

EXAM REPORT

MEMBERSHIP EXAM. The pass rates in this diet were 42% in Paper VII, 48% in Paper VIII and 82% in Paper IX, for an overall pass rate of 47%. Paper IX again had a pleasingly good pass rate, but Paper VIII was significantly worse than recent diets and Paper VII performance continues to disappoint.

Those who do not pass continue to display the same failings, which come out most starkly in Paper VII. Too often, candidates are unable to apply the theory quantitatively to produce prescriptive solutions. The main case study of this paper was based around a hostile acquisition but, when asked to “critically compare” the two antagonists, many candidates did not and, when asked to recommend a capital structure for the combined business, many could not. A simple valuation of a private company was similarly badly answered, with a wide range of basic errors. If candidates cannot apply basic concepts such as valuation, capital structure and debt capacity, they cannot expect to pass.

The problems candidates experienced in Paper VIII primarily appeared in the VIII B paper. They occurred either when there were several issues within a question, when weaker candidates only spotted the most obvious one, or (in the compulsory section) where a risk management issue was not straightforward. There was no excuse – this specific problem had been written up in a recent issue of *The Treasurer*. Additionally, too many candidates were unaware of the issues of fair value accounting. One wonders what they read. Paper VIII A was better answered, with the main case study (on debt capacity of a major advertising group) reasonably well handled.

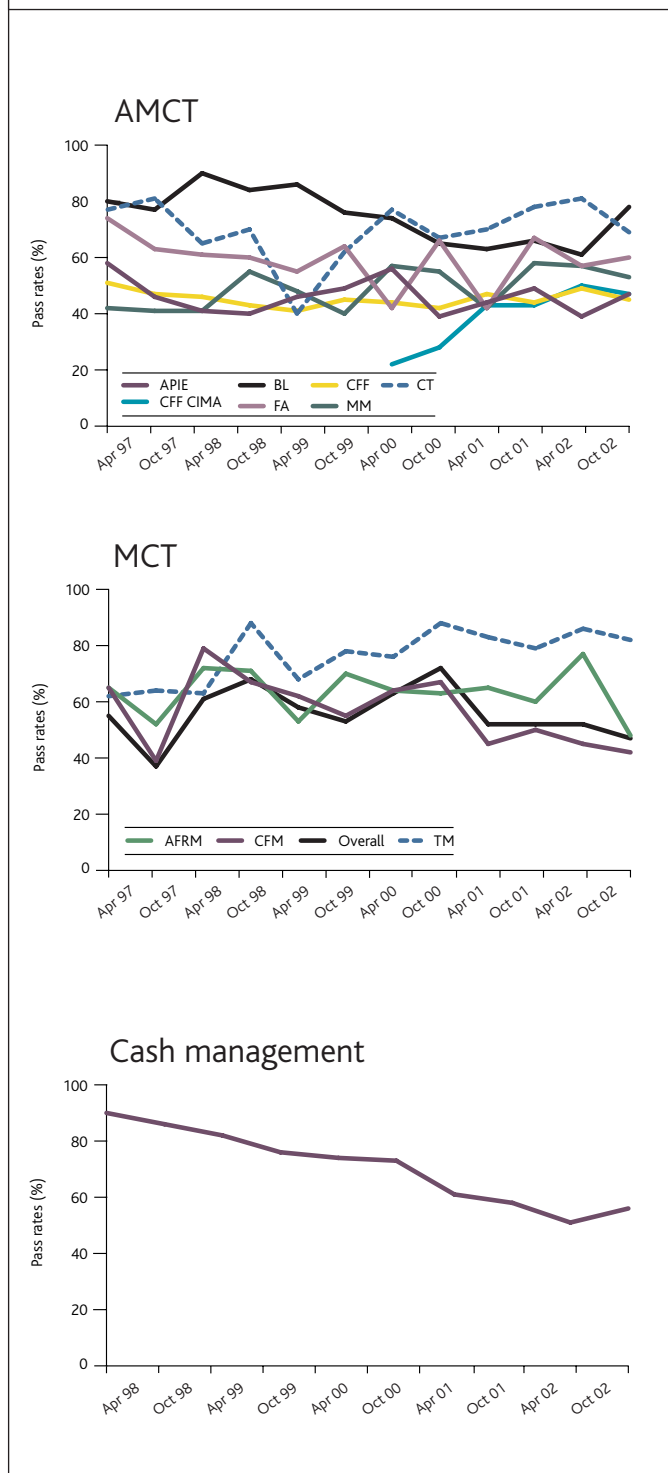
Paper IX was well answered. Most candidates demonstrated a good grasp of the issues being examined. Question 4, on the policy issues of a bonding situation, distinguished the good candidates from the bad. This question – not an easy one – required candidates to draw together strands from the other papers in reaching their conclusion and many were not able to do so. At membership level, successful students must be able to tackle issues that span the breadth of the syllabus.

