

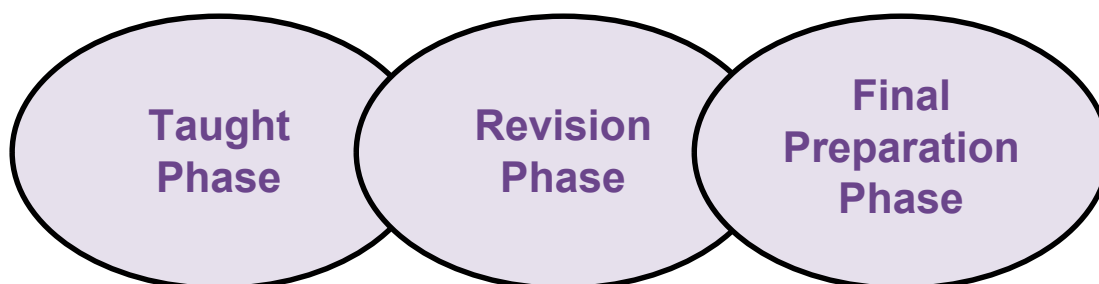
# ACCA Advanced Financial Management Online Classroom Study Guidance

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## Welcome

Welcome to your ACCA Advanced Financial Management (AFM) course.

The purpose of this document is to guide you through the different stages of your studies to prepare you for your forthcoming exam. We suggest splitting your study into three phases so that you can develop the knowledge and skills required to pass in the most efficient manner.



## 1 – Taught Phase

The emphasis of this first stage is studying the syllabus and gaining the knowledge required to attempt exam questions. During this stage you will work through each chapter of the AFM Workbook and steps 1-6 of the Achievement Ladder (which are in steps 1-6 on the Hub).

## 2 – Revision Phase

During this stage the emphasis is on practising exam-standard questions to learn how to apply your knowledge and develop your exam. During this phase you will attempt Step 7 of the Achievement Ladder (in Step 7 on the Hub).

## 3 – Final Preparation Phase

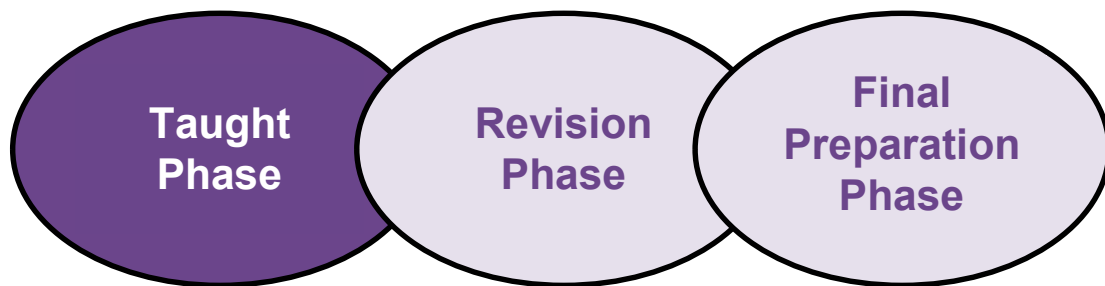
The aim here is to bring all of your skills and knowledge together in a final mock exam: Step 8 of the Achievement Ladder (on Step 8 of the Hub).

The Hub contains all the information, documents and videos for your course. The different phases of your course are clearly identified in different topic tiles so you can easily find them. Before you begin the Taught Phase, please take some time looking at the information provided in the **Getting Started** section on the Hub, in particular:

- Watch the Introduction to Advanced Financial Management and review the guidance in the Introduction section.
- An especially important document is the **Practice and Apply (P&A) guidance** pdf. This directs your question practice and gives some guidance on the questions that are made available to you at the end of Steps 1-5. The **P&A question practice** is built into the taught phase to ensure you are building your skills and exam technique throughout the course. These questions have been specially selected by BPP's subject experts to ensure that you are as prepared as possible for your exam. Many of these questions are real exam questions, to ensure that you are familiar with the standard of real exam questions by the time you reach the revision phase of your studies.
- Review the Assumed Knowledge course, especially if you were exempt from the Financial Management paper or if you passed that exam a while ago.



