



Certified Finance and Accounting Professional Stage Examination

4 December 2025
3 hours and 30 minutes – 100 marks

Strategy and Performance Measurement

CRN:

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Name:

INSTRUCTIONS

Please carefully read the following instructions:

1. You are required to access your answer working area by using your Student ID and Password as mentioned on your Admit Card.
2. The overall duration of the exam is 3 hours and 30 minutes, which includes the 15-minute reading time and an extra 15 minutes of time that has been allocated due to the introduction of computer-based examinations.
3. All **seven** questions are compulsory.
4. Questions can be attempted in any sequence.
5. There is no specific time allocated for individual questions.
6. An auto-save function runs every minute. Further, your answers are saved automatically when you navigate between questions or click on the > **(NEXT)** or < **(BACK)** symbols.
7. Each question provides an answer area with a Rich Text Format (RTF) editor for writing your answers. Additionally, below the RTF editor, a spreadsheet is provided, where necessary, to facilitate examinees in doing rough calculations or other workings. **However, please note that any work performed in the spreadsheet will not be considered for marking. To ensure your work is considered, you must copy and paste it from the spreadsheet to the RTF editor.**
8. Work done in the spreadsheet of one question can also be copied into the RTF editor of the same or another question.
9. You may use MS Excel for rough working. However, please remember that any work performed in this application cannot be copied into the examination software, and vice versa. Furthermore, any such work will not be uploaded with your exam for marking.
10. You may use pen and paper for rough work, but please note that pen and paper work should only be done on the last page of the question paper that are specifically allocated for this purpose. Remember that any rough work done on the last page will not be uploaded with your exam for marking.
11. An external calculator can be used, provided it is included in the list of permissible calculators issued by ICAP.
12. During the exam, access to any website other than exam software website is strictly prohibited. Engaging in such activities will be considered a violation under the policy on the use of unfair means.

- Q.1 CoolSip Beverages Ltd., has recently launched a new iced tea product called ZenChill, targeting health-conscious millennials in major Pakistani cities. The product uses locally sourced organic ingredients and eco-friendly packaging, and is positioned as a modern lifestyle drink. Although the initial distribution was successful, sales have now reached a saturation point. Distributors report slow off-take at retail stores, and market feedback indicates that many customers are either unaware of the brand or confuse it with energy drinks.

So far, the company has relied on online advertising, in-store tastings at supermarkets, and limited influencer partnerships; however, these efforts have not produced the desired impact. The CEO recognizes the constraint of a limited budget but has asked the marketing team to revisit the promotion strategy and propose more effective methods that can generate quick and measurable results. The CEO has emphasized that the revised strategy must address the following two key objectives:

- (i) Increase consumer awareness and correct the product's positioning, and
- (ii) Encourage retailers to promote and display ZenChill more proactively.

To achieve the above objectives, the team is considering several promotional options: selective billboard advertising in major urban areas, sales promotions such as "buy one, get one free", direct selling to cafés and retail stores, sponsorship of prominent health related events, and a comprehensive public relations campaign focused on the brand's environmental values.

Required:

- (a) Evaluate the suitability of each proposed promotional options in helping CoolSip achieve its objectives. (08)
- (b) Recommend the best combination of promotional options, and explain how they work together as part of a push or pull strategy to achieve the objectives. Also, state why the remaining promotional options, if any, are unsuitable. (06)

- Q.2 Thermacool Industries Limited (TIL) is a mid-sized manufacturer of air conditioning units, operating in an industrial zone near Lahore. TIL has built its reputation on producing durable units suited for both residential and light commercial use. It imports critical components such as compressors and boards from Thailand and Vietnam, while sheet metal fabrication, piping, and basic motor assembly are carried out in-house. Semi-finished units are transferred through a staging area to the main production line, where final testing and gas charging occur. Once assembled, the units are stored in TIL's regional distribution centers before being shipped to retail outlets and institutional customers.

TIL's sales strategy focuses on maintaining strong distributor relationships during peak seasons and offering extended service contracts for large orders. However, after-sales feedback has revealed inconsistencies in product performance that are straining service teams and slowing turnaround times, especially in remote regions. As competition intensifies and profit margins shrink, management is considering capital investment in one of two advanced technologies. Both investment options offer significant but different benefits and require similar financial outlay.

