

## AAT Level 4 Synoptic Tips


### Overview:

I've written this guide as a number of students ask for help around the synoptic. I finished level 4 in November 2017 and I'm writing this from a student perspective. To be upfront about my results in this exam:

1<sup>st</sup> Attempt: Passed with 74%

Professional Diploma Synoptic Assessment	Result
01. The purpose, structure and organisation of the accounting function	Met
02. Effectiveness of financial planning	Below requirement
03. Effectiveness of internal controls	Exceeded
04. Effectiveness of decision-making	Significantly below
05. Regulatory obligations	Exceeded
06. Situation analysis of internal controls (by SWOT or cost benefit analysis) with recommendations for improvements	Below requirement

2<sup>nd</sup> Attempt: Passed with 88%

Task names	Rating 
01. The purpose, structure and organisation of the accounting function	Exceeded
02. Effectiveness of financial planning	Borderline
03. Effectiveness of internal controls	Exceeded
04. Effectiveness of decision-making	Exceeded
05. Regulatory obligations	Exceeded
06. Situation analysis of internal controls (by SWOT or cost benefit analysis) with recommendations for improvements	Borderline

I include my breakdown purely so you can see how I improved, using things explained below. Please note, everything I write is purely my own personal opinion, I am not claiming to know how AAT mark things or know perfect answers

Let's get started!

### The exam

There are no shortcuts with this exam and there is no way of being able to just repeat a textbook and pass. That won't get you enough marks. This exam is all about the *application* of the information given and knowledge learned throughout the core modules. I can't offer you any shortcuts, but I can say practice will get you through it

It is a tough exam, it is meant to be and it is quite different than the other exam, due to the reason above. AAT say you only need to have sat the core modules to be able to sit this exam, however, in my personal opinion I think you need to have passed them first because you need to have the knowledge before you can apply it. Just to give a perspective on my synoptic pass mark against core modules: I had 95%, 93% and 88% in the core modules, so the synoptic does need more detailed answers to get the marks. Calculations alone aren't enough.

### Exam Preparation

I cannot express enough just how important exam prep is for this exam. Before I sat it for the second time I prepared by:

- Reading every word of the examiner's feedback report available in the study support area on AAT website

- Sitting with the examiner's feedback as I attempted each question of a sample paper using the guidance from the feedback to understand how to write the answers
- Printing a copy of the pre-release material and working through it, make notes about what it tells you about the company. Things like (but not limited to!):
  - o What is the structure of the company and how might that impact decision making?
  - o What type of business is it / how long has it been running?
  - o What ratios can be worked out and what do they tell you about profitability/liquidity/gearing?
  - o Is there anything that may be a cause for concern about the company?
 You can't take it in to the exam with you, but by fully analysing it, you will feel more comfortable you know the company when you are in the exam. Don't rely on being able to just look at the reference material on screen in the exam, you need to understand it beforehand
- Going through the model answers given by AAT in the study support section and spending time on each question, reading what they had written and looking back at the question and information provided to see how they reached their answer

### The questions

The questions are not trick questions, they are not there to catch you out, but they are there to test your understanding and application. The exams I sat were different from each other and from the sample papers on the website. This may unsettle some people, but the type of exam means they have to be. There isn't a typical question like the tasks in Financial Statements for example. So, my top tips for getting your head around the questions:

- Read them twice!
  - o First run through read it all, all the information given, read over any figures or financial statements given to you.
  - o Second run through, note down key points and words. For example, does the question mention there is a decision to be made, a recommendation, a request for approval? Does it state something hasn't be approved? Does it tell you which individuals are involved in the scenario – what is their role?
- Understand what the question is asking you
  - o This might seem obvious, but look at what the actual question is at the end of all the information given. It is very easy to read through the information and make your own mind up about what the information tells you, but do you know what AAT want answered?
  - o In my second attempt I actually wrote down what I needed to explain in each section in bullet points as I read through it in the boxes provided. Then I went and wrote an answer around the bullet points I had written

### The answers

There are no stock answers or guaranteed marks if you mention certain things. My guide to answering the long questions...