# 1 – Taught Phase



This guidance will take you through the Taught Phase of your course.

The emphasis of the Taught Phase is on gaining the knowledge and beginning to develop the skills in order to attempt exam questions.

During this Phase you will work through the AFM Workbook, using the online lectures to guide you.

You will also work through Steps 1-6 of the Hub. In each step, when you have covered all the topics in that part, you should attempt the relevant Achievement Ladder Step (as shown in this guidance).







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| <b>Practice and Apply question practice</b>  | <b>2 hours</b> |
| <p>Practice and Apply question practice (P&amp;A) is built into <b>Steps 1-5 of the teaching phase</b> to ensure you are building your skills and exam technique throughout the course. Some of these questions are real exam questions, to ensure that you are familiar with the standard of real exam questions by the time you reach you're the revision phase of your studies.</p> <p><b>Please review the guidance provided for the P&amp;A questions</b> in each of Steps 1-5 in a separate document that you will find in the <b>getting started</b> section of the Hub. There is specific guidance on the question called Tisa.</p> <p>Use the time available to attempt and review questions on areas that you feel weakest in.</p> |                |

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| <b>Achievement Ladder Step 1</b>  | <b>1 hour</b> |
| <p>Now you have covered Taught Phase – Part 1, you are ready to take your first step towards exam success!</p> <p><b>Achievement Ladder Step 1</b> is an opportunity to consolidate your knowledge and see how far you have come. You are then able to concentrate on any weaknesses before moving onto the next part of your studies.</p> <p>This Step online test, based on topics covered so far, and is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn't. You will both reinforce and extend your understanding of the syllabus content if you do this.</p> <p>Estimated timings: attempting Step 1: 40 minutes, reviewing feedback carefully: 20 minutes</p> |               |









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| <p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p>  | 2.5 hours |
| <p><b>Further study guidance</b></p> <p>Attempt further 'essential reading' as specified within the chapter, and any recommended ACCA articles (if any) as specified <b>at the end of the chapter in the further study guidance section.</b></p> <p>If you have time attempt the question practice suggested here (available in the further question practice bank in the digital edition of the workbook) but these questions are <b>not as important as the practice and apply questions</b> recommended at the end of this Step.</p> | 1.5 hours |

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| <p><b>Chapter 8 – Valuation for acquisitions and mergers</b></p>  | <p><b>Approx. 4 hours</b></p> |
| <p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Behavioural finance</li> <li>• Asset-based approaches</li> <li>• Market-based approaches</li> <li>• Cash-based approaches</li> </ul> <p>The investment decision is the main technique for increasing shareholder wealth, and the decision to buy another company is an especially important type of investment decision because of the expense and complexity of acquiring and integrating another company. All of which means that this topic is a crucial area of financial management in the real world, and this is reflected in its importance in the exam as well.</p> <p>Although there are a wide range of business valuation techniques to master, an important theme throughout this topic is that there is unlikely to be one best way of valuing a company. In this syllabus area there will NOT normally be a single 'correct answer' and it is very important that you demonstrate and explain your own approach; you will often receive good marks if the marker can follow your approach and understand it even if your approach does not deliver the 'textbook' answer.</p> <p>Note that for the purposes of this exam, there is no distinction between the terms 'acquisition' and 'merger'.</p> |                               |
| <p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p>  | 3 hours                       |
| <p><b>Further study guidance</b></p> <p>Attempt further 'essential reading' as specified within the chapter, and any recommended ACCA articles (if any) as specified <b>at the end of the chapter in the further study guidance section.</b> If you have time attempt the question practice suggested here (available in the further question practice bank in the digital edition of the workbook) but these questions are <b>not as important as the practice and apply questions</b> recommended at the end of this Step.</p>  | 1 hour                        |

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| <b>Practice and Apply question practice</b>  | <b>3 hours</b> |
| <p>Practice and Apply question practice (P&amp;A) is built into <b>Steps 1-5 of the teaching phase</b> to ensure you are building your skills and exam technique throughout the course. Some of these questions are real exam questions, to ensure that you are familiar with the standard of real exam questions by the time you reach you're the revision phase of your studies.</p> <p><b>Please review the guidance provided for the P&amp;A questions</b> in each of Steps 1-5 in a separate document that you will find in the <b>getting started</b> section of the Hub.</p> <p>Use the time available to attempt and review questions on areas that you feel weakest in.</p> |                |

