

CR – Questions and answers PiL 2024 2 February 2024

1. 40 mark question – evolve and set up to date questions, as they contain data analytics – students don't have the time as they need to look at elephant ltd and review the advanced information? – mock questions/exam prep.

Advice given that students could be taught an approach to using the AI – the reading for the conference contains version of the AI for N23 (HSS) annotated by the examiners which shows the points the students should consider and the work they should do in advance.

2. 2023 exam 2 x sets AI on the raw data set – will the plan be use to the same data set for future exams? Underlying data set felt very familiar.

It may be based on the same info engagement but the examiners have the ability to change the patterns in the data and an entirely different scenario and focus will be tested.

3. When a student takes information from info, the difference between AA and CR – the transaction number only being applicable?

At CR we expect the candidate to record the audit evidence as if they were completing an audit engagement – the transaction number is not likely to be sufficient to record audit evidence - we expect candidates to explain the double entry to recognise the significance of this and its impact on the financial statements or audit risk depending on the scenario and the question asked.

4. Noticed in the last 2 sittings there have been a number of students fail 7 – and 6 out of the 7 are exempt from AA.

This was a comment from one particular tutor – we sympathised with his experience and noted that candidates that lack basic brought forward knowledge of double entry and professional level FR and AA topics do tend to be marginal and failing candidates.

5. IRR – acceptable to show the formula?

Yes – it is helpful.

6. Do students need to know both sustainability points (financial statement analysis and professional practice)?

Examiners confirmed that for 2024, candidates would not be asked the detail disclosure requirements for particular industries in relation to sustainability. Changes to the syllabus were highlighted in the slides in particular where these changes related to sustainability and slides identified some of the key examinable areas:

- Financial reporting – e.g. impairment, provisions, inventory, asset values, goodwill valuations, impact on liabilities, deferred tax.
- Discount rate used for liabilities
- Narrative disclosures
- Auditing other financial information - assurance reports
- Audit risk assessment
- Corporate responsibility

- Audit report

We reminded tutors that sustainability is not a new topic – we have already set scenarios in the exams which relate to a sustainability risk or opportunity. For example Your Nature (N19) and Fair Footwear Ltd (N22).