

## ACCA F9 – Financial Management

### Practice & revision kit: FOR EXAMS FROM 1 SEPTEMBER 2016 TO 31 AUGUST 2017

#### Errata sheet: January 2017

Question	Page	Answer ref	Details of error and changes to be made
132 Sensitivity	35	112	Option A should be 18.9%  In the solution the PV of 5,638 should say 5,368; this changes the NPV of 815 to 545 & the IRR changes to 18.9%
134 Sensitivity		112	Solution should be : B 1 and 3  The first statement is true. The IRR ignores the relative size of investments, it does not measure the absolute increase in shareholder wealth resulting from an investment. The reinvestment assumption for IRR is that the cash inflows are reinvested at the projects IRR. This may be questionable but it is not unproven. NPV and IRR are both used widely. NPV is technically superior to IRR.
206 Grenarp	58		In the 2 <sup>nd</sup> line of the table of data it should say Ordinary shares (par value \$0.50). In the 5 <sup>th</sup> line of the table of data in the question, it should say 8% Loan notes (it currently says Loan notes, (the 8% is missing)
256 Rose	69		Option A should say <b>selling</b> short-dated government bills
Mock 3 Q32	234		At the end of the question - the market price of the bond should be \$102.01 and the cost of equity should be 12.4%.

