

Think Ahead

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**Prepare
to pass**

A guide to help
you if you are
studying

Financial
Reporting

F7

**F7 Financial
Reporting –**
a guide to using the
examiner's reports

ACCA's self-study guide for F7 is a fantastic resource designed especially to help you if you are taking F7. Hopefully you have already had a chance to take a look at this but if not you can find it by clicking on the image above.

F7 Financial Reporting – a guide to using the examiner's reports

Part of getting started is getting to know your exam and we recommend that you use the examiner's reports as a resource here.

In addition, when you come to the revision phase we strongly recommend that you come back to these reports and look at them in more detail.

Home > Students > Exam resources > Fundamentals level > F7 Financial Reporting

EXAMINING TEAM GUIDANCE

RELATED LINKS

- [Video: Five minutes with the examining team](#)
- [F7 examiner's approach article](#)
- [F7 examiner's approach interview](#)
- [Adobe reader](#)

The examiners' reports are an essential study resource. Read them to learn about mistakes that students commonly make in exams and how to avoid them. The guidance articles and interviews set out the general approach to the syllabus and the exam, and provide tips on how to improve your exam performance.

EXAMINER'S REPORTS

EXAMINER'S GUIDANCE

EXAM SUPPORT RESOURCES

Return to the exam resource finder to locate other materials to help with your studies

SEARCH EXAM RESOURCES

SYLLABUS AND STUDY GUIDE

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March 2016

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September

RELATED DOCUMENTS

F7 examiner's report - June 2016
PDF 49KB

Last updated: 18 Jul 2016

You can access the examiner's reports for F7 by clicking on the image above. We suggest that at the very least you take a look at the last four – but of course you can look at as many as you like!



Examiner's reports

What are the examiner's reports?

The reports are produced after each exam sitting and provide an analysis of students' performance – what they did well and what they didn't do so well.

They tell you which parts of the exam students found challenging and identify some of the key areas where students appear to lack knowledge as well as where they have demonstrated poor exam technique. The reports refer to specific questions in the exam, looking in detail at areas which caused difficulty. They also provide lots of useful tips.

How will the reports help you when you are revising for your exam?

If you review several of these reports you will notice that there are some key themes which the examining team comment on again and again. Typically students fail for the same reasons exam sitting after exam sitting.

For you to succeed in your exam you need to try to avoid the pitfalls that have led to students failing F7.

What are we going to do now?

In this document we are going to show you how to use the examiner's reports as part of your revision phase.

F7 Financial Reporting – a guide to using the examiner's reports


Step 1 – Read the last four examiner's reports

Read through each of the last four examiner's reports for F7.

- ✓ As you go through them note down any themes you notice which come up more than once.
- ✓ Also try to note down any areas where the examining team is providing advice – for example, you may see in the June 2016 report there is some advice to candidates about being able to explain calculations as well as prepare them.

Examiner's report

F7 Performance Management
June 2016



General Comments *(from paragraph 2 of the report)*
The results for both sections were well correlated, although most candidates scored slightly better in Section A than in Section B. The numerical parts of the Section B questions were generally very well answered; however, as in past papers, the interpretation question was not as well answered with many candidates stating the obvious (e.g. this year's ratio is higher than the previous year's) without offering any real interpretation or analysis and largely ignoring the effect of a very important discontinued operation.



Take note

You may need to read through each of the reports a couple of times – but to get you started you might note down:

Lack of explanation of ratios

You will see this pops up several times, for example in the June 2016 report.

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Now use this page to note down other themes or advice you notice which come up... include a reference to the report – so the exam sitting and the question number, the theme and then a bit of context (see example below)

Reference	Theme	Context
J16 General comments	Lack of explanation of ratios	However, as in past papers, the interpretation question was not as well answered with many candidates stating the obvious (e.g. this year's ratio is higher than the previous year's) without offering any real interpretation or analysis and largely ignoring the effect of a very important discontinued operation.

