

# It's your final sprint to ACCA exam success

## ACCA P4 Advanced Financial Management

### Here are our ACCA Paper P4 December 2011 exam tips but warning - important disclaimer!

We want to help you make your final study time as efficient as possible, so these tips are intended to give you guidance on which areas you should probably make sure are particularly well covered. That doesn't mean that we think that they're definitely going to come up this sitting. Rather we think that if we were the examiners for these papers, these are the subjects that we would have given particularly serious consideration to including in the December 2011 exams.

You should make sure that you spend your time in the final run up to the exam making sure that you've obtained a reasonable command of everything.



### Free P4 ExPress notes

Our free ExPress notes cover the key areas of the P4 syllabus and are a perfect last minute revision aid. Download them for free.

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### Paper P4 December 2011 Exam Tips:

The paper is very time-pressured. This means that to do well one needs to exercise good time management and to start every question in order to score marks quickly (remember, the law of diminishing returns applies to the accumulation of marks).

Also make sure to answer the discursive parts of questions with full substantive answers which correspond to the questions. Read the questions carefully.

The areas covered range right across the syllabus. Do not try to anticipate what will or will not be covered. Be prepared to tackle any topic.

Be sure to cover qualitative topics, such as corporate governance models and an understanding of the CFO's role in the corporation. Don't forget environmental and ethics themes as well. Discursive answers earn marks as well!

Clear presentation wins marks: Be organised in your answer. Remember that Professional-level papers award "professional marks" which are given based on the presentational aspects of an answer (such as a report, letter or memo). Attention to such aspects can yield valuable additional marks.

As a checklist of topics, make sure you are comfortable working with the areas on the next page:

*(continued on the next page)*

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*(P4 December 2011 exam tips – continued)*

- International investment appraisal decisions: This means not only NPV and IRR (and MIRR) calculations, but also determining projected foreign exchange rates and making managerial decisions regarding investments based on strategic, ethical and non-financial factors);
- Capital structure: The relationship between risk and return, and expressing this via equity/asset betas, using CAPM, calculating WACC and understanding the treatment of business/financial risks – in other words, Paper F9 is assumed knowledge!;
- Valuations: This means not only DCF calculations, but also understanding the strategic/qualitative arguments behind making a bid for another company in an M&A-type situation, including financing considerations;
- Understanding Black-Scholes remains relevant, particularly in the context of using real options when analyzing projects;
- Reconstruction/Reorganisation schemes: Make sure you adhere to a standard approach in tackling such questions. It is too late to think about general approach to such questions when you are already in the exam;
- Economic Value Added: Check the ACCA website for the technical article treating this subject to an exam standard;
- Financial hedging: Derivatives are almost certain to appear in some form, possibly as part of a larger question touching on different topics of the syllabus; make sure you have the “ground-rules” worked out in what hedging strategy to adopt if a company is long/short a currency or a borrower/depositor in the interest rate market.
- Also, the current crisis in finance continues to provide many possibilities for new questions. Be sure to checkout the ACCA technical articles written for P4 during the last year.

