobal.com/examblueprints](http://cimaglobal.com/examblueprints).

For more information on the operational and administrative aspects of the examination please refer to [cimaglobal.com](http://cimaglobal.com).

# Effective dates and examinable standards

The blueprint is based on the 2019 CIMA Professional Qualification Syllabus and will be examined for the first time in November 2019 with the Objective Tests and in February 2020 with the Case Study Examinations.

## Examination period covered

Objective tests from November 2019 to January 2021

Case study examinations in February, May, August, November 2020 and February 2021

This is the first release of the examination blueprint for the 2019 Professional Qualification Syllabus. Any updates to the blueprint document in future publications will be detailed here.

Version number	Date first published	Summary of changes
1	31 January 2019	N/A
1.1	30 August 2019	Minor web-link updates

## International Accounting Standards and Exposure Drafts

The examination will be set in accordance with relevant International Accounting Standards and International Financial Reporting Standards. This also applies to the material relating to Financial Reporting Exposure Drafts.

As a general rule, CIMA will examine such standards from the effective date. Details of specific standards that are examinable for the period covered by this blueprint document will be clearly stated in the Objective Tests blueprints below.

For Case Study Examinations, where individual standards will not normally be directly assessed and where marking can accommodate a variety of approaches, learners may refer to new standards before the effective date where early adoption is permitted.

# Developing the exam blueprints

With new technology and digital platforms playing a greater role in the way businesses and their finance function operates, we wanted to identify the future direction of the finance function. The yearlong research, which spanned 150 countries and featured over 5,500 finance professionals in 200 organisations, opened up insights into the future of finance and more crucially an understanding of the future needs of businesses and employers globally. The 2019 CIMA Professional Qualification is rooted in this research and its findings. The updated syllabus sets out the body of knowledge, skills and techniques that employers and organisations value and need.

By collaborating with learning partners, test design experts and psychometricians, we translated the syllabus content into core activities, assessment outcomes and representative task statements. Based on this, we produced the draft blueprints that provides a clearer direction on the approach to be taken in examinations.

We discussed the draft with learning providers and key stakeholders and as a final step surveyed CIMA members worldwide to validate the draft and to inform the final decisions about the blueprints and examination design such as weightings.

These extensive discussions and multiple layers of consultations ensured that what is included and emphasised are indeed the knowledge, skills and techniques that are most in-demand with employers. At the heart of it, both the syllabus and the blueprints work together to drive employability and organisational performance.

The blueprints will be reviewed and updated on an annual basis to ensure CIMA's Examinations remain focussed on the skills organisations most value in their finance professionals.

You can get the PDF with the full details of the research, here: [\*Accounting in extraordinary times: the future of finance\*](#)



# Strategic level examination — An overview

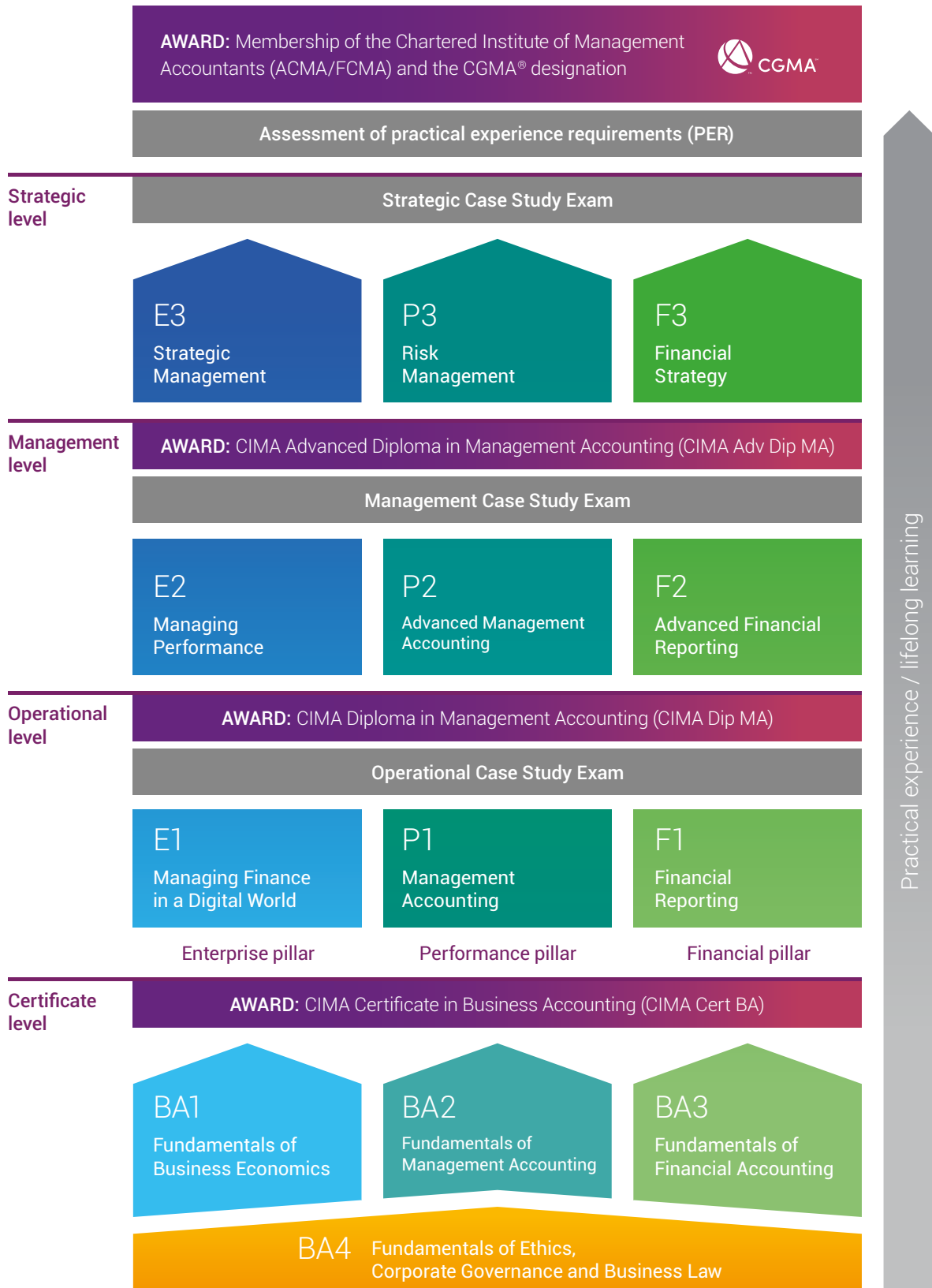
## The CIMA Professional Qualification

Our overriding objective in designing the CIMA Professional Qualification is to enhance the employability of learners and members by creating a learning system that enables them to acquire skills, competencies and the mindset that are in high demand with employers. This is more important than ever, keeping in mind the increasing pace of change and traditional roles being redefined by technology and digital advances.

The CIMA Professional Qualification is divided into three levels — Operational, Management and Strategic. Each of these levels consists of three pillars of domain knowledge — Enterprise, Performance and Financial. Passing each level of the qualification confirms a candidate's capabilities to perform the tasks at that level in the workplace to the highest standards. When combined with the required practical experience, the CIMA Professional Qualification ensures that members are ready to support and lead their organisations, through the challenging environment of continuous change.

The syllabus, assessments and practical experience requirements ensure members are not only competent in the essential accounting, finance and business-related skills, but also in the skills required to lead the finance function in a digital age.

The Strategic level focuses on the role of the senior finance manager and long-term strategic decision-making. Once this level is cleared, a CIMA qualified finance professional will be able to support organisational leaders to craft strategy; evaluate and manage risks that might prevent organisations from successfully implementing strategy; value organisations; and source financial resources required to implement strategy.



## CIMA's approach to assessment

Each level of the CIMA Professional Qualification culminates in a Case Study Examination, which integrates the knowledge, skills and techniques from across the three pillars into one synoptic capstone examination. The Case Study Examination is a role simulation. It requires candidates to perform authentic work-based activities presented during the course of the examination, drawing together learning from each of the three subjects to provide solutions to the issues and challenges asked. Case Study material is provided in advance, so that learners can immerse themselves in the fictional organisation and industry for the simulation and can analyse the organisation's current position prior to the examination.

The Case Study Examination, at each level, simulates the job role linked to the level and focusses on the core activities which employers expect competent individuals in those roles to perform.

