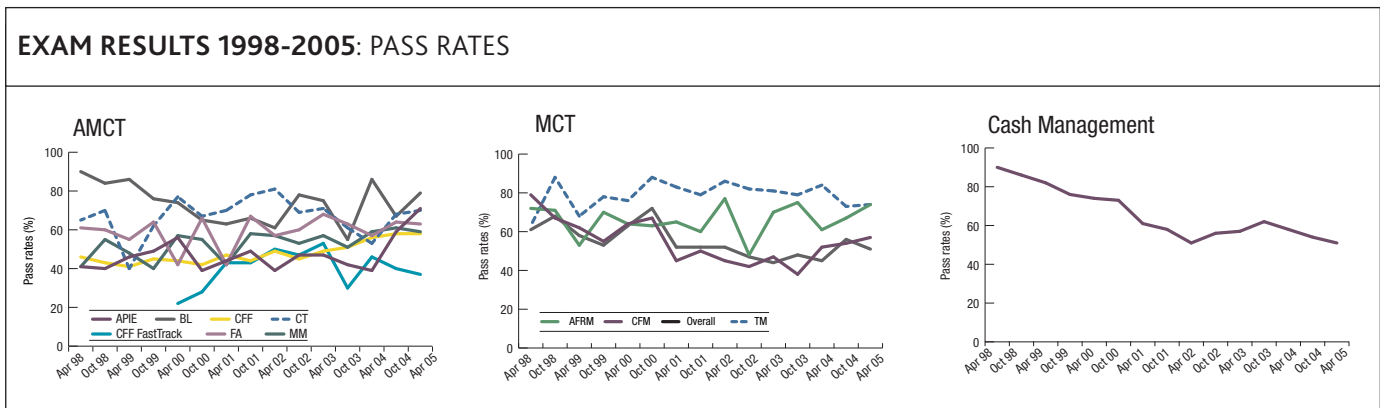


# Encouraging exam results

**CHRIS BUNTON, ADRIAN BUCKLEY AND CATHERINE ADAIR-FAULKNER** ANALYSE THE EXAMINATION RESULTS FOR THE APRIL 2005 SITTINGS OF THE MCT, AMCT AND ICM. INCLUDED IS A LIST OF THE NAMES OF ALL THE STUDENTS WHO PASSED.



**MEMBERSHIP EXAM** The pass rates in this diet were 57% in Paper VII, 74% in Paper VIII and 74% in Paper IX for an overall pass rate of 51%. It is gratifying to see the Paper VII pass rate at its highest level for over four years. The Paper VIII and overall pass rates compared well with recent history.

Much of Paper VII revolved around the valuation and buyout of a publishing group. The route through the case study was clearly marked out and most students tackled the problem competently. The area where many struggled was where they were required to estimate and assess the adequacy of the return to the equity tranche of a leveraged buyout. However, as elsewhere in the papers, good preparation paid off and the case was well answered. More troublesome were the later parts of the paper, where less structured questions asked candidates to demonstrate their understanding of the relationship between risk and financial policy.

Paper VIII was well handled, with Paper VIII B proving slightly more difficult than VIII A. The main case in VIII A revolved around a food service company, asking students to comment on business and financial risk management, leading towards an assessment of debt capacity. Students clearly understood the issues and answered it well.

Paper VIII B required candidates to assess the currency risks of an international group. This topic had caused considerable problems in the past, particularly with quantification aspects, but this group of students had clearly got to grips with the topic and handled the question well. For the first time, IAS 39 *Financial Instruments: Recognition and Measurement* featured in the paper and was very badly addressed. Treasurers cannot ignore this hot topic and nor can

students. The final question on the paper, about funding a large acquisition, elicited too many generalities, a trend that recurs whenever capital structure questions arise.

Students are usually well prepared for Paper IX and this diet was no exception. In the main case study, students demonstrated a good ability to set treasury policy in the context of the strengths (or otherwise) of the business. The difference between the better students and the poorer is illustrated by the question on commodity hedging. The good students stood back and focused on the competitive position (clearly flagged in the question), while the poorer ones focused on hedging instruments. At this level, treasury is about understanding, not just technique.

Overall, it was an encouraging set of results from students who had, for the main, prepared well.

**ASSOCIATE EXAM** At the April 2005 sitting, performance on most papers exceeded that at the immediately previous diet. The pass rate was again well ahead of the average pass rate for the last several diets. Distinctions in the most recent diet totalled 57 over all papers versus 56 in October 2004, 52 in April 2004 and 25 in October 2003. Clearly, performance is on a rising trend. It is believed that this reflects increased provision of face-to-face tuition and pre-examination revision courses. The link between attendance at these and examination performance is significant.