When preparing themselves, students should concentrate on producing incisive prescriptive solutions to questions. Ask yourselves – if I presented this to my CEO, how would he react? In the case of several of the scripts we see, the candidate would not survive long. On the plus side, however, we continue to see fine scripts on all three papers, from excellent candidates, that are a pleasure to read.

ASSOCIATE EXAM. This diet produced a generally encouraging set of results. Performance was at or above the historical average in all papers. Those candidates who prepared well continue to produce pleasing results. However in Papers I, V and VI approximately 10% of the candidates sitting each of these papers performed so badly that their results were marked as unclassified fail.

The pass rate for Paper I at 47% showed an improvement over the April diet (39%). Question 1, which requires knowledge of the Companies Act and relevant accounting standards was very poorly

EXAM RESULTS 1993-2002: PASS RATES



answered. A surprising number of candidates had difficulty in answering the second section which concerned SSAP 13 (Research and development). Question 4 was also poorly answered. Some candidates failed to produce workings to support their consolidations and therefore lost marks for incorrect calculations.

The pass rate for Paper II at 60% also showed an improvement over the April diet (57%). The compulsory question in section A was generally well done by the majority of students. Section B, however, produced a poor set of results. In particular Question 4, which required the candidates to produce a cash flow forecast by differentiating between cash and profit, was badly answered.

Paper III produced a pass rate of 69%, which was below the April diet (81%) but in line with the historical average. A substantial majority of candidates performed well in part A, however the results for parts B and C were mixed.

The pass rate for Paper IV was pleasing at 78%, well above the April diet which had produced its lowest ever pass rate of 61%. Overall, this diet contained papers that were generally of a higher standard than in the past few diets and performance was above the historical average.

The pass rate for Paper V was 53% which was below the April diet (57%). The majority of candidates demonstrated a good grasp of the basic financial arithmetic. Question 1 was poorly answered. Strategies for acquiring early access to funds tied up in a six-month deposit were generally disappointing.

Paper VI achieved a pass rate of 45%, generally in keeping with earlier diets. Question 1 was very poorly answered with a large number of candidates confusing the gearing ratio with the debt/equity ratio. Calculation errors were widespread and many candidates were unable to explain the rationale for the procedure of gearing and ungearing betas. Question 2 was also poorly answered. Students were unable to correctly assess the cost effectiveness of the swap, even though a similar question had been asked in an earlier diet.

The pass rate for Paper VI (CIMA) was 47% compared with a pass rate of 50% for the April diet. The compulsory Question 1 was well answered. Candidates showed familiarity with capital adequacy and bank margin calculations. However, many of the answers to the discursive sections were insufficiently comprehensive.

Cash Management Exam. The pass rate for this exam has improved to 56% compared to April (51%). Generally students were better prepared for this exam than in April. Question 1 was well answered by the majority of the candidates although some continue to find it difficult to apply their book knowledge to the case study. A surprising number of students found it difficult to distinguish the differences between the two companies in the case from a cash management perspective when answering this question. The sections on electronic banking products and in house banking were poorly done. Question 2 highlighted the fact that few candidates understood the concept of cashless netting. Question 3 was very poorly answered. Only a small minority of candidates attempted to produce a cash forecast from the balance sheet and financial information provided.

CHRIS BUNTON Chairman of MCT Examination Board









CAROLINE SHUFFREY Chairman of AMCT and International Cash Management Examination Boards

EXAM RESULTS

The Association of Corporate Treasurers wishes to extend its congratulations to the following people who have passed the respective examinations.




