GUIDE FOR STUDENTS
MULTI-DISCIPLINARY CASE STUDY (MDCS)
AUDIT TRAINING – RECOGNISED PROFESSIONAL QUALIFICATION (RPQ)
INTRODUCTION

The following guide provides information for students in respect of the exam process, how to prepare for the Multi-Disciplinary Case Study and what to expect in the exam itself.

The Multi-Disciplinary Case study combines and consolidates the aims of the other papers in the syllabus for those students who are following the Recognised Professional Qualification (RPQ) route. It requires candidates to apply skills which have been assessed earlier in the curriculum within a more practical setting than is possible in a traditional exam and to practice effective time management.

Successful completion of the case study not only requires candidates to apply their existing knowledge and skills to a given scenario, but also necessitates the demonstration of a high level of professionalism, insight and awareness of the nuanced context in which an audit is conducted. Experience gained from prior practical training may be of use here. The MDCS is assessing higher intellectual skills that would be comparable to Master’s level study.
HOW TO USE THIS GUIDE

This guide is designed to assist you in your preparation for the MDCS.

Where relevant, there are handy icons to show you where you can find further information or help.

- Document available giving further information
- Who to email for further information or help
- Who to phone for further information or help
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The exams are maintained at degree standard, up-to-date and in compliance with the requirements of the Companies Act 2006, Schedule 11 and the prescribed subjects stated in The Statutory Auditors (Examinations) Instrument 2008, through annual internal review and on-going external academic moderation. The Multi-Disciplinary Case Study (MDCS) and the Oral Test are set at Master’s degree level.

The exams in the first three levels comprise 16 three hour and 15 minute exam papers arranged in two modules at each of the three stages: Foundation, Professional 1 and Professional 2. The MDCS exam comprises a four hour exam.

Students are required to have studied topics and subjects within each syllabus and are advised to refer to the Exam Scheme & Reading Lists 2016. The 2016 syllabus is examinable at the May and November sittings.

Students are reminded that questions in any paper in the Professional 1 and 2 Levels, the MDCS and Oral Test may assume knowledge of the subject matter of other papers in that or earlier parts of the syllabus. This means knowledge requirements from each level, including from different subject-based papers, where relevant, are automatically included at each higher level.
2.0 EXAM PROGRESSION

From registering as a RPQ student on the audit route, upon completion of the Foundation level, you have a period of five years in which to complete the exams.

In the Foundation and Professional 1 Levels, all subjects in a Module must be taken together at the first attempt. You must actually attend all subjects at the first attempt, being absent for one or more of the subjects will mean that you must take all of the subjects again.

Individual passes in the Foundation exams will be credited but all three subjects in Module A must be passed before proceeding to Module B.

Individual passes in the Professional Level 1 exams will be credited but all three subjects in Module C must be passed before proceeding to Module D.


You can take more than two papers, up to a total of four papers. Any passes awarded will be retained. At the next consecutive exam session you will be required to take at least two exam papers which can include any previous failed papers. If only one exam paper remains outstanding, you will be required to take that paper at each exam session until a pass is achieved.
The MDCS must be taken upon completion of the Professional 2 level and at the next exam session. You are required to sit the MDCS at the next consecutive exam sessions until a pass is awarded.

Knowledge gained throughout the Foundation, Professional 1 and Professional 2 levels is applied in context during assessment for the Multi-Disciplinary Case Study:

Upon completion of the MDCS and three years statutory audit training, members are required to sit a two hour oral test.

For further details refer to the ‘Oral Test and Case Study – Trainee Notes’ and the ‘Oral Test Guide for Members’.

Information for RPQ Students
3.0 OVERVIEW OF THE MDS

The objectives of the paper are to ensure that students can apply professional judgement relating to external audit and associated accounting and business disciplines. The paper combines and consolidates the aims of the other papers in the syllabus for those students who are following the RPQ route. This paper requires existing skills, which have been assessed earlier in the curriculum, to be applied in a more practical setting than is possible in a more traditional exam.

