

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN	
EXAMINERS' COMMENTS	
SUBJECT Strategy and Performance Measurement	SESSION Certified Finance and Accounting Professional (CFAP) Examination - Winter 2022

Passing %

Question-wise							Overall
1	2	3	4	5	6	7	
30%	56%	39%	25%	30%	34%	17%	26%

General comments

The overall passing percentage in this session has shown a marginal improvement from the previous session's passing percentage of 24%. However, it was again noted like in previous sessions that examinees performed poorly in questions that were less frequently examined. Further, many examinees generally provided weak explanations and recommendations in the scenario-based questions which showed their poor grasp of the subject matter. Examinees are therefore advised to spend reasonable efforts in understanding as well as application of the underlying concepts.

Question-wise common mistakes observed

Question 1(a)&(b)

- Examinees were not able to analyze the fact that the shareholders' return is lower than the debt cost.
- Examinees failed to recognize large cash balances as a negative and consequently they were unable to analyze the situation correctly.
- Examinees were not familiar with the concept of integrated reporting and only discussed the environmental impact of the company in their answers.

Question 2(a)&(b)

- Examinees were able to identify that the customers had a preference for eco-friendly models, but they were unable to identify other key factors such as the non-preference for hi-tech models and the preference for smaller engines (660cc) cars rather than the larger cars (1300cc). Some examinees even recommended launching both the gaps despite the question specifically asking for one new variant.
- Examinees failed to recognize the shift in customer attitudes towards eco-friendly models that occurred after 2019. They did not analyze the given data by breaking it up into pre-and post-2019, which would have provided a more accurate understanding of customer preferences.

Question 3

- Examinees were unable to identify that the company's strategy for place and promotion in the market mix was flawed. They recommended continuing with the same strategies that the company had been using, despite their ineffectiveness. While some of these examinees suggested alternative strategies, such as placing the products in local stores and advertising to plumbers, these recommendations were only offered as an addition to the existing approach, indicating that they did not fully understand the problem with the company's current strategy.
- Some examinees did not have a clear concept of pull and push strategies and used them incorrectly while discussing the promotion strategy in their answers.

Question 4(a)

Examinees reproduced the information in the question without identifying, explaining and/or relating it to the type of quality cost.

Question 4(b)

Examinees identified either one or two essentials for implementing the JIT system and consequently failed to assess the readiness of the company completely.

Question 5(a)

Examinees did not identify factors like “the desire to keep up-to-date” and the “ecological concern” as potential factors for the adoption of e-business at EP.

Question 5(b)

- Examinees were not aware of all the e-branding alternatives.
- Examinees who identified some or all of the alternatives did not discuss the advantages and/or disadvantages of each of those alternatives.

Question 5(c)

Examinees' answers were focused on the uses of big data instead of the strategies to commercially leverage big data.

Question 6

- Examinees remained confused between threats and fundamental principles of ethics and used them interchangeably.
- Some examinees discussed unrelated threats and principles without appropriately referring them to the given scenario.
- Examinees did not answer their questions in a stepwise manner as required by the ethical conflict resolution model.
- Only a few examinees were able to identify correctly that disclosing the name of the competitor would amount to a violation of the confidentiality principle.

Question 7

- Examinees could not draw the network diagram or drew it incorrectly. This demonstrates that this area is noticeably excluded by the students as part of their selective study strategy.
- Only a few examinees could present working for the addition of a resource person.

(THE END)