

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. Results will be available shortly after the assessment and all candidates will receive feedback. This feedback will provide unsuccessful students with essential information to help them prepare for their re-sit assessment.

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 the first three levels of the Learning Objectives (knowledge, comprehension and application) in the Management level.

THE SYLLABUS

F2 builds on the competencies gained from F1. It covers how to effectively source the long-term finance required to fund the operations of organisations, particularly their capital investments. It also deepens the coverage of financial reporting to more complex aspects of group accounting and analyses the rules governing the recognition and measurement of various elements of the financial statements. Finally it shows how to analyse financial statements to provide insights about the financial performance and position of the organisation over time and in comparison with others.

Download the [F2 syllabus](#) overview and a summary of the syllabus (page 62) for more information.

UNDERSTANDING THE SYLLABUS

The 2015 syllabus is driven by *Component Learning Outcomes* (CLO), which define 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 F2 syllabus is divided into a number of broad *syllabus topics*, coded with capital letters, from A to C. 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) SOURCES OF LONG TERM FINANCE

Study weighting: 25%

Lead Learning Outcome (LLO): (A1) "discuss types and sources of long-term finance for an incorporated entity"

Note: The verb, "discuss" means that a competent student will be able to "Examine in detail by argument" *the different types of structure that an organisation may adopt.*

Component Learning Outcome (CLO):

A1 a) "discuss the characteristics of different types of long-term debt and equity finance"

Note: Learning of this CLO should ensure that students understand both the topics in the Indicative Syllabus Content (e.g. Ordinary shares, Preference shares, types of long term debt and then be able to discuss 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](#)

The 90 minute OTQ assessments will be computer-based and are computer marked. They will be available year-round on demand.

ORDER OF ASSESSMENTS

Within the Management 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 [F2 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 F2 Financial Management (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. producing full set of group financial statements including more complex aspects of group accounting, calculation of EPS (IAS 33) 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 F2 Financial Management March-14

NAT, a listed entity, had 10,000,000 ordinary \$1 shares in issue on 1 January 2013.

On 1 April 2013, NAT made a 1 for 2 bonus issue. On 1 October 2013 NAT issued 2,000,000 ordinary \$1 shares at their full market price of \$7.60 per share. NAT's shares were trading at \$8.05 per share on 31 December 2013.

NAT's profit after tax for the year ended 31 December 2013 was \$8,200,000.

The basic earnings per share for the year ended 31 December 2012 was previously reported at 62.3 cents.

Required:

(i) **Calculate** the basic earnings per share to be reported in the financial statements of NAT for the year ended 31 December 2013, including the comparative figure, in accordance with IAS 33 *Earnings per Share*.

(ii) **Explain** why the bonus issue of shares and the share issue at full market price are treated differently in the calculation of the basic earnings per share.

POSSIBLE QUESTION IN 2015

Calculate the basic earnings per share to be reported in the financial statements of NAT for the year ended 31 December 2013, including the comparative figure, in accordance with IAS 33 *Earnings per Share*. Give your answer up to two decimal places.

1. Mark the following statements as **true or false** in the lights of above scenario
 - A bonus issue does not raise any new finance and therefore the profit for the year will have been generated with the same level of resources throughout the year.
 - As the issue results in no additional resources it will still be treated as new shares introduced to the equity.
 - The issue at full market price brings additional resources, but will have no impact on profits from the date of issue.
 - A weighted average number of shares is used to calculate basic EPS.

REGISTERING FOR YOUR F2 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.
- Flag 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

