

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN**  
**CERTIFIED FINANCE AND ACCOUNTING PROFESSIONAL (CFAP) EXAMINATION**  
**EXAMINERS' COMMENTS**

<b>SUBJECT</b> Business Management and Strategy	<b>SESSION</b> Winter 2019
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**Passing %**

Question-wise							Overall
1	2	3	4	5	6	7	
54%	14%	68%	20%	28%	35%	36%	39%

**General comments**

There has been an increasing trend in the passing ratio for the past few attempts. Performance can further be improved by applying the concepts relevant to the given situations rather than offering general answers. It is observed that examinees lacked the requisite skills in the questions demanding critical evaluation of the given situation and recommended course of action. Further, repeating the same idea with different wordings can only result in wastage of time. It is advised to refer suggested solution and marking scheme to understand the expectation of examiners.

**Question-wise common mistakes observed**

**Question 1**

- Many examinees restricted their analysis and recommended strategies to the BCG Matrix only and ignored Ansoff's Growth Model and Product Life Cycle altogether.
- Most of the examinees did not consider the existing position of products and did not compare with the biggest competitors in the market.
- Some examinees restricted their answers either to continue or discontinue the products without justifying the reason for such recommendation.
- Only few examinees could suggest cost leadership, differentiation or focus strategies for different products.

**Question 2(a)**

- Instead of explaining the categories of business risks, general risks were discussed.
- Some examinees failed to identify and relate the relevant categories of business risks to the given situation and wasted their time in discussing irrelevant categories of business risks.

**Question 2(b)**

- Physical access controls were discussed by some examinees though question clearly required the explanation of general system software controls.
- Few examinees opted for lengthy discussion of system software controls for instance, lengthy policies for password setting.

**Question 3(a)**

Some examinees did not restrict the answers to the given situation and suggested general statements to be included in the corporate code of ethics.

**Question 3(b)**

- Many examinees repeated the same factors particularly 'training of employees' with different wordings.
- Few examinees lacked the knowledge and opted for guesswork.

**Question 3(c)**

- Some examinees either could not explain the relevant principle correctly or could not relate to the given situation.
- Few examinees opted to explain all principles and attempted to relate them under the given situation.

**Question 4(a)**

- Some examinees did not answer this part in the light of Porter's Diamond model.
- Many examinees could not classify the given information under the relevant factors of Porter's Diamond model.

**Question 4(b)**

- Many examinees could not differentiate between threats and weaknesses and discuss the factors under these headings interchangeably.
- Instead of discussing the threats, some examinees simply mentioned the threats in single statements.
- Only few examinees could identify and discuss the threat of changing needs of IT-savvy consumers.
- General suggestions were offered rather than specific suggestions under the identified threat.
- Some examinees repeated the same suggestions under various threats with different wordings.

**Question 5(a)**

- Non-disclosure of information regarding liaison with head office and key dates for applying in the job advertisement/job description were not identified by many examinees.
- Some examinees offered weak suggestions like in case of job title was missing, they simply suggested that job title should be included instead of including appropriate job title in suggestions.

**Question 5(b)**

- Only two to three shortcomings were identified. Focus on short-term goals and over-compensatory reward system were identified and discussed by only few examinees.
- Suggestions offered by many examinees were weak. Some examinees limited their suggestions to the extent of single statements. For instance in the case of lack of implicit rewards, their suggestion was restricted to the statement that 'there should be some implicit rewards'.

**Question 6(a)**

- Discussion was restricted in the ambit of high costs of setting-up and operating the e-store.
- Few examinees who advised to launch e-store, could only offer one argument that is access to wider audience.

**Question 6(b)**

- Some examinees could only mention one alternative that is association with e-intermediary.
- Most of the discussion of suggested alternative restricted to the extent of cost savings only.

**Question 7(a)**

- Role of accounting function was mostly discussed in the context of appraising investments only.
- Some examinees discussed the same point under various paragraphs with different wordings.

**Question 7(b)**

- Some examinees instead of recommending marketing strategy, discussed the marketing methods and tools.
- Some examinees did not differentiate the premium and economy variants and offered uniform marketing strategies for both variants.

***(THE END)***