

This is the first article in a series of five written as resource for lecturers and candidates for Professional 2 exams. The series has as its goal the improvement of exam pass rates at the Professional 2 stage. Each of the articles in this series can be used individually but are most beneficial if used collectively. Candidates and lecturers are advised to review all the articles to obtain maximum benefit. While there is some overlap between the articles every attempt has been made to minimise this overlap while striving to achieve a consistency of terminology and key requirements throughout.

How to Approach Professional 2 Stage Exams - The 10 'Ps' Approach – By William Meaney

Introduction

All subjects at the Professional 2 Stage are assessed by 'open book' case-based exams. It is of utmost importance, therefore, for students to develop a deeper understanding of the rationale of examiners' in setting such exams and the skills necessary to perform well in the exam hall. 'Open-book' case-based exams are for many candidates an entirely new approach to assessment. Indeed, when first introduced by the Institute, they may have been new to some lecturers too.

The purpose of this article is to give some insight to you as a student at the Professional 2 Stage exam how to approach preparing for, and developing the necessary skills to meet the examiners' expectations. It is hoped by having such knowledge that all examination candidates will be able to maximise exam performance.

A number of themes, each of which will be looked at in some detail, are addressed in this article in order to help achieve this goal.

- 1. Understanding the methodology and rationale of the examiner when writing Professional 2 Stage exams.**
- 2. Understanding the purpose of a case study as a basis for assessment.**
- 3. Developing an approach to identifying the issues in Case Based exams – the 10'Ps'**
 - Perspective
 - Problem identification
 - Problem prioritisation
- 4. How to apply your knowledge, having identified the issues**
 - Problem solving by developing
 - Plans
 - Programmes
- 5. How to present your exam your suggested solution(s) to maximise your chance of success.**
 - Presentation
 - Professional format
- 6. The final 'Ps' – Crucial to exam success**
 - Preparation
 - Practise

Each of these areas will now be dealt with in turn.

1. Understanding the rationale of the examiner when writing Professional 2 Stage exams.

The examiners at Professional 2 Stage set papers over a range of technical and narrative papers in their respective specialisms. However, a common theme for all the Professional 2 Stage exams is that, in each exam paper, the examiners comprehensively test the candidates across a range of learning skills. Candidates taking Professional 2 Stage exams must be aware that the examiners will do all of the following in any diet of exams;

- i. Test widely within each subject as the examiners expect you as a candidate to demonstrate;
 - a. Breadth – that is knowledge of wide a range of topics within each subject syllabus thereby requiring you have to have wide knowledge of the subject matter
 - b. Depth (of knowledge in the subject matter) thereby requiring you to have sufficient technical knowledge in various aspects of the subject matter examined
- ii. Test widely across the whole range of subjects
- iii. Test **lower** and **higher** level learning skills – with the emphasis generally on higher level skills
- iv. Test **application** of learning rather than repetition of knowledge
- v. Test quantitative and qualitative skills
- vi. Test your ability to present answers in professional formats
- vii. All these skills are tested using case-based scenarios which provide examiners great scope and flexibility in testing your knowledge and application of learning.

Therefore, to be successful you must display knowledge of both lower level learning skills (tested by the examiner by using verbs such as identify, list, explain in the exam requirement) and higher level learning skills, (tested by the examiner by using verbs such as evaluate, advise, discuss, analyse, assess, critically evaluate etc. in the exam requirement). You must also demonstrate professionalism in your examination responses by drafting reports, writing memorandum, advising case-based '**clients**', providing quantitative and qualitative assessments tailored to the needs of the client and their prior technical knowledge.

2. Understanding of the purpose of a case-study as a basis for assessment

The purpose of a case-study as a basis for assessment is to test candidates' ability in a manner that is a test of their professional competence rather than a test of their textbook knowledge. To put it succinctly case studies are more a test of '*what you can do, why you do it, and how you do it*', rather than a test of '*what you know*'. The purpose of this change in approach is to assess your competence with considerable emphasis on the **application** of learning to practical problems. The expectation of you is that you will display application of learning, drawn from across all subject areas, in a manner that would be expected in a

professional accounting environment, where the answers are definitely not available in text books!