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Step 2 – Common themes identified by the examining team over the last four exam sittings

Now compare your list with our list over the following pages – how many did you identify?

Spend some time looking through the reports again with the table over the following pages at your side, to make sure you understand where each of the points comes from. You will see we have also included an additional column 'How to avoid the pitfalls' and we will talk about this in Step 3.

Reference	Theme	Context	How to avoid the pitfalls
J16 General comments	Lack of explanation of ratios	However, as in past papers, the interpretation question was not as well answered with many candidates stating the obvious (e.g. this year's ratio is higher than the previous year's) without offering any real interpretation or analysis and largely ignoring the effect of a very important discontinued operation.	F7 requires you to be able to explain calculations as well as prepare them. You must always think about what the calculations you prepare mean for the business concerned – so for every calculation, ask yourself, what does this mean for the business?
M16 Section B Q2		Part (b) of this question was generally poorly answered – many candidates merely stated a particular ratio was higher or lower than the sector average, often without even stating whether this meant the company's financial performance or position was better or worse than that of the sector. Few candidates displayed any ability to connect the ratios and discuss causes or implications arising from them.	Watch the study support video, Cashflows and interpretations for further support in understanding how to discuss ratios.
D15 Section B Q2		On the whole, part (a) was poorly answered with many candidates gaining only 3 or 4 marks. The main problem, which has been commented on many times in previous examiner's reports, was that the majority of the interpretation consisted of repeating what the ratios were for each company and saying that one was higher than the other.	
M16 Section B Q1	Preparation of extracts	The requirement for a schedule of adjustment to draft profit is an alternative approach to the preparation of a full statement of profit or loss, but one which still tests key principles of profit measurement.	The requirement for a schedule of adjustment to draft profit is an alternative approach to the preparation of a full statement of profit or loss, but one which still tests key principles of profit measurement.



Take note

Note that this table is based on the examiner's reports for June 2016, March 2016, December 2015 and September 2015 – if you are sitting exams from December 2016 you may find some different references.

F7 Financial Reporting – a guide to using the examiner's reports

Reference	Theme	Context	How to avoid the pitfalls
J16 General comments	Lack of explanation of ratios	However, as in past papers, the interpretation question was not as well answered with many candidates stating the obvious (e.g. this year's ratio is higher than the previous year's) without offering any real interpretation or analysis and largely ignoring the effect of a very important discontinued operation.	F7 requires you to be able to explain calculations as well as prepare them. You must always think about what the calculations you prepare mean for the business concerned – so for every calculation, ask yourself, what does this mean for the business?
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Reference	Theme	Context	How to avoid the pitfalls
J16 Section B Q1	Own figure rule	It is important that candidates realise that errors in previous calculations are not penalised in subsequent calculations. This principle is referred to as method marking or applying the 'own-figure' rule.	ACCA follows the own figure rule which means you will not be penalised for an error that impacts on a later calculation where you need to use the figure you have calculated earlier. However, the markers must be able to follow your workings so ensure that everything is clearly referenced and easy to follow.
M16 Section B Q1		Provided clear workings were shown, markers awarded the allocated marks in part (b) for following through candidate's figures from part (a) under the "own figure rule" used during marking.	Maybe ask a tutor or another student to see whether they can follow your workings when you practise a question.
S15 Section B Q1		The error with share capital meant that the dividend was calculated on the wrong number of shares, but candidates gained marks under the own figure rule for deducting dividends from retained earnings (those candidates who deducted dividends from other elements of equity did not obtain those marks).	
J16 Section B Q1	Answering the requirement	However, a word of caution – a number of candidates produced a full consolidated statement of financial position which was not asked for and so merely wasted time.	Make sure you read the requirement very carefully to avoid wasting time answering the wrong question. Before you start on your answer take a minute to plan what you need to include and ensure you read the requirement through twice.
M16 Section B Q1		A number of candidates prepared a full statement of changes in equity as part of their answer, although this was not required by the question (and so wasted time).	Review past exam questions included within the approved content provider question banks to familiarise yourself with how certain aspects of the syllabus are examined. Although be aware, you still must read through the requirements very carefully to ensure you are not answering a question that you think you have been asked!
S15 Section B Q1		However, many candidates wasted valuable time by preparing lengthy journal entries to support the adjustments in the question. These were not necessary to answer the question and candidates should refer to similar F7 single company financial statement preparation questions in recent past papers. A number of candidates also prepared either the statement of financial position or supporting workings (such as non-current asset carrying amounts) which was also not necessary and earned them no marks.	Whilst it is appreciated that many candidates might use journal entries as part of their workings, be aware that writing out extensive lists of journal entries will waste time during an exam. Also, marks are not allocated to journal entries unless they are specifically required.

