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CAP 2

2014 Programme Report

Date: 2 July 2014

Introduction

This report has been compiled by CASSI by combining submissions from 260 students from all regions, representing the views of students operating both under a training contract (87% of respondents) and the Elevation programme (13% of respondents), following the 2014 CAP2 Examinations (Summer), held from 24 to 27 June 2014.

The report outlines students' comprehensive feedback to all aspects of the CAP2 programme; from the lectures and tutorials provided to the quality and availability of support materials, the facilities and venues employed; the continuous assessments and exam papers themselves.

Course Delivery

The feedback received from students in relation to course delivery was mixed. Overall, there were many positive responses however there were a number of issues which arose in a number of responses to the survey.

In relation to the delivery of lectures, many students felt that the lectures could be timed better. Students feel that having full weekend lectures after a full working week is too intense and resulted in students who are working long hours having no break from week to week. A number of students also felt that the timing of subjects could be improved upon. It was felt that there were a number of lectures held very late in the year.

A few students noted that the number of Management v Finance lectures for SFMA was a mismatch. It was felt that the delivery of SFMA CAP2 course should include more Management Accounting lectures giving the topics a fair level of attention.

The majority of students felt that the lectures should be more exam focused. In particular, it was felt that Audit and SFMA Finance lectures focused more on reading the lecture notes with little application to exam scenarios. It was suggested by a number of students that more use be made of workshop type lectures such as those used for Financial Reporting.

A small number of students raised concerns about certain lectures however students noted that CAI responded and changed some of these lectures. These students found the improvements were beneficial and appreciate the assistance of CAI in resolving this matter.

A large number of students also felt that the revision lectures held were very beneficial. However, some felt that it would be more beneficial to hold these at an earlier stage. CASSI notes that there may be issues with ensuring students are all on study leave when these lectures are held.

Finally, the streaming of lectures was commented on by a minority of students. It is felt that the lectures should be made available sooner to facilitate the viewing of this lecture before attending the next one. CASSI understands that CAI have already commenced a new process of online lecture availability which should resolve this issue.

Availability and Quality of Support Materials

Most students agreed that the text books were beneficial to the study process and that the availability of past papers assisted with their exam preparation.

There were a number of common issues raised by students. In particular, the vast majority of students felt that there should be more sample papers provided for the new Financial Reporting layout.

A number of students noted that there were mistakes in the Financial Reporting revision pack however to date CASSI have not been notified of examples of these errors.

A few respondents raised the issue that all online lectures were unavailable to them the weekend before the exam, this was fixed the Monday before exams. Students found this very stressful and would appreciate if procedures were put in place so as to prevent this from happening again. CASSI appreciates that CAI is going through a major IT upgrade but feel particular care should be taken to ensure materials are available to students when exams are approaching.

Exam Venue Feedback

The responses for the exam venue were generally positive. Many students noted that they were pleased with the parking facilities and the large table size. In particular, there was very positive feedback with the introduction of the Sligo exam centre.

Continuous Assessment- Financial Reporting

A significant number of students noted there was considerable time pressure in this exam, given the level of work required in this paper.

Furthermore, an assessment in January is a difficult time, particularly for those working in audit, given the busy season and those working in personal tax in Northern Ireland given the January deadline.

However, a number of students specifically noted they felt that it is beneficial to have an assessment of this type for Financial Reporting.

Continuous Assessment – Strategic Finance and Management Accounting

The majority of respondents found the SFMA continuous assessment to be a fair paper and that a good mark was achievable once a student was well prepared – although many noted considerable time pressures. Receiving the case study well in advance was noted as being really beneficial.

A number of respondents felt this shouldn't be held on the same day as the Financial Reporting CA and that a January sitting isn't ideal given that it is busy season for a number of students working in Audit departments and also for students in Northern Ireland who have a personal tax deadline at the end of January.

Continuous Assessment – Auditing and Assurance

Overall students deemed this paper to be fair, however a few comments indicated that there is little detailed guidance given on how to approach exam questions for audit, more the general points that are required.

Audit and Assurance

The general consensus amongst students was that the paper was difficult but fair.

One of the main concerns raised by the majority of students was the time constraints to complete the exam. Students were also satisfied with the level of difficulty of the exam in comparison to prior year's examinations.

Many students did take issue with the distinct emphasis on auditing procedures of tax balances examined in Question 1 b). Students further commented that they felt the lack of coverage of this topic in the course made it difficult for students to perform well in this question. A number of students also raised the issue that they believed that audit treatment of the 'Fridges' in Question 1 b)ii) also posed some difficulty as it was not given enough time during the course.

