



EXAMINER'S REPORT

AUGUST 2007

MARKETING FINANCE

General Comments

The Examiner would like to highlight again the poor performance in the theory section, where the average mark was 33%.

Question 1

This was the most popular of the questions in Section A. The average mark, however, was quite low at 35%. Most candidates seemed to have a basic knowledge of Hire Purchase and Debentures, without being able to expand on these topics. Inventory Management was very poorly answered.

Question 2

It is worth noting that answers received to this type of question tend to be rather brief and need to be expanded upon to achieve significant marks.

Question 3

The standard of answer tended to be varied, with the most common mistakes being the failure to adjust total variable cost for movements in volume and a failure to express Margin of Safety as a percentage.

Question 4

This question was generally answered quite well.

Question 5

The main issue in this question was with the timing of the original investment and the residual value.

Question 6

All candidates attempted question 6, and most achieved good marks. Candidates seemed to have greatest difficulty with the Debt/Equity ratio and the Fixed Asset Turnover ratio.

Question 7

This question was very poorly answered. Candidates did not seem to have a working knowledge of the basic variances, and it appears that more emphasis needs to be placed on this topic.