Objective Tests for each of the individual subjects ensure the acquisition of the breadth of knowledge, skills and techniques that provide the foundation for approaching the Case Study Examination.

## Strategic Case Study Examination

At the Strategic level, the role simulated is that of the senior finance manager. The Case Study Examination provides a simulated context which allows learners to demonstrate that they have acquired the required knowledge, skills, techniques and mindset for that role.

The Strategic Case Study Examination is the final test of competence of the professional qualification and once it has been passed and the practical experience requirements are met, membership of the Chartered Institute of Management Accountants and the CGMA designation is awarded.

## Strategic level Objective Tests

Three Objective Tests underpin the Strategic Case Study Examination, one for each of the professional qualification subjects. The Case Study Examination can only be attempted after all Objective Tests for the level have been completed successfully or exemptions have been given.

Within each level, learners are free to study and take Objective Tests in any order they wish. CIMA's suggested order of study is to begin with the Enterprise pillar subject, then move to the Performance pillar subject and then to the Financial pillar subject. The qualification has been designed so that, at each level, the Enterprise pillar gives the broad context in which the Performance and Finance pillars operate. The Performance pillar provides the context of what Management Accountants do within an organisation and the Finance pillar considers the reporting and the implications of this activity. It is for these reasons that this order is suggested.

For example, CIMA would recommend learners studying the Strategic Level to start with E3, then move to P3 and then to F3 before sitting the Strategic Case Study Examination.

# Assessing skills

CIMA has adopted a skill framework for the assessments based on the revised Bloom's Taxonomy of Education Objectives. Bloom's Taxonomy classifies a continuum of skills that learners are expected to know and demonstrate.

Footnote:

Bloom's taxonomy

Revised taxonomy see Anderson, L.W. (Ed.), Krathwohl, D.R. (Ed.), Airasian, P.W., Cruikshank, K.A., Mayer, R.E., Pintrich, P.R., Raths, J., & Wittrock, M.C. (2001). *A taxonomy for learning, teaching and assessing: A revision of Bloom's Taxonomy of Educational Objectives (Complete Edition)*. New York: Longman. For original taxonomy see Bloom, B.S. (Ed.), Engelhart, M.D., Furst, E.J., Hill, W.H., & Krathwohl, D.R. (1956). *Taxonomy of educational objectives: The classification of educational goals. Handbook 1: Cognitive domain*. New York: David McKay.

## Skill levels and verbs

The following table details the verbs included in the blueprints for both Objective Tests and Case Study

Examinations and maps these to the four skill levels that will be used for the purposes of assessment:

Skill level		Verbs used	Definition
<b>Level 5</b>	<b>Evaluation</b> The examination or assessment of problems and use of judgement to draw conclusions	Advise Assess Evaluate Recommend Review Select	Counsel, inform or notify Evaluate or estimate the nature, ability or quality of Appraise or assess the value of Propose a course of action Assess and evaluate in order, to change if necessary Choose an option or course of action after consideration of the alternatives
<b>Level 4</b>	<b>Analysis</b> The examination and study of the interrelationships of separate areas in order to identify causes and find evidence to support inferences	Align Analyse Communicate Compare and contrast Develop Discuss Examine Monitor Prioritise Produce	Arrange in an orderly way Examine in detail the structure of Share or exchange information Show the similarities and/or differences between  Grow and expand a concept Examine in detail by argument Inspect thoroughly Observe and check the progress of Place in order of priority or sequence for action Create or bring into existence
<b>Level 3</b>	<b>Application</b> The use or demonstration of knowledge, concepts or techniques	Apply Calculate Conduct Demonstrate Determine Perform Prepare Reconcile Record  Use	Put to practical use Ascertain or reckon mathematically Organise and carry out Prove with certainty or exhibit by practical means Ascertain or establish exactly by research or calculation Carry out, accomplish, or fulfil Make or get ready for use Make or prove consistent/compatible Keep a permanent account of facts, events or transactions Apply a technique or concept
<b>Level 1/2</b>	<b>Remembering and understanding</b> The perception and comprehension of the significance of an area utilising knowledge gained	Define Describe Distinguish Explain  Identify Illustrate List Recognise State Outline Understand	Give the exact meaning of Communicate the key features of Highlight the differences between Make clear or intelligible/state the meaning or purpose of Recognise, establish or select after consideration Use an example to describe or explain something Make a list of Identify/recall Express, fully or clearly, the details/facts of Give a summary of Comprehend ideas, concepts and techniques



# Simulating the role of the senior finance manager – The Strategic Case Study Examination

## Examination purpose

The CIMA Case Study Examinations are capstone examinations designed to demonstrate mastery of previously acquired knowledge, skills and techniques and the drawing together of these to provide solutions to unstructured problems. By their position and design they are synoptic.

Each synoptic assessment combines the content covered in the three pillar subjects at the level into a single assessment. Its aim is the “undoing” of the pillar and subject divisions of the syllabus and the application of knowledge, skills and techniques together with the mindset of a CIMA finance professional. It challenges learners to provide solutions to the type of problems that they would encounter in the workplace for the job role matched to the level of the professional qualification.

The examination uses a simulated Case Study to provide a rich, immersive scenario to prepare and to provide a context for the tasks in the examination. The scenarios are developed around today's modern business environment and the challenges that candidates will face – allowing them to demonstrate the core activities that have been identified by employers as critical.

Examination tasks will be practical and applied, not theoretical or academic. To be successful, candidates will have to perform the core activities in the same way and to the same standards that would be valid and valued in the workplace.

## The simulation

The simulation is made up of three broad parts:

- ▶ The role of finance
- ▶ The role simulated
- ▶ The job tasks simulated

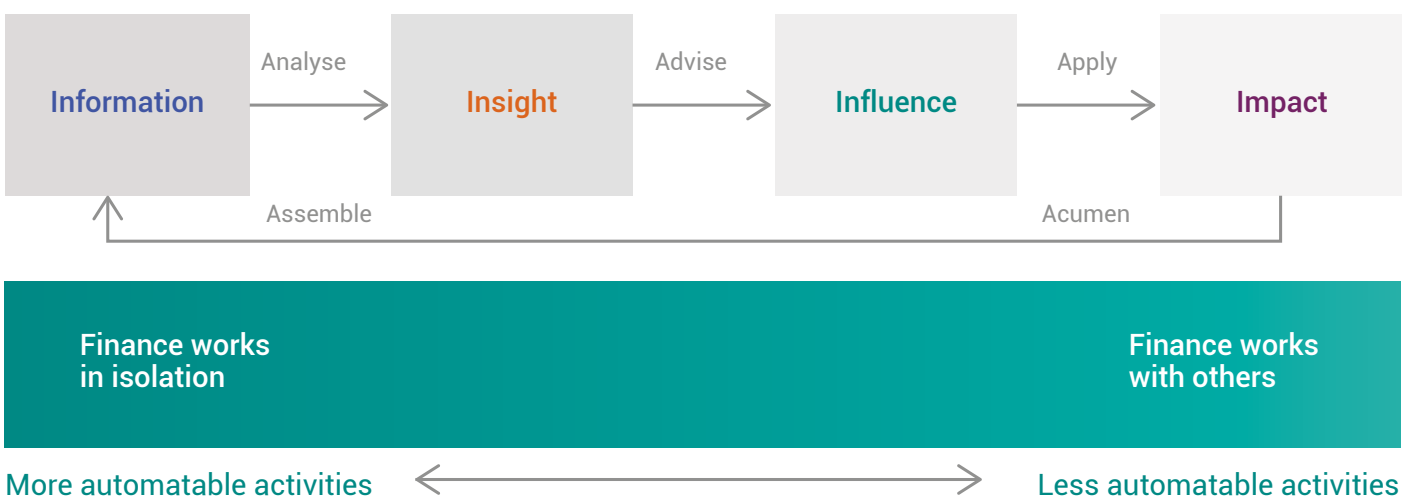
The simulation will require learners to demonstrate that they have acquired the knowledge, skills and mindset of the CIMA finance professional along with an appreciation of the impact of the features of the simulation (the context, organisational structures and environment and ecosystem within which the organisation operates).

## Simulating the role of the finance function

The finance function has a mandate to go beyond its core historical accounting role. This changing mandate doesn't discard core accounting; it's still an essential foundation of the finance function. However, enabled by new technologies, the function is now capable of assessing a broader range of information and is becoming a more influential player within an organisation.

