

### General Comments

This examination paper is designed to test the candidates' ability to demonstrate their understanding and application of the following key syllabus areas:

- The evaluation of a product portfolio of an organisation and the provision of recommendations for appropriate changes to support an organisation's strategic goals.
- The evaluation of strategies for responses to competition.
- The evaluation of the impact and influence of the external environment on an organisation and a discussion of scenario planning.
- How suppliers and customers influence the strategy process and recommendations on how organisations should interact with them.
- The approaches required for business/ government relations and relations to civil society.
- The evaluation and recommendations for appropriate control measures.
- Stakeholder interaction and the use of stakeholder mapping.

It was encouraging to see an improvement in the candidates' ability to apply their management accounting knowledge to prepare a product portfolio analysis and a NPV analysis in Question 1. Part (a) of Question 1 was adequately answered, with many candidates providing a good range of calculations which they were then able to correctly use to analyse the product portfolio of AFR. However, in part (b) of Question 1, few candidates were able to demonstrate the ability to recommend appropriate product strategies based upon the findings of part (a). Although many candidates had correctly calculated high contribution and turnover for lounge furniture, they still recommended divestment, based upon the classification of the product as a 'dog' in the BCG model. Many candidates are still not able to use and apply theory appropriately, nor do they recognise the weaknesses and limitations of commonly-used strategy models. A vital aspect of the Business Strategy paper is for candidates to demonstrate their ability to critically appraise the models and theories presented and to rely on them only when appropriate. Part (c) of Question 1 was adequately answered by most candidates, but it is still surprising and most disappointing to see how many candidates are not able to perform a very basic NPV calculation at this level, nor to recognise that an NPV calculation is required. Part (d) of Question 1 was the weakest for most candidates. Few considered the control measures appropriate to AFR's product portfolio and many failed to recognise that in part (d) (ii), the question asked for controls for the **project** to develop the dining furniture range. It would appear that candidates did not give themselves enough time to answer this question and neglected it, seemingly due to it being the last part of the question. However this question was worth 12 marks (nearly one quarter of the marks for Question 1) and candidates must not ignore a question of this weighting just because it is the final part of the question.

It was encouraging to see a good level of application of knowledge of the key syllabus areas by some candidates in the Section B questions, as would be expected at this level. The Section B questions were answered well by many candidates, and there was evidence of better application of knowledge, in particular in Question 3 and Question 5. However, it was again evident in some answers that there was a serious lack of knowledge and understanding of some of the fundamental Business Strategy syllabus areas, particularly in Question 4. There are still some candidates who fail to apply their knowledge as required in the question and instead re-write everything they know about a particular model (in particular, the Mendelow matrix in Question 3(c) and Question 5). This is not acceptable at this level.

It is evident that some candidates are still not reading the question requirements carefully enough, and consequently are scoring few or no marks on what should be relatively straightforward questions. Examples of this include Question 1 part (d), where many candidates failed to consider the control measures relevant for AFR's product portfolio and the controls required for a project. This was also the case in Question 2 part (a), where candidates often undertook detailed PEST and Porters five forces analysis, which were not required. In this examination, it is a good idea to use the reading time to read the question requirements as well as the scenarios. Candidates should ensure that they understand exactly what they are required to do before answering.

SECTION A – 50 MARKS  
ANSWER THIS QUESTION

**Question 1(a)**

Evaluate the existing product portfolio of AFR.

*Note: There are up to 7 marks available for calculations in this requirement.*

(15 marks)

**Rationale**

This question requires candidates to apply their knowledge of the management of a product portfolio, in particular the application of the Boston Consulting Group (BCG) model.

**Suggested Approach**

This question should be straightforward. The candidates were expected to apply the BCG model to the three products made by AFR and to evaluate their position in the portfolio. The question clearly asks for an evaluation, therefore a basic presentation of the model and the required calculations would not be sufficient to be awarded a pass mark. Candidates were expected to consider and discuss each product in terms of its position in the matrix and its value to AFR's portfolio.