MCT PASS

Distinctions Paper 7  Paper 8  Paper 9 

Andrew Daley | Standard Bank London Ltd
K Gopakumar | Bank Muscat (SAOG)
William Lawson | National Australia Group Europe Ltd
Martin Lee
Cormac Maguire | Smurfit Capital
Michael Mannerling
Alexandra Morton | National Grid Transco plc   
Ian Palmer | Coventry Building Society
Andrew Pilsworth | Six Continents plc  
Darrell Porter | Barclays Capital
Bente Salt | Stolt Offshore SA
Richard Smith | TI Automotive Ltd 
Milly Tan | ING Bank N.V., Labuan Branch
Stuart Thomson | Ernst & Young
Stanislav Varkalov | PricewaterhouseCoopers
Diane Wilson | Kingfisher plc  

AMCT PASS

Distinctions Paper V  Paper VI 

Timothy Adamson | KBC Financial Products UK Ltd
Amy Aldridge | Wagon plc 
Susan Alexander | EDF Trading Ltd
Neil Arrowsmith | Royal Bank of Scotland plc
Richard Atkins | Barclays Bank plc
Barbara Bailey | Kingfisher plc
Andrew Baillie | Tetra Laval International
Noelia Bastida | Avery Dennison UK Ltd
Emma Best | SPML
Andrew Binnie | Vodafone Group plc 
Marius Botha | ABSA Life 
Ailsa Bruce | Bank of Scotland
Ghalib Busaidy | State General Reserve Fund
Martin Cade | Pace Micro Technology plc
Ellen Chadwick | Ernst & Young
Aubrey Chew | Cavmont Merchant Bank Ltd
Stuart Clarke | Chelsea Building Society

Louise Comer | Omnicom Finance plc
William Cooper | Anglo American plc
David Cooper | Royal London Group
Edit Corcoman-Tarcolea | Demir Romlease
James Cornell | Eurodis Electron Plc
Michael Corner-Jones | Ernst & Young
Raymond Cunningham | IBM Ltd
Stuart Drysdale | Ulster Bank Group ■
David Dunkerley
Jonathan Dunley | Grosvenor Group Holdings Ltd ■
Natalie Eastham | Close Brothers Private Equity Ltd
Gareth Evans | GlaxoSmithKline plc
Stephen Evenden | Barclays Bank plc
Benedict Farmer | Lombard Group Treasury
Philip Findlay | Standard Life Bank
Kate Gardner | Credit Suisse First Boston
John Gillespie | Xerox (Europe) plc
Tony Graham | TAG Training Ltd
Christopher Grant | Nationwide Building Society
Mark Harding | Fortis Bank
Katharine Hargreaves | Provident Financial plc ■ ■
Gerard Hawley | Prudential Banking plc
Victoria Haynes
Christopher Hewitt | Barclays Bank plc
Ilona Higgins | British Polythene Industries plc
Andrew Higham | Abbey National Treasury Services
Tim Hodson
Katherine Horrell | BOC Group plc ■
Mark Horrox | KPMG
Oleg Kasperovitch | Seatress UK Ltd
Judith Kassapian | ABN AMRO Bank NV
Shane Kelly | Colt Telecom Group plc
Linda Kemp | mmO2 plc
Barbara Killen | Viridian Group PLC ■
Peter Knight
Anil Kohli | Dresdner Kleinwort Wasserstein
Jonathan Konrad | British Telecommunications plc
Alexei Kuznetsov | Ernst & Young (CIS) Ltd
Nicola Lane | Lloyds TSB Bank plc
Kim Suan Lim | KPMG ■
Anthony Livingstone | British Sky Broadcasting Ltd
Jonathan Logan ■ ■
Hamish London | Capital International
Richard Luke | Vodafone Group plc
Mandeep Mangat | Mapeley Limited
Neale Marvin | Moody's Investors Service Ltd
Mike McEwan | Miller Group plc
Nathaniel Mead | Shell International Ltd
Joe Metcalfe | Unilever NV ■
Malgorzata Motler | Damovo
Charles Nash | PricewaterhouseCoopers ■
Rebecca Parr | Lloyds TSB Bank plc
Emmanuel Parrenin | PricewaterhouseCoopers ■
Timothy Parsons | Marconi plc
Tushar Patel | Peninsular & Oriental Navigation Co
Alan Pepper | Close Brothers Growth Capital Ltd

Peter Pollon | National Grid Group plc
Ronan Redmond | BG Group plc
Suzanne Reynolds | KPMG
David Roberts | Timet UK Ltd
Francesca Rosso | Benfield Group Ltd
Mark Salmon | Bank of Bermuda (Guernsey) Ltd
Celine Sapin | Richemont International SA
Sandra Seetaram | Petroleum Co Trinidad & Tobago Ltd
Kevin Selfridge | Barclays Bank plc
Kevin Sharp
Miras Sheena | TD Securities
Iain Smith | Pilkington plc ■
Mark Stoker
Jeremy Storrs
Roger Swan | WPP Group plc
Nicholas Swift | Hanson plc
Lucy Thomas | Norwich Union Personal Finance
Carol Tindle | PricewaterhouseCoopers
Alexis Tobin | Royal Bank of Scotland plc
Penelope Wallis | Balfour Beatty plc
David Wallis | Nationwide Building Society
Mark Whitehead | Northern Electric plc
Linda Williams | The Laurel Pub Company Ltd
Michael Wren | Bank of Nova Scotia
Nova Young | ICI plc

