



## **EXAMINER'S REPORT**

**MAY 2009**

### **MARKETING FINANCE**

#### **General Comments**

This was a good exam sitting with 80.6% (77% in 2008) of candidates achieving a pass grade, with 42% (23% in 2008) achieving an A grade. Both questions in Section A proved equally popular, with Questions 3, 4 and 5 being the favoured options in Section B, with all but one candidate attempting Question 5, the Ratio question. The overall average mark achieved by candidates was 58.8% (55.6% in 2007).

It should be noted that, as with prior years, the average mark in Section A (45.2%) was significantly lower than in Section B (67.7%), which would imply a lack of attention being paid to the more theoretical aspects of the course. A big improvement in standard is required here.

As with prior years, despite a noticeable improvement, all candidates are still not following the instructions as laid out on the front page of the examination booklet, in particular as they relate to commencing each answer on a fresh page. A dim view of this will be taken in subsequent examination sittings.

#### **Question 1**

Both questions in Section A proved popular on this occasion. The average mark, however, was quite low at 41%. The section on the Importance of Cash Budgeting seemed to cause the most difficulty, with candidates displaying a lack of knowledge in this area. As with prior years, most answers were on the brief side. Candidates should be aware that as 25% of the marks are for this section, 25% of the time should be allocated to it.

#### **Question 2**

As with Question 1 the standard was variable, although the average mark was higher at 49%. Most candidates seemed to have a reasonable knowledge of the subject matter but tended to be very brief in their description.

#### **Question 3**

This was the third most popular question in Section B. The average mark was 72.9% with just over half the candidates scoring 80% or higher. There were some very high marks achieved by those with the knowledge of the topic. It is good to see that, following two years where it was the least popular question, more emphasis has been placed on Variance Analysis.

**Question 4**

This was the second popular question and the average mark of 57% is again the result of extremes with one third of the candidates attempting this question achieving a mark of 30% or less. The main area of difficulty seemed to be with the total variable costs, which a number of candidates failed to recalculate for the movement in volume. The contribution/sales ratio was poorly answered.

**Question 5**

This was the most popular question on the paper, with all but one candidate attempting it. The average mark was 73.5%, the highest on the paper. The ratio which caused the most difficulty was once again the Debt/Equity ratio and the Return on Capital Employed. Candidates should note that they should not over emphasise this topic in their studies as it is not a compulsory question, and the examiner is worried that a few candidates pass solely on their knowledge of this topic.

**Question 6**

Approximately 40% of candidates attempted this question, achieving an average mark of 72.3%. Most candidates performed well in all areas, although candidates lost marks for 'mental' mistakes, rather than any real lack of knowledge of the topic. As with Question 5, the written part of this question was not answered particularly well.

**Question 7**

This question had an average mark of 62.5% but was attempted by a small number of candidates. Most performed well, with 3 candidates achieving full marks.