**Marking Guide**

**Marks**

For each calculation correctly calculated and labelled, ( $\frac{1}{2}$  for each), maximum  
For interpretation and discussion of calculations, (up to 1 for each), maximum  
For BCG Diagram (correctly labelled, drawn and products mapped), maximum  
For reflections on the limitations of the BCG, maximum  
For conclusions as to the nature of AFR's portfolio, maximum

7  
7  
3  
2  
3

**Maximum marks awarded**

**15**

**Examiner's Comments**

The answers to this question were satisfactory. Many candidates recognised the need to use the BCG model to answer this question, but few applied it correctly. There were some candidates who failed to discuss the BCG at all and did not recognise the need to evaluate the three products as a portfolio. Similarly, some candidates focused upon the Product Life Cycle model, which again failed to adequately address the need to discuss the three products as a portfolio. Candidates whose answers took the latter two approaches were unlikely to pass this question.

Many candidates failed to correctly calculate 'Relative market share' and instead used AFR's market share for each product to plot each on the BCG model. This led to a common error of classifying the office furniture as a 'rising star' product, when in fact it should have been classified as a problem child. Although the diagram was not necessarily required to be awarded full marks, it was disappointing that many of those that did undertake a diagram, did it incorrectly or incompletely. Very few candidates labelled the axes clearly (with appropriate scales), instead merely labelling both axes with 'high' and 'low' only.

Most candidates scored highly on the calculations, providing a good range of analysis, including; market share for each product, market share of competitors for each product, contribution margins per product and percentage of turnover for each product. However, few candidates then used these fully to explain clearly the position of each product in the portfolio. For example, the lounge furniture was correctly classified by most candidates as a 'dog' product in the BCG analysis. However, had they reviewed the contribution margins, they would have seen that the lounge furniture provides 37.5% of AFR's total contribution, and therefore has many of the characteristics of a cash cow. Similarly, most candidates correctly identified bedroom furniture as a 'cash cow' in the BCG matrix, but few candidates recognised from their calculations that bedroom furniture is the smallest product in the portfolio and has the lowest level of contribution, and is therefore more akin to a dog. Thus, although many candidates had correctly calculated the ratios, they failed to use them, in conjunction with the BCG analysis, to evaluate the product portfolio.

A number of candidates chose to apply the product life cycle model, instead of the BCG matrix. While this is a valid way to evaluate a product portfolio, little information was given in the scenario to facilitate such analysis. Candidates should read question scenarios carefully, before deciding on the appropriate analysis tool(s).

Many candidates also focused on each product separately, without recognising the need to evaluate the three products as a portfolio and the impact they have upon each other.

*Common Errors*

- Incorrectly drawn and labelled BCG model
- Not using relative market share to classify the products in the model
- Focus upon the product life cycle instead of the BCG model
- Lack of recognition of the portfolio of products and instead focusing upon the individual products as stand alone

### Question 1(b)

Recommend an appropriate strategy for each existing product range.

(9 marks)

### Rationale

This question is designed to test the candidates' ability to recommend a product portfolio strategy based upon the findings of the product portfolio analysis carried out in part (a).

### Suggested Approach

Answers should have been based upon the findings of part (a) and upon the material presented in the scenario regarding the competitors' current product strategies. Candidates were expected to recognise that, although the BCG model suggests that dog products should be divested, this would have been an inappropriate strategy for AFR. The lounge furniture division, which could be classified as a dog, provides 37.5% of the contribution to AFR's fixed costs, and it would be unwise to divest such a product. Candidates were expected to use their knowledge of strategic options and to apply it appropriately to the products of AFR, bearing in mind both each product's position in the portfolio, and the way the products were related to each other.

### Marking Guide

### Marks

Identify (1), evaluate (1) and recommend (1) appropriate strategies for each product  
(3 marks per product)

9

**Maximum marks awarded**

**9**

### Examiner's Comments

This question was not well answered. Most candidates were able to make recommendations based upon the position of the products and the competitors' products, and many recognised that for office furniture, competing on price was not an option as the current market leader was already undertaking a successful cost leadership strategy. Therefore many candidates correctly identified that the most appropriate strategy would be to differentiate the office furniture product in order to compete. Similarly, for bedroom furniture, the most appropriate strategy for the product in its latter stages of its life was to attempt to prolong this with some form of differentiation.

However, a number of answers were weak, with very general statements such as 'bedroom furniture is a cash cow, then we need to harvest this product'. Candidates merely took the general strategic advice, as offered by the theory of the BCG model, without reviewing its suitability to this particular product portfolio. The most common mistake in many answers was where candidates advised that the lounge furniture should be divested as it is a dog product. Again, the theory suggests this approach for a dog product, but in reality this would be a very poor strategic choice for AFR, as the lounge furniture is an important contributor to the product portfolio. Candidates must not just assume that theoretical models such as the BCG model can be strictly applied in all cases and they must use their knowledge to selectively apply theory only when it is appropriate. Candidates should refer back to the recent article in the Financial Management magazine (Dec/ Jan 06) for an appraisal of the BCG model.

