

# CIMA P3 Exam Practice Kit Errata list

While every effort is taken to ensure your BPP materials are free from errors or inconsistencies, inevitably some items slip through the net for which we sincerely apologise. This document is designed to summarise all those areas where errata have occurred and provides the appropriate corrections and clarifications required to help you pass your CBT.

**Thank you for your patience and understanding.**

Reference	Details of errata/clarification required
<p>Section 1 "Introduction to risk"</p> <p>Question 11</p> <p>Page 64 only</p>	<p>The solution shows the following:</p> <p>'The sensitivity of the 20% increase in making good costs can be estimated as <math>22.7 \div 49.6 = 45.8\%</math>'</p> <p>This is incorrect and should read: '<math>49.6 \div 22.7 = 218.5\%</math> as sensitivity is calculated as NPV of project divided by PV of cash-flows'.</p> <p>The correct answer is therefore 218.5% and 45.8% is incorrect – one is the inverse of the other hence the reason for using them both because it creates a plausible distractor like you would have in the real CBT. The remaining two options no longer appear plausible as the calculations will not match the suggested reasons given.</p> <p>The online version of this question on my.bpp.com has been corrected for these errata so you should attempt that version instead if at all possible.</p>
<p>Section 7 "International risk – exchange rates"</p> <p>Question 10</p> <p>Pages 22 and 77</p>	<p>Within the question and solution, two columns are presented with the headings 'Debtor' and 'Creditor'.</p> <p>These should be switched so the left hand column is headed 'Creditor' and the right hand column headed 'Debtor'.</p> <p>All other parts of the question and solution are correct.</p> <p>The version of this question on my.bpp.com has been corrected for these errata.</p>
<p>Mixed Bank 6</p> <p>Question 7</p> <p>Pages 55 and 100</p>	<p>This question is based on a CIMA question from the pilot paper - in the question, it is assumed that the higher IRR of 22% includes the tax shield and the question is asking for the IRR without this (which would fall)</p> <p>However, it is a badly phrased question and could confuse candidates who perceive the term 'operating cash-flows' to focus on the project alone.</p> <p>It is anticipated that if this were to be tested in the real CBT, the question would not be so ambiguous.</p>