Paper I (Accounting Practice and Introductory Economics) recorded a pass rate of 71% (October 04 – 59%), the best seen for years. The question on elasticities, in the economics sense, proved to

be the weakest one answered. The examiner considered the paper to be difficult. Paper II (Financial Analysis) came in at a percentage pass rate of 63%, a figure slightly lower than last time (64%). The question on moving averages proved most difficult.

In Paper III (Corporate Taxation), the issue of the implication of buying shares in an acquisition versus buying the trade assets was poorly understood. The pass rate, at 70%, improved on last time's figure of 68%. Paper IV (Business Law) has generally demonstrated a good pass rate. In October 2004 this fell below average at only 67% but recovered this time to 79%. The questions on compliance issues proved the weakest answered.

On Money Management (Paper V), the overall pass rate – 59% – was close to earlier diets (61% last time and 59% before). The question on currency forecasting was poorly answered as was the last part of the mini-case study where, with sterling cashflows, no foreign currency debt was implied. But, by and large, the remaining answers were good. Finally, Paper VI (Corporate Finance and Funding) showed a pass rate of 58%, equalling last time's examination and the best level since October 1996. Here, all questions were well answered. But the Fast Track paper, for CIMA and ACCA accountants, had a far lower pass rate that at recent sittings – only 37% passed. It appeared that too many candidates were using knowledge from their professional accounting exams to get them through without adequate reference to syllabus differences. This is a risky tactic. Beware.

All papers had structures that resembled previous sittings.

Examiners were impressed by the good and improving achievement. It is to be hoped that future students keep up the good trend. However, complacency must clearly be avoided and reference to past papers and solutions and attendance at tuition and revision is well advised.

**INTERNATIONAL CASH MANAGEMENT EXAM** Despite some quite outstanding results and the highest scoring paper for several years emerging from this diet, overall, the pass rate was disappointing at 51%. There still appears to be a dichotomy between the practical and theoretic aspects of this examination and a perceived misconception in terms of the considerable amount of technical knowledge required in order to secure a pass.

In order to encourage a greater focus on revision, the Tuition School residential week has been brought forward several weeks with effect from the next diet. In addition, it is enlightening when reviewing the metrics in relation to the progress tests. Here, there is a genuine link between those making a real effort which typically manifests into good examination results. The five distinction students from this diet are a testament to this.

Chris Bunton Chairman of MCT Examination Board  
Adrian Buckley Chairman of AMCT Examination Board  
Catherine Adair-Faulkner Chairman of International Cash Management Examination Board  
[www.treasurers.org](http://www.treasurers.org)

## EXAM RESULTS

THE ASSOCIATION OF CORPORATE TREASURERS WISHES TO EXTEND ITS CONGRATULATIONS TO THE FOLLOWING PEOPLE WHO HAVE PASSED EXAMINATIONS.

### MCT PASS

Distinctions Paper 7 ■ Paper 8 ■ Paper 9 ■

**Peter Bernie** Liverpool & London P&I Management Ltd ■  
**Charles Bosson** Coventry Building Society  
**Martin Cade** Bradford & Bingley plc  
**William Cooper** Anglo American plc ■  
**David Daniels** InterContinental Hotels Group plc  
**Malcolm Fell** Alliance & Leicester plc  
**Ian Foster-Jones**  
**James Gilmour** Volvo Financial Services ■  
**Christopher Grant** Nationwide Building Society  
**William Green** Uniq plc  
**Katherine Horrell** Hewlett Packard Ltd ■  
**Anthony Lawrence** Shell International Ltd ■  
**Thomas Moore** Aviva plc ■  
**Lisa Pemberton** Provident Financial plc  
**Steven Richardson** Zurich Financial Services  
**David Roberts** National Australia Bank ■  
**Declan Sawey** HBOS plc ■  
**Mathew Slade** Reuters Group Plc  
**Harjinder Sohal** Aviva plc

### AMCT PASS

Distinctions Paper V ■ Paper VI ■

**Peter Abrahamson** GAP  
**Christopher Allen** IBM UK Ltd ■  
**David Amos** Royal Bank of Scotland plc  
**Stuart Ball** Royal Bank of Scotland plc  
**Matthew Bartle** HBOS plc  
**Maurice Bhujan** Trade Promotion Services Ltd  
**James Billett** SMG plc  
**Christopher Blake** Investec Bank (UK) Ltd ■ ■  
**Justin Bradford** ■  
**Claire Marie** Bradley Northern Rock plc  
**Anne Brisbin** PricewaterhouseCoopers ■  
**David Brown** Greene King plc  
**Gary Burton** Hewlett Packard Ltd  
**Kim Burton** Lloyds TSB Bank plc  
**Miranda Chitty** BPP (Croydon) Ltd  
**Lindsay Christian** MEPC Ltd  
**Andrew Clark** KPMG  
**Zoe Clarke** KPMG ■ ■  
**Jonathan Clarke** Atkins Limited ■ ■

