Examiners' Approach



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Financial Reporting (FR) Aim

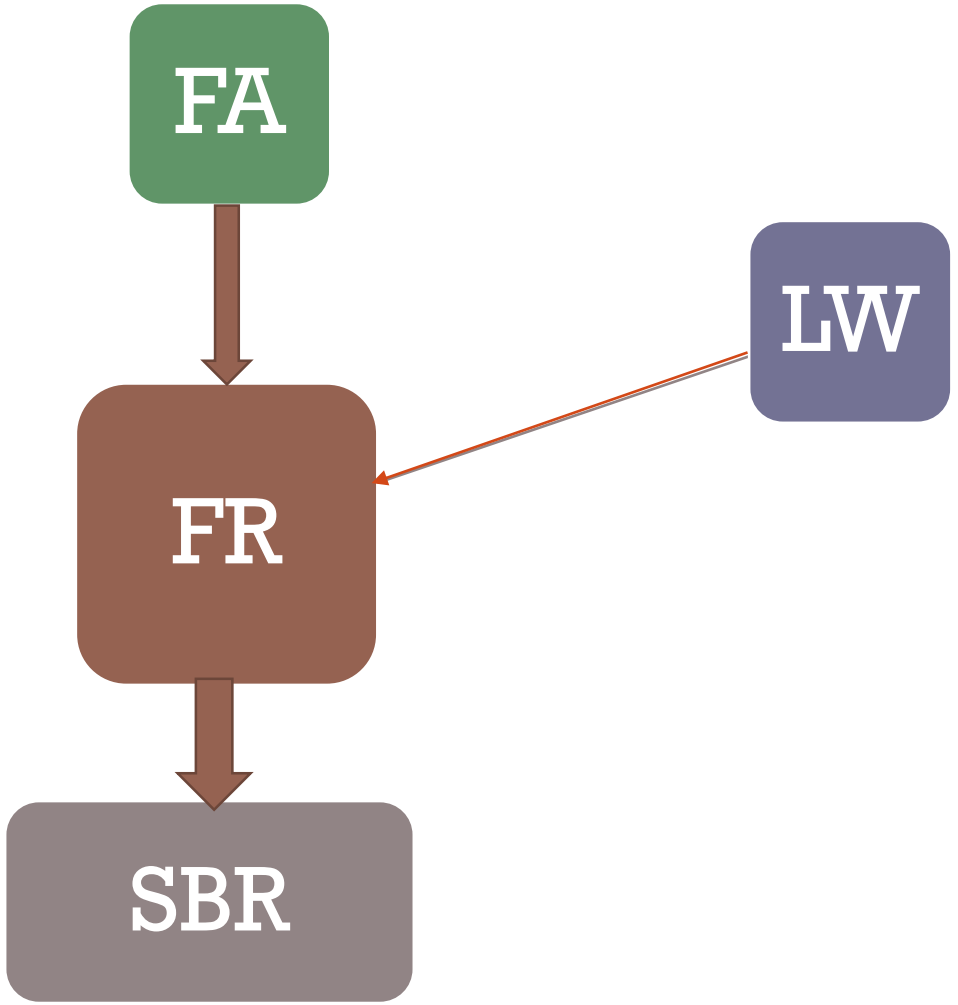
The *Financial Reporting* (FR) exam aims to develop knowledge and skills in the understanding and application of:

- accounting standards
- the conceptual and regulatory frameworks of accounting for the preparation of financial statements of single and group entities
- The analysis and interpretation of financial statements will also be tested.

On successful completion of the FR exam, candidates should be able to:

- discuss and apply conceptual and regulatory frameworks for financial reporting
- account for transactions in accordance with IFRS® Standards
- analyse and interpret financial statements
- prepare and present financial statements for single entities and business combinations in accordance with IFRS Standards
- demonstrate employability and technology skills

STRUCTURE



FA, FR and SBR relationship

- Candidates may observe that some accounting standards appear in all three financial accounting exams – FA, FR and SBR
- This illustrates the relationship between the exams and reflects the continuity and progression of the syllabus.
- Where a topic appears in both FA and FR, any examination of that topic in FR will be at a more advanced level, requiring greater understanding and appropriately higher-level skills

Format and structure of the computer-based exam (CBE)

- FR is assessed by a three-hour (3) CBE which is comprised of three sections: A, B and C
- **All** questions are **compulsory**. Some questions will adopt a scenario/case study approach.
- Section A of the exam comprises 15 objective test (OT) questions of two marks each, representing 30% of the exam.
- There are no partial marks for OT questions.
- OT questions are not always the same as traditional multiple-choice questions (MCQs), although they could take the form of an MCQ
- Candidates should ensure that they are familiar with the different styles of OT that may be used
- Utilize specimen exams available on ACCA website

Section B And C

➢Section B

- Section B of the exam comprises three 10-mark cases
- Each case has five OT questions of two marks, representing 30% of the exam
- As with Section A, the OT questions could be presented in a variety of different styles.

➢Section C

- Section C of the exam comprises two 20-mark constructed response questions which represents 40% of the exam.
- These questions are expert marked – all workings and calculations produced in the response options can be viewed by the marker.

Questions Composition – Section A

- The 15 two-mark questions in this section can potentially test any area of the syllabus
- They may be narrative or computational and can test both knowledge and application.
- The exact composition of the questions will depend on the other topics tested in the exam such that an overall balanced exam is achieved.

Questions Composition – Section B

- The three case questions in this section will each be based on a unique scenario and could also be set on any area of the syllabus
- All five questions in each case might be related to a single topic area or a few syllabus topics might be contained in each scenario
- However, the five questions are independent of each other so getting a question wrong will not affect the other responses within that case.
- These case questions allow syllabus topics to be examined in more depth than in Section A.

Questions Composition – Section C

- The constructed response questions in this section could also be set on any area of the syllabus.
- One 20-mark question will require the preparation of the financial statements of a single entity or a group,
- whereas the other will require the interpretation of the financial statements of a single entity or a group.
- Section C questions on the preparation of consolidated financial statements will be largely computational but there may also be a short narrative element.
- Complete financial statements may be required or just extracts.
- Aspects of group accounting can also be examined in Sections A and B.

This content was build with reference to the FR – Examiner Approach. (click on the link below to access the article.

https://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f7/technical-articles/fr-approach.html