

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

EXAMINERS' COMMENTS

SUBJECT	SESSION
Business Management and Strategy	Certified Finance and Accounting Professional (CFAP) Examination Summer 2021

Passing %

Question-wise								Overall
1	2	3	4	5	6	7	8	
42	47	19	11	55	36	15	80	33

General comments

The overall result has slightly improved to 33% from 32% of the previous session. The poor performance is noted in the questions that are less frequently examined which reflected selective studies.

Further, it is noted that some examinees struggle in applying the learned concepts under the given case scenarios and often end up either reproducing the concept without giving due consideration to the given case scenario or offer weak explanation and recommendations.

Question-wise common mistakes observed

Question 1

- 'Cost Leadership' strategy as suggested by Porter was identified as 'low cost' strategy.
- Some examinees wrongly assumed that Zain's relative had suggested to uniform the menu items of Johar branch to other branches.
- Many examinees agreed with Zain's relative suggestion and attempted to offer arguments in favor of it.
- Only few examinees correctly recommended the course of action in the light of economic downturn and difficulties being faced by Zain to manage the restaurants.

Question 2

- Only few examinees used the ethical model correctly as large number of examinees mentioned the threats and safeguards only.
- Examinees remained confused between threats and fundamental principles of ethics and used them interchangeably.

- Some examinees discussed all types of threats and principles without referring them appropriately in the light of given scenario.
- Some examinees repeated the same safeguards under different paragraphs such as consultation with those charged with governance, internal auditors, human resource department, etc. as separate points.

Question 3(a) & (b)

BCG matrix

- *InstaB* was wrongly identified and explained as 'question mark'.
- *Azkaard* was wrongly identified and explained as 'star'.
- Many examinees restricted the explanation of strategies to the extent of whether to continue the product or not without giving the rationale behind those strategies.

Ansoff's growth matrix

- Only handful of examinees could explain *InstaB* and *Azkaard* correctly. Many examinees reproduced the information from the question as explanation.
- Some examinees opted to offer all four strategies under Ansoff's growth matrix without considering the given case scenario.
- Many examinees suggested the strategies without explaining the reason for that suggestion and how that particular strategy can be implemented under the given case scenario.

Question 4(a), (b) & (c)

- Instead of discussing the statement of Administration Head from the perspective of likely repercussions on the entity, some examinees attempted to offer suggestions that entity should consider in such situations.
- Many examinees restricted their answers to 'loss of reputation' only and missed out other relevant factors.
- In part (b), only handful of examinees could correctly identify and explain the ethical stance of management. Most of the examinees offered the benefits of including dispatch riders in safety program which was not the requirement of the question.
- In part (c), instead of discussing the factors that need to consider in designing and implementing the safety programs, many examinees offered general suggestions such as provide helmets, arrange insurance, etc.

Question 5(a) & (b)

- Examinees remained confused between 'interactivity' and 'individualization' and explained them interchangeably.
- Some examinees ignored the given case scenario altogether and opted to explain 'six I's' in general.
- The explanation of integration and industry restructuring lacked the substance in many answers.

Question 6

- Examinees failed to use Porter's Diamond Model to discuss the national competitive advantage.
- Some examinees attempted to discuss the national competitive advantage from the perspective of Porter's five forces framework and lose out many important aspects.
- Many examinees recommended either country A or B without giving due consideration to the given limitations of each country.

Question 7

- Some examinees appeared clueless as how to evaluate the given proposal from the perspective of suitability, feasibility and acceptability criteria.
- Many examinees restricted their evaluation in the form of questionnaire instead of analyzing each question being raised by them.
- Examinees could not differentiate between suitability and feasibility criteria and discussed the matters under two headings interchangeably.
- Some examinees restricted their evaluation to the extent of financial feasibility only.
- Only few examinees could evaluate the acceptability criteria from the perspective of key stakeholders.
- Many of the offered recommendations restricted to the statement that 'if proposal is financially feasible, then go ahead with it'.

Question 8(a) & (b)

- Examinees focused on only low budget criteria while ignored the other criteria of quick reachability to the targeted segment.
- Some examinees offered the recommendation without discussing the rationale supporting that recommendation.
- There was lot of repetition of the same point with different wordings in the discussion of the factors that may act as barriers to learning in the given case scenario.
- Identification of training gap, lack of communication of the purpose of training and steep 'learning gradient' were the least common factors that were discussed in the answers.

(THE END)