At the heart of the finance function are basic activities – the function's DNA. Whether you are assessing finance risk, reconciling accounts or compiling management information reports, the process activities remain constant.

Figure 1: Basic finance activities from information to impact

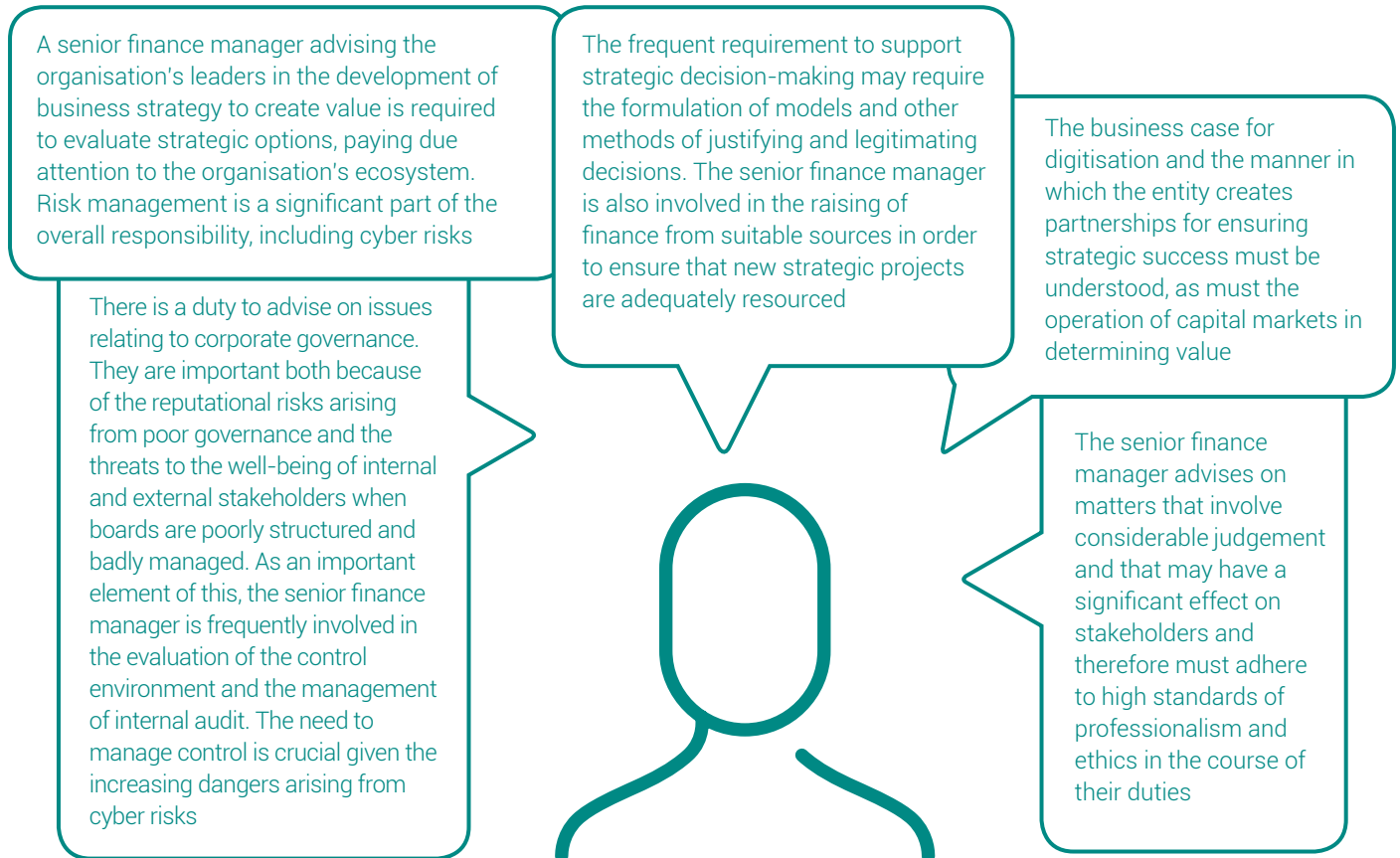


At all levels of the CIMA qualification, learners are expected to create information, insight, influence and impact. However, the scope, reach and the nature of this activity varies by level and is defined in the role simulation and by the core activities defined for that role.



## Senior finance manager – simulating the role

The role simulated is that of a senior finance manager.



## Senior finance manager – simulating the job tasks

Within the Strategic Case Study Examination, five core activities will be assessed. These core activities represent the tasks most frequent, critical and important to the senior finance manager role.

The five core activities are:

- A. Develop business strategy.
- B. Evaluate business ecosystem and business environment.
- C. Recommend financing strategies.
- D. Evaluate and mitigate risk.
- E. Recommend and maintain a sound control environment.

The core activities are linked to associated assessment outcomes expressed in terms of 'I Can' statements that speak directly to the skills and competencies that drive the employability of successful learners.

## Senior finance manager – mindset of the CIMA finance professional

The Case Study Examination allows the opportunity to demonstrate technical knowledge applied to a scenario. But to respond fully to the given scenario and problems to add value to the simulated organisation, candidates will need to ensure that they have the attitude and mindset to affect and influence their own decisions, actions and behaviours and those of others within the organisation. They must also have an awareness of the environment in which the organisation is operating and the increasingly digital ecosystem.

Enabling qualities and competencies – such as communication, professional scepticism, leadership, professional judgement, ethical awareness and business acumen – are critical to performing well in the examination tasks as well as the workplace.

The core activities require and draw together the knowledge, skills and techniques acquired while studying for Objective Tests and combining them with the mindset of a CIMA finance professional. The pre-seen material and information provided during the course of the Case Study Examination provide a rich simulation which enables the learner to demonstrate the acquisition of these and their overall competency in the role.

## Understanding the blueprint

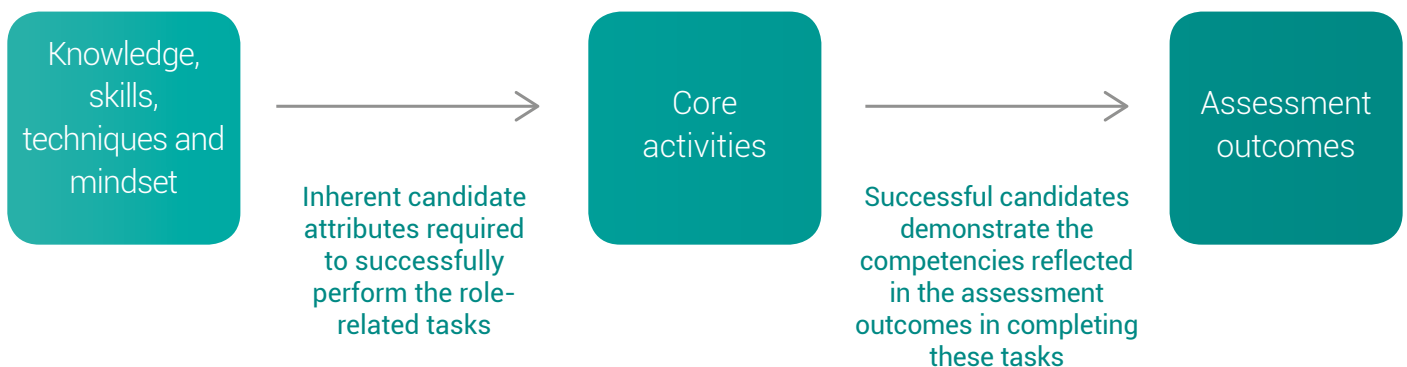
The Case Study Examination blueprint articulates the synoptic relationships across the three pillars for the level. Its core activities are integrated and multidisciplinary. By completing the core activities, successful candidates will implicitly demonstrate not just the technical abilities but all the required competencies and the mindset for that level.

As detailed above, the Case Study Examination blueprint contains the following:

- ▶ Core activities – Business-related tasks that are common to the role being simulated and valued by employers which, if performed satisfactorily, enables the demonstration of the assessment outcomes.

- ▶ Assessment outcome – A clear assertion of what a CIMA qualified finance professional can do when the Examination has been completed and what the assessment will be designed to measure. Case Study assessment outcomes will be synoptic.

