

Student Guidance Notes

Guide 3

Student guidance notes for students planning to sit the P2 Management Accounting – Decision Management examination of the 2005 syllabus

This guide outlines the issues relating to transition from the Management Accounting – Decision Making (IDEC) paper of the Beyond 2000 syllabus to the P2 Management Accounting – Decision Management paper of the 2005 syllabus.

The first section of this guide compares the two syllabuses, highlighting the differences between them.

The second part of this guide focuses on the issues for students who have studied the 'old' syllabus, but must sit the 'new' exam.

The third part of this guide contains a series of frequently asked questions relating to this paper, some of which were asked at the recent lecturer's conference.

If you have any further queries relating to this guide, please contact CIMA Student Services department on + 44 (0)208 849 2404, or email your query to cima.contact@cimadlobal.com

Syllabus Comparison

New syllabus	Old syllabus	Comparison and Comments
P2 – Management Accounting – Decision Management A. Financial Information for Short-term Decision Making 30%	9 – Management Accounting – Decision Making (IDEC) 9(i) Decision making - 40%	<p>A number of the topics previously contained in 9(i) have moved to paper 1 and section 3 of this paper. This section also now contains a few elements of the previous 8(iii).</p> <p>Students need to pay particular attention to those topics that have 'moved' from paper to paper. Detailed study of the syllabus is recommended.</p>
B. Financial Information for Long-term Decision Making 25%	9(iii) Investment appraisal - 30%	<p>Similar, but elements of 9(iii) relating to investment centres are now in paper 1.</p>
C. The Treatment of Uncertainty in Decision Making 15%		<p>Previously in 9(i).</p>
D. Cost Planning and Analysis for Competitive Advantage 30%	9(ii) Costing and accounting systems - 30%	<p>Now includes Pareto analysis from 9(i), and a range of 'modern' management approaches such as BPR, Kaizen, cost of quality, value chain analysis and activity based management.</p> <p>Detailed study of the syllabus is recommended.</p>

Transition Issues

Assessment

The format of this exam paper will be:

Section A - 20% compulsory objective test questions

Section B - 30% Compulsory medium answer questions (3 x 10 marks)

Section C - 50% Scenario questions (choice of 2 from 3)

This differs from the previous syllabus, and students should therefore practise a number of the new exam-style questions in preparation for this exam.

A number of Section A questions may be based on a common scenario. Section A may contain questions of the conventional 'multiple choice' format, but may also include other forms of objective test question. Generally, the multiple choice format is likely to account for not more than 60% of Section A questions. Other possibilities include:

- ◆ filling in a blank in a sentence.
- ◆ listing items in a rank order
- ◆ stating a definition (in not more than ___ words)
- ◆ identifying a key issue (e.g. advantage / disadvantage) (in not more than ___ words)
- ◆ calculating one specific figure e.g. profit for the period / absorption cost per product
- ◆ completing a blank or partially completed prescribed format using terms and/or numbers e.g. published account format / overhead cost sheet.
- ◆ identifying points on a graph or diagram e.g. break-even point, fixed costs, marginal revenue.
- ◆ identifying a specific term describing action / valuation seen in a scenario e.g. marginal or absorption costing, conditions for a recession.
- ◆ matching items together or with a description e.g. "are the following cash or non-cash items" – identifying depreciation as non-cash or stock as a current asset.
- ◆ Interpreting / analysing numerical or graphical data.

Additional learning outcomes

Although Management Accounting Decision Making (IDEC) and Management Accounting Performance Management (IMPM) in the previous syllabus covered much of the syllabus content of paper P2, this is a totally new syllabus with radically re-written learning outcomes. You are therefore advised to treat this as a completely new subject, and to study and revise accordingly.

FAQs

<p>Question 1: Will there be a pilot paper for the new exam, so I can see the differences between the new paper and the old one?</p>	<p>Answer: Yes. Pilot papers are available on the website at www.cimaglobal.com/professionalqualifications</p>
<p>Question 2: Where can I find the detailed syllabus for this paper?</p>	<p>Answer: www.cimaglobal.com/professionalqualifications</p>
<p>Question 3: I have passed (or been granted an exemption from) the old IDEC paper. What work should I do on this syllabus?</p>	<p>Answer: You should read the paper P2 syllabus carefully, and selectively study those areas of the syllabus with which you are unfamiliar. Failure to do this is likely to leave you ill-prepared for the Strategic Level and the TOPCIMA.</p>
<p>Question 4: I have taken, and failed, the old IDEC exam and must resit paper P2. How much work is likely to be involved?</p>	<p>Answer: Because the learning outcomes for this syllabus have been so significantly re-written, the safest approach would be to start again. You should find that you have some of the knowledge, but many of the learning outcomes require additional preparation.</p>
<p>Question 5: Will students who are working overseas, and working with their own accounting standards, require knowledge of UK standards?</p>	<p>Answer: No. The syllabus assumes knowledge of International Accounting Standards, not UK standards.</p>
<p>Question 6: Will students need knowledge of UK tax?</p>	<p>Answer: Where tax is required, the tax regime will be described in the question. An understanding of general tax principles, in the appropriate areas, is therefore desirable.</p>
<p>Question 7: On the pilot paper, some questions are in £s and others in \$s. Will you aim to standardise on one or the other?</p>	<p>Answer: No, quite the opposite. We aim to use a mix of (real) currencies.</p>
<p>Question 8: What knowledge is assumed prior to studying this syllabus?</p>	<p>Answer: The only prior learning for this paper is Certificate Level. It will not assume knowledge of paper P1.</p>
<p>Question 9: Will the structure of Section A of the exam always be the same as that of the Pilot Paper?</p>	<p>Answer: Section A will normally be 7 or 8 questions. There will be a range of objective test questions, and not just multiple choice. Short scenarios may be given, but there are unlikely to be more than two questions per scenario.</p>

<p>Question 10 What will be the emphasis in section B of the exam?</p>	<p>Answer: Section B questions will generally be from distinct areas of the syllabus. Students will need to understand, develop and explain, possibly with calculations, any scenario data.</p>