



EXAMINER'S REPORT

AUGUST 2002

MARKETING FINANCE

General Comments

The number of candidates sitting at this session was small and therefore general observations are difficult. It was noticed however that most candidates attempted the correct number of questions. This is to be welcomed as it gives students a greater chance of achieving a pass mark. Hopefully this trend will continue.

Question 1

Not popular at this session but answered reasonably well by those attempting it.

Question 2

This was answered by most candidates. The standard of answer was good in most cases.

Question 3

As the most popular question on the paper this question gave most candidates high marks. The capital gearing and fixed asset turnover ratios were the ones with which candidates were least familiar. Commentaries showed an understanding of the ratios in most cases.

Question 4

The cash budget standard was high. The main difficulties were with the phasing in of the receipts from debtors and a lack of understanding of the settlement discount. Comments displayed in many cases a lack of understanding of the difference between profit and cash.

Question 5

This was attempted by many students but the standard was not good. Once again candidates displayed a lack of understanding of cost behaviour e.g. using the original variable cost figure not recognising that these vary in total with the level of activity.

Question 6

Not a popular question although very well answered by those attempting it.

Question 7

This was the least popular question on the paper. Answers were of a poor quality displaying little knowledge of the topic.