

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

EXAMINERS' COMMENTS

SUBJECT Strategy and Performance Measurement	SESSION Certified Finance and Accounting Professional (CFAP) Examination - Summer 2023
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Passing %

Question-wise						Overall
1	2	3	4	5	6	
51%	35%	27%	26%	12%	32%	30%

General comments

The overall passing percentage in this session has shown an improvement compared to the previous passing percentage of 26%. However, a recurring issue, similar to those in previous sessions, was once again observed: examinees struggled with infrequently asked questions. Further, many examinees provided weak explanations and recommendations in the scenario-based questions indicating a lack of understanding of the subject matter. To do better, examinees are therefore encouraged to focus on understanding the core concepts and practice their application.

Question-wise common mistakes observed

Question 1(a)

- Many examinees were not able to provide a proper explanation of People, Process, and Physical Environment suggesting that their studies were primarily focused on the traditional 4Ps of marketing, neglecting the additional 3Ps.
- Many examinees overlooked important discussion points, such as bundling supplementary services under 'Product' and addressing transparency in 'Price'

Question 1(b)

Most examinees failed to address the FPP's requirement of using the job advertisement as a means to market FPP's repute. Instead, they focused solely on candidate job specification and qualification, thereby missing the important aspect of promoting FPP's repute.

Question 2(a)

- Some examinees did not include professional behavior as part of the fundamental principles that could be compromised
- Some examinees incorrectly identified professional competence and due care as one of the principles that could be compromised.

Question 2(b)

- While the examinees were able to identify some of the important steps in addressing the ethical issue, many struggled to structure their answers in a meaningful manner. For example, some of them prematurely suggested discussing the matter with those charged with governance before even establishing the issue's legitimacy.
- Examinees failed to recognize that resigning does not absolve them from of the obligation to take further steps, and that responsibilities may still exist post-resignation.

Question 3(a)

- Examinees were unable to differentiate between primary and secondary value chain activities.
- While discussing issues in each value chain activity, examinees failed to highlight the solutions for addressing these issues.
- In identifying changes, examinees did not specifically link them to particular value chain activities.
- Some examinees lacked a clear understanding of the difference between inbound, operations and procurement within the value chain, leading in a muddled and confusing discussion.

Question 3(b)

- Examinees tended to engage in general discussion for this question rather than referencing it to the prime sales spot.
- Most examinees were focused solely on performance evaluation, neglecting other important discussion points such as training, rotation, and open communication.

Question 4(a) and (b)

- Examinees failed to discuss FSL's performance in comparison to industry benchmark, an essential for evaluating performance.
- Examinees were unable to recognize that a main reason for the reduction in operating margin could be the aging fleet affecting both fuel and maintenance cost.
- Some examinees focused solely on citing percentage variations between revenue and costs without providing any probable reason for the change. Notably, while many examinees noted sharp increase in complaints about delayed deliveries, they did not connect this to the reduction in operating profit.
- Although most examinees scored well on identifying factors contributing to competitive advantages, they often overlooked subtler factors such as low complaints rates for damaged deliveries and regular asset replacement.
- While most examinees proposed strategies to mitigate the identified issues, these strategies were not appropriately tied to the factors contributing to competitive advantage, as required by the question.

Question 5(a) and (b)

- Examinees were required to analyze whether the vision was coherent with the mission statement. Most of them failed to understand the requirement and, hence, could not identify that the mission statement focused on cost-effectiveness, whereas the vision emphasized innovation, which may not be cost-effective.
- Similarly, the requirement to analyze the coherence of goals with the mission statement was not understood by most examinees; the focus was on aligning them with the vision statement instead of the mission statement.
- Examinees either did not give an adjusted vision and goal statement, or gave completely incorrect adjusted statements.
- Most examinees, instead of assessing whether the objectives were SMART, focused on defining the various criteria of SMART objectives.

Question 6(a)

- Examinees generally identified marketing cost as one of the costs during each phase of the product lifecycle. However, they did not specify the particular objective of marketing during each of those phases.
- Most examinees failed to identify that the decline phase may not have started, or could have just begun.

Question 6(b)

- While both SE and ZT currently employ a market-skimming and high-pricing strategy, examinees mentioned that ZT employs a market penetration strategy.
- Most examinees failed to identify any other future pricing strategies and discussed market penetration as the sole future pricing strategy.

Question 6(c)

While examinees scored comparatively higher in this part, most examinees focused on differentiation, expansion, and marketing strategies, with only a few discussing partnerships, and collaborations, and strategies like loyalty programs.

(THE END)