

ACCA Professional Paper

20 marks dedicated to these 5 skills in the EXAM

Strategic  
Business Leader  
– Professional  
Skills



# Introduction

- Introduced in September 2018
- Replaces P1 and P3
- A 4 hour integrated case study paper



# Paper overview

- Relatively short introduction, then requirements, then a series of exhibits
  - You are given a role either for the whole exam or for each requirement and a specified audience
  - Answers in a variety of formats, including: letters, memoranda, notes for a meeting or presentation, email, PowerPoint slides
  - 20 marks in the exam are for displaying specified professional skills
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# Specimen Exams

	Specimen Exam 1	Specimen Exam 2
Structure	Q1 60 marks (31,14,8,7) Q2 22 marks (8,14) Q3 18 marks (11,7)	Q1 18 marks (10,8) Q2 24 marks (14,10) Q3 18 marks (10,8) Q4 20 marks (10,10) Q5 20 marks (10,10)
Roles	Management consultant	NED, Assistant internal auditor, internal auditor, project manager
Exhibits supplied include	Interview transcript, board meeting report, focus group minutes	Website page, newspaper article, survey results, board minutes, person specification
Answer formats include	Paragraph from a report, presentation slides, working notes for a presentation	Briefing paper, report, letter, presentation slides, business case



# Professional skills required

- Communication
  - Commercial acumen
  - Analysis
  - Evaluation
  - Scepticism
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# Communication

- Inform (clear and persuasive, appropriate medium, sensitive)
- Persuade
- Justify
  
- Tone
- Language
- Level of detail

# While answering your question?

To demonstrate effective communication skills in the exam ask yourself the following three questions while forming your answer.

- a) What is the required medium of delivery and what template shall I use?
- b) What is my audience's level of understanding and how much information do they need?
- c) Have I made my points in a logical and progressive order?

# Example of displaying communication skills

Please present to the board of the company highlighting the key benefits of big data analytics.

Presentation format – PowerPoint slide template accompanied with notes page with explanation

Audience – As we are presenting to the board, it is assumed that they have knowledge of the company's business and background is not necessary.

Tone – The tone has to be respectful

Slide content – key benefits of big data analytics, short bullet points with priority and logic



# Commercial Acumen

Demonstrate Awareness of the external environment

Use judgement

Show insight



# Example of displaying commercial acumen

Make recommendations to an audit committee to apply safeguards to reduce the fraud levels at a rail company.

To demonstrate commercial acumen, you have to give them the right recommendation to deal with the issue in different ways.

For eg. Installing a ticket barrier before entering the platform to electronically checking the ticket or hire adequate ticket checkers to check all the passengers travelling by the train.

Which recommendation shows the best commercial acumen?

Hiring costs

Long term solution

Ensure you justify your recommendation – for eg installing ticket barriers is the viable solution but this would be subject to a cost benefit analysis which would include the time saving of using automatic barriers compared to the manual intervention of ticket checkers.



# Displaying commercial acumen

Focus on a variety of matters which will be affected by the issue in question

Focus on relevant areas only

Make sure any recommendations are feasible – always try to consider people as well as numbers

# Analysis

Analysis is one of the key professional skills tested in this exam. Analysis means logically investigating and processing information to respond to a request or to meet a stated objective.

## Interpersonal skills

- Investigate
- Enquire
- Consider

## Exam skills

Compare information

Explain its importance

Explain implications

## Example of displaying analytical skills

Prepare a report to the board to review the performance of a company over the past three years.

Given in the question

- a) Management accounts
- b) Minutes of board meetings
- c) Annual customer survey results
- d) Industry research report



# How to use this information

## Logical approach

- a) Management accounts – use the numbers to calculate key ratios and other key financial measures
- b) Board minutes – comments of members and discussions on the financial performance data
- c) Annual customer survey results – What do the results suggest? Are customers happy or dissatisfied?
- d) Industry research report – Compare the company performance with industry competitors. What do the results suggest?

# Maximising marks using analysis

Ask yourself the following questions:

- a) What information is available?
- b) How does the information compare?
- c) What does the information mean?

# Evaluation

Evaluation can be divided into three areas:

- Assess
- Estimate
- Appraise

# Example of Evaluation skills

Write a business case which evaluates a significant investment in a new IT system.

Assess the current situation – The current system and its problem. Is it resulting in problems in customer satisfaction. Will the new system solve this problem?

Resulting benefits – A balanced arguments should include the risks associated with the new investment.

Recommendation – to proceed with the investment or not with a logical supporting structure.



# Displaying Evaluation skills

- Create a BALANCED argument (advantages, disadvantages)
  - Create a BROAD argument (financial and non financial)
  - CONCLUDE or RECOMMEND (summarize argument and risks)
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# Scepticism

Is all the information provided to accountants

Correct?

Truthful?

Complete?

Note always. That's why there is a need for skepticism. Ability to:

- Probe
- Question
- Challenge

# Example of displaying scepticism

Review and comment on the information given by a finance director at a monthly board meeting.

Do not simply accept the information provided by the finance director. Is there evidence that supports or conflicts with the views of the finance director?

Information from board meeting:

- a) Profit increased by 52%
- b) Profit = \$ 120 m

Explanation given by the finance director – a new cost control initiative run by him.

# Example continued

Our understanding from the information:

The accounts have been audited by an independent third party. What would be the data that can be challenged? The reason given by the finance director is the most important argument to challenge.

Would you accuse the FD of bias and demand evidence of his claims?

No

It would be better to request for further details from the FD that support his explanation. This would be displaying professional behavior.

Never assume that everything is wrong but don't take everything at face value.



# Questions to ask in being sceptical

Is there sufficient evidence to support the claims being made?

If not, what further evidence is needed to verify or challenge those claims?

When you challenge, have you done so in a professional and courteous way?



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Thank you