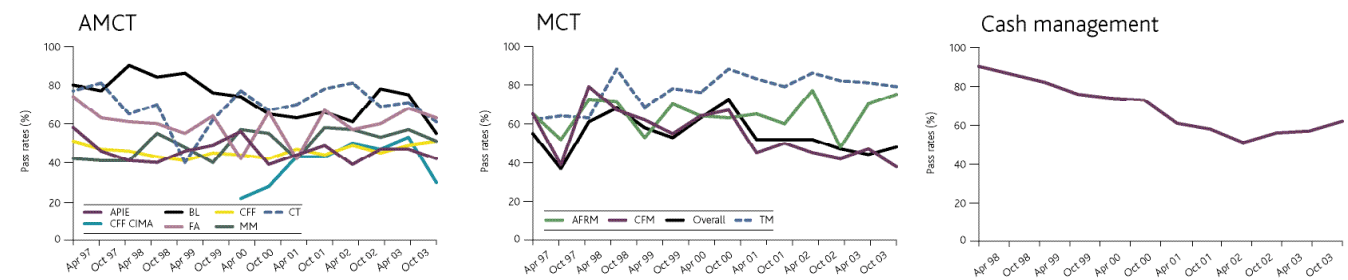


EXAM REPORT

EXAM RESULTS 1997-2003: PASS RATES



MEMBERSHIP EXAM. The pass rates in this diet were 38% in Paper VII, 75% in Paper VIII and 79% in Paper IX, for an overall pass rate of 48%. The pass rate for Paper VII was particularly disappointing, but Paper VIII showed one of the best results in recent years.

Gratifyingly, most of the case study questions were far better answered this time. Students got to the issues well and were able to reach sensible and practical conclusions. The problems came in the shorter questions, where all too often candidates failed to think clearly or focus on the question as asked.

In Paper VII, this lack of focus covered all the shorter questions. At this level, there will always be an aspect of the question that is not straightforward, where candidates must exhibit a clear understanding of theory and practical application, and the candidates that did poorly failed to address those aspects. One question asked about capital budgeting in a high inflation country, but some candidates failed totally to address the issues caused by the inflation. One question looked at how much a company could spend on acquisitions, yet many candidates ignored the fact that most acquisitions bring with them a cash flow stream that itself can support debt. Often candidates regurgitated the facts about a topic, where the question required them to display their understanding. That is the difference between an AMCT answer and an MCT answer, and the former will not get many marks.

The same trend appeared in Paper VIII, although the balance of marks meant that there were more places for candidates to redeem themselves. One question asked how to modify a project to improve its attractiveness. Some candidates suggesting cutting the discount rate. While this solution is often used by politicians, it does little for shareholder value. In another, candidates failed to spot a fundamental error in a proposition. This situation is common in the real world, where silly proposals come in seductive clothing, sometimes bearing large fees.

Paper IX was well handled by most candidates. However, the policy statements required were relatively weak, as is often the case, and students are advised to focus on that area.

In summary, candidates should focus on clear thinking, clear analysis and answering the question asked, not some other easier question. However, as in most diets, there were some excellent scripts where candidates displayed a first rate command of the subject. Those who passed can be proud of their achievement.

ASSOCIATE EXAM. The examiners were disappointed at the level of achievement at the October 2003 sitting. On only one paper, Corporate Finance and Funding, was there a pass rate which exceeded the average for the previous four sittings. Distinctly lower pass rates than in the recent past were recorded for Corporate Taxation and Business Law.

In the Accounting Practice and Introductory Economics paper, candidates failed to deal at all well with the issue of negative goodwill. In the Financial Analysis paper, some candidates failed to read the question. Also evident was a failure to interpret (as opposed to calculate) financial ratios.

In the Corporate Taxation paper, computational parts were well answered with interpretational parts far less well addressed. The Business Law paper has generally demonstrated a high pass rate – since April 1997, the highest pass rate was 90% and the lowest was 61%. Clearly, the October 2003 outcome was a surprise, with a pass rate of only 55%. There seemed to be no adequate explanation for this. One candidate should be highlighted, having scored 97% – excellent.

On Money Management, the overall pass rate was relatively unexciting at 51%. Many scripts demonstrated a lack of knowledge at very basic levels. And some candidates showed a lack of examination technique, falling in love with a non-compulsory question carrying 20 marks and leaving inadequate time to address Question 1, carrying 30 marks – a naïve approach.

Finally, Paper VI showed a pass rate of 51%. This bottom line improvement over recent sittings (the average pass rate over the last four sittings was 47%) was significantly influenced by a pass rate of 76% for Question 1 on financial ratios, credit worthiness, cost of capital and EVA. Other questions were poorly answered.

The overall picture is one where there are lessons to be learned. All papers have structures that are similar to previous sittings. Topics are predictable from previous papers. Not to study past papers and their suggested answers represents a clear lack of sound examination preparation. And, on the examination day, allocating time proportionally to marks, and sticking to the time plan, is a must. The law of diminishing returns applies with examinations just as much as it does in economics. Always identifying what the examiner requires and delivering it is another essential of exam technique. With these little reminders, maybe we can get the pass rate next time up to a higher level.