CERT CM PASS

Distinctions ■

Nolan Adarve | HSBC Bank plc
Egbert Adrichem | PricewaterhouseCoopers
Alan Ainsbury | Barclays Bank plc
Marcus Bateman | Barclays Bank plc
Warren Bolton | HSBC Bank plc
Jeroen Brieffies | Kroymans Corporation ■
Marvin Brizee | AEGON NV
Paul C Brown | Barclays Bank plc ■
Yuk Ling Chan | HSBC Bank plc
Michael Cheung | BP Plc
Mei Yuet Chin | HSBC Bank plc
Vincent De Busscher | PricewaterhouseCoopers
Gillian Dow | Barclays Bank
Allan Dueck | HSBC Bank plc ■
Sandra Fung | Standard Chartered Bank
Andrew Goodwin | Bank of America, NA
Diane Green | ABN AMRO Bank NV
Michael Gulliver | GlobalCollect BV
Vikas Gupta | ABN AMRO Bank NV
Amy Hayes | Bayer CropScience Ltd
Merlijn Hezemans | De Nederlandsche Bank
Mandy Bik Yee Ip | Prada Asia Pacific Ltd.
Shawn Jackson | HSBC Bank plc

Eric Jackson | ChevronTexaco
Ian Jones | Barclays Bank plc
Jeroen Kok | Deutsche Bank AG
Wing KinLam | HSBC Bank plc
Linda Lee | HSBC Bank plc
Bisrat Marcos | Inmarsat plc
Ian Marshall | Royal Bank of Scotland plc
Chris Martin | Royal Bank of Scotland plc
Fiona Maybury | HSBC Bank plc
Aernout Montauban Van Swijndregt | ABN AMRO Bank NV
Gareth Noble | Barclays Bank plc
Waine Paul | Bank of America, NA
Nathalie Rayner | Britannic Money plc
Ryun Retallack | Royal Bank of Scotland plc
Alan Ross | Royal Bank of Scotland plc
Lynne-Marie Rudd | Electrocomponents plc
Helen Rust | Bank of America, NA
Caroline Scharff | Cable and Wireless Panama
Jenna Smith | Bank of America, NA
Wing Shan So | HSBC Bank plc
Wong Lai Wah Susan | OneResource Group Ltd
Mark Sutton | HSBC Bank plc
Neil Thompson | Barclays Bank plc
Betty Tsang Chee Kit | OneResource Group Ltd
Vineet Varma | ABN AMRO Bank NV
Vikramaaditya | HSBC Bank plc ■
Angela Wakelin | Royal Bank of Scotland plc
Jillian Whillock | Bank of America, NA
Ming Chu Wong | Noble Resources Ltd
Michael Wragg | Barclays Bank plc
Ho Yin Yau | HSBC Bank plc
Faith Young | Lloyds TSB Bank plc ■

ON THE MOVE

- Sharon Besate AMCT**, formerly Manager Custody Operations at Schroder Investment Management Ltd, has moved to Chase Manhattan Bank as their new Manager Outsourcing Solutions.
- Angus Cameron AMCT**, previously Principal Consultant at PricewaterhouseCoopers, has been appointed Associate Director at 20:20 Logistics Ltd.
- Simon Griffiths AMCT**, previously General Manager at First National Bank, has now joined Abbey National Payments as Senior Business Relationship Manager.
- David Horsfall AMCT**, has been appointed Associate Director at National Australia Bank Ltd, having moved from Credit Agricole Indosuez where he was Senior Credit Analyst.
- Michael Joyce AMCT**, has joined Bank of Ireland Personal Lending UK as their new Director of Finance. Previously he was Market Risk Manager, at Bristol and West plc.
- Linda Kemeny FCT**, has been appointed Financing Strategy Director at Thames Water plc.
- Colin Scott MCT**, formerly Group Treasurer at the Automobile Association has moved to Treasury Manager at Centrica plc.
- Mark Weller AMCT**, formerly Treasury Accountant at Diageo Plc, has moved to Associate Director at HBOS plc.
- Duncan Wilson MCT**, previously Partner at Ernst and Young UK Ltd, has been appointed Global Head of Operational Risk at BNP Paribas.

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