

STUDY AND EXAM GUIDE (OBJECTIVE TEST)

INTRODUCTION

Under the 2015 syllabus all assessments will be computer based. At each level of the qualification (Operational, Management and Strategic) there will be three objective tests and an integrated case study examination.

The objective tests are 90 minutes long and will be marked by computer. Along with the results, you will receive feedback that will be useful in planning and preparing for future exams. For instance, this feedback will provide unsuccessful students with essential information to help them prepare for their re-sit assessment whereas successful students may identify syllabus topics that need more clear understanding.

The objective tests are available 'on demand' which means that you can enter for an objective test at any time of the year.

CIMA's assessment approach aims to ensure confident and competent management accountants who are business-ready. The OTQ assessments are aimed to test all five levels of the Learning Objectives through different types of objective test assessments.

THE SYLLABUS

F1 is designed to cover the regulation and preparation of financial statements and how the information contained in them can be used. It provides the competencies required to produce financial statements for both individual entities and groups using appropriate international financial reporting standards. It also gives insight into how to effectively source and manage cash and working capital, which are essential for both the survival and success of organisations. The final part focuses on the basic principles and application of business taxation. The competencies gained from F1 form the basis for developing further insights into producing and analysing complex group accounts (covered in F2) and formulating and implementing financial strategy (covered in F3).

Download the [F1 syllabus](#) overview and a summary of the syllabus (page 38) for more information.

UNDERSTANDING THE SYLLABUS

The 2015 syllabus is driven by *Component Learning Outcomes* (CLO), which defines the knowledge and competence that students are expected to demonstrate in the CIMA assessments. All component learning outcomes will be tested in the objective test assessments (a given component learning outcome may be tested more than once).

The F1 syllabus is divided into a number of broad *syllabus topics*, coded with capital letters, from A to D. A percentage weighting is shown against each syllabus topic and is intended as a guide to the proportion of study time each topic requires. It is essential that all topics in the syllabus are studied as all topics will be examined.

"The weightings do not specify the number of marks that will be allocated to topics in the examination"

Within each topic is a set of *Lead Learning Outcomes* (LLO) which are numbered. Each LLO is made up of one or more *Component Learning Outcomes* (CLO) which give more detail of the competencies expected of the candidates. The *verbs* used in the CLO have been chosen carefully as they correspond to the knowledge and/ or competence level that students should be able to demonstrate in the assessment.

Find out more about the use of verbs in the [syllabus](#) (Page 6)

Illustration:

Syllabus Topic: (A) REGULATORY ENVIRONMENT FOR FINANCIAL REPORTING AND CORPORATE GOVERNANCE

Study weighting: 10%

Lead Learning Outcome (LLO): (A1) “explain the need for and the process of regulating the financial reporting information of incorporated entities”

Note: The verb, “explain” means that a competent student will be able to “*Make clear or intelligible/state meaning or purpose of the content*” in various contexts.

Component Learning Outcome (CLO):

A1 a) “explain the need for the regulation of the financial reporting information of incorporated entities and the key elements of an ethical regulatory environment for such information”

Note: Learning of this CLO should ensure that students understand both the topics in the Indicative Syllabus Content (e.g. local corporate law, CIMA code of ethics, elements of the regulatory environment for financial reporting etc) and then be able to explain implications of these topics in the Case Study Examinations on organisational structure.

HOW TO STUDY

Do some research before choosing how you are going to study – make sure the option you choose will suit you and the way you learn best.

- Follow a taught course with a [tuition provider](#)
- Distance learning with [CIMAstudy.com](#)
- Self study with official [CIMA text books](#)

ORDER OF ASSESSMENTS

Within the Operational level you are able to attempt the three OTQ assessments in any order. You must pass or be exempt from all three OTQ assessments before you can attempt the integrated Case Study exam at that level.

PRACTICE TESTS

You should familiarise yourself with the format of the objective test assessments by looking at our practice tests.

