

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN**

**EXAMINERS' COMMENTS**

<b>SUBJECT</b> Business Management and Strategy	<b>SESSION</b> Certified Finance and Accounting Professional (CFAP) Examination Winter 2021
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**Passing %**

Question-wise								Overall
1	2	3	4	5	6	7	8	
06%	28%	50%	33%	60%	52%	08%	74%	36%

**General comments**

The overall result in this paper was consistent with the previous session result of 33%. It has been commonly observed during the last many sessions that performance in the less frequently examined questions [In the current session, Q.1 (international business operations) and Q.7 (strategic gap)] were below average which reflected selective studies.

**Question-wise common mistakes observed**

**Question 1**

- Examinees seemed incognizant of concept of international business operations as strategies such as international scale operations and international diversity were barely discussed.
- The requirement of Critical Success Factors (CSF) was either ignored or only 1-2 relevant CSFs were correctly identified and discussed.
- There was lot of repetition of the same points. The adaption of business strategy in accordance with the needs of locals was in particular repeated with different wordings.
- Some examinees suggested Porter's generic strategies such as cost leadership, differentiation and focus that had barely any relevance in the given context.

**Question 2**

- Examinees not aware of Greiner's growth model opted for guesswork and ended with mostly reproducing the information from question.
- Instead of explaining the expected crisis, many examinees opted to discuss the strategies to respond to the expected crisis.

- Many examinees wrongly identified and discussed the existing growth phase of Company B and the crisis expected to be faced by it.
- Some examinees restricted the evaluation of industry analyst's comments to the extent of agreeing or disagreeing only without giving any adequate justification.
- Some examinees wasted time in discussing the benefits of divisionalization that had no direct relevance to the given requirement of the question.

### **Question 3**

- The evaluation of disciplinary action was weak as examinees mostly focused on suggestion of other alternative disciplinary actions.
- While discussing the shortcomings in the performance appraisals, some examinees offered answer in general by highlighting all shortcomings available discussed in the study text and did not consider the given case scenario.
- Instead of offering suggestion for improvement against each shortcoming, many examinees opted to offer suggestions in general.
- While discussing the disciplinary process, the steps such as 'establishing the facts' and 'giving an opportunity to appeal against the decision' were mostly missed out.

### **Question 4**

- Examinees did not identify the relevant strategies such as 'product differentiation' or 'market skimming price'. Instead, offer general discussion that often mismatched with the actual strategies.
- In part (b), large number of examinees discounted the fact that company's product had strong customer base that was willing to pay premium price.
- In part (c), some examinees wrongly construed standard and economical console variant as two separate variants and wasted time in offering different strategies for them.

### **Question 5**

- The mirror test was carried out on the basis of questionnaire only and explanation against each question was missed out by many examinees.
- Some examinees focused on giving the final decision instead of explaining how to reach to that final decision which is the main purpose of carrying out the mirror test.

### **Question 6**

- Instead of advising the steps that must be followed in formulating the CSR policy, examinees discussed the factors that must be considered before deciding the CSR policy.
- Some examinees wasted time in discussing the role of management in deciding and implementation of CSR program.

### **Question 7**

- Examinees restricted their answers to the extent of whether the chosen gap was correct or not without offering any adequate reasoning to validate their answers.
- In part (b), many examinees restricted their analysis to the extent of direction of the trend only. Some examinees discussed the competitors' tactics or questioned the management's policies despite the fact that it was clearly indicated in the question that there were no observable changes to the internal workings of the company and it had no direct competitors.
- Many examinees could only offer 1-2 future strategies correctly in the event of slump in sales in future.
- Lot of repetition of similar points with different wordings or under various paragraphs was noted in parts (b) and (c) of the question

### **Question 8**

- Instead of using the information given in the case scenario, examinees opted to offer challenges of e-business in general.
- Some examinees repeated the same point of increased cost under various paragraphs. For example, cost of development of website, cost of maintaining the website, cost of providing the facilities for online payment, etc. were discussed under different paragraphs under the impression that these were distinct points.
- In part (b), many examinees restricted the discussion from the perspective of one-time cost only and ignored the other aspect of immediate payback of investment. Some examinees surprisingly agreed with CEO's viewpoint and failed to offer any valid arguments.
- In part (d), examinees opted to mention the functions of CRM in single statements and failed to discuss how each function of CRM could assist an organization in attracting and retaining the targeted customers.

***(THE END)***