F7 Financial Reporting – a guide to using the examiner's reports

Reference	Theme	Context	How to avoid the pitfalls
D15 Section B Q3	Lack of knowledge – cashflow statements	It was pleasing to note that the answers for this paper were much improved, most candidates at least attempted it, but there were still several errors. The main problems were that most candidates could not work out the cash repayment of the finance lease which was the cash payments during the year less the amount attributable to (and reported as) finance costs. The redemption of the loan notes was either omitted or shown at the full amount (rather than the just the cash element).	<p>This is a key area of the syllabus which students often struggle with. Make sure you are clear on this topic, practise questions to consolidate your knowledge and read the technical article, Cashflow statements to ensure you are fully prepared for your exam.</p> <p>In addition watch the study support video, Cash flows and interpretations for further guidance.</p>
S15 General comments	Question spotting	Section A questions will continue to provide a broad coverage of the syllabus and therefore candidates should aim to revise all areas of the F7 syllabus, rather than attempt to “spot questions”.	<p>ACCA exams aim to test breadth as well as depth and so you should make sure you cover all areas of the syllabus. Practising the objective test questions will help to ensure that you have that breadth of knowledge.</p> <p>Review all of the technical articles and study support videos related to F7 as these cover the areas that students have found challenging in the past.</p> <p>Review the exam technique article Multiple-choice questions for further hints and tips around answering the section A questions.</p>
S15 Conclusion	Appropriate level of workings	An appropriate level of workings supports good answers and allows markers to understand how answers have been arrived at – excessively lengthy and absent workings do not allow that to happen.	When practising questions review the model answers carefully to understand how many workings are required and compare with your own to ensure you are on the right track.

F7 Financial Reporting – a guide to using the examiner's reports

Step 3 – Question practice

The key to passing F7 is question practice. Make sure you refer to the self-study guide for hints and tips but keep in mind what the examiner's reports have said. You want to try to avoid the pitfalls so use the advice given in the table at step 2 when practising your questions.

Revision phase – Question practice

- Exam-standard question practice is vital now
- Work through as many questions as possible and all mock exams included in the [Approved Content Provider](#) question and answer banks – remember these are best for question practice as they include past exam questions updated for syllabus and format changes
- Work through the [specimen exam](#) – this will provide you with a clear picture of what the exam will look like making sure you know what to expect on the day



Tips for success

- ✓ Consider blocking time in your study plan for specific questions or mock exams to ensure you cover everything.
- ✓ Don't be afraid to attempt questions you have already done – especially the ones you found tricky first time round.
- ✓ It is really important that you do some questions in full, to exam time – time management is often an issue and the more you prepare yourself the better you will perform in the exam.
- ✓ To keep motivation high, break some questions into individual parts, write plans or notes for some parts and do others in full.
- ✓ Work through the answers carefully – pay attention to areas you got wrong and understand where you went wrong – it is better to do a few questions well, than lots of questions badly.
- ✓ Try not to look at the answers before really attempting the question – you won't be able to do this in the real exam!
- ✓ Don't forget to review the marking guide too – you need to understand how marks are allocated to ensure you know how to maximise your marks.