A weighting range is given for each core activity. This represents the amount of time that will be allocated to each core activity in the examination.



## Strategic Case Study Examination blueprint

Core activity	Assessment outcome	Weighting
A. Develop business strategy.	<p>I can evaluate strategic options (digital and otherwise).</p> <p>I can recommend strategic decisions (digital and otherwise).</p> <p>I can evaluate potential acquisitions and divestment opportunities.</p> <p>I can recommend responses to opportunities and threats arising from digital technologies.</p>	15–25%
B. Evaluate business ecosystem and business environment.	<p>I can select and apply suitable strategic analytical tools.</p> <p>I can conduct an analysis of stakeholder needs and recommend appropriate responses.</p> <p>I can recommend appropriate responses to changes in the business ecosystem.</p> <p>I can recommend KPIs that encourage sound strategic management.</p> <p>I can recommend responses to economic, political and currency risks.</p>	15–25%
C. Recommend financing strategies.	<p>I can recommend suitable sources of finance.</p> <p>I can recommend dividend policy.</p> <p>I can recommend and apply business valuation models.</p>	15–25%
D. Evaluate and mitigate risk.	<p>I can evaluate risks and recommend responses and can maintain the corporate risk register.</p> <p>I can identify ethical dilemmas and recommend suitable responses.</p> <p>I can evaluate and mitigate cyber risks.</p> <p>I can recommend internal controls.</p>	15–25%
E. Recommend and maintain a sound control environment.	<p>I can apply internal audit resources.</p> <p>I can recommend appropriate controls and evaluate the implications of compliance failures.</p> <p>I can recommend responses to the threats arising from poor governance.</p>	15–25%

## Examination approach

### Structure and format

The examination lasts three hours. A 15-minute tutorial is available before the start of the examination to allow candidates to familiarise themselves with the test driver.

The examination has three sections (tasks), which are each one-hour long. All sections are equally weighted. Candidates may finish a section early and move on to the next but cannot return to previous sections in the time remaining.

There may be more than one sub-task within each section and an indication of how long to spend on each sub-task will be given to allow candidates to manage their time. If no weighting is given, then candidates should assume that the sub-tasks are equally weighted.

More than one core activity will normally be assessed in each section/task and the order of core activities and assessment outcomes in the blueprint does not reflect how these might be structured in the examination.

All core activities will be assessed in each form of the examination in line with the weightings. A sample of related assessment outcomes will be tested.

### Item types

The examination requires constructed, written responses from candidates in the format of a range of business communications (for example, emails, memos, reports and briefing notes).

Word processing capabilities will be provided within the test driver to allow the formatting and presentation of responses in a professional manner. From 2019, this will include the ability to use tables to put together a response. For full details of the word processing functionality and to try this in advance of the examination, visit [cimaglobal.com/Studying/study-and-resources/Resources-included-in-your-subscription/](https://cimaglobal.com/Studying/study-and-resources/Resources-included-in-your-subscription/)

Examination tasks will not be set that require specific calculations. However, candidates should, wherever possible, show how they have used and interpreted data from the pre-seen and the new information presented during the examination and/or undertook analysis or calculations to support their responses.

### Reference materials

The mathematical tables that will be included for reference in each Case Study Examination are:

- ▶ Present value table
- ▶ Cumulative present value table
- ▶ Normal distribution table

For details see [Cimaglobal.com/Tables](https://cimaglobal.com/Tables)

A copy of the full set of pre-seen material will be available for reference in the test driver throughout the assessment. A calculator is included within the test driver although candidates are permitted to take their own calculators as long as it's a CIMA approved model.

A notepad and pen are provided for planning and workings along with an on-screen scratch pad.

## Marking, grading and feedback

The Case Study Examinations are human marked.

The Case Study results will contain the following information:

- ▶ Grade: Pass or fail
- ▶ Scaled score: 0 to 150 with 80 and above being a pass

There is no requirement to obtain a pass or meet a minimum threshold for each core activity.

Feedback on performance against each core activity will be provided so that learners know their areas of weakness for further study.

More information on performance descriptors is available [here](#) from September 2019.

## Candidate experience

There are four examination windows per year. For details of upcoming Case Study Examination dates, visit [cimaglobal.com](http://cimaglobal.com).

Pre-seen material will be published on the CIMA website ahead of the examination. Candidates must use the material to prepare for the examination, immersing themselves in the simulated scenario and considering the organisation's current position and future strategy.

The examination will take the form of a 'day in the life' of the role being simulated. Candidates will face a series of tasks that relate to one or more of the core activities in the blueprint.

During the course of the examination, new information will be provided at the start of each section (task). In response, candidates will have to consider the new information that's been given, as well as their previous analysis of the pre-seen material.

Results will be available in MyCIMA about six weeks after the examination.

For more information on the operational and administrative aspects of the examination please refer to [cimaglobal.com](http://cimaglobal.com).



# Acquiring the knowledge, skills and techniques required for the senior finance manager role – Strategic level Objective Tests

## Test purpose

Objective Tests for each of the individual subjects ensure that learners have acquired the fundamental knowledge, skills and techniques for the role that will be simulated in the culminating Case Study Examination.

The Objective Tests will cover all areas of the syllabus and will ensure that learning has taken place across the breadth of the syllabus. Passing the Objective Tests is a prerequisite for progressing to the capstone Case Study Examination.

The Objective Tests are weighted toward remembering and understanding and application with some analysis and evaluation in highly structured scenarios.

## Understanding the blueprint

The blueprint is structured as follows:

- ▶ Exam content sections
- ▶ Lead and component outcomes
- ▶ Representative task statements

A **representative task statement** is a plain English description of what a CIMA finance professional should know and be able to do.

The content and skill level determine the language and verbs used in the representative task.

CIMA will test up to the level of the task statement in the objective test (an objective test question on a particular topic could be set at a lower level than the task statement in the blueprint).

The format of the Objective Test blueprints follows that of the published syllabus for the 2019 CIMA Professional Qualification.

Weightings for content sections are also included in the individual subject blueprints.

*Note: The task statements in the blueprint are representative and are not intended to be (nor should they be viewed as) an all-inclusive list of tasks that may be tested in the Examination. It also should be noted that the number of tasks associated with a particular content group or topic is not indicative of the extent such content group, topic or related skill level will be assessed in the test.*



## Objective Tests blueprints

### E3: Strategic Management

Formulate strategy and create conditions for successful implementation.

#### Content weighting:

Content area	Weighting
A. The Strategy process	15%
B. Analysing the organisational ecosystem	20%
C. Generating strategic options	15%
D. Making strategic choices	15%
E. Strategic control	20%
F. Digital strategy	15%
	<b>100%</b>

E3A: The strategy process		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. The purpose of strategy	a. Strategy			✓		Analyse the advantages and disadvantages of strategy development.
	b. The purpose of strategy			✓		Analyse the essential features and characteristics of strategy including the long-term time horizon, considering the organisation as a whole, stakeholder analysis, gaining sustainable competitive advantage and environmental analyses.
2. The types and levels of strategy	a. Types of strategy			✓		Analyse the different approaches to strategy development including the traditional top-down approach, emergent strategies, incrementalism and freewheeling opportunism.
	b. Levels of strategy			✓		Analyse the levels of strategy including corporate, business and functional and the impact of strategic lenses on those levels.
3. The strategy process	a. The rational and emergent processes of arriving at strategy			✓		As part of the strategy process, analyse the organisational ecosystem, strategic options or choice and strategic implementation and control.

E3B: The organisational ecosystem		Skill level				Representative task statement	
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation		
1. The elements of the ecosystem	a. Markets and competition			✓		Perform or review a SWOT (strengths, weaknesses, opportunities and threats) analysis to analyse an organisation's internal and external options related to overall strategy.	
					✓	Perform or review a Mendelow's Matrix analysis to analyse an organisation's stakeholders related to their level of interest and power.	
						✓	Prepare, or review, a Porter's Five Forces analysis to analyse an organisation's competition.
						✓	Prepare or review a Porter's Diamond analysis to analyse an organisation's position related to national competitive advantage.
	b. Society and regulation				✓	Perform a PESTEL (Political, Economic, Social, Technology, Legal and Environment) analysis to analyse the impact of society on an organisation.	
2. The drivers of change in ecosystem	a-e. Institutional /systemic, social, market, technology and sustainability			✓		Analyse the drivers of change in an ecosystem including globalisation, geopolitical impact, demographics, customer empowerment, digital technology, automation and sustainability.	
3. The impact of the ecosystem on organisational strategy	a. The impact of strategic networks and platforms on organisational strategy			✓		Analyse what an organisation can do to create value in an ecosystem and how that organisation can capture the value they helped to create.	
	b. Stakeholder analysis in networks			✓		Analyse the participants and interactions in networks and platforms and their associated roles, reach, capabilities, rules, connections and courses.	
					✓	Analyse how technologies such as cloud computing, social media, mobile and analytics impact ecosystems.	
					✓	Analyse how technologies that create a more open, connected and complex business environment impact corporate social responsibility.	

