



KC5 – Corporate Strategy and Contemporary Issues

June 2018

Examiner's Comments

General Observations:

A. Pre-Seen

It was observed that majority of candidates have not analyzed the pre-seen adequately. Hence they have failed to capture the salient points given by the examiner.

B. Report Writing Skills

Candidates are weak in professional report writing. They lack knowledge in deciding on the content to be included in the body of the report and annexures to the report.

Further, it was observed that candidates lack knowledge in writing an executive summary. Majority of them have given summary of each subheadings of the report.

This problem was found in the introduction to the report as well as in the conclusion.

They should be trained well before the examination, how to write a professional report with a better flow.

C. Analysis and Discussion of the issues

a. Appropriateness of the discount rate :

Majority of the candidates have discussed this area satisfactorily. However, few of them could not identify the issues and technical aspects of the concepts of three discount rates given by the examiner and their appropriateness. It was not critically discussed in detail with relevant theoretical approaches.

b. Implication of the proposed takeover bid:

Except few candidates, others failed to apply the relevant technical knowledge (Mergers and Acquisition) to calculate the following correctly after the takeover:

Number of Shares

Earnings

Net assets

Price Earnings

Theoretical Market price

This clearly indicates that majority of the candidates did not have adequate knowledge in this area, and they have not done prior preparation even though, examiner has given clues in the pre-seen.

Few candidates have discussed the qualitative issues along with calculation to justify their final decision to reject or accept the offer. There were good explanations given by few candidates.

c. Relevance of offering own-branded products:

This area was discussed well by majority of the candidates

d. Governance and ethical issues

Except few candidates, others discussed this area in detailed by covering adequate number of issues as expected by the examiner.

e. Direct implementation of the IT system

Majority of the candidates have misunderstood the requirement and therefore, the discussions were irrelevant.

Examiner's expectation was a critical analysis and a good discussion on 'Direct Implementation'. However, the discussions were on 'implementation of an on-line sales system'.

f. Strategies to be adopted with a view to create value in sustainable manner

Few candidates have taken a proper approach to bring strong strategies in to their discussion by applying Ansoff, PESTEL analysis, SOWT, value chain analysis etc. However, majority of the candidates have failed to show the ability to apply such strategic management models to formulate sustainable value creating strategies.

Some of them have discussed the theoretical aspects of "sustainability" in the context of 'sustainability reporting'. Further, majority of the discussion were not at an appropriate level expected from a consultant.

D. Recommendations:

Poor recommendations were given by candidates due to the lack of understanding on the recommendations. Only few candidates could provide proper recommendations with justification to each recommendation.

Some of them have given irrelevant recommendations.

NOT FOR SALE