- Keeping it simple and stating the obvious, but – *make sure you answer the question!* It is so easy to write an answer which may be absolutely right in what you are saying, but it doesn't answer their question. I have found a number of times that I end up writing about what I feel confident about, but that won't pick up the marks if it doesn't show AAT what they are looking for
- Don't leave a question blank. Even if you are really struggling to understand what they want, review the question, hunt out those key words again and state some facts at least. A couple of the marks available will be for making statements, but the rest of the marks will be for applying knowledge to the scenario

- Use the information you are given in the question. Don't repeat the pre-release material or something from a textbook. Make sure everything you say can be supported by something in the question, remember every scenario will be different, so make sure you refer to it always
- Use calculations – this was a big one for me, a huge learning curve. I had it in my head the written answers were simply that, but if there is a calculation that will support your answer, write it down! Prove what you are saying, work out the ratios, but remember to keep them relevant to the scenario. Working out all the ratios you can possibly think of may show you understand how to calculate them, but won't answer the question in front of you

### **The tasks**

The most important thing with the tasks is to remember that each exam will be different, however, each task will be testing the same thing and it is so important you know which bits of the syllabus will be covered in which task. Taking them one by one

#### Question 1)

- Look at the specification on the AAT website for what will be tested
- This is a knowledge based drop down style question, you've just got to know your stuff to pick up the marks
- Anything from the specification could come up, practice your internal controls and make sure you know key things from every module

#### Question 2)

- This was a tough one for me, and still is a weak area which I am working on
- Focussed primarily on budgeting and planning
- Check what the question is asking you for first then consider:
  - o Are there any assumptions?
  - o What evidence is there for the budget proposed? For example, if the sales revenue has increased by 5% for the next year's budget, is there anything in the information given/pre-release material that may support this? If not, say so in your answer
  - o What variances are there and why?
  - o Understand the types of cost and how they behave. Identify what costs type are in play in the budget; is there any fixed costs? Have they changed? Why?
  - o Is there anything that may be suggested in the question that means the budget has been drawn up in a particular way? Perhaps incentives?

#### Question 3)

- One of the simpler questions in my opinion as this is focussed on the internal controls textbook so study it from cover to cover
- If you are asked for strengths/weaknesses make sure you state what they are in your answer
- Explain why something may be a strength or weakness
  - o Is it internal/external?
  - o Does it give rise to a threat to the business? Perhaps fraud or loss of income
  - o How does it support the business?
  - o What could go wrong in their procedures?
  - o Question everything!

#### Question 4)

- Make sure you understand the calculations involved in decision making
  - o Practice questions from decision and control – don't lose marks on the calculation questions which we generally all prefer!

- Identify what decision needs to be made
  - o What factors are there in the decision making process?
  - o What can and can't be controlled?
  
- In the written section, what are they asking you?
  - o Do they want you to recommend?
  - o Do they want an indication of how the business may be affected by the decision that has been made?
  - o Ensure you relate it back and use workings to support your answer. For example, if there could be a positive change to revenue, then show how you come to that conclusion
  - o Don't sit on the fence! Always make a clear recommendation or decision if that is what the question wants

Question 5)

- My favourite question of the exam! Know how to work out your ratios and understand what they mean
  
- Check the question carefully for the wording, reading a question quickly can lead to misreading the answers you are given to choose from and loss of easy marks
  
- Nothing more than practice, practice, practice with this one. Just practice ratio's over and over again for the calculation marks, then what does it say about the company

Question 6)

- o Again, not a strong area for me overall, but I think I mis-read some of the question, so be careful
- o This is quite similar to task 3 I think, so try to apply those things again

**Final thoughts**

This exam does need focus and attention to be able to write in enough depth to gain the marks. My final piece of advice is simply don't underestimate it. Some students are able to "wing" an exam, but this is definitely not one of them!

I hope this gives some idea of how I approach the exam and how I feel it can be interpreted in order to be successful.

If you sit the exam and don't pass, please don't be disheartened, this isn't a walk in the park. Just identify the areas you need to work on the most, keep practicing and give it another shot. You will get there and the experience of sitting the first exam will help for the second attempt. Remember you don't fail, you are only *not yet competent* – the key work there being YET!

Best wishes to you all.