



REPORT ON CANDIDATE PERFORMANCE

Results were again encouraging, and substantially similar overall to recent results. With such similar results, much of the commentary is inevitably on the same lines as previous reports.

There are emerging quite clear differences between candidates who have developed the specific skills and approach required to produce appropriate reports, and those who have not developed such skills. Members of the latter group often appear not to have tested their skills by attempting mock examinations – their first attempt is the examination itself. They may be potentially good candidates, and may get excellent results on other papers – but they have not developed an understanding of what is required.

As with the previous examination, it had been expected that the very clear and explicit statement of the requirement would contribute to even better results, but this did not emerge. Well prepared candidates responded in appropriate ways to the challenge of the case study examination, producing well presented reports, planned to meet all the indicated sub-requirements and having due regard for the content indications provided by the marking matrix.

There were significant variations in the proportion of candidates in various centres producing appropriate reports that appear to reflect considerable variation in the proportion of candidates undertaking sufficient appropriate study for the examination.

Indications of progress by successful candidates

1. Most candidates have learnt to handle the mechanics of the examination by the basic preparation of trying a mock examination. Most do not have difficulty in allocating their time and ensuring that all requirements are adequately covered. Very few are obviously suffering from time pressure at the end of the examination.
2. Standards of presentation continue to be good – much better than the standard in conventional examinations. The written English was nearly always reasonable, and was only occasionally difficult to understand. Report layouts were almost always clear and the reports were normally easy to navigate. However reports were not always effective in covering all the clearly indicated sub-requirements of the question, and this often resulted from report layouts that did not reflect the sub-requirements fully and accurately.
3. Research of the industry background was variable. It was often one of the key differentiators between candidates. The similarity of many scripts suggested an undue reliance on research by lecturers.

4. Recommendations were generally broadly feasible and sensible, though those on financing were at times naïve, and suggested a lack of consideration of the practical problems of small business finance. The reasons supporting the recommendations were less good and were often implied from previous discussion rather than clearly and explicitly stated.
5. The vast majority of candidates recognised from the marking matrix that calculations were expected, and duly provided appropriate calculations. The quality of the calculations was very mixed; proposal evaluations were generally sound, but cash flows and borrowing requirements often left much to be desired.

Key problems with the Ofood4U case

1. The most common problem was with the prioritisation of issues and the first sub-requirement of the question. Some candidates failed to provide a review of the issues and only prioritised the issues by implication.
2. Calculations were often below the expected standard. This was very noticeable with some very poor attempts at cash flows and future borrowing requirements.
3. Commentary on possible means of finance for expansion was often very general, demonstrating some knowledge of the existence of alternatives, but with little realistic sense of the practical advantages and disadvantages of the various possibilities.

Normal key problems

Many problems for unsuccessful candidates were very similar to those in previous case study examinations

1. Reading and meeting the question requirement

As noted in the previous section, this was a significant problem with this examination, as well as having been a problem with previous examinations.

There has been a pattern of providing candidates with extremely clear requirements with precisely defined choices to be made.

This may well not continue indefinitely. Case studies could be designed with a single very broad requirement – to advise. This would of course imply such sub-requirements as appraise the situation, prioritise the issues, define the alternative possible courses of action, analyse these with appropriate calculations, and make recommendations supported with appropriate reasons showing that the situation is improved.

The examination has not taken this approach to date, but could well do so in future in the new syllabus with the TOPCIMA examination and a new marking matrix.

2. Weak reasons for recommendations

Candidates should read a requirement for recommendations as implying recommendations with reasons.

Some candidates provided feasible and sensible recommendations, but failed to explain why the recommendations had been made. Some appeared to choose between FFT and TZ on the basis of relatively small differences in the NPVs, with little discussion of the strategic reasons for either choice of route to market.

3. Financial analysis

There have always been some candidates who provide very weak financial analysis. This time the problem was poor calculations of future borrowing requirements.