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| <b>Achievement Ladder Step 3</b>   | <b>2 hours</b> |
| <p>Now you have covered Taught Phase – Part 3, you are ready to take your next step towards exam success.</p> <p><b>Achievement Ladder Step 3</b> is a 40-mark online test, based on topics covered so far. This Step is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn't. You will both reinforce and extend your understanding of the syllabus content if you do this.</p> <p>Estimated timings: attempting Step 3: 80 minutes, reviewing feedback carefully: 40 minutes</p> |                |



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| <p><b>Further study guidance</b></p> <p>Attempt further 'essential reading' as specified within the chapter, and any recommended ACCA articles (if any) as specified <b>at the end of the chapter in the further study guidance section.</b></p> <p>If you have time attempt the question practice suggested here (available in the further question practice bank in the digital edition of the workbook) but these questions are <b>not as important as the practice and apply questions</b> recommended at the end of this Step.</p> | 0.5 hours |
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| <p><b>Skills Checkpoint 3 – Identifying the required numerical technique(s)</b></p>   | 1 hour |
| <p>This is a key theme, that links strongly to the valuations part of the syllabus. Make sure that you work through the suggested solution as this will reinforce your understanding.</p> |        |

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| <p><b>Chapter 11 – The role of the treasury function</b></p>  | Approx. 3 hours       |
| <p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Function and organisation of Treasury</li> <li>• Delta hedging and other 'greeks'</li> <li>• Netting</li> </ul> <p>You have been introduced to some of the principles of risk management in the Financial Management exam. In AFM, your knowledge will be taken to a much higher level. However, it is important that you don't become obsessed with the numbers in this syllabus area, you must remember that in the exam you will be giving <u>advice</u> and this means that you need to have a good understanding of the purpose, limitations and advantages of each of the techniques that you study. You must read the chapter carefully, it is mainly a background chapter that introduces the role of the treasury department, before looking at its detail operations in later chapters. However, it is important that you understand the debate about <b>whether risk should be managed.</b></p> |                       |
| <p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p> <p><b>Further study guidance</b></p> <p>Attempt further 'essential reading' as specified within the chapter, and any recommended ACCA articles (if any) as specified <b>at the end of the chapter in the further study guidance section.</b></p> <p>If you have time attempt the question practice suggested here (available in the further question practice bank in the digital edition of the workbook) but these questions are <b>not as important as the practice and apply questions</b> recommended at the end of this Step.</p>  | 2 hours<br><br>1 hour |



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| <b>Chapter 12 – Managing currency risk</b>   | <b>Approx.<br/>4 hours</b>   |
| <p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Brought forward methods</li> <li>• Futures</li> <li>• Options</li> </ul> <p>Currency hedging is commonly examined and this chapter needs to be worked through extremely carefully. Make sure that you also cover the further (essential) reading for this chapter.</p>  |                              |
| <p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p> <p><b>Further study guidance</b></p> <p>Attempt further 'essential reading' as specified within the chapter, and any recommended ACCA articles (if any) as specified <b>at the end of the chapter in the further study guidance section.</b></p> <p>If you have time attempt the question practice suggested here (available in the further question practice bank in the digital edition of the workbook) but these questions are <b>not as important as the practice and apply questions</b> recommended at the end of this Step.</p> | <p>3 hours</p> <p>1 hour</p> |