The case study takes the form of a realistic simulated audit and assurance assignment faced by a fictitious statutory auditor. Candidates are asked to assume the role of the auditor and to structure their responses logically using accepted conventions for the document style. Ideas must be expressed with clarity and accuracy using information from the case study as evidence to explain an issue or support its importance. The recognition of problems and the suggestions for action should reflect generally accepted auditing practice (where appropriate) and demonstrate consideration and understanding of technical skills expected of a qualified statutory auditor.

Successful completion of the MDCS indicates the candidate’s ability to:

- Apply knowledge gained from the other papers in the AIA curriculum to a practical case study in an analytical and practical manner
- Analyse relevant and significant information from a combination of pre-seen and unseen materials that describe a practical situation
• Integrate the diverse knowledge and skills gained from the AIA curriculum and practical experience

• Prepare clear, logical and comprehensive responses that meet the needs of the designated recipients, as identified in the case study and its associated requirements

• Communicate in a clear and concise manner to a designated reader, including formulating realistic solutions to problems raised

• Demonstrate the appropriate application of professional and ethical judgement in the audit environment.

The paper will comprise a pre-seen scenario that will be made available via the AIA website six weeks before the date of the examination. Students will be free to read and study the materials provided, to research the background to the entity’s circumstances and to discuss the materials with colleagues. The content of the scenario will not indicate the precise form that the final requirement will take, although it is recognised that students will be able to think ahead and to pre-empt the requirement to some extent. It should be borne in mind that students will have already demonstrated their competence with respect to the technical aspects of the curriculum and so any advantage that can be obtained from the pre-seen case will not dilute the standard required of a successful exam candidate.

The pre-seen materials will be supplemented by an unseen component which will not be made available until the examination itself. This will provide further facts that will be required in order to satisfy the requirement.
The requirement itself will require the preparation of a specific document such as a report or a memorandum that is addressed to a specific reader or readers. The document will draw upon the case and will require the ability to make use of the background information gleaned from the pre-seen as well as the ability to assimilate the new material from the unseen.

Candidates are reminded that the marks are awarded for their ability to apply their technical knowledge from prior AIA study to the case study scenario and to formulate and communicate an appropriate professional response to this. It is not possible to pass the paper based upon pure technical knowledge and the quality of the professional judgement shown in, for example, prioritising relevance and developing appropriate professional responses, is critical to success. Candidates are expected to demonstrate application and critical analysis skills within their answers.

Candidates are reminded that this examination is the capstone of their professional examinations and will explore all aspects of work as an audit practitioner. This encompasses all aspects of technical knowledge presented as part of a practical scenario. It is not possible to predict the technical areas to be examined from the seen material and candidates should prepare themselves for some aspect of audit related work for the client presented in the case study.

The AIA is satisfying itself that you are technically competent and professional in your approach to your clients to allow you to assume the status of Statutory Auditor.
Answers should be presented and written in a professional language appropriate for the intended audience. The answers should be structured logically with use of accepted conventions for the document style. Ideas should be expressed with clarity and accuracy and use information from the case study as evidence to explain the issue or support its importance. The recognition of problems and the suggestions for action should reflect generally accepted auditing practice (where appropriate) and demonstrate consideration and understanding of technical skills expected of qualified practising accountants. The answers should comply with The Code of Ethics for Professional Accountants issued by the International Ethics Standards Board (IESBA Code) and the Ethical Standards (ESs) published by the Financial reporting Council (FRC).

Further advice can be obtained by contacting:

exams@aiaworldwide.com
4.0 HOW TO PREPARE FOR THE MDCS

The ‘pre-seen’ material of the MDCS will give details of a client company that you will engage in professional work for. You should ensure that you analyse the information given to you to develop a picture of the organisation (products, market niche, strategy, internal risks and control environment) and research the wider business context to understand any external risks and challenges. Identifying similar companies from real life and researching into their challenges and opportunities may prove helpful.

Please remember that not all of the information given to you may prove to be relevant for the examination, but you should prepare as though it might be. Also remember that the information you are being given may be in draft format and subject to change or may have be incorrect. Client information is not always accurate and the case study aims to replicate the practical experiences that accountants have day-to-day.

As the examination aims to replicate your real life experiences of practice you need to ensure that you are familiar with practical aspects of practice management as well as your technical accounting, finance, taxation and auditing knowledge.

