

How to.....prepare for the Diploma Exams

They say that the only two certainties in life are death and taxes but I reckon there's a third - you just never have enough time to revise for exams. All those best intentions, study plans and pre-ordering the study material seem to come to nought when clients decide they need your attention instead!

This article is intended to give you some pointers with your preparation as the next set of exams come clearly within shooting distance. I'm convinced that it's not just about *how much* preparation you do, but *how effective it is*. Most people will need to spend as much time as they can but, let's face it, rarely does anyone put in the time they would ideally like to.

Diploma v AFPC

Many of you will have completed one or more of the AFPC subjects – and will probably have the scars to prove it. The good news is that the Diploma exams should *not* be as difficult. There are three reasons for this:

1. the syllabus for each subject is not as wide;
2. AFPC was based on case studies; Diploma exams are based on short answer questions. These are more about regurgitating information and not the application of it, and;
3. because the format of the exam is different, the 'technique factor' that featured heavily in AFPC doesn't exist to the same extent with the Diploma exams. In other words, exam technique is less of a problem.

How difficult are the Diploma subjects?

So 'son of AFPC' might be easier, in theory at least. The bad news is that you are still working towards a qualification that deserves more than a little respect. This is borne out by the most recent exam results that are available from the CII. These show the pass rates for the most popular Diploma subjects to be:

Exam	Pass rate
Personal Tax (J01)	54.34%
Trusts (J02)	47.97%
Pension Funding Options (J04)	38.84%
Pension Income Options (J05)	45.85%
Investment principles, markets and environment (J06)	41.62%
Supervision in a Regulatory Environment (J07)	44.44%

Source: CII, October 2006

Top then tips

Here are 10 tips to make sure the time you invest in preparation is as effective as possible.

1. **Look at the scope of the syllabus.** The first point is to be clear about the range of topics that are covered. Diploma exams will test across the scope of the syllabus and there will be elements lurking in there that most advisers just don't come across in their day to day work. In J02, for example, have you come across secret trusts before? In J04, there are short term annuities and defined benefit pension schemes are looked at in some detail. In J07, how well up on GROW and PESOS are you? It is worth looking at the syllabus because if time is short, you might want to address those areas that you are least familiar with.
2. **Identify the key subject areas.** Cherry-picking is a high-risk strategy but it would be sensible to become familiar with the areas which have historically interested the examiners. For example, don't be surprised if there is a question in J04 on the rights of early leavers and the Simplification changes. In J01, it is highly likely that you will be asked to complete one or more tax computations for IHT, CGT and/or income tax.
3. **Complete (or at least read) previous Examiners' Guides.** These are good preparation because:
 - they show how the exam is structured and,
 - they demonstrate the type of question/marking structure and depth of answer needed.

They also provide a chance to have valuable practice, familiarise yourself with the style of exam questions, learn and practice answering them.

Examiners' Guides for the last two exams can be ordered and downloaded almost instantly from the CII website (www.cii.co.uk) so have your credit card available. These are no longer sent out automatically as part of the exam entry fee.

4. **Plan your revision to suit your preferred approach.** People will learn differently. Some candidates start studying 6 months before the exam; others prefer to leave things towards the end and take a couple of days off work. Either is fine if it works for YOU. If you're not a keen reader, then why trudge through nearly 120 pages or so of J05? Even if you stick at it, it's unlikely that you'll remember much so why bother? The following tips will suggest some alternatives.

5. **Revise in short bursts.** Learning is usually far more effective if it is restricted to chunks of 20 minutes or so. This enables you to focus on only a few topics (which are thus easier to remember). It is also accepted that we tend to remember the bit at the beginning and the bit at the end – revising in 20 minute chunks has more of these beginnings/ends than, say, a solid three hour revision session.
6. **Effective learning is about using a variety of methods.** This may mean attending a course, joining a study group, reading, listening to audio CDs, case studies or website testing. Face-to-face courses are traditionally a popular revision method but remember that the Diploma exam is pitched below AFPC level and it isn't as technique driven. For some people, this means that courses might not be the automatic choice they were in the past.
7. **Make your revision as interesting as possible** - your brain will only work efficiently if it is interested. This means getting involved in some way, e.g. make summary notes, write your own key fact cards, design mind maps and use a highlighter pen. Try to link the study to a real-life situation - this helps your brain to make more sense of the learning and, by using association, the knowledge is more likely to transfer from short term retention into the longer term memory.
8. **Be clear what you are being examined on.** This is particularly important with the April exams because they are usually based on the position 12 weeks before the exam. For example, in J01 this means that the removal of the starting rate of income tax and CGT changes shouldn't be examined whereas the Pre-Budget Statement which announced changes to the sharing of IHT nil-rate threshold could be.

The CII has historically had a tendency to test recent changes as early as possible. Indeed with J04, the syllabus includes a section on understanding current pension accumulation issues so don't be surprised if current hot topics (too recent to be in the current version of the study text) are examined, but obviously not within 12 weeks of the exam.

9. **Constantly review what you've learned.** Recent research has shown that a short 3-5 minute review of what you have learned can dramatically increase your retention of knowledge. How about supplementing this by getting someone to ask you questions? A regular 5 –10 minute session with either a partner or colleague using the study text to ask you questions is a great way of learning or reinforcing previous learning.
10. **Reward yourself.** Few people will regard exam study as fun. Long-term benefits such as earning more through better or bigger sales, demonstrating your professionalism, making yourself more marketable etc. are great. But also make sure that you reward yourself short-term for sticking to your revision plan.

Audio CDs / MP3s - www.pstgroup.co.uk/audioproducts.htm