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| <b>Practice and Apply question practice</b>  | <b>3 hours</b> |
| <p>Practice and Apply question practice (P&amp;A) is built into <b>Steps 1-5 of the teaching phase</b> to ensure you are building your skills and exam technique throughout the course. Some of these questions are real exam questions, to ensure that you are familiar with the standard of real exam questions by the time you reach you're the revision phase of your studies.</p> <p><b>Please review the guidance provided for the P&amp;A questions</b> in each of Steps 1-5 in a separate document that you will find in the <b>getting started</b> section of the Hub.</p> <p>Use the time available to attempt and review questions on areas that you feel weakest in.</p> |                |



| Achievement Ladder Step 4  | 2.5 hours |
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| <p>Now you have covered Taught Phase – Part 4, you are ready to take your next step towards exam success!</p> <p><b>Achievement Ladder Step 4</b> is an opportunity to consolidate your knowledge and see how far you have come. You are then able to concentrate on any weaknesses before moving onto the next part of your studies.</p> <p>Step 4 is a 50 mark practice exam based on chapters covered so far.</p> <p>This Step should be submitted to BPP for marking. You should tackle the questions to time, calculated as 1.95 minutes per mark. Once you have attempted them, you should work through the suggested solutions. You will both reinforce and extend your understanding of the syllabus content if you do this. When you receive your feedback you should review it carefully and note what you did well (do more of this!) and which areas you need to improve on in your ongoing studies.</p> <p>Estimated timings : attempting Step 4: 100 minutes, reviewing feedback carefully: 50 minutes</p> |           |





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| <b>Chapter 14 – Financial reconstruction</b>  | <b>Approx.<br/>2.5 hours</b> |
| <p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Reconstruction schemes to prevent failure</li> <li>• Reconstruction schemes for value creation</li> <li>• Forecasting</li> </ul> <p>This chapter introduces <b>syllabus section D ‘corporate reconstruction and reorganisation’</b>. The theme of this syllabus section is there will be times when a firm will find that it needs to reorganise its operations in order to secure short-term survival and longer-term growth.</p> <p>This syllabus section covers:</p> <ul style="list-style-type: none"> <li>• Financial reconstruction (this chapter), which is normally based around securing short-term survival, and</li> <li>• Business reorganisation (the next chapter), which is more often concerned about longer term growth</li> </ul> <p>Either area may require the valuation of all or a part of a company so there is a link back to business valuations techniques which were covered earlier.</p> |                              |
| <p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p>  | 2 hours                      |
| <p><b>Further study guidance</b></p> <p>Attempt further 'essential reading' as specified within the chapter, and any recommended ACCA articles (if any) as specified <b>at the end of the chapter in the further study guidance section</b>. If you have time attempt the question practice suggested here (available in the further question practice bank in the digital edition of the workbook) but these questions are <b>not as important as the practice and apply questions</b> recommended at the end of this Step.</p>  | 0.5 hours                    |

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| <b>Chapter 15 – Business reorganisation</b>  | <b>Approx.<br/>2.5 hours</b> |
| <p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Unbundling strategies</li> <li>• Divestment strategies</li> </ul> <p>Do not neglect this chapter - this exam is called Advanced Financial <i>Management</i>, your ability to make sure that you can make sound management recommendations regarding business re-organisations is important in AFM. This chapter and the previous chapter (looking at financing issues) are often tested together.</p> |                              |
| <p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p>   | 2 hours                      |



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| <p><b>Further study guidance</b></p> <p>Attempt further 'essential reading' as specified within the chapter, and any recommended ACCA articles (if any) as specified <b>at the end of the chapter in the further study guidance section.</b></p> <p>If you have time attempt the question practice suggested here (available in the further question practice bank in the digital edition of the workbook) but these questions are <b>not as important as the practice and apply questions</b> recommended at the end of this Step.</p> | 0.5 hours |
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| <p><b>Chapter 16 – Planning and trading issues for multinationals</b></p>  | <p><b>Approx. 3 hours</b></p> |
| <p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Dividend policy</li> <li>• Transfer pricing</li> <li>• Planning issues</li> <li>• Tranching</li> <li>• Dark pools</li> </ul> <p>This final topic completes section A of the syllabus by looking at a range of practical issues affecting a multinational company. Although this material is not commonly examined it would be risky to neglect it and there is nothing here that is technically difficult anyway.</p> |                               |
| <p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p> <p><b>Further study guidance</b></p> <p>Attempt further 'essential reading' as specified within the chapter, and any recommended ACCA articles (if any) as specified <b>at the end of the chapter in the further study guidance section.</b></p>  | <p>2 hours</p> <p>1 hour</p>  |