### Common Errors

- Poor strategic advice based upon theory and not reality
- Lack of application of the advice to the scenario i.e. very general and not specific to each product

### Question 1(c)

Advise the Board whether to invest in the new range of dining furniture. You should assume a cost of capital of 10% for this project, a project life of five years and no taxation.

*Note: There are 6 marks available for calculations in this requirement*

(14 marks)

### Rationale

This question tests the candidates' ability to undertake an investment appraisal on a new product for AFR.

### Suggested Approach

This was a very straightforward question. Candidates were expected to undertake a NPV appraisal upon the dining furniture proposal at both 400 units and 500 units (or other appropriate levels), to assess whether the product was viable at either of these levels. Then, candidates were expected to use this analysis as part of an overall appraisal of the dining furniture market for AFR, based upon the competitive environment and upon the potential impact of the new product upon the existing portfolio.

### Marking Guide

### Marks

Capital equipment T0	½
Fixed Costs T1-5	½
Contribution per unit	½
Contribution from 400 units (or low level) T1-5	1
Contribution from 500 units (or high level) T1-5	1
Discount Factors	½
NPV (400 or low)	½
NPV (500 or high)	½
Breakeven sales level	1
Discussion of possible breakeven point(s), up to	2
Other relevant issues discussed, up to	4
Recommendations	2

**Maximum marks awarded**

**14**

### Examiner's Comments

This question was reasonably well answered. Most candidates were able to correctly calculate the NPVs at both 400 and 500 units and to determine that at 400 units the project had a negative NPV and was not financially viable, but at 500 units the project had a positive NPV and was therefore financially viable. However, it was most disappointing to see the number of candidates who incorrectly calculated the NPVs and who made very poor attempts at this basic financial analysis. At this final level, it is unacceptable to not be able to carry out a simple NPV calculation.

However, these calculations alone were not sufficient to pass this question. A number of other factors needed to be considered, in particular the current competitive environment for dining furniture and the accuracy of the figures provided to undertake the financial appraisal.

Many candidates failed to attempt to calculate the breakeven sales level, which was an important factor to establish the likelihood of success in this product range. For those that did attempt this, many incorrectly calculated breakeven by dividing fixed costs by contribution per unit (as done by the R&D manager). Few candidates correctly calculated the breakeven of 466, which was closer to the estimate as provided by the marketing manager. Most candidates did not discuss the importance of AFR's confidence in achieving the breakeven sales level and the apparent discrepancy between the R&D and Marketing managers' views. However, most candidates did discuss the need to undertake further marketing research in order to make a decision.

*Common Errors*

- No calculation of the breakeven
- Inclusion of depreciation in the NPV calculations
- Weak analysis of the competitive environment and the impact of the new product on the existing portfolio
- No final recommendation made

### Question 1(d)

Recommend appropriate control measures, assuming none are currently in place, for

- (i) the three existing product ranges; (6 marks)
- (ii) the project to develop the new range of dining furniture should it go ahead. (The project, for the purpose of this question, may be assumed to be the design of the new product range and production of prototype products **only**.) (6 marks)

### Rationale

This question tests the candidates' ability to evaluate and recommend appropriate control measures for products in different strategic positions.

### Suggested Approach

This should be a very straightforward question. Candidates should be familiar with a wide range of control measures and should be able to apply them to the scenario. It is important that the candidate recognises in part (ii) of the question that the control measures should be suitable for a **project** to design the product and produce a prototype only. Therefore, control measures relating to the dining furniture product once in full production were **not** required.

### Marking Guide

### Marks

- (i) For each appropriate control measure and process, up to 2 marks, to a total of 6
- (ii) For each appropriate control measure and process, up to 2 marks, to a total of 6
- Maximum marks awarded 12**

### Examiner's Comments

The first part of this question was generally not well answered. The main reason for this was the poor application and the level of general answers provided. Most candidates merely listed controls such as budgets and variance analysis or used a standard list of 'supervisory, organisational, authorisation, personnel' etc controls with little attempt at application to the products in the scenario. Many candidates used the balanced scorecard to structure their answer, which was appropriate **only** if it was suitably applied to the three products.