E3C: Strategic options		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. The context of generating strategic options	a. The role of governance and ethics in the strategy process			✓		Analyse the role of governance and business ethics in the context of generating strategic options.
	b. Purpose, vision and values of organisation and their impact on strategy			✓		Analyse the linkage between purpose, vision and values to each other and to generating strategic options.
2. Option generation	a-b. Key strategic questions and an organisation's starting position			✓		Prepare or review Porter's generic strategies, Ansoff's matrix and method of growth for establishing a choice of possible future strategies.
	c. Potential organisational operating ecosystem			✓		Use trend analysis and system modelling to forecast potential organisational operating ecosystems.
	d. Frameworks to generate options			✓		Use scenario planning and long-range planning as tools in strategic decision-making.
					✓	Analyse value drivers (tangible and intangible) and the data needed to describe and measure them.
					✓	Analyse game theory approaches in strategic planning and decision-making (complex numerical questions will not be tested).
				✓	Analyse Real Options as a tool for strategic analysis (complex numerical questions will not be tested).	

E3D: Strategic choices		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. Options	a. Criteria for evaluation			✓		Analyse strategic options and criteria for evaluation including the application of the suitability, acceptability and feasibility framework.
	b. Options against criteria			✓		Analyse options against criteria for strategic options.
	c. Recommend appropriate options				✓	Recommend appropriate action for strategic options.
2. Choices into coherent strategy	a. Value analysis			✓		Prepare or review a Porter's value chain analysis to assess whether an organisation has a sustainable competitive advantage.
	b. Portfolio analysis				✓	Recommend how to manage the product portfolio of an organisation to support the organisation's strategic goals.

E3E: Strategic control		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. Strategic performance management system	a. Detailed action plans			✓		Set appropriate strategic targets through the use of non-financial measures of strategic performance and their interaction with financial ones.
	b. Action plan communication				✓	Evaluation of strategic targets through the development of critical success factors (CSFs).
	c. Implementation			✓		Link CSFs to Key Performance Indicators and corporate strategy and their use as a basis for defining an organisation's information needs.
	d. Incentives to performance			✓		Effective communication of strategic performance targets, including the need to drive strategic performance through stretch targets and promotion of exceptional performance
2. Resource allocation to support strategy implementation	a. Resource availability			✓		Perform an analysis of key resources and capabilities needed for strategy implementation.
	b. Resource allocation to strategic choices			✓		Perform an analysis of forecasts, trend analysis, system modelling and in-depth consultation with experts to aid resource allocation.
3. Change management techniques and methodologies	a. Impact of strategy on organisation	✓				Understand the importance of managing critical periods of adaptive, evolutionary, reconstructive and revolutionary change.
	b. Change management strategies			✓		Analyse the impact of change on organisational culture (including the cultural web and McKinsey's 7-s model).
	c. The role of the leader in managing change				✓	Evaluate the role of leadership in managing the change process and building and managing effective teams.
						✓

E3F: Digital strategy		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. The governance of digital transformation	a. The roles and responsibilities of the board and executive leadership in digital strategy			✓		Analyse the board's and senior leadership's role in an organisation's digital strategy including defining value and charting, articulating and overseeing the execution of digital strategy and transformation.
2. Digital transformation	a. Digital technologies			✓		Analyse an organisation's use, or potential use of, digital technologies including cloud computing, big data analytics, process automation, AI, data visualisation, blockchain, Internet of Things (IoT), mobile and 3-D printing.
	b. Digital enterprise				✓	Advise management how to survive digital disruption and thrive in a digital age by rethinking their traditional business model and incorporating digital business and operating models.
3. Elements of digital strategies	a. Economics of digitisation				✓	Advise management on how digital transformations and the creation of vast, interconnected ecosystems driven by business to business can disrupt and reshape industries.
	b. Digital ecosystems				✓	Advise management on how the participants in an ecosystem impact an organisation's strategy, including the participant's role within the environment, reach through the environment and capability or key value proposition.
	c. Digital consumption				✓	Advise management on how technology and experience with new platform technologies and business models have transformed customer expectations to integrated and customized experiences.
	d. Data and metrics			✓		Analyse digital traction metrics including scale, active usage and engagement to assist management in measuring the success of a digital business.
	e. Leadership and culture					✓

## P3: Risk Management

Analyse, evaluate and manage strategic, operational and cyber risks.

### Content weighting:

Content area	Weighting
A. Enterprise risk	25%
B. Strategic risk	25%
C. Internal controls	25%
D. Cyber risk	25%
	<b>100%</b>



P3A: Enterprise risk		Skill level				Representative task statement	
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation		
1. Sources and types of risk	a. Sources of risks			✓		Analyse upside and downside risks arising from internal and external sources and from different managerial decisions.	
	b. Types of risks			✓		Analyse strategic and operational risks.	
					✓	Analyse risks arising from international operations such as cultural differences and differences between legal systems (no specific real country will be tested).	
2. Risk exposure	a. The impact of risk			✓		Quantify risk exposures (impact if an adverse event occurs) and their expected values and likelihood of occurrence.	
	b. The likelihood of risks			✓		Analyse risk maps of risk exposures as a basis for reporting and analysing different risks.	
	c. The interaction of different risks				✓	Evaluate implications of interaction between risks.	
3. Ways of managing risk	a. Roles and responsibilities			✓		Analyse responsibilities of board members, the chief risk officer and other members of the management team with respect to understanding and managing risks.	
					✓	Advise management on its responsibilities for reporting risks to shareholders and other stakeholders.	
	b. Risk tolerance, appetite and capacity			✓		Analyse strategies for risk mitigation (including TARA: transfer, avoid, reduce and accept) in coordination with risk tolerance, appetite and capacity.	
	c. Risk management frameworks				✓	Advise on compliance with COSO Enterprise Risk Management: Integrating with Strategy and Performance (2017) and ISO 31000 Risk Management – Guidelines (2018).	
					✓	Analyse assurance maps as a structured way to identify the main sources and types of assurance in an organisation.	
	d. Risk analytics					✓	Evaluate risk register entries, including the nature of the risk, ownership and mitigation.
				✓			Prepare risk reports for stakeholder responses.
					✓	Evaluate ethical, social and environmental dilemmas associated with risk management.	

P3B: Strategic risk		Skill level				Representative task statement	
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation		
1. Risks associated with formulating strategy	a. Relevance of the assumptions on which strategy is based			✓		Analyse risks associated with formulating strategy including the relevance of the assumptions on which a company's strategy is based.	
				✓		Analyse a company's strategic choice and associated risks including competitive strategy, product-market strategy and method of growth.	
	b. Potential sources and types of disruptions to strategy				✓		Analyse the potential sources and types of disruptions to strategy and impacts that scenario planning and stress testing strategy have on risk mitigation.
						✓	Recommend models and inputs for stress testing strategy.
2. The sources and impact of reputational risks	a. Sources of reputational risk			✓		Analyse the risks of unethical behaviour including the sources of reputational risk.	
	b. Impact of reputational risk on strategy			✓		Analyse the impact of reputational risk on strategy and the impact of strategy on brand and reputation of the organisation.	
3. Governance risks	a. The role of the board and its committees in managing strategic risk	✓				Understand the role of the board, chair of the board and CEO in managing strategic risk, and its committees in managing strategic risk.	
		✓				Understand the role of the executive and non-executive directors on a board of directors.	
				✓		Analyse the role of the board's committees, including the role of non-executive directors and the roles of the audit committee (including the role and responsibilities of the external auditor), compensation committee, risk committee and nomination committee in managing strategic risk.	
				✓		Analyse the risks associated with directors' compensation including impact on strategy and reputational risk.	
	b. Failure of governance and its impact on strategy				✓		Analyse the risks associated with poor governance or poor governance structures and the impact on strategy.