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| <p><b>Skills Checkpoint 5 – Thinking across the syllabus</b></p>   | <p><b>0.5 hours</b></p> |
| <p>This is a sensible theme to think about as you approach the revision phase. Make sure that you work through the suggested solution as this will reinforce your understanding.</p> |                         |

| Further question practice  | 3 hours |
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| <p>Practice and Apply question practice (P&amp;A) is built into <b>Steps 1-5 of the teaching phase</b> to ensure you are building your skills and exam technique throughout the course. Some of these questions are real exam questions, to ensure that you are familiar with the standard of real exam questions by the time you reach you're the revision phase of your studies.</p> <p><b>Please review the guidance provided for the P&amp;A questions</b> in each of Steps 1-5 in a separate document that you will find in the <b>getting started</b> section of the Hub.</p> <p>Use the time available to attempt and review questions on areas that you feel weakest in.</p> |         |

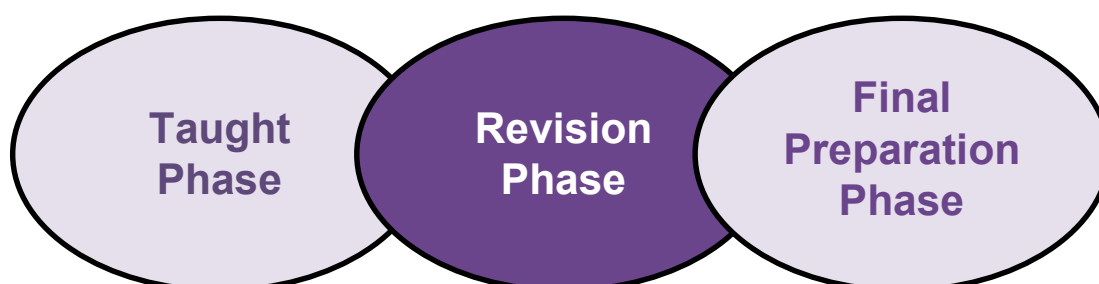
| Achievement Ladder Step 5   | 2.5 hours |
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| <p>Now you have covered Taught Phase – Part 5, you are ready to take your next step towards exam success.</p> <p><b>Achievement Ladder Step 5</b> is a 60 mark online test, covering all chapters of the Workbook. This Step is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn't, in order to both reinforce and extend your understanding of the syllabus.</p> <p>Estimated timings: attempting Step 5: 110 minutes, reviewing feedback carefully: 40 minutes.</p> |           |

## Taught Phase - Step 6

Approximately **3.5 hours of study**.

| Achievement Ladder Step 6  | 3.5 hours |
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| <p>To complete the Taught Phase of your learning, you should now attempt <b>Step 6</b> of the <b>Achievement Ladder</b>.</p> <p>Step 6 contains 3 questions, covering the whole syllabus.</p> <p>This Step is submitted for marking by BPP. You should tackle the questions to time. Once you have attempted them, you should work through the suggested solutions. You will both reinforce and extend your understanding of the syllabus content if you do this. When you receive your feedback, you should review it carefully and note what you did well (do more of this!) and which areas you need to improve on in your ongoing studies.</p> <ul style="list-style-type: none"><li>• Estimated timings: attempting Step 6: 145 minutes, reviewing feedback carefully: 65 minutes</li></ul> |           |

## 2 – Revision Phase: Step 7



This phase is all about taking the knowledge you gained in the taught phase and applying it to exam-standard questions. The emphasis here is very much on exam technique.

### Exam technique

Each Skills Checkpoint in the Workbook covers the Specific AFM Skills and Exam Success Skills you need to pass. Working through the Skills Checkpoints using the online lectures for each Checkpoint will help you to develop your exam technique.

### Question practice

The most effective way of improving exam technique is through question practice. Before moving on to the Revision Phase, we recommend you start by ensuring you have attempted Steps 1 to 6 of the Achievement Ladder as well as the questions recommended earlier from the Practice and Apply questions set in Steps 1-5.