Candidates should be able to make sensible forecasts from the pre-seen part of the case of analysis techniques that might be required, and do some basic revision.

Commentary on candidates' performance in relation to the question set:

Prepare a report that reviews and prioritises the issues facing Ofood4U

There was often little recognition that marks are given under the marking matrix for the prioritisation of issues – deciding which problems are most important.

Candidates often provided a good discussion of a range of problems, but failed to identify the key problems, or only did so by implication.

Candidates who failed to provide a separate report section at the beginning of the report to discuss the issues, rarely provided adequate coverage of the range of issues.

Good candidates were able to justify their recommendations by showing that these recommendations dealt with the key issues identified in this part of the report.

Your report should include discussion and evaluation of the company's proposed expansion strategies and provide recommendations.

Most candidates provided reasonably full discussions of the FFT and TZ proposals, though many answers would have benefited from a more structured analysis of the generic strategies and alternative routes to market.

Some candidates failed to identify all the possible strategies and failed to discuss the own brand baby food proposal and the proposed shop expansion included in the five year plan.

You should also provide a recommendation and justification of the most appropriate financing strategy.

Many candidates provided a very general review of the possible sources of finance with little practical application to the specific circumstances of the company, and little recognition of the practical problems, especially for small businesses, associated with the various possible sources of finance.

Performance Against the Criteria Contained in the Case Study Assessment Matrix:

Prioritisation [of issues]:

This was usually marginally adequately done, with major issues identified, but not clearly prioritised.

Weaker candidates tended to repeat scenario detail without adding any comment of any significance.

Some candidates spent time discussing the history and development of the company, based on the scenario detail. This often read well – but provided little towards answering the question.

Knowledge:

It has to be repeated that marks are awarded for the use, the application, not just the display of appropriate technical knowledge.

Most candidates described the market for organic foods, but relatively few analysed this market in strategic terms. Analysis using the generic strategies model would have helped considerably, as would the analysis of alternative routes to market, from production to ultimate consumer, with the problem of declining margins and pressures to reduce the number of intermediaries.

Numerical Skills:

Marks were disappointing for straightforward numbers.

Project evaluations were generally sound, though some candidates did not make use of the alternative forecasts for FFT.

Cash flows and future borrowing requirements were often poorly done.

A surprising number of candidates made useful calculations in appendices and then failed to refer to these calculations in their reports, where use could have been made of the results of the calculations.

Structure [recommendations]:

Recommendations were generally sensible, but not always supported by clear justification.

It is most important for candidates to recognise that case examinations always require recommendations, even though the information available is imperfect and incomplete. Appropriate comment on the limitations of the information should be brief, and recommendations made on the basis of the information available with clear reasons given.

There is no “right” answer; marks are given, provided that the recommendation is feasible and broadly sensible, for the quality of the supporting reasoning.

Business Communication:

Most candidates reached a standard that was at least adequate.

Format:

The vast majority of candidates provided reports that were easy to follow and to navigate.

More care in aligning the report format with the question sub-requirements would have prevented some candidates from failing to discuss the issues facing the company in the expected structured way.

Business Awareness:

There was evidence of effort, mainly by tuition providers, to research the industry, though probably less than for some recent examinations.

There was limited comment or understanding of the problems of competing with supermarkets or of being a supplier to supermarkets.

Breadth:

Most candidates, provided that they structured their reports to follow the sub-requirements, discussed a good range of issues, though the discussion was sometimes adding relatively little to the case scenario.

Depth:

Most candidates discussed the main expansion possibilities, but discussion was at time thin, with little discussion of the relative risks involved.

An overall view

The standard is encouraging, but more needs to be done, particularly in identifying, reviewing and prioritising issues, and identifying possible proposals to meet the identified problems. Looking ahead to TOPCIMA, these areas will become even more important.

Work is also needed on improving skills in deciding what calculation and financial analysis could be useful to support the reasoning in a given case, and skills in making use of the analysis in terms of commentary on the financial consequences of strategic choices.