P3C: Internal controls		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. Internal control systems	a. Roles and responsibilities for internal controls				✓	Advise on the responsibilities of directors, managers and internal auditors for internal control.
					✓	Advise on the responsibilities of the risk manager.
	b. The purpose of internal control		✓			Demonstrate understanding that a company's internal controls should provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.
	c. The features of internal control systems			✓		Analyse the set of standards, processes and structures that provide the basis for carrying out internal control across the organisation including tone at the top, organisational structure, assignment of authority and responsibility, integrity and ethical values.
					✓	Analyse the appropriateness of control systems for the management of an organisation.
2. Recommend internal controls for risk management	a. COSO – Internal Control – Integrated Framework			✓		Analyse an organisation's process for identifying and assessing risk to the achievement of objectives, including considering the impact of possible changes in the external environment and within its own business model that may render internal control ineffective.
	b. Control weakness				✓	Identify and evaluate risk with a view to advising on the control system and the management of control weaknesses.
				✓		Analyse an organisation's control activities at various stages of the business processes and over the technology environment. Additionally, consider the preventive or detective controls, manual or automated activities and segregation of duties.
	c. Compliance failures				✓	Evaluate presence and functioning of internal controls against internal and external criteria and recommend responses to compliance failures.
				✓		Analyse an organisation's information and communication process including the internal and external communication of relevant business information.

P3C: Internal controls (cont.)		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
	d. Internal controls for risk management				✓	Recommend preventive and detective control activities, including segregation of duties, in the main functional areas.
3. Internal audit in organisations	a. Forms of internal audit	✓				Understand the forms of internal audit including compliance audit, fraud investigation, value for money audit/ management audit and social and environmental audit.
	b. Internal audit process	✓				Understand the operation of internal audit, the assessment of audit risk and the process of analytical review.
		✓				Understand inherent risk, control risk and detection risk.
						✓
	c. Effective internal audit		✓			Determine the elements of effective internal audit including independence, staffing and resourcing.
	d. The internal audit report			✓		Analyse the results of internal audit reports and any associated findings.

P3D: Cybersecurity risks		Skill level				Representative task statement	
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation		
1. Cybersecurity threats	a. Nature and impact of cybersecurity risks	✓				Understand the types of sensitive information the entity creates, collects, transmits, uses and stores that is susceptible to cybersecurity risk.	
		✓				Understand the organisation's cybersecurity objectives related to availability, confidentiality, integrity of data and integrity of processing and the process for establishing, maintaining and approving them.	
		✓				Understand the organisation's characteristics of technologies, connection types, use of service providers and delivery channels.	
				✓			Determine the organisation's cybersecurity risks and environmental, technological, organisational and other changes that could have a significant effect on the entity's cybersecurity risk management programme.
					✓		Analyse specific exposures arising from IT systems and networks.
		b. Types of cybersecurity risks		✓			Determine internal and external threats arising from malware and recommend defences.
				✓			Determine the types of web application attack and recommend defences.
				✓			Determine the threats and opportunities created by black hat and white hat hackers, including social engineering.
		c. Risk of security vulnerabilities			✓		Analyse potential downside risks arising from cybersecurity breaches.
2. Cyber-security processes	a. Cyber-security organisational characteristics	✓				Understand the organisation's cybersecurity risk governance structure, including the processes for establishing, maintaining and communicating integrity and ethical values, providing board oversight, establishing accountability and hiring and developing qualified personnel.	
			✓			Determine how the organisation identifies, assesses and manages the risks associated with vendors and business partners.	

P3D: Cybersecurity risks (cont.)		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
			✓			Determine the entity's process for communicating cybersecurity objectives, expectations, responsibilities and related matters to both internal and external users.
					✓	Recommend suitable company policies on cybersecurity and suitable preventive and detective controls in response to vulnerabilities.
	b. Security controls		✓			Determine the organisation's process for developing a response to assessed risks, including the design and implementation of control processes.
					✓	Recommend cybersecurity responses that comply with standards (ISO27001).
	c. Centralisation in security		✓			Determine the process the organisation uses to assess the effectiveness of controls included in its cybersecurity risk management programme, including information about the corrective actions taken when security events, threats and vulnerabilities occur.
				✓		Analyse outputs from cybersecurity monitoring systems.
3. Cyber-security tools and techniques	a. Forensic analysis				✓	Recommend techniques for the investigation of known and suspected breaches.
	b. Malware analysis				✓	Develop responses to known and potential malware threats.
	c. Penetration testing				✓	Improve cybersecurity by testing for exploitable vulnerabilities.
	d. Software security				✓	Recommend appropriate security standards for software.
4. Cyber risk reporting	a. Cyber risk reporting frameworks				✓	Evaluate cyber risk reporting needs of board, managers and other stakeholders (including users in the case of service organisations).
					✓	Evaluate management's description of CRMP or service organisation's system.
					✓	Advise on content of cyber risk report in response to results of work performed.

## F3: Financial Strategy

Create financial strategy, evaluate and manage financial risk and assess organisational value.

### Content weighting:

Content area	Weighting
A. Financial policy decisions	15%
B. Sources of long-term funds	25%
C. Financial risks	20%
D. Business valuation	40%
	<b>100%</b>

F3A: Financing policy decisions		Skill level				Representative task statement	
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation		
1. Strategic financial objectives	a. Different types of organisations and their financial objectives			✓		Analyse overall strategic financial objectives (e.g., value for money, maximising shareholders' wealth, providing a surplus) of different types of entities (e.g., incorporated, unincorporated, quoted, unquoted, private sector, public sector, for-profit and not-for-profit).	
	b. Financial objectives			✓		Analyse financial objectives (e.g., earnings growth, dividend growth, gearing) and assessment of attainment.	
					✓		Analyse the impact to financial objectives considering changes in underlying economic (e.g., interest rates, exchange rates, inflation) and business variables (e.g., margins, volume).
	c. Non-financial objectives			✓		Analyse the non-financial objectives (e.g., human capital, intellectual capital, social capital and relational capital) and assessment of attainment.	
						✓	Advise management on the principles and scope of reporting social and environmental issues (e.g., Global Reporting Initiative's Sustainability Reporting Framework and International Integrated Reporting Council guidance).
2. Strategic financial policy decisions	a. Investment, financing and dividend policy decisions and interrelationships between policy decision areas			✓		Analyse the investment, financing and dividend decisions and the interrelationship between them in meeting the cash needs of the entity.	
				✓		Analyse forecasted financial statements and future cash needs and the relationship to investment, financing and dividend decisions.	
				✓		Analyse interests of shareholders and other stakeholders in investment, financing and dividend decisions (e.g., impact on investor and lender ratios, compliance with debt covenants and attainment of financial objectives).	
						✓	Evaluate financing requirements and cash available for payment of dividends based on the overall consideration of the forecasted future cash flows arising from investment decisions, business strategy and forecasted business and economic variables.



F3A: Financing policy decisions (cont.)		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
3. The external influences on financial strategic decisions	a. Market requirements				✓	Advise on the development of financial strategy regarding the lender's assessment of creditworthiness (e.g., business plans, liquidity ratios, cash forecasts, credit rating, quality of management).
	b. Taxation			✓		Analyse impact of taxation regulations (domestic and international) in setting financial strategy.
	c. Regulatory requirements			✓		Analyse impact of industry regulation in setting financial strategy.