- [Download the practice test guidance notes](#)
- Register for the [F1 practice test](#)

QUESTION PRACTICE

Question practice is the best exam preparation tactic, as it will enable you to understand how the theory you learnt is being tested. Also, question practice will give an opportunity for self-evaluation so that you may allocate appropriate time and resources for syllabus topics that are more challenging for you.

OTQ Examinations are time-pressured, so when you practice questions it is important that your question practice sessions are timed.

You may buy the [Exam Practice Kit](#)

The 2015 Assessments are significantly different from the 2010 assessments, but you can still make a great use of 2010 syllabus past paper questions.

The questions from F1 Financial Operations (2010) can be broken down as per the requirement of 2015 assessment. This will help you to generate a huge data bank for exam practice.

On the other hand, practicing long form questions (e.g. preparing the complete trial balance, cash flow statement etc) will enable you to understand the full process involved in making such a complete work, though different aspects of the process may be tested in objective test assessments.

ILLUSTRATION

Actual Question F1 Financial Operations March-14

FP, resident in Country X for tax purposes, owns 100% of shares in a foreign entity, SM.

SM reported profits before tax of \$450,000 for the year ended 31 December 2013 with corporate income tax of \$95,000.

SM paid FP a dividend for the year ended 31 December 2013 of \$150,000 which was then subject to withholding tax of 15%.

SM uses the same functional currency as FP. SM operates in a **country that has a double taxation** treaty with Country X, that provides for the use of the tax credit method of double taxation relief.

Required:

- (i) **Calculate** the total foreign tax suffered on the dividend.
- (ii) **Calculate** the amount of tax that FP will be liable to pay on receipt of the dividend in Country X, applying the tax credit method of double taxation relief.

POSSIBLE QUESTION IN 2015

1. FP, resident in Country X for tax purposes, owns 100% of shares in a foreign entity, SM.

SM reported profits before tax of \$450,000 for the year ended 31 December 2013 with corporate income tax of \$95,000.

SM paid FP a dividend for the year ended 31 December 2013 of \$150,000 which was then subject to withholding tax of 15%.

SM uses the same functional currency as FP. SM operates in a country that has a double taxation treaty with Country X, that provides for the use of the tax credit method of double taxation relief.

Calculate the total foreign tax suffered on the dividend.

2. FP, resident in Country X for tax purposes, owns 100% of shares in a foreign entity, SM.

SM reported profits before tax of \$450,000 for the year ended 31 December 2013 with corporate income tax of \$95,000.

SM paid FP a dividend for the year ended 31 December 2013 of \$150,000 which was then subject to withholding tax of 15%.

SM uses the same functional currency as FP. SM operates in a country that has a double taxation treaty with Country X, that provides for the use of the tax credit method of double taxation relief.

Calculate the amount of tax that FP will be liable to pay on receipt of the dividend in Country X, applying the tax credit method of double taxation relief.

REGISTERING FOR YOUR F1 OBJECTIVE TEST ASSESSMENT

Find your [Pearson Vue test centre](#)

COMPUTER LITERACY

To submit responses to objective test questions, you will be required to undertake simple tasks such as using the mouse to select one or more correct responses, “dragging” items to a different area of the screen or entering short, usually numerical, responses using the keyboard.

[Download the online tutorial](#)

TOOLS AVAILABLE IN THE ASSESSMENT

- [Tables and formulae given in the exam](#)
- Onscreen calculator
- Use hand-held calculator
- Scratch pad
- Web link to the online tutorial

EXAM TECHNIQUES

- Attempt all questions, there is no negative marking.
- Read the requirements carefully before you read the information /Data provided for each question.
- Double check your answer before you put in the final answer. Tag any question that seems difficult or you may think takes more time to read / arrive at the answer, and return later.
- Try and allow 15 minutes at the end to check your answers and make any corrections.
- Work out your answer on white board provided or the onscreen scratch pad first if it is easier for you.
- On multiple choice questions (MCQs), there is only one correct answer. If you don't know the answer, try a process of elimination.

MORE INFORMATION

For more information about 2015 syllabus and assessments, please visit [Frequently asked questions](#)

FEEDBACK

Please send your thoughts and feedback to study.support@cimaglobal.com