Many students felt that there was a significant amount of information to take in and make reference to in Question 1 and performing well in this question was limited by the allotted time that provided for this question.

Students found the exam very time pressurised and noted that on some questions the time required to complete the question did not seem to correlate with the marks attached to it. A number of students felt that Question 4 was difficult to judge what level of information was required to give sufficient answers and believed that it was quite theory based, allowing for a lot generic responses which is historically criticised by the examiner and a difficult area to pick up marks in the exam.

A number of students found the wording of some of the questions unclear. A number of students were unhappy with the number of marks available for journal entries in this exam. Students further noted that they were satisfied with the level of content in the paper, and they noted that, the level of difficulty the exam papers will be marked however will be a key deciding factor. CASSI acknowledges there has been an increased focus on journal entries across all levels over the last number of years.

Overall, the main issue that has come under scrutiny in this exam was the timing. Apart from that many students raised the difficulties with Question 1 outlined above and this has been reflected by 79% of students finding it the most difficult question on the exam. Question 4 was deemed to be the least difficult by the majority of students.

SFMA

Almost all of the respondents found this to be the most difficult exam of the 2014 summer sitting.

Overall, students were hugely disappointed with the paper and felt they could not adequately demonstrate their knowledge of the subject despite feeling well prepared for the exam. Candidates felt the paper bore no resemblance to any previous paper and that it was unfairly weighted towards the finance side of the subject.

Students acknowledged that timing constraints are always to be expected in professional exams but the majority felt that it was impossible to adequately answer the paper in the allocated time; noting that it appeared to be a test of speed in answering the questions rather than demonstrating knowledge and understanding of the subject area.

Many felt the questions were poorly worded and it was not clear exactly what was being asked, which added further to timing difficulties. The questions were viewed as being overly theory focussed and didn't reflect the year's course work. Many were disappointed that variances were not examined when they have been a popular exam topic for the past few years, and students felt that a disproportionate amount of lecture time was given to variances despite there being no guarantee that they would appear on the paper. CASSI would again remind students that prior examination topics are not an assurance of the topics or style of questioning for future exam papers.

Question 1

Question 1 was found to be the most difficult question, with almost all students finding that the marks for the question did not accurately reflect the time it took. Students felt the topics examined in the first part of this compulsory question – transfer pricing, interest rate risk and foreign exchange hedging – were designed to “catch out” the student as they normally appear as an optional question. CASSI acknowledges, however, that all material in the competency statement is eligible for examination in the compulsory question. Respondents felt that any one of these areas would have represented a complex question in themselves and the marks being awarded were not comparable to previous questions on each topic.

Students didn't feel transfer pricing was adequately covered in either the books or lectures to allow them comprehensively answer the question. Students also felt the narrative relating to the transfer pricing element of the question, in particular, was unclear and unnecessarily confusing. If 'transfer pricing' had not been specifically mentioned, it was felt that the question itself gave no obvious other indication that it related to that topic and its inclusion thus led to confusion about budgeted profit and loss.

Section B: Question 2, 3 and 4

Most students that attempted Question 2 were reasonably happy with it and found it to be the least difficult. Question 3 and Question 4 focused on similar topics and students felt it made the choice of 2 out of the 3 optional questions very difficult. The two section B questions were answered by the majority of students under serious time constraints as a result of the scale of material covered in Question 1, with many students disappointed to not have time to demonstrate their knowledge of the topics.

Financial Reporting

Respondents found this to be a fair paper overall. They felt well prepared, crediting their lecturer in this regard, although some noted that more lecture time could perhaps have been given towards disclosures. The consensus is that it was a well-rounded paper that truly tested the student's understanding of the subject as a whole.

Question 1

Students found the question challenging but fair, and deemed it to be relatively in line with past papers. Difficulty arose in that some students found the question slightly ambiguous and weren't exactly sure what was being asked. In relation to “employee benefits” – one student felt it wasn't clear if the service costs and other costs had already been included in cost of sales. While in respect of the cost of additions to the equipment and “repainting costs” another student felt it was unclear whether these related to improvements or were they incurred in bringing it to its current condition, and thus had to make a call on whether it was to be capitalised and expensed.

Question 2

Students found this question difficult to complete in the allocated time. The retranslation of both sets of statements was very time consuming relative to the marks to be achieved for this task. It was acknowledged that the absence of an NCI somewhat compensated for the lengthy translation but found it impossible to complete in the recommended time. As a result, students were left without enough time to adequately answer their third question.