INTERNATIONAL CASH MANAGEMENT EXAM. We are delighted to report an improving trend in this examination. 62% of candidates passed in the October diet compared with 57% in April. It was evident that the students who performed well had studied the reading material from the manual thoroughly and were able to apply the facts together with a practical insight. The examiners awarded 3 distinctions to those students who demonstrated an excellent knowledge base coupled with sound examination technique. The gulf, however between those students performing well and those performing poorly is becoming more pronounced: for this diet, the examiners noted a disappointing trend where a number of candidates

chose to leave question 1 until last and then clearly ran out of time. This is reflective of particularly poor exam technique, given the requirement to obtain a pass on question 1. Question 1 was however generally well answered with the exception of the account structure, where once again detail was lacking in respect of the diagrams. This should be a 'quick win' providing candidates clearly label all the typical treasury activities for the case studies in question.
Chris Bunton, Chairman of MCT Examination Board
Adrian Buckley, Chairman of AMCT Examination Board
Catherine Adair-Faulkner, Chairman of International Cash Management Examination Board

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 ■

Stuart Caldwell | Provident Financial plc ■
Stuart Clarke | Fujitsu Services Ltd
Gerard Dover | Syngenta International AG ■ ■
Rachael Fisher
Andrew Glover | Aer Rianta CPT
Antony Goldstein | Bank of America NA
Sylvia Hatton ■
Richard Humphreys | Nationwide Building Society
Susan Jones | Shell International Ltd ■
Steven Krippner | PricewaterhouseCoopers
Adam Machin | British Telecommunications plc ■ ■
Ngan Po Yan, Peggy | The Dairy Farm Group ■
Sean West | Network Rail Ltd ■ ■

AMCT PASS

Distinctions Paper V ■ Paper VI ■

Mark Alflatt | Rolls-Royce Power Ventures Ltd
Simon Atter | Barclays Bank plc
Sohail Ausaf | Etisalat Corporation
Katherine Barnes | Abbey National Treasury Services
Lynne Barry | ConocoPhillips (UK) Ltd
Lakhvinder Bhatti | Prime Focus Regeneration Group
Sidney Bieri ■
Sara Bishop | Burn Stewart Distillers plc ■
Mark Bladon | Singer & Friedlander Ltd
David Bleakney | European Bank for Reconstruction & Development ■
David Bonar | National Grid Transco plc ■
Richard Bowser | Lloyds TSB Bank plc

Julian Budden
Juliet Burrage | Network Rail Ltd
David Carroll | Elementis plc
Simon Chambers | Barclays Bank plc
Michael Cheung | BP Plc
Zafar Chishti | Apollo
Sean Christie | AstraZeneca plc ■
Richard Clark | Close Brothers Corporate Finance Ltd
Alan Clarkson | BAA plc
Tatiana Cohen | Lehman Brothers
Victoria Coombes | RWE Thames Water/RWE Innogy
Graham Corr | HSBC Global Investor Services (Ireland) Limited
Giles David
Alexander Dawes | Clear Channel International Ltd
Marcus De Guingand | Royal Bank of Scotland plc
Fiona Delaney | Bank for International Settlements
Karl Devon-Lowe
Graeme Dixon | Northern Rock plc
Brian Elders | AIB Hungary Administrative Services Ltd
Mark Ellis | Petro-Canada
Peter Fargher | Northern Rock plc
Anthony Felet | Competition Commission
Patrick Ferguson | Dunfermline Building Society ■ ■
Douglas Gibb | Douglas J Gibb Ltd
Jill Goldsmith | KPMG LLP
Ilan Gonen | Deloitte
Louis Gonzalez | AIG Global Investment Corp (Europe) Ltd
Timothy Haden ■ ■
Timothy Hall | ABN AMRO Bank NV
Steven Hardman | Swiss Re Services Ltd
Simon Hardy | Barclays Bank plc
Brian Harpur
Kelvin Hayes | SGS Group Management SA
Tim Holbrow | Symbian Ltd
Mike Holt | Rolls-Royce plc
Rosemary Hopkins | KPMG LLP
Karl Hurst | Bear Stearns International ■