## AMCT PASS

Distinctions Paper V ■ Paper VI ■

**Roy Clinton** Banque Jacob Safra (Gibraltar) Ltd  
**Kevin Collett** Ansbacher & Co Ltd  
**John Collingwood** VA Tech Finance UK ■  
**Ruth Cooke** Anchor Trust ■  
**Calvin Cordle** Barclays Bank plc ■  
**Edward Coulson** HSBC Bank Plc  
**Vanessa Coxon** Shell Global Solutions International BV  
**Thomas Craigie** Royal Bank of Scotland plc  
**John Cunningham** Ulster Bank Ireland Limited  
**Christopher Cutts**  
**Mark Dalton** JLT Group plc  
**Nigel Darbyshire** The Deva Tap Company Ltd ■  
**Iain Davies** Nationwide Building Society  
**Nicola Davies** InterContinental Hotels Group plc ■  
**Stephen Dews** Anite Public Sector  
**Stephen Dines** Chemring Group plc ■  
**Thomas Doyle** Merrill Lynch  
**Alan Drew** Dixons Group plc ■  
**Mark Farrer** Diageo plc  
**Adrian Ferdinands** Morgan Stanley  
**Cormac Finnerty** Xerox (Europe) plc  
**Helen Foster** Lloyd's  
**Michael Foye** Emap plc  
**Timothy Gaffney** Barclaycard  
**Netraj Ghurburrun** Hilton London Metropole (Hilton Grp Plc)  
**Nikolaos Gianniris** Royal Bank of Scotland plc ■  
**Mandeep Gill** QinetiQ  
**Thomas Gilliam** Rentokil Initial plc  
**Caroline Godwin** Marsh Ltd  
**Ian Goulbourne** UBS Investment Bank  
**Valerie Graham** Nationwide Building Society  
**Tom Green** British American Tobacco plc  
**Claire Grosvenor** Vodafone Group plc ■  
**Emi Hanawa** JT (UK) Limited  
**Christopher Haworth** Barclays Bank plc  
**Robin Hayes** Lombard International Assurance S.A.  
**Neil Holmes** Willis Management (Isle of Man) Limited  
**Elizabeth-May Honeyman** Stagecoach Group plc ■  
**Andrew Ireland** Royal Bank of Scotland plc  
**David Jackson** Shell International  
**Daragh Kavanagh** ESB International Investments  
**Jeremy Kernthaler** QinetiQ plc  
**Edward Kirk-Wilson** Royal Bank of Scotland plc  
**Siu Yuk Lam** Astec International Holdings Ltd  
**Shiuann Lam** Syngenta  
**Philip Lawrence** KPMG  
**James Leather** British American Tobacco ■  
**James Lee** Vodafone Group plc  
**Harminder Liddar** Marconi Corporation plc  
**Dariusz Lis** Dresdner Kleinwort Wasserstein  
**Helen Maginn** Wyeth Pharmaceuticals  
**Kerri Maharaj** RBTT Bank Limited  
**Sean Malin**  
**Geoffrey Mansfield** Shell International Eastern Trading Company  
**Amir Marashian** British American Tobacco Exports BV ■  
**Jason Marshall** Serco  
**Paul McElhatton** Linklaters

