

<b>THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN</b>	
<b>EXAMINERS' COMMENTS</b>	
<b>SUBJECT</b> Strategy and Performance Measurement	<b>SESSION</b> Certified Finance and Accounting Professional (CFAP) Examination - Winter 2023

### Passing %

Question-wise							Overall
1	2	3	4	5	6	7	
38%	11%	42%	47%	14%	24%	48%	32%

### General comments

The overall passing percentage in this session has shown a marginal improvement from the previous passing percentage of 30%. However, a noteworthy concern was the prevalence of incomplete answers, in addition to weak explanations among examinees, indicating a need for a better understanding of the subject matter as well as refinement in writing skills. To improve, examinees should focus on enhancing their comprehension of the material and refining their writing skills for more effective communication.

### Question-wise common mistakes observed

#### Question 1(a)

- Some examinees were not able to provide a discussion on all the 6Is of e-marketing.
- Examinees failed to offer a complete discussion of each of the 6Is resulting in lost marks. A complete answer would involve students discussing how the current state of affairs will be influenced by deploying a website.

#### Question 1(b)

Many examinees listed features typical of any good website like user-friendly design and updated content instead of the required principles essential for evaluating an “e-commerce” website. With such a website, customers engage in transactions with sellers, and therefore their focus would be on considerations like security and privacy.

#### Question 2

- Many examinees only identified the most apparent issue i.e. quality concern and failed to provide any other relevant issues with the proposed HR solution.
- Some examinees identified issues and recommendations like improper training of staff which were irrelevant to the requirements of the question.

**Question 3**

- Examinees did not categorize the quality-related costs into their respective categories; instead they simply listed down the quality costs already mentioned in the question.
- Some examinees, who attempted to classify the cost, did so incorrectly. They were unaware of the distinctions between prevention, appraisal, and internal failure costs.

**Question 4(a) and (b)**

- Examinees could not accurately categorize the four divisions into the BCG matrix.
- Examinees could not correctly classify the four strategies into the Ansoff matrix.

**Question 4(c)**

Many examinees only identified one risk for each division, whereas, with the application of theory for both the BCG and Ansoff matrices, several other risks could also be identified.

**Question 5(a)**

- Examinees failed to analyze the situation, overlooking the potential consequence that leniency with Mukhtar might lead to repeated violations by other staff to discourage whistle-blowing.
- Furthermore examinees recommended against the company implementing its own formulated code of ethics just because the theft was deemed necessary to cover medical expenses.

**Question 5(b)**

- Many examinees failed to recognize that MCL was not ethically obligated to act just because it is earning high profits arising out of a well-intentioned agreement. Most examinees recommended that the company should build and operate the hospital.
- Many examinees overlooked the fact that the agreement with the government was set to expire in 4 years and that an improved relationship with the government would be helpful for its renewal.
- Examinees also did not consider that the company should weigh the cost of operating a hospital against voluntarily increasing generation price.

**Question 6(a)**

- Examinees overlooked the fact that most of the competitors were private companies and hence without publicly available information, a comparison with the industry may not be possible.
- Examinees were also unable to relate that the competitors were mostly private companies that may not be subject to various compliance costs.

**Question 6(b)**

- Examinees were focused on giving percentage variation in revenues, profits, and capital expenditure, without offering any probable reason for the differences.

- Many examinees failed to recognize that the financing method employed by APL and SPL for the plant might have an impact on the earnings of both these companies.
- Examinees also overlooked the apparent contrast between EPS and ROCE.

**Question 6(c)**

Many examinees were able to identify only one correct non-financial factor, whereas additional factors could have been identified with the information in the question.

**Question 7(a)**

- Many examinees overlooked the company's financial constraints and still recommended the costlier affluent market segment.
- Some examinees also did not perform a complete evaluation of both segments, which would have included a comparison of the pros and cons of each segment.

**Question 7(b)**

Many examinees only identified one strategy under each of the 4Ps of the marketing mix. However, with the information available in the question, additional strategies could have been identified.

**Question 7(c)**

- Some examinees could not provide the four perspectives of a balanced scorecard resulting in incomplete responses.
- Within each perspective, many examinees provided broad responses lacking specificity in terms of the metrics intended for implementation in the scorecard. For example, a student mentioned that customer satisfaction should be measured but failed to identify specific metrics to track e.g., surveys and customer feedback.

***(THE END)***