In part (ii), those answers that addressed the question requirement were generally better. The better candidates recognised the need to discuss project control measures and focused their answers upon the need to control the project by means of project teams, proper project planning tools and project budgets and cost control.

Many candidates provided only very brief lists in answer to this question. This was either due to lack of knowledge or poor time management. However, control measures are an important part of the P6 syllabus and must not be ignored. Also, this question was worth nearly one quarter of the marks for question 1, therefore candidates should have planned their time better to ensure they could adequately answer it.

### Common Errors

- Poor application of the control measures discussed
- Use of the balanced scorecard, with no attempt to apply it to the three products
- Lengthy discussions of PRINCE in part (ii) which were unnecessary

SECTION B – 50 MARKS  
ANSWER TWO QUESTIONS FROM FOUR

**Question 2(a)**

Evaluate the benefits to B of implementing a process of systematic environmental analysis.

(12 marks)

**Rationale**

This question tests the candidates' ability to evaluate the impact and influence of the external environment on an organisation and its strategy.

**Suggested Approach**

This should have been quite a straightforward question. However, the question clearly asks for an evaluation of the benefits of a system of environmental analysis and **NOT** an explanation or application of the technique. Therefore candidates were **NOT** required to undertake a detailed PEST analysis or Porters' five forces analysis.

**Marking Guide**

**Marks**

For <i>each</i> benefit given	1
For <i>each</i> benefit embedded in or applied to the case material	1
For <i>each</i> benefit evaluated	1

Maximum of 5 marks awarded if NO evaluation of benefits provided

**Maximum marks awarded** **12**

**Examiner's Comments**

This question was not well answered. Many candidates did not answer the question set, instead providing a detailed PEST and/or Porters five forces analysis, without any evaluation of the benefits of environmental analysis. A number of candidates did provide a discussion of a number of relevant benefits of environmental analysis, but very few evaluated those benefits. Some candidates also undertook a SWOT analysis, much of which was internally focused and thus irrelevant.

*Common Errors*

- Lengthy PEST and/ or Porters five forces analysis
- Failure to evaluate the benefits discussed

### Question 2(b)

Describe the essential stages that should be included in a scenario planning process that could be introduced by B.

(13 marks)

### Rationale

This question is designed to examine the candidates' ability to discuss scenario planning as a technique to support the strategic decision making function.

### Suggested Approach

This should be a straightforward question. As this is the first time scenario planning has been examined under the current syllabus, the question requires only a basic description of the process. However, application of the process to B was rewarded if provided. A recent article in the Financial Management magazine (March 06) should have helped candidates to structure the answer to this question.

### Marking Guide

### Marks

For <i>each</i> stage described (½ each if bullet points only)	1
For <i>each</i> stage well described or clearly linked to the question scenario, an additional	1

<b>Maximum marks awarded</b>	<b>13</b>
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### Examiner's Comments

This question was generally well answered. Those candidates that chose to answer this question largely did so on the basis of having read the recent FM article, therefore they were adequately prepared to describe the stages of scenario planning. Many candidates also made a sound attempt to apply the model where possible to B. The main problem was that some candidates had obviously not revised the topic in depth and only knew the key headings of the process without being able to describe it. Knowing the outline headings is clearly not sufficient to pass the examination.

#### Common Errors

- Lack of depth, with bullet point heading provided with no further description

### Question 3(a)

Discuss the advantages and disadvantages, to C, of the proposal to supply directly to the pharmacies.

(10 marks)

### Rationale

This question tests the candidates' ability to discuss how suppliers and customers influence the strategy process and how to manage supplier and customer relationships.

### Suggested Approach

This question required the candidate to analyse the information presented in the scenario. Candidates were expected to identify a range of advantages and disadvantages of supplying directly to the independent pharmacies. It was important that the candidate's answer should focus upon the direct supply to the **independent** pharmacies, not the wholesalers or the supermarkets.

### Marking Guide

### Marks

For *each* well reasoned advantage, up to  
 For *each* well reasoned disadvantage, up to  
 Conclusion if provided

2  
 2  
 1

**Maximum marks awarded**

**10**

### Examiner's Comments

This question was reasonably well answered. Most candidates could provide a good range of advantages and disadvantages of directly supplying the independent pharmacies. However, a number of candidates subsequently failed to discuss these adequately, providing merely a statement of the advantage or disadvantage. If the requirement asks for a 'discussion', a basic statement without any clarification is not sufficient to pass. Some answers also focused mainly on advantages, with very few disadvantages discussed. Many candidates failed to recognise the increased complexity of operations in delivering to 4000 independent suppliers, nor the potential threat of the powerful supermarkets.

