

Advance Level SBM PiL Tutor Conference 2024 Summary briefing notes

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Agenda

1. **Overview of SBM** - technical and skills progression from professional level and review of key topics in the SBM syllabus.
2. **Syllabus changes** - a summary of syllabus changes relating to the further integration of sustainability and technology in the qualification.
3. **Data analysis** - a brief recap of data analysis, including the use of pre-populated spreadsheets in the SBM examination.
4. **Advice for candidates** - key areas where candidates showed weaknesses in recent SBM exams.
5. **Candidate performance in SBM in 2023** - Examination of pass rates, qualitative feedback highlighting areas of strength and the areas where there is a need for improvement.
6. **November N23 SBM exam** – review of the questions and candidate weaknesses in the N23 SBM exam.

Syllabus and Learning Materials Updates

Exam Format and Contents: No changes to the exam for 2024 - remains 3.5 hours and 2 questions

Syllabus changes highlighted: Amendments to the learning outcomes for 2024 were highlighted, which had a particular focus on sustainability and technology.

Data Analysis: most candidates are performing quite well on data analysis. Emphasis on data bias and professional scepticism with data were noted. Links between data and ethics also noted.

Examples of visualisations were given which may appear in questions, but it was noted that candidates cannot reproduce their own visualisations in the exam.

Spreadsheet functions were discussed, noting the SORT is being added for 2024. Guidance was given on which spreadsheet functions may be tested quantitatively.

It was indicated that, in future, the number of rows of data in prepopulated spreadsheets will increase (perhaps up to 72 rows) over the next few years.

Examples of good and poor techniques in analysing pre-populated data were given.

Advice for candidates – examples were given of poor practices that are being used by candidates.

2023 Candidate Performance

- **Pass Rate Analysis:** A slight fall in pass rates in 2023 from 2022 was noted, but still a good performance overall.

- **Average marks** – it was noted that average marks were fairly consistent across questions.

Review of November 2023 sitting

Question 1 - Plaze

Plaze plc is a listed company that makes glass bottles. The company has two autonomous operating divisions, based in London and Berlin. Expansion in the US is to take place. A pre-populated spreadsheet was included.

There was a discussion about how students should approach the prepopulated spreadsheet.

Candidates performed reasonably well on this question – although weaker candidates sometimes struggled with the calculations. This included:

- Omissions in data analysis
- Weaknesses of financial reporting treatment of financial asset at FVTOCI on disposal
- Weaknesses of financial reporting treatment of sale and leaseback
- Unbalanced ethical discussion

It was noted that the question followed the normal SBM style of a business and/or finance issue(s) where there are problems to solve in an industry context. Financial reporting issues arise from the business and financing issues.

Question 2 – Orzil

Orzil is a private equity firm which has identified a target acquisition, H4H, which operates a chain of hairdressing salons.

H4H has prepared two pieces of analysis: H4H’s website data; a customer survey.

H4H has a pension deficit which will impact the acquisition price.

Candidates performed reasonably well on this question – although weaker candidates sometimes struggled with the calculations. Weaknesses included:

- Quantitative analysis of the website data and customer survey were often thin or poor
- Lack of understanding of the pension deficit and related due diligence
- Weaknesses of financial reporting treatment of the sale and closure of shops
- Risks relating to the pension fund deficit were often narrowly defined in audit or financial reporting terms

Tutor questions and answers

Question	Answer
Short history of pre-populated spreadsheet questions, students keen for more – should questions on website prepare students sufficiently for exams?	More exam standard questions are being made available as more real exams are released. Practice questions are available on the ICAEW website in addition to the QB.
Do/will QB questions have s/s? Struggled when timing practice exams as they spent time inputting data into s/s.	This is being raised with ICAEW to see if spreadsheets can be made available (Excel or SpreadQS) with pre-populated data for candidates to practice

<p>Students feel frustrated that examiners can not see spreadsheet/frustration having to add answers into word processing area. Is there any investigation into markers being able to see spreadsheets?</p>	<p>Candidates can copy the functions where they believe if it is important. Candidates can copy spreadsheets, but marks are awarded for the table of summary data asked for in the requirement. Marks are awarded in small pools so one error in preparing a function should not lead to the loss of a large number of marks. Marks may also be awarded for structure and method.</p>
<p>Can mocks cover all 4 past (2023) exams? Rather than just the two.</p>	<p>The 2023 real exams are being spread between the QB and the mocks, so candidates have access to them across the range of the preparation period.</p>
<p>Students find it hard to cope with density of information within questions – do some students find it harder to process the info with SBM? Is there a breakdown of pass/fails that may show this? Potentially limit info in exhibits?</p>	<p>It is difficult to access which students may have struggled with the information. However, there is no widespread evidence to indicate shortage of time for most students. Exhibits attempt reflect a summarised version of information that would be available in the real world, but every effort is made to limit the detail to what is necessary.</p>
<p>How have pre pop s/s's evolved? Do you see the pre-pop spreadsheets to be the granular data?</p>	<p>Prepopulated spreadsheet were introduced to replicate workplace tasks and skills in analysing data. They have evolved since then with the introduction of more spreadsheet functions as tools to analyse data in a better or more efficient manner. Only the SORT function has been newly introduced for 2024.</p> <p>The data in the prepopulated spreadsheet is limited, but the data is more granular than was possible before introducing the pre-populated spreadsheets. More rows of data will be included in future exams.</p>
<p>When they don't have a specific mark per requirement – is there wording included in the question so they know what part of the question to focus on?</p>	<p>The relative emphasis on each requirement is a question of judgement and is part of the skills being tested.</p> <p>Indicators of lower emphasis might include “briefly”</p>