Case-studies, at Professional 2 Stage, typically present what has happened in an organisation chronicling the events that management have had to deal with, such as changes in the competitive environment, changes in audit practice, taxation or financial issues etc., and all requiring the your attention.

The examiner's requirement is that you as a candidate, under exam conditions, will select and **apply** appropriate tools and techniques to develop a practical workable solution to each problem. Each case is different because each organisation is different and indeed the subject matter the examiner is seeking to test is varied. However, the underlying thread in all cases is to test **competency** and **application** of learning. The application of appropriate techniques, tools and technical skills to solve the problem stated give the examiner the opportunity to assess if, having completed the exams, you are sufficiently well prepared for the work of a professional accountant. The broad principles are the same whether the subject matter being examined is Strategy and Leadership, Auditing, Taxation or any other Professional 2 Stage paper.

Case-studies and case analysis require a number of skills including analytical skills, exercise of judgement, application of learning, an element of creativity such as development of a new strategy for a business and finally communication skills such as writing reports, memos, financial statements and presentation of computations in appropriate formats.

In addition to being team leaders in a work environment, accountants have to be clear thinkers, capable of logical analysis, decision oriented, able to identify and effectively communicate appropriate future courses of action and outline the actions necessary for implementation. To be successful in Professional 2 Stage exams you must be able to demonstrate the same skills in the exam environment.

Unlike exams at earlier stages, which have a more knowledge based focus, and hence a "right" answer from the textbook, at the Professional 2 Stage the requirement is to develop practical and workable solutions in the context of a case scenario. Indeed, there may be more than one acceptable valid solution to the problems posed by the examiner.

3. Developing an approach to identification of the issues in case based exams – the 10'Ps' approach.

An approach to identifying the issues in case based exams is the **10'Ps'** approach. On reviewing a case consider the following '**Ps**' to improve your understanding of the case material; **Perspective, Problem Identification, Problem prioritisation, Problem solving** by developing **Plans and Programmes, Presentation** and **Professional format** and finally **Preparation** and **Practise**.

Case studies typically require the skills of **Evaluation** and **Analysis** in coming to grips with the scenario presented by the examiner. This will involve various analytical skills both quantitative and qualitative irrespective of the professional paper under consideration. The

only real variant is the technical knowledge requirement. The following '**Ps**' – **Perspective, Problem identification, Problem prioritisation** are concerned with the process of analysis.

- **Perspective.** This is concerned with your role in the case scenario. Who are you, what is your role in to the organisation (are you the accountant, strategy consultant, tax adviser etc.), what you are expected to do, for whom, to cover what issues, whether a quantitative and/or qualitative assessment is required and the time frame involved. These factors will give you an idea of the breadth of issues and the depth of analysis required. As a general rule the fewer the issues the greater the depth will be required in the answer.
- **Problem identification.** Is concerned with assessing the current situation with a view to getting a clear understanding of what you, the candidate, are required to do. The examiner states this clearly in the requirements of each part of each question on the exam paper. The key to starting a case is to identify what are the key problems as presented in the case. There will always be plenty of problems – otherwise the examiner has nothing to test. Note also the problems come in many formats including: qualitative, quantitative, ethical dilemmas, related to people and their management styles, the external environment, the audit environment, taxation, market challenges and the legal frameworks the with which the firm must comply.

Problems may be further classified by their nature and impact on the business. Having presented many case study seminars for professional exams a personal preference is to order problems by level and by function. That is, classify problems as to whether they are Strategic, Functional or Operational and within this in a grid format as problems relating to; General Management, Finance, Marketing, HR IT etc. Similarly, problems may be examined by discipline. For example, tax problems may require assessment of which taxes apply, for what time period etc.