Some candidates incorrectly focused their answers upon supplying directly to the supermarkets instead of the independent pharmacies. The supermarkets are not independent pharmacies. A discussion of the supermarkets was valid if undertaken in the context of the possible problems that may be caused to C as a result of the power and size of the supermarkets in gaining a large share of the market, thus threatening C's market share.

### Common Errors

- Lack of discussion of the advantages and disadvantages.
- Focus upon supermarkets instead of independent pharmacies.

### Question 3(b)

Discuss the advantages and disadvantages, to C, of the proposal to outsource the transport function should the proposal to directly supply pharmacies be adopted.

(8 marks)

### Rationale

This question also tests the candidates' ability to discuss how suppliers and customers influence the strategy process and how to manage supplier and customer relationships.

### Suggested Approach

As in part (a) of the question, candidates are expected to provide a range of advantages and disadvantages of outsourcing, based upon the information in the scenario and upon their syllabus knowledge of outsourcing. For the well prepared candidates, this should be a very easy question.

### Marking Guide

### Marks

For <i>each</i> well reasoned advantage, up to	2
For <i>each</i> well reasoned disadvantage, up to	2
Conclusion if provided	1

### Maximum marks awarded

8

### Examiner's Comments

This question was well answered. Many candidates were able to provide a good range of advantages and disadvantages of outsourcing the transport function, though some answers tended to be a general discussion of the advantages and disadvantages of outsourcing.

Overall this question was one of the best answered of the whole examination

### Common Errors

- General discussions of outsourcing with no application to the scenario.

### Question 3(c)

Advise the project team how C might best communicate the decision, to directly supply independent pharmacies, to each of its principal stakeholders.

(7 marks)

### Rationale

This question examines the candidates' ability to recommend appropriate approaches to business/government relations and to relations with civil society.

### Suggested Approach

This question required the candidates to firstly identify the principal stakeholders and then to recommend the most appropriate method of communication to these stakeholders. It was important for the candidate to focus upon the principal stakeholders and not to spend too much of their time identifying a wide range of general stakeholders. Stakeholder mapping was **NOT** a requirement of this question. .

### Marking Guide

### Marks

For identification of <i>each</i> relevant stakeholder group, maximum	1
For <i>each</i> specific communication method, relevant to the stakeholder identified	1

### Maximum marks awarded

**7**

### Examiner's Comments

This question was not well answered. Many candidates saw the word 'stakeholder' in the question requirement and saw this as a signal to undertake a detailed diagram and discussion of Mendelow's stakeholder mapping. This is not what the question asked and therefore was awarded no marks. Candidates could have used the idea of key stakeholders to identify the principal stakeholders for C but a full discussion of power and interest was not required. Many candidates also failed to identify methods of communication, instead providing general discussion of the need 'to keep informed' or 'keep satisfied'. This question clearly asked for the best ways for C to communicate with the principal stakeholders and candidates needed to be much more specific in their examples of forms of communication. Some candidates did provide methods of communication, but failed to explain why these were appropriate to the stakeholder group identified. The question requirement clearly asked candidates to 'advise', which requires a full explanation and justification of each communication method chosen, not just a basic statement of the communication method.

#### Common Errors

- Detailed discussions of Mendelow's stakeholder mapping
- Little discussion on the forms of communication appropriate to each stakeholder

#### Question 4(a)

Advise the partners of the functions that an effective performance measurement system will perform for D.

*Note: You are not required to describe, in detail, any particular system*

*(10 marks)*

#### Rationale

This question examines the candidates' ability to evaluate appropriate control measures, in particular the importance of effective performance measurement systems.

#### Suggested Approach

This question requires the candidate to evaluate the current performance measurement system being operated by D and to advise the partners as to how a more effective performance measurement system could improve D's current performance. The question does not require candidates to describe in any detail any particular performance measurement system, for example the Balanced Scorecard. Candidates are expected to focus upon the problems currently being faced as a result of the current performance measurement system, and how this could be improved by a more effective system.

