



Tutor Conference 2024

FINANCIAL ACCOUNTING AND REPORTING

Key takeaways

- Flexibility introduced into syllabus weightings for 2024 and further proposed changes for 2025.

Syllabus area	Weighting %		
	2023	2024	2025 proposed
1. Accounting and reporting concepts and ethics	10	10 – 15	10 – 15
2. Single company financial statements	60	60 – 65	60 – 70
3. Consolidated financial statements	30	25 – 30	20 – 25
TOTAL	100	100	100

- Proformas were introduced in 2023, students have generally utilised these which has improved presentation. However, please tailor proformas for the question information – deleting extra lines, adding lines if appropriate and add the year end in the title.
 - Presentation marks are still available but these are for perfection, which includes completing the date. This is the difference between passing and failing for marginal students.
- 2024 – ISSB’s Sustainability Standards – IFRS S1 & S2 – introduced into Learning Outcome 1(f) Discuss the impact of sustainability and climate-related risks and opportunities on the preparation of the financial statements.
 - Glossary added to provide consistency and concepts across the ACA exams.
 - Focus on an organisation’s sustainability-related dependencies and impacts alongside its sustainability-related opportunities and risks – both physical and transitional.

- Common errors:
 - Question 1 – not adapting proformas, not showing totals in workings for audit trail to the face of the main statements, showing negative assets, deducting expenses in the cost matrix and failing to copy all workings from the spreadsheet area.
 - Question 2 – not writing enough narrative, writing in one long paragraph, rather than spacing answers out which makes it easier to mark and not relating answers to the scenario instead providing a knowledge dump.
 - Question 3 – no workings, incorrect signs used in workings, not carrying figures from workings to the face of the statement of cash flows and putting items in the wrong section of the statement of cash flows.
 - Question 4 – not adapting proformas, not showing workings (ie W2 x 20% gains no marks), using all standard working regardless of whether they are required in the question and not completing the double entry.
- Students are particularly weak at UK GAAP differences and distributable profits.
- Allocate time at the end of the exam to double check that all workings have successfully been copied from the worksheet area to the word processing area. Markers cannot see what is in the worksheet area.
- If a student experiences difficulties copying information from the worksheet area to the word processing area notify this issue during the live exam.

Questions and Answers

Question	Answer
<p>In the last conference it was stated that students didn't have to put working labels providing titles were clearly marked, is that still correct?</p>	<p>This was in relation to labelling workings for example – W1, W2 etc. Candidates do not need to label in this way provided that workings are identifiable clearly they will be marked.</p>
<p>Should we be presenting as if they were being reported – I don't encourage simple workings</p>	<p>If the requirement asks for the preparation of financial statements for publication candidates should present the financial statements as clean as possible. However, a simple working, for example of retained earnings, is fine to show on the face. This is simpler for candidates to present quickly and does not detract from the presentation.</p>
<p>If it's the wrong figure – do you still get half marks for workings out.</p>	<p>If there is a ½ mark available for presenting a particular figure correctly on the face of the statement then a candidate will gain that ½ mark provided it is clear where it has come from in their workings (shown in the word processing area). This is regardless of whether this is the correct figure or not.</p>
<p>I encourage students not to write up journals due to limited time, is that still ok?</p>	<p>Yes, if we require double entry it will be clearly stated in the requirements. There are no additional marks for writing out double entry if we have not explicitly asked for them.</p>
<p>If they were marginal would you still award the marks – are these marked differently?</p>	<p>All candidate scripts are marked in the same way including marginal scripts. However any marginal fail or marginal pass candidate has their script marked a second time.</p>
<p>Used to be a question called Payne – but this has been taken out. Could this be put back in as it was a good question to test cash flows?</p>	<p>We can look back at this question. Subsequently, BPP stated that this was a very old question 2019 and did not seem to have any special features compared with other questions. But we will relook at it.</p>

Do we pick up on every incorrect answer?	Sample marking happens in the first few days. If we see the same incorrect figure again and again, we write it onto the marks plan – recognised figure and we walk this through at marking meetings and potentially offer partial marks.
Is there any plan for the proformas to include the headings in the statement of cash flows?	In the statement of cash flows we are testing whether candidates know where to report particular cash flows, for example in “investing activities” or “financing activities”. Therefore, there is no current plan to provide more detail in the pro-forma. However, the statement of cash flows question is more generous in the presentation mark allocation to reflect this.
Cash flows/Proformas – using online open book, this is tricky to use	All we can do is encourage the students to practice using the software and navigating around the open book.
FAR has no clickable contents page but this is available for Tax	ICAEW followed this up at the conference and the answer was provided based on their investigation. This is because the ICAEW has no publishing rights over the material published by the IASB and therefore the material has to be presented as per the book.
Do the practise exams look identical to the real life exams	Yes indeed.
Bringing data into the exams – have you thought about bringing prepopulated spread sheets into FAR?	Yes it has been thought about. Material is established for 2024 so this will not be introduced for 2024. However, it will be looked at going forward and perhaps is something for when the new ACA has been finalised. We would like to use the technology more, to mirror the workplace more.
If adjustments do not specify which account it should go in, if students select the wrong account, will they be awarded full or partial marks?	Yes they would. If we do not specify which heading an adjustment should be reflected in then a candidate will gain the marks providing it is in expenses, for example, rather than income.
With Absolute marks, will you give a mark if they put other figures with it.	This will depend a bit on the figure itself. It is best to encourage candidates not to group figures together if they would normally be in a different sub-heading. If the adjustment is very clearly wrong then it may not be awarded – for example showing as a negative asset