This may mean developing your own system of assimilation of problems. The skill here is first to identify the problems regardless of type and bring some structure to the problems identified. It also calls for an appropriate methodology for dealing with a large volume of information, potential inconsistencies, ambiguities and possible 'red herrings' within the case material. A system of summarising data is essential under exam conditions.

- **Problem prioritisation-** The next key step is to recognise that not all problems carry equal weight. Some may be critical and must be addressed, others may be peripheral and yet others related to each other. For example a fall in revenue/profit may be due to a failed marketing strategy, an ineffective advertising campaign, a lack of coordination, a change in a reporting requirement etc. Whatever the problem, the task is to bring logical thinking and appropriate frameworks to bear to provide suitable solutions.

The key to success in case-based exams it to have a clear insight into what the actual problems are.

4. How to apply your knowledge having identified the issues. – A key ‘P’ - Problem solving

Problem solving is a key skill of a professional accountant. It is also a key requirement of exam success. To address all the stages in problems solving and its application to exam scenarios is beyond the scope of this article but is addressed in a separate article in this series entitled ***‘Solving and Dealing With Problems in Examinations, by Dr. Garvan Whelan and Simon Magennis’***

Once the problems are clearly identified and prioritised (which provides valuable insights as to the appropriate actions necessary to solve them) developing solutions is now a much easier task. Breaking multifaceted problems into smaller parts may also make the arrival at and implementation of solutions easier. This involves making a **Choice** as to how best to solve the problems. This involves development of the ‘Ps’ of **Problem solving** and development of **Plans** and **Programmes**

- **Problem solving** - Whelan and Magennis identify 4 stages in Problem solving

- (1) Identify the Problem
- (2) Define the Problem
- (3) Find and Implement a Solution
- (4) Review

Having knowledge of a comprehensive method to dealing with problems, using the above steps provides a very useful approach to developing solutions to maximise exam results.

- **Plans** – Developing plans on how to solve the problems identified and classified are a very important part of case analysis. It is at this point that you really start to **‘add value’** to the case material. The expectation is, having done appropriate analysis, that you now make an appropriate choice. That is a range of appropriate actions are considered to provide a solution to the problem(s). This may mean evaluating a range of alternatives, assessing the benefits and limitations of each approach, and ultimately recommending, or electing for, what appears the best solution. There is, almost always, more than one possible solution.

Having completed your analysis and made a choice of solution this section deals with solving the problems irrespective of the subject, be it, Strategy & Leadership, Auditing, Corporate Finance, Financial Reporting, Performance Management or Taxation. This involves the key skill of making strategic choices regarding future action.

Presentation of the plans developed may require the application of various tools and techniques, for example in the Strategy & Leadership paper might require the use of Ansoff’s Product/Market Growth matrix to map out possible

actions a firm should take to grow the business. In the Taxation paper it may require the calculation and presentation of options available and ultimately the selection of the best tax planning option given the clients, situation, age, legislation change etc. In the Audit paper the candidate may be required to make choices as to how internal controls could be improved. Each paper offers its own challenges and appropriate choice criteria.

- **Programmes** – Programmes identify appropriate actions to be taken to **implement** the choices made.

Having decided upon the option that in your view will solve the problem the next step is to explain what needs to be done to implement that solution. Programmes are concerned with addressing such issues as who should implement the solution, when should it be done, the actions necessary to get results. An important feature here is that you must use action oriented language i.e. the firm should, must, need to, have to etc. rather than using terms such as the firm should assess, consider, think about and other less than definite terminology. Remember it is your competence as a future accountant that is being assessed. A further skill here is to have some breadth and depth in the answer. **Breadth** refers to stating that potentially there may be more than one action to solve the problem. **Depth** refers to the skill of providing sufficient information on how the action decided upon or recommended will be implemented.

It is how the solution is developed that is important. Application of appropriate frameworks may well form the basis of your solution or indeed they may not – however the key word is **Application** – bringing your knowledge and skill using professional judgement to suggest actions that will improve the client/business situation.

Examiners will typically **assess** answers by asking the following questions.