Peter Joyce | Royal Bank of Scotland plc
Denis Kenny | Bord Gais Eireann ■
Ian Kerr | Peacock Group plc
Torsten Kohrs | Deutsche Lufthansa AG
Gurdeep Kumar | The Royal Bank of Scotland
Christopher Land | British Telecommunications plc
Katrina Lawton | Co-operative Bank plc
Chris Ling | GE Insurance Holdings
Catherine Lloyd | Royal Bank of Scotland International
Viktor Lysyuk | Shell International Ltd
Iain Malthouse | Norwich & Peterborough Building Society
Richard Marshall | Royal Bank of Scotland Group plc ■
Peter Mason | Citigroup Inc
Simon Millsop | Royal Bank of Scotland plc
Nicola Mitchell | Royal Bank of Scotland plc
Thomas Moore | Aviva plc ■
Yvonne Morton | Yorkshire Building Society
Sandra Murphy | Electricity Supply Board
Steven Nevin | NM Rothschild & Sons Ltd ■
Martyn Nicholas | Deutsche Bank AG
Bernadette O'Connor | Marks & Spencer plc
Stephen O'Mara | KPMG LLP
James Pashley | Deutsche Bank
David Peters | Syngenta Treasury Services Ltd
Warren Phipson | Cable & Wireless plc
Emma Pickard | Allied Domecq plc
Jonathon Puzey | Diageo plc
Balasingham Ravi Kumar | Interserve Investments plc
Naeem Razzaq | Equinax
Elizabeth Riach | The Royal Bank of Scotland
Mark Robins | Pilkington plc ■
Warren Rose | Lloyds TSB Group plc
Lynn Rowland | British Nuclear Fuels plc
Igor Sadiline | PricewaterhouseCoopers LLP
Mikko Saessalo | Deloitte & Touche
Patrick Sarsfield | United Biscuits (UK) Ltd
Roger Schnueriger | Syngenta Treasury Services Ltd
Simon Schollar | Royal Bank of Scotland plc
Elizabeth Skilbeck | BPB plc
Alasdair Smith | PricewaterhouseCoopers LLP
Christopher Smith | Nomura International plc
Philip Spinks | BOC Group plc ■
Forbes Stuart | Bank of Ireland
Sanjay Thakrar | Alliance & Leicester plc
Arnaud J-F Thiriet | Société Générale
Fiona Walker | Deloitte
John Watson | AGCO Ltd
Mark Williams | Arval PHH Ltd
Stephen Williams | Symbian Ltd ■
Yim Pan Wong | Alcatel China Ltd

CERT ICM PASS

Distinctions ■

Ian Wood | KPMG Corporate Finance
Lisa Azemoudeh | Electronic Arts
Graeme Baber

Wing Wai Chang | Li & Fung Distribution (Mgt) Ltd
Steve Cheng | HSBC Bank plc
Shannon Cheung | HSBC Bank plc
Bonnie Ying Ki Chiu | HSBC Bank plc
Ian Cook | Medical Protection Society Ltd
Karen Darlow | Lloyds TSB Bank plc
Sandhya Dave | Royal Bank of Scotland Group plc
Russell Davies | Royal Bank of Scotland/Natwest
Colin Felstead | Royal Bank of Scotland plc
Tara Fox | United Pan Europe Communications
Martin French | Talbot Underwriting
Christopher Furness | Standard Chartered Bank
Daniel Garnett | J.C. Bamford Excavators Ltd
Sze Wai Heung | HSBC Bank plc
Amjad Hussain | 3M United Kingdom plc
Nick Jones | Fleet Boston Financial ■
Ajay Kakar | World Health Organization
Simon Kimberley | Lloyds TSB Bank plc
Wai Yan Lau | HSBC Bank plc
Yung Sheng Lee | JPMorgan Chase
Janet Leung | Bank of America
Beng Kee Lim | HSBC Bank plc
Lo Chun Pong, Richard | Standard Chartered Bank
Jane Lovelock | Electronic Arts
Kieron Lynch | Merrill Lynch Capital Markets Bank Ltd
Hai Fong Ma | The Hongkong and Shanghai Banking Corporation Limited
Alasdair Macleod | BNP Paribas ■
Julia Maiorskaya | LUKoil
Anna McGee | The Association of Corporate Treasurers
Anthony Michell | The Finance and Treasury Association
Juliet Milward | BMW (UK) Capital Plc
Kit Sum Ng | HSBC Bank plc
Maria Oakley | Viacom UK
Andrew Ong | Standard Chartered Bank
Sophie Parker | HSBC Bank Plc
Margaret Peril | Ernst & Young
Peter Prior | HSBC Bank plc
Sean Privilege | Shell Financial Services
Lilian Lai Ting Que | HSBC Bank plc
Paula Reddy | Bank of America
Thomas Schaal | ING BHF - Bank
Reynaldo Sermonia | Amazon.com, Inc
David Squibb | Lloyds TSB Bank plc
Valentin Stoyanov | Lukoil Resurs
Lewis Sun | HSBC Bank ■
Christine Taylor | Smiths Group plc
Elena Titova | PricewaterhouseCoopers Audit ZAO
Tsang Ming Lai, Millie | The Hongkong and Shanghai Banking Corporation Limited
Jeffrey Tyrrell | Fleet Boston Financial
Rob Van Peer | Guidant
Man Yee Wong | HSBC Bank plc
Iain Wyper | ABN AMRO Bank NV
Rebecca Siu Kuen Yau | Standard Chartered Bank
Yuk Yee Yeung | HSBC Bank plc
Alex Young | ABN AMRO Bank NV
Yan Leong Young | HSBC Bank Malaysia Berhad
Lucy Yu Fang | Standard Chartered Bank (Shen Zhen Branch)