F3B: Sources of long-term funds		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. The capital structure of a firm	a. Choice of capital structure			✓		Analyse capital structure theories (traditional theory, Modigliani and Miller's (MM) theories with and without tax and practical considerations and calculations using MM formulae).
	b. Changes in capital structure			✓		Perform and analyse calculation of cost of equity or weighted average cost of capital (WACC) to reflect a change in capital structure.
					✓	Analyse impact of choice of capital structure on financial statements and key performance measures (e.g., ratios of interest to investors and compliance with debt covenants).
					✓	Analyse the structure of debt/equity profile of a group of companies, including tax implications and thin capitalisation rules.
						✓

F3B: Sources of long-term funds (cont.)		Skill level				Representative task statement	
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation		
2. Long-term debt finance	a. Selecting debt instruments			✓		Analyse the criteria for selecting appropriate debt instruments (e.g., bank borrowings, bonds, convertible bonds, commercial paper).	
	b. Target debt profile			✓		Analyse the target debt profile (e.g., interest, currency and maturity profile) to manage interest, currency and refinancing risks.	
					✓		Analyse the use of cross-currency swaps and interest rate swaps to change the currency or interest rate profile of debt.
	c. Issuing debt securities			✓		Advise on the issuance of debt securities (private placement, capital market issues and the role of advisors and underwriters).	
	d. Debt covenants			✓		Analyse debt covenants for compliance (e.g., interest cover, net debt/EBITDA, debt/debt and equity).	
	e. Tax considerations			✓		Analyse the tax considerations in the selection of debt instruments.	
					✓	Evaluate and compare alternative methods of raising long-term debt finance.	
3. Equity finance	a. Methods of flotation			✓		Analyse methods of flotation and implications for the management of the entity and for its stakeholders.	
	b. Rights issues			✓		Analyse use of rights issues, including choice of discount rate, impact on shareholder wealth and calculation of the theoretical ex-rights price (TERP) and yield adjusted TERP.	
						✓	Evaluate and compare alternative methods of raising equity finance.
4. Dividend policy	a. Cash dividends			✓		Analyse the impact of cash dividends on shareholder value and entity value, financial statements and performance measures.	
						✓	Evaluate the alternatives to cash dividends and their impact on shareholder wealth and entity performance measures.
	b. Scrip dividends			✓		Analyse the impact of scrip dividends on shareholder value and entity value, financial statements and performance measures.	
	c. Share repurchase programmes			✓		Analyse the impact of share repurchase programmes on shareholder value and entity value, financial statements and performance measures.	
					✓		Analyse implications for shareholder value of alternative dividend policies including MM Theory of dividend irrelevancy.
						✓	Recommend appropriate dividend policies including consideration of shareholder expectations and the cash needs of the entity.

F3C: Financial risks		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. The sources and types of financial risks	a. Sources and types of financial risk			✓		Analyse the sources and types of financial risk (economic, political, currency and interest rate) and their impact on an organisation.
2. Financial risks	a. Quantification of financial risks			✓		Analyse the effects of exchange rates (e.g., interest rate parity, purchasing power parity and the Fisher effect).
				✓		Analyse value at risk to measure the risk of loss for investments.
3. Managing financial risks	a. Economic and political risks				✓	Recommend methods for responding to economic, transaction and translation risk.
	b. Currency risk instruments				✓	Evaluate operations and features of the more common instruments for managing currency risks including swaps, forward contracts, money market hedges, futures and options.
	c. Interest rate risk instruments				✓	Evaluate operations and features of the more common instruments for managing interest risks including swaps, forward rate agreements, futures and options.
					✓	Recommend techniques for combining options in order to achieve a specific risk profile such as caps, collars and floors.
					✓	Recommend internal hedging techniques.

F3D: Business valuation		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. Context of valuation	a. Listing of firms			✓		Analyse the advantages and disadvantages of becoming a listed company and the impact to various stakeholders.
	b. Mergers and acquisitions (M&A)				✓	Advise on the reasons for and against acquisitions, mergers and divestments (e.g., strategic position, synergistic benefits, Big Data opportunities and risks).
	c. Demergers and divestments			✓		Analyse taxation implications of acquisitions, mergers and divestments (group loss relief, differences in taxation rates, withholding tax and double tax treaties).
					✓	Analyse process and implications of a management buy-out, including potential conflicts of interest.
					✓	Analyse the role/function/implications of acquisition by private equity or venture capitalists.
2. Valuation methods	a. Different valuation methods			✓		Calculate the value of an entity using different asset valuation methods.
	b. Strengths and weaknesses of each valuation method			✓		Calculate the value of an intangible asset (intellectual property rights and brands) using different valuation methods.
					✓	Analyse different methods of valuation (share prices, earnings valuation, dividend valuation, discounted cash flow valuation).
					✓	Analyse the strengths and weaknesses of each valuation method.
					✓	Use the Capital asset pricing model (CAPM), including the meaning and derivation of the component and the ability to gear and un-gear betas.
					✓	Calculate an appropriate cost of capital for use in discounted cash flow analysis (e.g., cost of equity or WACC) by reference to the nature of the transaction (e.g., division or entire entity), including use of CAPM, dividend valuation model and MM WACC formula.
				✓		Apply the efficient market hypothesis and its relevance for the valuation of quoted entities.

F3D: Business valuation (cont.)		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
3. Pricing and bid issues	a. Pricing issues			✓		Analyse forms of consideration and terms for acquisitions and their impact on shareholders, including taxation impact.
					✓	Analyse treatment of target entity debt (settlement and refinancing).
						✓
	b. Bid issues			✓		Analyse bid negotiation (e.g., managing a hostile bid) including agency issues.
4. Post transaction issues	a. Post transaction value			✓		Analyse post transaction value for both acquirer and seller (e.g., taking into account synergistic benefits, forecast performance and market response).
					✓	Analyse integration of management and systems and the effective realisation of synergistic benefits.
						✓
	b. Benefit realisation			✓		Analyse integration of management and systems and the effective realisation of synergistic benefits.

# Examination approach

## Structure and format

Each Objective Test is 90 minutes long. A 15-minute tutorial is available before the start of the examination to allow candidates to familiarise themselves with the test driver.

Each Objective Test comprises 60 questions drawn from across the individual subjects of the syllabus in line with the weightings for each content area as set out in the blueprint.

All questions are independent and worth equal marks. Partial marks are not available – all elements of a question must be answered correctly for it to be marked correct. Candidates may answer questions in any order and can navigate back and forth to any question to change their answer, time permitting.

## Item types

The following objective test items may be used:

- ▶ Multiple choice
- ▶ Multiple response
- ▶ Hot spot
- ▶ Fill in the blank (number entry)
- ▶ Drag and drop

## Reference materials

The mathematical tables and formulae that will be included for reference in each Objective Test as follows:

<b>P3</b>	Present value table, cumulative present value table and normal distribution table
<b>E3</b>	None
<b>F3</b>	Present value table, cumulative present value table, normal distribution table and the following formulae: <ul style="list-style-type: none"><li>▶ DVM</li><li>▶ CAPM</li><li>▶ WACC</li><li>▶ M&amp;M</li><li>▶ TERP</li><li>▶ FX, interest rate and inflation</li><li>▶ VaR</li></ul>

Examples of how the tables and formulae will be presented are available from [Cimaglobal.com/Tables](http://Cimaglobal.com/Tables)

A notepad and pen are provided for planning and workings along with an on-screen scratch pad.

A calculator is included within the test driver although candidates are permitted to take their own calculators into the test centre provided it's a CIMA approved model.

## Marking, grading and feedback

On the successful completion of an Objective Test, the candidate will be given a provisional pass or fail grade before leaving the test centre. CIMA will confirm the final grade on MyCIMA within 48 hours of taking the assessment. For more information on how to interpret your results and feedback, guidance will be given in MyCIMA.

Feedback on performance in each content area of the examination will be given in the form of a proficient/not proficient rating. There is no requirement to achieve a grade of proficient in all content areas.

## Candidate experience

The Objective Tests are 90-minutes, computer-based and available on demand at over 5,000 Pearson VUE assessment centres worldwide. Candidates can book their tests up to 48 hours prior to the testing date, subject to centre availability.

A provisional grade (pass/fail) will be given at the test centre on completion of the test. The final grade will be confirmed on MyCIMA within 48 hours of taking the assessment.

For more information on the operational and administrative aspects of the Examination please refer to [cimaglobal.com](http://cimaglobal.com).