The first option is a high-precision robotic assembly system designed to reduce human error in welding, wiring, and gas charging. This system integrates thermal imaging and torque sensors to detect micro-defects during production, significantly improving product reliability and reducing warranty claims.

The second option is a smart logistics automation suite that provides real-time tracking of unit flow from sub-assembly through delivery, uses predictive analytics for inventory management, and includes an integrated service dispatch module for coordinating field servicing in real time.

Required:

- (a) Analyze TIL's primary value chain activities and explain how they currently add and limit value. (09)
- (b) Discuss how each proposed investment option would improve these activities, and recommend which option TIL should adopt to address its most pressing challenges, giving reasons for your choice. (06)

Q.3 Meditech (Pvt.) Ltd. plans to relocate its main production facility from Lahore to a semi-rural district in Punjab. The Board has approved the relocation in principle; however, given the significant implications of this move, it has identified the following stakeholders whose interests and influence require careful assessment:

- (i) **Unionised Technicians (T):** They have legal rights to strike, and any strike would completely halt production. Replacing them would take about 12 months, and they oppose the relocation.
- (ii) **Institutional Investors (I):** They hold 42% of voting shares, and the relocation legally requires a special resolution that must be approved by them.
- (iii) **Government Authorities (G):** They control the permits required for relocation, though they typically do not interfere in the company's internal operations.
- (iv) **Environmental NGOs (N):** This group has previously raised minor concerns about deforestation, but historically has not exercised significant influence over Meditech's decisions.
- (v) **Mid-Level Managers (M):** While they have no formal decision-making authority, they will be responsible for redesigning processes and managing the transition once the relocation begins.
- (vi) **Local Community Leaders (L):** These leaders in the target rural district support the relocation and expect job creation and development, but they do not have direct influence over corporate decisions.
- (vii) **Small-Scale Suppliers (S):** Based in Lahore and heavily dependent on Meditech, they are concerned about longer delivery distances after the move. They have submitted a joint letter requesting support but have no legal standing or direct influence.

Meditech uses a 0–10 scoring system to evaluate stakeholder power and interest based on the following criteria:

- **Power:** A score of 6–10 is assigned for stakeholders who hold legal/regulatory approval rights, veto rights, or the ability to halt production; all others receive 0–4.
- **Interest:** A score of 6–10 is given to stakeholders directly and materially affected, those whose jobs, revenue, investment, political standing, or mission-critical roles are at risk; all others receive 0–4.

A junior analyst was tasked with preparing a Mendelow's Matrix for the relocation. He has come up with the following scoring:

Stakeholder	T	I	G	N	M	L	S
Power (0–10)	5	8	8	3	3	2	2
Interest (0–10)	9	4	8	8	8	8	3

Required:

As the Senior Analyst, review and correct the junior analyst's scoring and provide specific feedback for each score. Also, suggest an appropriate strategy to deal with each stakeholder. (11)

- Q.4 Medi Diagnostics (MD) operates a chain of small pathology laboratories across Pakistan. Each laboratory currently records patient information manually, generates reports on stand-alone PCs, and sends results to doctors via email. MD has limited IT staffing and faces budget constraints.

The CEO, Hassan Ahmed, wants a technological solution that minimizes capital expenditure, enables staff to access reports from any branch, ensures secure and password-controlled data access, and provides automatic system updates along with ongoing technical support. Hassan initially considered developing an in-house expert system and engaged an IT consultant to evaluate the option. However, the consultant strongly advised against developing an in-house system and instead recommended that Hassan considers adopting a cloud computing solution.

Required:

- (a) Assess the suitability of an in-house system versus cloud computing system in meeting Hassan's requirements, and justify the IT consultant's recommendation. (05)
- (b) Explain **three** cloud computing service models and recommend the most appropriate model for MD, giving clear reasons. (03)
- (c) Provide **three** limitations of the model you recommended in part (b). (03)

- Q.5 Mega Connect (Pvt.) Ltd. (MCPL) is a Pakistan-based Business Process Outsourcing company providing call-center services to international clients. Headquartered in Lahore, it operates centers across Punjab and primarily serves clients based in North America. MCPL earns its revenue in USD, while operational costs are incurred in PKR.