Question 3

Many students found the wording of this question quite confusing and found it difficult to pinpoint exactly what the examiner was looking for, and for what marks would be awarded for – which was not ideal given the increased time restraints following Question 2.

Question 4

Overall this was deemed to be the least difficult question, with the majority of students finding it a fair question relative to the marks to be awarded. No major issues were noted, although timing again posed a challenge as detailed explanations and calculations were required.

Tax

Republic of Ireland

Overall students felt that the Taxation Paper was very challenging. A number of students felt the paper was more difficult than prior years. These students also felt there were more theory based questions this year and that the paper was uncharacteristic when compared with prior years' papers. CASSI has briefly reviewed the paper along with the prior year paper and feel that the examination style is congruent to previous years.

Timing seemed to be a big issue for a number of students who made specific reference to the work required in Question 5 and the general technical nature of a number of the questions that they believed required more time to answer competently.

A significant number of students took issue with the distinct emphasis on the very specific issue of R & D expenditure included in Question 1 a) and b). Students were dissatisfied with this element of the exam noting that it held a significant weighting in the exam given it was quite a small part of the competency statement, was covered in the only online lecture and a small section of the textbook, students felt it was less important. Some students also made specific reference to the absence of losses treatment for the CT computation in Question 1 as they felt it was given significant weighting in the competency statement. CASSI would remind students that all topics listed on the competency statement can be examined at the level specified and in line with the syllabus detail but that not all topics will be examined each year even if there is a great emphasis on these topics on the competency statement.

The extent of theory included in Question 2 of the exam brought a lot of commentary. Particular issues were raised by students in relation to the very specific issues being asked. Students were not happy with the level of knowledge of theory required in the compulsory sections of the exam. CASSI would like to remind students that a good understanding of technical knowledge is vital to being successful at CAP2 as this forms the basis for FAE.

A number of students also noted that the facts in Question 5 were unclear and as a result too much time was spent on this question.

A number of students believed there was more scope for a high percentage of computational questions in the exam.

Northern Ireland

First and foremost, students noted the error in this paper to question 1 which had to be instructed via the invigilators. This was noted to be unacceptable and off-putting to students and a few felt that the corrected question still did not seem to make sense given the detail in the case study. CASSI note that CAI dealt with the error in a professional and timely manner

once it was realised however CASSI are mindful of the disruption to students during an already stressful time and request that the review process is reassessed.

The compulsory Question 1 was rated most difficult by students. A significant number of students felt that, given this paper is closed book, it was unfair to have the first corporation tax question so highly focused on research and development, particularly given the limited coverage of this topic in the book, class and other revision material. Moreover, one part of the question actually required ignoring the impact of research and development altogether, which students felt was confusing.

A number of students also pointed out the strong focus on theory in this paper, which they felt was not reflective of their revision which has focused on mastering tax computations. CASSI note that a good basis of theoretical knowledge is fundamental to mastering tax computations and having briefly reviewed the paper along with paper from prior years and note that theory is a continuing part of this exam. CASSI further note that the entire competency statement is examinable in the detail specified at and the level noted.

Republic of Ireland and Northern Ireland

Finally for both ROI and NI, 61% of students felt that Question 1 was the most difficult and this was also reflected with the extent of commentary in relation to this question. Q2 was judged to be the second most difficult question with 29% of students finding it the most difficult. Question 3 was felt to be the least difficult question.

Additional Comments

42%, of students felt that the CAP2 examinations were more difficult than expected. 38% of students felt that the exam were much more difficult than expected with less than 1% finding the exams easier than expected.

Consistent with feedback from previous years, students were strongly in favour of the introduction of a rest day.

It was suggested that there be consideration be made for a tax continuous assessment. The course covers a lot of material and it would get students working on the course before study leave.

Conclusion

In general, students' responses show a mixed reaction to the CAP2 programme. CASSI is grateful to the CAI for extending the invitation to provide this report. CASSI understand there is a thorough review of the way the CAP2 programme is delivered underway and are happy to assist with this process.

We trust the feedback provided will be beneficial and will be taken in the constructive and co-operative spirit intended. CASSI would like to thank the examinations team and CAI for communicating the availability of the feedback survey to students via the Student Services Notice board. This assistance is greatly appreciated by CASSI and the regional committees and, together with the continued support of student services, enables CASSI to contact students throughout the year and carry out its role effectively.

Should you require any further elaboration on any of these issues raised, please contact the CASSI Education Officer.