# Glossary

Term	Definition
Capstone examination	<p>A capstone examination is designed to demonstrate mastery of previously acquired knowledge and skills and the drawing together of these to provide solutions to unstructured problems.</p> <p>It takes place at the end of a period of study and serves as a culminating assessment experience. By its position and design it is a <b>synoptic assessment</b>.</p>
Case study	<p>A (fictional) realistic simulation of an organisation or problem that a candidate could reasonably expect to face if operating in the role being assessed.</p>
Simulation	<p>An assessment exercise that involves the achievement of a specific task or tasks which seek to reproduce real life situations.</p>
Synoptic assessment	<p>A synoptic assessment is one that combines two or more modules (subjects) of study into a single assessment.</p> <p>Its aim is the “undoing” of the modularisation (in CIMA's case, pillar and subject divisions) of the syllabus and to help students make connections between the modules and provide a more holistic approach to learning and assessment.</p> <p>It is typically delivered at the end of a course or programme to assess across all the knowledge, skills and behaviours developed within that course.</p>
Blueprint	<p>A test blueprint is a document that gives clear guidance to all stakeholders (candidates, tuition providers, examination item writers) on what is examinable for a particular test. It will also normally include details about the test such as information on the weightings for/ importance of specific elements of the test or mapping the different cognitive levels of the test content.</p>
Task statement (Objective Tests)	<p>A task statement is a plain English description of what someone should be able to <b>know and do</b>.</p> <p>For Objective Tests, task statements will form the basis of the <b>blueprint</b>.</p>
Core activities (Case Study)	<p>Business-related tasks which are common to the role being simulated and valued by employers which, if performed satisfactorily, enable the demonstration of the <b>assessment outcomes</b>.</p>
Assessment outcome (Case Study)	<p>A clear assertion of what a CIMA qualified professional can do when the examination has been completed and what the assessment will be designed to measure. Case Study assessment outcomes will be <b>synoptic</b>.</p>



# Appendix

## International accounting standards

### For all students of the F pillar and all Case Studies

The CIMA syllabus for the F pillar (and BA3) makes numerous references to the International Accounting Standards. Although students are not expected to learn the title of each one, the content and application of a number of them are an essential part of the learning outcomes and examinable in both objective tests and case study exams.

This table describes the content, briefly, of the standards that are currently in publication and the relevance to each CIMA subject. At the end of this article, we provide a summary of how the examinable date for IFRS is determined for the OT exams and offer illustrative examples.

## International financial reporting standards (IFRS)

Number	Name	Application/relevant articles	Useful to be studied in conjunction with:	Examinable subjects
IFRS 1	First-time adoption of international financial standards	Not examinable		
IFRS 2	Share-based payment	Not examinable		
IFRS 3	Business combinations	<p>For the acquirer of a target entity, it explains how to recognise and measure:</p> <ul style="list-style-type: none"> <li>▶ assets and liabilities of the acquiree;</li> <li>▶ any non-controlling interest in the acquiree; and</li> <li>▶ goodwill or a gain on a bargain purchase.</li> </ul> <p>Also explains the disclosure requirements to enable users to determine the nature and financial impact of the business combination.</p>	IAS 27, IAS 28, IFRS 10, IFRS 11	From F2
IFRS 5	Non-current assets held for sale and discontinued operations	<p>Defines a non-current asset held for sale and explains how such an asset is measured and presented in the financial statements.</p> <p>The standards also defines what is meant by a discontinued activity and explains the presentation and disclosure of such activities in the financial statements. However, this element of the standard is not examinable.</p>	IAS 16, IAS 36	From F1

Number	Name	Application/relevant articles	Useful to be studied in conjunction with:	Examinable subjects
IFRS 6	Exploration for and Evaluation of mineral assets	Not examinable		
IFRS 7	Financial instruments: disclosures	Not examinable		
IFRS 8	Operating segments	Not examinable		
IFRS 9	Financial instruments	Provides the recognition and measurement rules for financial instruments.		From F2
IFRS 10	Consolidated financial statements	For an entity that controls one or more other entities, sets out the principles for the presentation and preparation of the consolidated financial statements.	IAS 27, IAS 28, IFRS 3, IFRS 11	From F2
IFRS 11	Joint arrangements	Sets out the financial reporting principles for entities that have an interest in jointly controlled arrangements.	IAS 27, IAS 28, IFRS 3, IFRS 10	From F2
IFRS 12	Disclosure of interests in other entities	Describes the disclosure requirements for an entity that has interests in other entities to enable the users to evaluate the nature and risks of the relationships, in addition to the effects on the group financial statements.		From F2
IFRS 13	Fair value measurement	Defines fair value and describes how it is measured as well as the disclosure requirements about such measurements.		From F2

Number	Name	Application/relevant articles	Useful to be studied in conjunction with:	Examinable subjects
IFRS 14	Regulatory deferral accounts	Not examinable		
IFRS 15	Revenue from contracts with customers	Prescribes the accounting treatment for revenue.		From F2
IFRS 16	Leases	Describes the accounting treatment of leases in both the lessee's financial statements (F1) and the lessor's financial statements (F2).  Note: accounting for sale and leaseback transactions is not examinable.		From F1
IFRS 17	Insurance contracts	Not examinable		

## International accounting standards (IAS)

Number	Name	Application/relevant articles	Useful to be studied in conjunction with:	Examinable subjects
IAS 1	Presentation of financial statements	Provides guidance on the presentation of statement of financial position (SoFP), statement of profit or loss and other comprehensive income and statement of changes in equity (SOCIE).		From BA3
IAS 2	Inventories	Provides guidance on the determination of cost of inventory (raw materials, work in progress and finished goods), its valuation and any subsequent write-offs as an expense.		From BA3
IAS 7	Statement of cash flows	Provides guidance on definitions of cash and cash equivalents and how to present cash flows in a statement of cash flows.		From BA3
IAS 8	Accounting policies, changes in accounting estimates and errors	Not examinable		
IAS 10	Events after the reporting date	Describes the definition of events after the reporting period and explains how they are accounted for and any disclosures required.		From F1
IAS 12	Income taxes	Prescribes the accounting treatment of income taxes and deferred tax.		From F2
IAS 16	Property, plant and equipment	Explains the recognition and measurement of property, plant and equipment. This includes initial cost, subsequent expenditure, depreciation and revaluation of such assets.	IAS 36, IAS 38, IFRS 5	From BA3

Number	Name	Application/relevant articles	Useful to be studied in conjunction with:	Examinable subjects
IAS 19	Employee benefits	Not examinable		
IAS 20	Accounting for government grants and the disclosure of government assistance	Not examinable		
IAS 21	The effects of changes in foreign exchange rates	Considers the accounting treatment of transactions in a currency other than the entity's home currency. This includes transactions for an individual entity and how to translate a subsidiary entity in preparation for consolidation.		F2
IAS 23	Borrowing costs	Not examinable		
IAS 24	Related party disclosures	Explains the disclosure requirements that draw attention to the possibility that the statements of financial position and profit or loss may be affected by transactions and outstanding balances with parties related to the entity.		From F2
IAS 26	Accounting and reporting by Retirement Benefit Plans	Not examinable		
IAS 27	Separate financial statements	Outlines the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	IFRS 3, IFRS 10, IFRS 11, IAS 28	From F2
IAS 28	Investments in associates and joint ventures	Explains how to account for investments in associates. This includes the application of the equity method used when accounting for associates and joint ventures.	IAS 27, IFRS 3, IFRS 10, IFRS 11	From F2

Number	Name	Application/relevant articles	Useful to be studied in conjunction with:	Examinable subjects
IAS 29	Financial reporting in hyperinflationary economies	Not examinable		
IAS 32	Financial instruments: presentation	Prescribes the presentation of financial instruments.	IFRS 7, IFRS 9	From F2
IAS 33	Earnings per share	Prescribes the principles for the calculation and presentation of basic and diluted earnings per share.		From F2
IAS 34	Interim financial reporting	Not examinable		
IAS 36	Impairment of assets	Explains that an asset or cash generating unit cannot be reported at a value higher than its recoverable amount and how to account for any resulting impairment.	IAS 16, IAS 38	From F1
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Prescribes the accounting and disclosure requirements for provisions, contingent liabilities and contingent assets.	IAS 10	From F2
IAS 38	Intangible assets	Prescribes the recognition and measurement of intangible assets.	IAS 36	From BA3
IAS 40	Investment property	Not examinable		
IAS 41	Agriculture	Not examinable		

## Policy regarding examinable dates for IAS/IFRS for CIMA 2019 professional qualification

The assessments will be set in accordance with relevant International Accounting Standards and International Financial Reporting Standards. This also applies to the material relating to Financial Reporting Exposure Drafts.

As a general rule, CIMA will examine such standards from the effective date (or as close as is practical). This will normally be the date that a new examination blueprint becomes effective. Details of specific standards that are examinable for the period covered by the examination blueprint will be stated in the objective test section of the blueprint.

For Case Study Examinations, where individual standards will not normally be directly assessed and where marking can accommodate a variety of approaches, candidates may refer to new standards before the effective date where early adoption is permitted.



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