The Step 7 Revision Phase tile contains short knowledge summaries for each chapter of the Workbook if you want a quick reminder of the key points. Once you have done that, you should attempt **Achievement Ladder Step 7** and complete all questions included in the revision phase of the **Practice and Apply Question Practice** document which are provided in the **Step 8 Revision Phase tile** on the Hub.

| Achievement Ladder Step 7   | 5 hours |
|---|---------|
| <p>Step 7 is mock exam containing 3 questions worth 100 marks in total. This step will give you a feel for the balance of question types and syllabus coverage you can expect in your real AFM exam.</p> <p>You should ensure that you set aside 3 hours and 0.25 hours, in a quiet space, where you will not be interrupted. Aim to complete the exam without using any of your notes, so that it is a real test of how prepared you are.</p> <p>Once you have finished the exam you should carry out a self-review of your answers. There is a full online debrief, prepared to assist you with both the approach and the technical content.</p> <p>Self-review questions:</p> <ul style="list-style-type: none"><li>• Did you finish the paper? If not, why not?</li><li>• Did you allocate your time appropriately?</li></ul> |         |

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| <ul style="list-style-type: none"> <li>• Did the order you approached the questions work for you?</li> <li>• Did you struggle to remember proformas or concepts from the standards? If so you need to review your key knowledge.</li> <li>• Did you find it difficult to read or follow your workings when you reviewed it? (If you can give it to someone else to look at and see if they can read and follow what you did).</li> <li>• For written questions did you tailor a specific answer to the question asked?</li> <li>• Think about what you'd do differently if you sat the paper again.</li> </ul> |  |
| <ul style="list-style-type: none"> <li>• Estimated timings : attempting Step 7 : 3 hours 15 minutes, reviewing feedback carefully : 1.5 hours</li> </ul>   |  |

### Practice and Apply (P&A) revision question practice

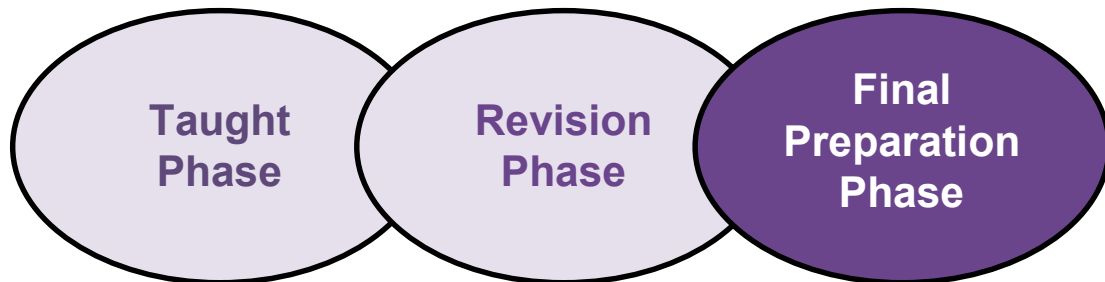
**Please review the guidance provided for the P&A questions** for the revision phase of your studies in the same document you have been using for the Practice and Apply questions in the teaching phase.

The P&A questions **for the revision phase** are selected from our examiner reviewed Practice & Revision Kit and have been carefully selected by our Subject Matter Experts to ensure you get the best out of your revision time. Some questions have an online debrief to allow you to get the most out of the question.

It is essential that you take time to properly debrief the questions you attempt – for some questions you will be able to make use of the online recorded debriefs.



### 3 – Final Preparation Phase: Step 8



The aim of the Final Preparation Phase is to bring all of your skills and knowledge together in a final dress rehearsal before the real exam. This will be done by attempting a mock exam, **Step 8 of the Achievement Ladder**, covering the entire syllabus in three hours and fifteen minutes.

| Achievement Ladder Step 8   | 5 hours |
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| <p>Achievement Ladder Step 8 is a 100-mark exam-standard mock exam, covering all topics.</p> <p>You should ensure that you set aside 3 hours and 0.25 hours, in a quiet space, where you will not be interrupted. Aim to complete the exam without using any of your notes, so that it is a real test of how prepared you are.</p> <p>On completion you should self-mark your paper and carry out a self-review of your answers and your exam approach.</p> <ul style="list-style-type: none"><li>Estimated timings: attempting Step 8: 3 hours 15 minutes, reviewing feedback carefully: 1.5 hours</li></ul> |         |