



## **EXAMINER'S REPORT**

**AUGUST 2008**

### **MARKETING FINANCE**

#### **General Comments**

As the examination was sat by a small number of candidates it is difficult to draw a conclusion on any trends that may exist. The average mark of 43.2% is quite low, but is probably to be expected on a repeat paper, and is skewed by the fact that 3 of the candidates scored 30% or less.

#### **Question 1**

The average mark for this question was 39%. A number of the candidates didn't know what spontaneous sources of finance were and did not go into sufficient detail on what constituted a Hire Purchase.

#### **Question 2**

The average mark for this question was 48%. Candidates covered the basic points but failed to expand on/explain them.

#### **Question 3**

The average mark for this question was 27%. However this was skewed by the fact that two of the candidates scored zero. Both candidates seemed to do this as their last question and did not understand the concept of Cost-Volume-Profit.

#### **Question 4**

This question had the highest average mark on the paper at 60%. All candidates scored a minimum of 50%, with the main difficulty appearing to be the calculation of the Direct Wages.

#### **Question 5**

Along with Question 6 this was the most popular question on the paper, with all but one candidate attempting it. The average mark was only 42% but would have been significantly higher but for 2 candidates scoring under 15%. There were a couple of noticeable errors however. Candidates seemed to be unsure as to what to do with the residual value and also a significant number assumed that the initial outlay was fully recouped at the end of the project, which is obviously incorrect.

#### **Question 6**

This was the most popular question on the paper, and was attempted by all candidates. The average mark was 52%. The ratios which caused the most difficulty were the ROCE, Debt/Equity and Fixed Asset Turnover. Candidates are again reminded that ratios is an optional question and should not be relied upon to be always on the paper.

**Question 7**

This proved to be a very unpopular question with only 2 candidates attempting it. It seemed to be a 'last resort', which is reflected in the average mark of 18%. Candidates seemed to be very unsure on this topic and it may require more time in lectures.