**Colin McEvoy** Open & Direct Insurance Group  
**Daniel McKay** Morgan Stanley  
**Karleen McKenna** Origin Energy  
**David Morgan** National Grid Transco plc  
**Rabbie Mukuma** Zambia Centre for Accountancy Studies  
**Fiona Munro**  
**Isobel Nelson** Northern Rock plc  
**Stuart Nelson** Electrocomponents plc ■  
**Gary Newbrook** Royal Bank of Scotland plc  
**Derek O'Reilly**  
**Matthew Plant** AMEC plc  
**Emily Plummer** Dresdner Kleinwort Wasserstein ■  
**Edward Poet** Nestle Purina Petcare  
**Garry Porter** GlaxoSmithKline plc  
**Michael Rae** PricewaterhouseCoopers LLP  
**Jonathan Rees** Royal Bank of Scotland plc  
**Christopher Reid**  
**Charles Richardson** BUPA  
**Julian Roughley** Morgan Stanley ■  
**Andrew Rushton** ■  
**Neil Sadler**  
**Katrina Samadian** Credit Suisse First Boston  
**Philip Scott** Vodafone Group Services Limited  
**Paul Seagar** Land Securities plc  
**Reshma Shah** The Bank of New York  
**Carl Sharman** CP Ships Limited  
**Sarah-Jane Shay** Royal Bank of Scotland plc  
**Stephen Smith** Ernst & Young LLP  
**Abisodun Soetan** Henderson Group plc  
**Carol Swann** Lloyds TSB Bank  
**Christopher Sweeney** Rolls-Royce Power Ventures Ltd  
**Richard Sykes** Standard Chartered Bank  
**Peter Tallboys** Publicis Group S.A.  
**Tsegaye Tewolde** Tsegaye Tewolde & Co Auth. Auditors & Accountants  
**James Thomas** KPMG ■  
**Ritz Lai Sze Tsang** IDS Group Management Limited  
**Andrew Vahidi**  
**Jeffrey Vernon** Rathbone Investment Management Ltd  
**Mark Verwey** Deutsche Bank  
**Elizabeth Waddington** William Grant & Sons Ltd  
**Sarah Wallace** Royal Bank of Scotland plc  
**David Weaver** Royal Bank of Scotland plc  
**Anthonia Williams** Britvic  
**Amy Williams** Royal Bank of Scotland ■  
**Craig Williams** Diageo plc

## CERT ICM PASS

### Distinctions ■

**Angela Abrahall** Lloyds TSB Bank  
**Luciferina Annas** Bank Danamon Indonesia  
**Philip Arnggrimsson** Fortis Bank  
**Martin Beekelaar** Rabobank Nederland  
**Helle Borup Jeppesen** Nordea Bank Danmark A/S  
**Philip Boyall** Royal Bank of Scotland plc ■  
**Delphine Chazalet** Airbus Financial Services ■  
**Gina Cleife** Royal Bank of Scotland plc  
**Jess Culver** Barclays Bank plc  
**Louisa Dall** Royal Bank of Scotland plc  
**Chrystie Dao** HSBC Bank plc  
**Hendeik De Boer** Dexia Bank Nederland  
**Sally Doe** Linklaters Business Services  
**Robert Doorly** AIB International Services  
**Paul Feeney** Royal Bank of Scotland plc  
**Helen Finn** Citigroup  
**Helen Fowler** Bank of America  
**Christina Ganeva** Johnson Controls International BVBA  
**Rachel Gooch** Sungard Treasury Systems  
**Graham Grant** National Australia Bank  
**Nadeem Haque** HSBC Bank plc  
**Jacoba Hogervorst** ICC  
**Heidi Holth** Aker Material Handling Ltd  
**Nicholas Howden** JPMorgan Chase ■  
**Nafsika Kokkinos** TimeWarner  
**Gunilla Kotiranta** Nordea Bank AB (publ.)  
**Martin Kuipers** VNU NV  
**Timothy Lane** Premier Oil plc

**Katrina Lawson** Jardine Motors Group plc  
**Shen Lee** Maritz  
**Hans-Erik Lind** Nordea  
**Boris Loones** ING Bank  
**Martin Lyons** Kostal Ireland GmbH  
**Paul Mason** Royal Bank of Scotland plc  
**Elizabeth Mattos** American Express Europe Ltd  
**Abigail McMahon** Merrill Lynch Investment Managers  
**Aarti Mittal** JPMorgan Chase Bank  
**Brian Moore** HSBC Bank plc  
**Rohit Moudgil** Barclays Bank plc  
**Agata Pawelec** Danske Bank Polska S.A.  
**Per Pedersen** Nordea  
**Joanna Piotrowska** ABN AMRO Bank NV  
**Elaine Ryan** Diagio Finance Ireland  
**Loraine Saggars** Royal Bank of Scotland plc  
**Guido Schellino** Unicredit Corporate New Europe  
**Saira Shah** JPMorgan  
**Vishnu Balkaran Sitaram** Ontario Teachers Pension Plan ■  
**Susan Stephens** Royal Bank of Scotland plc  
**Peng Tan** Solectron Europe BV  
**Marianne Traedal** Fokus Bank  
**David Van Mechelen** KLM Royal Dutch Airlines ■  
**Jeanette Vincent** Royal Bank of Scotland plc  
**Espen Wattø** Nordea  
**Thomas Wicka** Lloyds TSB Bank plc ■  
**Carl Wood** Royal Bank of Scotland plc



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