#### Marking Guide

#### Marks

For *each* appropriate function described

1

For *each* function well described and embedded in case material, up to a further

1½

**Maximum marks awarded**

**10**

#### Examiner's comments

This question was not well answered. In fact, Question 4 was the least popular question of the whole exam. This answer should have been fairly straightforward for a well prepared candidate who had revised the appropriate study material. Many answers were very general and did not address the problems currently being faced by D. Other answers merely focused upon the problems of the current system without discussing the functions of a more effective performance measurement system.

#### Common Errors

- Little or no focus upon the functions of an effective performance measurement system
- Too much focus on the current problems

#### Question 4(b)

Recommend the process that should be used in developing the performance measurement system to be used within D.

(15 marks)

#### Rationale

This question examines the candidates' ability to evaluate appropriate control measures, in particular the development of an effective performance measurement system for D.

#### Suggested Approach

This question requires the candidate to recommend the process that should be followed in developing a performance measurement system. A well prepared candidate should have no difficulty with this requirement, as it is a straightforward discussion of a key element of the syllabus and the study text. It is important that the candidate remembers to apply the stages in the process to D and does not just provide a general theoretical answer. It is also important to recognise that the question asks for a discussion of the process used in **developing** and **NOT** in **operating** the performance measurement system. Therefore answers should focus only upon the development stage.

#### Marking Guide

#### Marks

For *each* appropriate step or stage described

1

For *each* step or stage well described and embedded in case material, up to a further

1

**Maximum marks awarded**

**15**

#### Examiner's Comments

This question was not well answered. Many answers to this question were very superficial and largely failed to focus upon the development process of a performance measurement system. Many answers either focused upon how an effective performance measurement system should **operate** or focused on the performance measures themselves. A number of candidates also failed to apply their answer to D.

#### Common Errors

- Poor focus upon the development of a performance measurement system
- Poor application to D

### Question 5(a)

Identify those internal and external stakeholders who would be interested in E's decision to join the trade bloc and discuss the nature of their interest.

(12 marks)

### Rationale

This question tests the candidates' knowledge of relevant stakeholders in the organisation and the use of stakeholder mapping.

### Suggested Approach

This should be a very easy question. There were a number of stakeholders presented in the scenario that should be easily identified by candidates. Candidates are only asked to consider stakeholder interests and **NOT** stakeholder power, therefore a full Mendelow mapping exercise is not required. The question also asks the candidate to discuss the *nature* of the interest and not the *level* of interest, therefore candidates are expected to discuss the reason for the stakeholder interest and not whether that interest is high or low.

### Marking Guide

### Marks

For *each* stakeholder recognised that is related to the case material  
For a discussion of why each might be interested, up to a further

1  
2

### Maximum marks awarded

12

### Examiner's Comments

Question 5 was the most popular question on the exam and in general was answered very well. Most candidates identified a wide range of relevant internal and external stakeholders and could identify why each one would be interested in E joining the trade bloc. A number of candidates wasted time by analysing each stakeholder using the Mendelow matrix, which was unnecessary. However, most candidates that answered this question scored very well.

### Common Errors

- Too much focus on Mendelow matrix
- Discussion of level of interest (high/ low) rather than the nature of the interest

### Question 5(b)

Discuss the advantages and disadvantages that could be experienced by the stakeholders based in E if the country were to enter the trade bloc.

(13 marks)

### Rationale

This question also tests the candidates' knowledge of relevant stakeholders in the organisation and the use of stakeholder mapping.

### Suggested Approach

Again, this should be a very straightforward question. It is important to focus this answer upon the **internal** stakeholders of E only.

### Marking Guide

### Marks

For <i>each</i> advantage or disadvantage described	1
For illustration of <i>each</i> advantage by reference to specific internal stakeholder(s)	1
For a conclusion, if provided	1

### Maximum marks awarded

**13**

### Examiner's Comments

This question was well answered. Most candidates could provide a good discussion of a range of advantages and disadvantages for most internal stakeholders. The better answers took each internal stakeholder and discussed advantages and disadvantages for each one (where possible). Weaker answers merely repeated the answers from part (a), without considering the difference between the nature of interest and whether this resulted in an advantage or disadvantage to the stakeholder group.

Overall question 5 was the most popular question on the examination and was also the best answered by the candidates.

### Common Errors

- Repeat of part (a) answers
- Inclusion of external stakeholders