You should ensure that you are comfortable with writing standard professional documents including audit plans, audit testing plans, engagement letters, letters of control to those charged with governance, written representations and audit reports etc.

The examination will require you to demonstrate your ability to support and advise professional staff and colleagues and your competence in providing relevant advice to clients.
You will be required to demonstrate your commitment to the ethical standards articulated by The Financial Reporting Council and IFAC’s Code of Ethics and you should ensure that any responses you give comply with these codes and advice. The standards outlined in the IFAC Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA Code) are implicit in, and examinable throughout, the AIA syllabus. Students will be expected to refer, where appropriate, to the Ethical Standards for Auditors (ESs) published by the Financial Reporting Council (FRC).
5.0 HOW TO ANSWER MDS QUESTIONS

The MDCS is an ‘open’ style of examination where there are a number of possible approaches and interpretations that you may take. You should aim to show your professional competence and a key aspect of this is demonstrating your technical knowledge through appropriate application in the practical scenario you are presented with.

Plan and structure your answer to allow you to produce a professional document as specified by the question. Ensure that you answer the question in the format asked and that the document looks realistic, for example, a letter should be headed as a letter and a memo presented as a memo.

You will not earn marks for repeating what is in the case study as marks are given for applying your technical knowledge to the scenario.

You should draw on and apply knowledge learnt throughout AIA’s syllabus in order to gain maximum marks in the case study.
6.0 TOP TIPS

SHOW ALL YOUR WORKINGS

This allows the examiner to see if your approach to answering the question was correct even if your final answer was incorrect. If detailed and clear workings are included then part marks will be awarded. Any workings written on individual sheets of paper should be inserted into the exam script.

ATTEMPT ALL OF THE REQUIREMENTS OF THE PAPER

The MDCS requires you to produce a professionally relevant document and therefore there is only one question. The requirements will be broken down into specific information required in the document and the examiner may give an indicative weighting to that. You must ensure that you consider all of the requirements and fulfil them to the best of your ability.

MANAGE YOUR TIME CAREFULLY

You must allocate time specifically to the questions you intend to answer, ensuring you effectively manage the time available. Use the first hour to review the case and plan your answer. Allocating time appropriately is important, as the first marks in a question are always the easiest to collect.

PREPARE TO ANSWER QUESTIONS ON ALL PAPERS WITHIN THE SYLLABUS

You must be prepared to answer questions on all of the subjects listed in the syllabus. The MDCS combines and consolidates the learning outcomes of all 16 papers in the syllabus. However you must be careful with the ‘voice’ you use in applying your knowledge. The MDCS focuses upon your work as an auditor in a professional...
practice and you should ensure you write in this role. This is especially important as you may be tempted to sound as though you are more closely aligned to the client’s problems than would be ethically acceptable – beware of the advocacy threat.

**PRACTICE YOUR EXAM TECHNIQUE**

The MDCS examines your practical application of knowledge to your professional practice. In this respect you are practising your exam technique with any professional work you do. Bring those skills of common sense and experience to your response to the scenario. It is appropriate to think about what you would do at work as a starting. Identify the role that the case study asks you to take and then design an appropriate document structure to deliver the desired information. You must ensure you tailor your response to the audience. You may be writing to your audit team, your partner or to the client and these have slightly different levels of accounting knowledge that you can assume. This should be evidenced in the style of writing you adopt. Side headings are generally acceptable in reports and letters and you can use bullet points for emphasis but should always write in full sentences.

**INCREASE YOUR KNOWLEDGE WITH INDEPENDENT READING**

You should increase your knowledge and ability to pass the MDCS by researching the information provided in the pre-seen material. You should also ensure that you are remaining up to date around technical developments in the audit and accounting field. You should be familiar with new accounting and auditing standards and discussions within the profession. For this reason you must keep up to date with the technical pronouncements on the AIA website and follow these up in the FRC and IFAC websites. You are being assessed for your professional competence and your ability to stay informed is a key aspect to this.
You must ensure that you are up-to-date on current accountancy issues, including International Standards on Auditing and International Financial Reporting Standards/IFRS defined in the syllabus. You should have an understanding of and engagement with appropriate IFRS. Most IFRS contain definitions, criteria and other requirements which can be learned and applied to the scenarios in the exam papers; thereby demonstrating not only your knowledge of IFRS but also your ability to apply that knowledge in practice.

