



EXAMINER'S REPORT

AUGUST 2001

MARKETING FINANCE

General Comments

A small number of candidates sat this examination paper. A considerable number of those sitting the examination attempted three questions instead of four. This reduces a candidate's ability to reach a pass mark quite significantly and once again suggests that candidates are limiting their studies to a few topics.

Question 1

The majority of candidates attempted this question. There was reasonable knowledge of Leasing and Factoring but Spontaneous sources of finance was very weak.

Question 2

This was not a popular question and was not answered well by those candidates attempting the question. Many did not even define working capital and confined their answers to a very general discussion.

Question 3

This question was popular and part (a) was answered well by many candidates. Part (b) was not understood by the majority of candidates. Students should pay careful attention to layout with this topic.

Question 4

Some of the students attempting this question did not understand the nature of fixed costs and consequently did not answer part (a) correctly. The majority of candidates attempting part (b) did not understand limiting factors.

Question 5

As the most predictable topic, this question was well prepared and answered by most candidates. The most common problem was the formula for Stockturn where candidates used sales instead of cost of sales.

Question 6

This was the least popular question. Standard of answers varied, with sales and material price usually correct but other variances incorrect.

Question 7

The standard of answer to part (a) was generally low and in many cases this part was ignored. Part (b) answers were good. The most common error was release of working capital at the end of the project even though the question stated the opposite. Students need to read questions carefully.