

INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

EXAMINERS' COMMENTS

SUBJECT	SESSION
Business Management and Strategy (BMS)	Certified Finance and Accounting Professional (CFAP) - Winter 2020

Passing %

Question no.	1	2	3	4	5	6	7	8	Overall
Passing %	48	44	32	18	42	72	4	34	32%

General comments

The overall result has declined from 39% (Winter 2019) to 32% in this attempt. The below average performance was mainly noticed in the questions from the areas that have not been frequently examined in the past sessions. This reflects the selective studies.

As also noted in the past, it seems that examinees do not read the requirements of the question correctly (as reflected in Question 3, 7 and 8) and respond with irrelevant answers. It is advisable to utilize the reading time effectively and plan the structure of answer accordingly.

Question-wise common mistakes observed

Question 1(a)

- Examinees did not explain the primary business activities by using Porter's value chain model.
- Examinees could not classify the primary business activities in the correct elements of value chain, particularly outbound logistics and services were least well-performed.
- Some examinees restricted their answers to the extent of copying the information from the question without explaining 'what value such activities were adding'?

Question 1(b)

- Only 1 or 2 improvements were correctly suggested in most of the cases.
- The suggestions were restricted to single statements without explaining the rationale of those suggestions.
- Some examinees offered the suggestions that were in conflict with the requirement of the question i.e. to reduce cost without reducing the value delivered to the customers.

Question 2(a)

- Examinees appeared to be not aware of approaches to market sizing and opted for guesswork.
- Some examinees incorrectly discussed the bottom-up approach under the heading of top-down approach and vice versa.
- Answers were restricted to how to obtain market information whereas discussion of how to utilize that information to determine the target market size, was missing.

Question 2(b)

- Examinees repeated same functions with different wordings.
- Answers were mainly restricted to the function of personalized customer services.

Question 3(a)

- Instead of identifying and explaining the threats to fundamental principles of ethics, some examinees discussed non-compliance with fundamental principles of ethics.
- Some examinees explained all threats instead of threats relevant to the given scenario.

Question 3(b)

- Some examinees restricted their responses to the discussion of how code of ethics should be implemented in the organization.
- There was lot of repetition of same points with different wordings.

Question 3(c)

- Instead of discussing the matters to consider before disclosing the information, many examinees suggested the course of action such as discussion with Mahira, resign from office, etc.
- Ensuring the sufficient evidence is available and following company's policy and procedures for disclosing sensitive information were mostly missing in the answers.

Question 4(a)

- Insufficient number of measures (most answers were restricted to 3-4 relevant measures) were proposed.
- Repetition of same measures such as providing training to faculty and recording of lectures was noted with different wordings.
- Some measures mentioned in the responses lacked the substance or do not seem practical e.g. providing laptops, internet connections, etc. to students or completely outsourcing the IT function.

Question 4(b)

- Some examinees wrongly identified 'Central tendency bias' as 'Recency bias'.
- Most of the answers could only identify 1 or 2 techniques of assessment correctly.

Question 5

- Some examinees failed to infer that Arham's selection would be internal promotion and Shahveer's selection would be external hiring.
- Some examinees opted to discuss only the profile that they recommended for selection and ignored the other profile altogether.
- Discussion of additional factors that board of directors to consider was restricted to single statements without discussing the rationale for considering the particular factor.

Question 6

- This was the best performed question with large number of examinees obtained full marks.
- Some examinees offered the same example under different forces without linking them to particular force.

Question 7(a)

- Examinees seemed completely clueless about Mintzberg's organizational configurations.
- Many examinees could only be able to mention one element i.e. 'key organizational element' correctly.

Question 7(b)

- Babar's suggestion was analyzed from the perspective of 'arguments for' only and 'arguments against' were completely missing.
- Only 2 or 3 arguments were presented that were too lacked the substance.
- The root cause of problem that is adoption and strict adherence to RC's organizational processes and systems to other acquired business was not discussed.
- Recommendation for possible course of action was either vague or missing altogether.

Question 8(a)

- Some examinees could not identify and discuss the correct strategy.
- Most of the answers were restricted to the discussion of limit to the growth in future only.
- Many examinees repeated the same points with different wordings.
- Some examinees wrongly misconstrued the requirement of explaining the existing growth strategy with the factors to consider before expanding the business in Middle East.

Question 8(b)

- Most of the discussions were restricted to basic definition / meaning of joint venture and franchising.
- The discussion missed both the comparison of two methods and conclusion.

Question 8(c)

- The comparison of launching wholly owned business and forming an alliance with local company was missing.
- Only 2-3 factors were correctly identified and discussed.

(THE END)