Candidates are required to answer questions based on the UK regulatory background including the UK standards: Financial Reporting Standards (FRS) and Statement of Standard Accounting Practice (SSAP) issued by the Financial Reporting Council (FRC). In respect of auditing, the relevant UK standards are all current Auditing Standards (ISAs (UK and Ireland)) issued by the Financial Reporting Council. Candidates will be expected to refer, where appropriate, to the Ethical Standards (ESs) published by the Financial Reporting Council (FRC).

**PRACTICE CASE STUDY QUESTIONS**

You must get plenty of practice in answering case study questions. A good answer to a case study does not just cover the theoretical aspects of the topic but addresses the answer in the context of the case study and demonstrates the ability to apply that knowledge in practice. *Remember to request a copy of the Specimen MDCS.*

**UNDERSTAND THE COMMAND WORDS**

Make sure you know how to answer the question by interpreting the command words correctly. To ensure you are familiar with the command words used in AIA’s examinations, remember to request a copy of the ‘Teaching and Learning Guide’, which contains definitions of the command words.
7.0 REASONS FOR FAILING

Time management is a continual problem for candidates generally. If you spend too much time on one part of the question, then this will affect the time you have left to complete the remaining requirements.

Some candidates are able to demonstrate they understand the basics of a particular issue but then fail to apply that understanding to the scenario or case study in the question. You must be able to apply that knowledge in order to gain substantial marks.

Another area of weakness concerns the common misunderstanding of a question’s requirements. Some candidates demonstrate a lack of understanding in terms of what is meant by the command words and this in turn affects how they answer the question.

Candidates must ensure that they have a good understanding of the complete syllabus as you will be tested on applying your knowledge in practice to different and complex situations.
8.0 THE EXAMS-EQUAL OPPORTUNITIES & DATA PROTECTION

AIA operates a policy which offers equality of opportunity regardless of gender, ethnicity, colour, disability, religion, age, sexual orientation, or marital status.

To ensure no candidate is discriminated against on the grounds of disability, AIA offers additional support to candidates during the exams if required.

In order to provide effective support and services we need to collect your personal data. In line with current Data Protection Legislation, AIA is required to tell you that we will share this with other parts of the AIA and with those external agencies providing services to the organisation and its members. We respect the privacy of individuals and only disclose personal data outside of AIA as a necessary part of our service. Personal data will not be passed to a third party without your explicit signed consent.

Information relating to the support available can be obtained by emailing

exams@aiaworldwide.com
9.0 ENTERING THE EXAMS

Candidates are required to pay an examination fee prior to completing the exam. Remember to submit your exam entry by the following deadlines:

May Exams – 1 April

November Exams – 1 October

Four weeks before the exam session, AIA issues a hard copy of your Exam Notification Form posted to your preferred postal address.

If you decide not to enter the exams online, or if you have a query relating to your entry contact,

exams@aiaworldwide.com

You can view the exam timetable, the list of exam venues, exam fees etc. in the Exams area of the website.
10.0 EXAM RESULTS

The exam results are released on the website, to AIA Approved Study Providers and via the Exam Results Notification form, which is posted to your preferred postal address. The results are released on the following dates:

May Exams          mid July

November Exams     mid February

As part of our Quality Assurance procedures, the AIA places a high emphasis on ensuring the exam scripts are marked to the highest standard. You need to achieve fifty per cent in an exam paper to be awarded a pass.

Any script showing a marginal fail is automatically reviewed by the Examiner as part of the marking process and re-marked by a second marker as part of the Quality Assurance Procedure.

AIA also selects a random sample of the remaining scripts and these are marked by another marker.

It is appreciated that some candidates may wish to appeal against the marks awarded when a fail is recorded. All candidates have the right to make an appeal, and the process is clearly defined in the ‘Student Guide’ which can be found on the website. Remember to request a copy of the ‘Student Guide’.

Student Guide
12.0 CONTACT AIA

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