In 2025, MCPL invested in upgrading its infrastructure by implementing AI-driven call-navigation and expanding its VoIP systems to improve call accuracy and service reliability, as well as to reduce staffing requirements. Despite these upgrades, client complaints have increased during the year, with several key clients raising concerns over inconsistent agent performance. Profitability has also declined, adversely affecting the performance-based bonuses of senior staff and management.

Extracts from MCPL's financial statements and operational metrics are provided below:

Statement of Profit or Loss for the year ended 31 October

	2025	2024
Revenue (USD in '000)	3,300	3,250
	----- PKR in '000 -----	
Revenue	924,000	975,000
Agent salaries	475,000	430,000
Training & recruitment	68,000	52,000
IT costs	74,000	65,000
Operating profit	162,000	274,000

Statement of Financial Position as of 31 October

	2025	2024
	----- PKR in '000 -----	
Receivables	102,000	98,000
Cash and bank balances	19,000	38,000
Total assets	226,000	246,000
Current liabilities	23,000	26,000

Operational Metrics

Metric	2025	2024
Inbound calls handled (in '000)	1,420	1,350
Inquiries resolved (in '000)	1,130	1,120
Agent turnover rate (%)	112%	105%
Average call handling time (minutes)	6.3	5.8
Call abandonment rate (%)	7.8%	6.1%
Client satisfaction (/10)	6.8	7.4
Client retention rate (%)	88%	91%

Required:

- (a) Assess the financial performance of MCPL for the year ended 31 October 2025. (10)
- (b) Assess the non-financial performance of MCPL for the year ended 31 October 2025, providing necessary recommendations, where appropriate. (10)

- Q.6 Shahid Ali is working as a Senior Cost Accountant at a mid-sized manufacturing firm. He is instructed by the CFO to prepare a detailed cost-efficiency report within three days to meet an urgent board meeting deadline. Under normal circumstances, this type of analysis would require at least two weeks and input from several departments, but he is told to “work with what you have”.

Through informal discussions, Shahid learns that the report may influence a strategic downsizing decision that could affect several long-standing colleagues. He is concerned that due to the limited timeframe and incomplete data, his analysis may contain errors or result in misleading conclusions. Despite his concerns, the CFO insists that the CEO “just needs some quick numbers” and places Shahid under significant pressure to complete the work quickly.

Required:

Assess the ethical issues using the threats and safeguards model and advise Shahid accordingly. (15)

- Q.7 PakTrans Logistics Ltd. (PLL) is one of Pakistan’s leading national logistics and retail distribution companies, operating across five major cities. With over 1,200 employees and clients ranging from e-commerce platforms to FMCG giants, PLL has experienced rapid growth in both scale and operational complexity. Over the past three years, PLL has introduced several digital solutions in warehousing, transportation planning, and sales coordination.

Despite these advancements, PLL is now facing serious workforce development challenges. More than one-third of its mid-level managers have either been promoted or have left PLL within the past year, resulting in critical leadership gaps across operations, client management, and supply chain coordination. HR audits further indicate that the newly hired business graduates, although academically competent, lack practical skills in operations management, warehouse systems, and stakeholder communication. Performance inconsistencies among new recruits have been attributed to inadequate training and unstructured on-boarding process. Currently, no formal program is in place to develop these recruits into future leaders.

To address these issues, the Head of HR has proposed launching a Management Trainee Program aimed at grooming fresh graduates for leadership roles in procurement, logistics, and sales. While the CEO has approved the proposal, he has emphasized three conditions: the program must be strategically planned, it must demonstrate measurable outcomes within two years, and it must be developed with prudent use of resources due to budget constraints.

Required:

- (a) Design a structured Management Trainee Program for PLL using a systematic training and development approach. (10)
- (b) Recommend appropriate training and development methods for the Management Trainee Program. (04)

(The End)

