

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
Certified Finance and Accounting Professional Stage Examination
(Transitional Scheme)

Strategy and Performance Measurement

Examiners' Comments

Summer 2026

PASSING %

Question-wise							Overall
1	2	3	4	5	6	7	
66%	24%	29%	58%	17%	44%	31%	43%

GENERAL COMMENTS

Overall, examinees demonstrated a reasonable understanding of the concepts tested in the paper, as the pass rate improved from 33% in the previous session to 43% in the current session. The examinee population reduced significantly to 160 students only, with all examinees falling under the transition scheme. Given that only two attempts, including the current session, remained available, the stronger performance was attributed to the increased focus and effort of examinees aiming to complete their qualification.

QUESTION-WISE COMMON MISTAKES OBSERVED

Question 1

- In assessing the financial performance, examinees focused primarily on calculating changes in revenue and profitability without adequately explaining the underlying reasons using the scenario. Important factors such as the depreciation of the Pak Rupee, higher sustainability-related packaging costs, and the rapid growth in home delivery services were often overlooked.
- Examinees focused largely on the overall performance of the company and did not sufficiently analyse the individual revenue streams. Consequently, important issues such as the relatively weak growth in over-the-counter (OTC) products and the rapid growth in home delivery services were often overlooked.
- In assessing the non-financial performance, the requirement specifically asked for an assessment using each of the customer feedback categories. However, responses frequently discussed only selected categories, resulting in an incomplete evaluation of the company's non-financial performance.
- Recommendations were often generic rather than practical and scenario-specific. Recommendations such as introducing automatic reorder levels for frequently prescribed

medicines, loyalty discounts for regular prescription customers, and partnerships with healthcare NGOs to support sustainability initiatives were frequently overlooked.

Question 2

- In assessing TPL's alignment with the competitive factors, examinees often classified the factors as weak, moderate, or strong without adequately justifying their assessment using the information provided in the scenario.
- In evaluating the strategic options, responses often focused predominantly on the recommended option rather than evaluating all three available options before arriving at a conclusion.
- In evaluating the strategic options, examinees frequently discussed the general advantages and disadvantages of the three strategic options without adequately applying them to TPL's specific circumstances. Important factors such as the influence of multi-brand retailers, inconsistent third-party service quality, and the relatively small size of the tech-oriented customer segment were frequently overlooked.
- Examinees often overlooked the scenario's emphasis that customers placed greater importance on reliability, after-sales service, and installation support than on smart features. Consequently, the recommendation was often not aligned with the company's most critical competitive weakness.

Question 3

- In evaluating Nadia's response to the ethical dilemma, examinees merely identified the applicable ethical principles and threats to compliance without evaluating Nadia's actions in light of those principles. In particular, they did not distinguish between Nadia's initial appropriate response and her subsequent inappropriate failure to escalate the matter after Kamran refused to inform the Board.
- In explaining the application of the mirror test, examinees often described the mirror test in general terms without applying its principles to Nadia's specific circumstances. Responses also frequently omitted the conclusion that should have been reached after applying the mirror test.
- In recommending the appropriate course of action, responses were often unstructured and did not present the actions in an appropriate sequence. In particular, examinees frequently overlooked the need to first discuss the matter with Kamran before considering escalation.
- Examinees also frequently overlooked the importance of maintaining appropriate documentation of the identified errors, the instructions received from Kamran, and the actions taken to address the ethical issue.

Question 4

- In evaluating the three market entry strategies, examinees often discussed the general advantages and disadvantages of each strategy without adequately applying them to BNL's specific circumstances. Important factors such as the company's limited financial resources, lack of international experience, need for local market adaptation, and desire to retain operational control were frequently overlooked.

- Some examinees recommended franchising and focused primarily on its lower capital requirement without adequately considering BNL's desire to retain direct involvement in operations and quality control during the initial stages of international expansion.
- Other examinees recommended wholly owned outlets and emphasized the greater operational control offered by this strategy while overlooking the significant financial investment and international capabilities required to support such an expansion.

Question 5

- In evaluating the two candidates, examinees often placed greater emphasis on multi-city operational experience and expansion capability than on MSL's primary operational challenges of process compliance and coordination. Consequently, Candidate B was frequently recommended without sufficient justification.
- Examinees also frequently overlooked MSL's centralized operating structure and therefore did not adequately evaluate each candidate's suitability in light of the company's operating environment.
- In designing the orientation programme, examinees were unable to present a structured programme using a systematic training and development approach. Many responses focused primarily on the design of training content while neglecting other essential stages such as identifying training needs, setting objectives, delivering the training, and reviewing and evaluating its effectiveness.
- The orientation programmes presented by examinees were often generic and were not adequately tailored to address the specific development needs of the selected candidate. For example, responses frequently overlooked Candidate A's need for multi-city operational exposure or Candidate B's need to become familiar with MSL's centralized operating structure and standardized procedures.

Question 6

- In identifying the information technology risks faced by FinSecure Bank, examinees often discussed controls instead of first identifying and explaining the underlying risks presented in the scenario. Consequently, responses frequently lacked a clear linkage between the identified risks and the recommended controls.
- Examinees frequently overlooked the risks arising from the resignation of the senior systems analyst before completion of the major system upgrade project. As a result, controls such as knowledge transfer, succession planning and proper documentation of system knowledge were often omitted.

Question 7

- In identifying the resources and capabilities required for each strategic option, examinees frequently provided generic textbook responses rather than identifying the specific resources and capabilities relevant to the scenario. For example, responses often referred to the need for capital investment without specifying the investment required for agricultural land, warehouses and transport infrastructure.

- Examinees focused primarily on resources while giving limited attention to the capabilities required to successfully implement each strategy. Capabilities such as supply chain coordination, retail relationship management, integration capability, and change management skills were frequently overlooked.
- In evaluating the strategic alternatives, responses often focused predominantly on the recommended option rather than evaluating all three alternatives before conclusion.
- Some examinees recommended backward integration without adequately considering the significant implementation delay arising from the time required to develop local oilseed cultivation before any meaningful impact on raw material supply could be achieved.

(THE END)