- Is the solution, realistic, reasonable, and feasible?
- Is it practical in the context of the case material?
- Is it consistent with available aspirations and resources of the business?
- Is it consistent with the technical, legal requirements and ethical frameworks with which the business must comply?

If you achieve these outcomes you will be well on the way to exam success.

5. How to present your suggested solution(s) to maximise your chances of success.

If you successfully complete appropriate **Analysis**, **Choice**, and **Implementation** strategies for the case material there is still one further challenge. That is the '**Ps**' of appropriate **Presentation** of your results in **Professional format**.

- **Presentation and Professional format** –Your suggested solutions are what the examiner is going to judge you on (and decide your fate). Therefore, professionally presented solutions are an essential component of exam

success. Sadly this is where a lot of candidates, otherwise well prepared, fail to show their skills at great cost, personal, professional and financial. Professional exams should ideally be a one-time event. Regrettably for many candidates the absence of professional presentation skills is the factor that causes many of them to revisit the exam hall for a second, and for an unfortunate few, subsequent attempts. Typically, the requirement for papers at Professional 2 Stage is for you to write a report, briefing paper and/or memorandum, but ultimately to draft a document to management or another stakeholder with your solution. Whatever the specific requirement you must strive for professional presentation of management quality. At a minimum, this requires; presenting solutions in appropriate formats, producing legible, structured answers with, numbering, bulleting, indentation as required, using business language. Of course you must ensure that you include enough relevant points with sufficient breadth and depth.

The '**Ps**' of **Presentation** and **Professional format** is so important to exam success that the final article in this series is dedicated to the skill of Presentation. This will assist you to maximise your exam performance. The article is entitled '***The Presentation Skills Necessary to Achieve a First-Time Pass.***' It is strongly recommended that you read it and take on board its content as part of your exam preparation.

6. The final '**Ps**' – Crucial for exam success!

- **Preparation**
- **Practise**

The final '**Ps**' of **Preparation** and **Practise** should be self-evident as to why they are required. Sadly, the evidence from correcting examination scripts indicates that while students may have put in a lot of **Preparation** this is, for the most part, focused on learning the content of courses by attending lectures and self study. While a certain amount of **Practise** takes place through the completion of exam questions, both at home and as part of the lectures, the focus tends to be weighted towards acquiring the technical skills for the final exam. Being able to attempt complex consolidations and tax calculations, while valuable skills in themselves, do not always provide the best practise for exams. Furthermore, students sometimes do not see the relevance of doing past case studies on the basis that the issues in particular past papers are less likely to appear on future papers. Consequently, the opportunity is missed to practise the tools and techniques by applying them to case based scenarios. Even where students review past papers, there is considerable evidence from past exam scripts, particularly for narrative papers, that the first day some students attempt a full scale 3.5 hours exam is on the day of the exam. This is a strategy wholly inappropriate to achieving a first-time pass. To pass Professional 2 Stage exams requires solid preparation and practise of past papers before arriving at the exam hall. 'Open-book exams give students great comfort in that they do not have to memorise material before the exam. However, many candidates have found to their cost that if you have to reach for a textbook in the exam, other than for the briefest reference, the chance to secure a successful result may already have been squandered.

Conclusion.

Professional 2 Stage exams are very challenging and require considerable skill across a range of disciplines. The **10'Ps'** approach provides a broad methodology of the general skills required for case-based examination success.

The ability to be able to deliver these requirements takes a lot of practise long before you get to the exam hall. These skills also need to be honed as much as your technical knowledge to ensure exam success. The day of the exam is not the first day that you should strive to put all the **'Ps'** together. That is the day you avail of the opportunity to demonstrate to the examiner your technical competence, your ability to evaluate, analyse and make appropriate judgements on the scenarios presented, integrate learning across subjects to provide appropriate solutions. You must also clearly and professionally communicate all this to the stakeholder (as advised in the case) within the 3.5 hours available in the exam. Of course, it is the examiner who will review your script and award marks. A big challenge for you both, which can be lessened by using the approach discussed in this article.