**ACCA P4 Exam Tips June 2016:**

ACCA [P4](http://www.accaglobal.com/us/en/student/exam-support-resources.html) Exam Tips June 2016 Session are given below by famous tuition providers

**Kaplan**

P4 is a technical paper with some complex calculations sometimes but **DO NOT** think of the exam as numbers-only. There are plenty of discursive parts which are usually easier than the calculations and easy marks can be picked up by applying commercial awareness and common sense.

Analyse the individual requirements of the question. If you can do the wordy bits first then do so as you will not get bogged down in them like you will with the calculation elements.

Do not expect to finish a question. You must stick to time, especially on the calculations which are very easy to over-run on. The exam is extremely time pressured and the secret to passing is to have a go at every part of every question, not to try and get 100% on every question – to do that you would need about 7 hours!

If you are not sure what to do with a particular figure in a question, ignore it and move on – state assumptions, you haven’t got time to worry about it!

If you get a Black-Scholes question, always list out the input variables as your first stage and assign the relevant values to them – there will be about 2-3 marks usually for doing this.

Practice as many questions as possible but do as many as possible to time. You must get used to doing the questions in the time available and not spending too long on them.

Practice as many questions as possible across the syllabus, and don’t only concentrate on what you consider to be the core areas.

Choose carefully on section B of the paper – it is very limited choice but nonetheless it will be critical.

Do not put down unnecessary workings; because as it will cost you heavily in lost time.

If there is a calculation that you are unable to complete – for e.g. a WACC which prevents you from going on to do the NPV, then just make a reasonable assumption and estimate a WACC which you have been unable to calculate, this will then allow you to progress the calculation and get on to the often more generously rewarded discursive parts of the question.

Look out for examinable articles – two in particular for June 2011:

* 24 August – The new examiner Shishir Malde gives his approach for the P4 paper
* 23 September – Another article by the new examiner Shishir Malde on Risk Management January/February article

Two key topics are always NPV appraisal and capital structure, particularly CAPM and Betas. You will not pass if that is all you know but you will struggle to pass if you do not know them!

**BPP**

Q1  
• Project appraisal – domestic and overseas.  
• Business valuations – cost of capital calculations.  
• Risk management (hedging).

Q2-4  
• Risk management – currency or interest rate.  
• Business re-organisation.  
• Real options.  
• Ethics and general financing issues – dividend policy.

**LSBF**

• Hedging interest rate risk using forward rate agreement, interest rate futures, options on interest rate futures and collars.  
• Real options – to abandon, expand or delay using the Black-Scholes option pricing model.  
• Investment appraisal using adjusted present values, modified internal rate of return and internal rate of return.  
• Cost of capital using the principles of Modigliani and Miller prepositions or geared and ungeared betas.  
• Calculation of project specific WACC or WACC of combined activities.  
• Valuation of business using free cash flows and price-earnings ratio methods. Best mode of payment – cash offer or share exchange.

**First Intuition**

International investment appraisal techniques focusing on risk management tools such as Value at risk.  
Impact on WACC following hedging of interest rate risk.  
Capital structure; traditional debt finance & Islamic Finance – Sukuk Bonds.  
Financial restructuring.

**Link:** [**http://opentuition.com/topic/acca-june-2016-exam-tips/**](http://opentuition.com/topic/acca-june-2016-exam-tips/)