

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN	
EXAMINERS' COMMENTS	
SUBJECT Strategy and Performance Measurement	SESSION Certified Finance and Accounting Professional (CFAP) Examination – Summer 2024

Passing %

Question-wise							Overall
1	2	3	4	5	6	7	
13%	55%	33%	71%	39%	25%	14%	31%

General comments

The overall passing percentage in this session has remained consistent with the previous rate of 32%. A significant concern was the weak explanations among examinees, highlighting a need for improved writing skills.

Question-wise common mistakes observed

Question 1

- Examinees were focused on giving percentage variation in revenues, expenses, and profits, without offering any probable reason for the differences.
- Examinees failed to realize that the industry turnaround happened in 2023 after two years. Accordingly, a proper analysis would be to compare 2023 results with 2021 instead of 2022.
- Examinees failed to highlight various non-financial factors like lack of employee motivation, outdated assets, and possible reduction of critical expenses like R&D and employee training.

Question 2

Examinees only identified the most apparent pros and cons of both these strategies. They failed to highlight other important differences like dependency on third parties, marketing support, and direct customer relationship

Question 3

- Examinees failed to incorporate a profit element in the prices proposed by them for both packages.
- Examinees failed to touch upon important concepts like market penetration price, market skimming price, product differentiation, and cost leadership while devising the marketing strategy based on 4P.

- Under the Place strategy, examinees failed to identify appropriate venues for offering the packages, such as budget hotels or high-end clubs. Instead, they suggested serving customers on the island itself, revealing a lack of understanding of this concept.

Question 4

Some examinees could not identify the strength of the power and interest correctly and accordingly gave incorrect strategies to manage each stakeholder group.

Question 5(a)

Rather than analyzing the situation, examinees merely listed down the various factors to consider for a particular mirror test question. For instance, examinees mentioned that Moeed should take into account his family's and friend's views instead of suggesting that they may perceive his actions as manipulative.

Question 5(b)

Examinees listed various fundamental principles of professional ethics instead of identifying and explaining the threats to compliance with the principles as required by the question.

Question 5(c)

- Examinees failed to suggest various safeguards, for instance, having a code of ethics, senior management commitment, having an ethics committee, and ethics training. Instead, examinees focused their answer on listing down only various controls over the grant of discounts.
- Examinees were also unable to relate that the competitors were mostly private companies that may not be subject to various compliance costs.

Question 6(a)

- Examinees failed to discuss important points like less attention on core business and that the current wholesalers and retailers may stop buying from ZA.
- Examinees concluded that establishing retail outlets was the better choice solely based on its slightly better financial projections.

Question 6(b)

- Examinees failed to suggest some human resources strategies like retention of key personnel, performance-based rewards, and change management. Examinees were mostly focused on recruitment of staff and detailing its process.

Question 7(a)

- Examinees failed to cover multiple points like cultural sensitivity, faster response time, consistency and standardization, and operational complexity while evaluating the two strategies.

- Examinees focused solely on suggesting strategy 2, overlooking the potential effectiveness of a hybrid approach. They failed to consider that implementing strategy 2 initially, followed by the management-preferred strategy 1 once funding restrictions are eased, could be the most effective course of action.

Question 7(b)

- Examinees failed to consider the company's funding limitations, which prevented them from immediate construction of the manufacturing facility.
- Examiners only mentioned the total duration required to implement their recommended plan, without providing specific dates for the start and completion of each step.

(THE END)