



## **THE TOP CA CASE STUDY**

### **A GUIDELINE FOR CANDIDATES**

#### **1. Preamble**

The Institute of Chartered Accountants of Sri Lanka is the principal catalyst for creating, sharing and applying cutting-edge knowledge in Accountancy and Financial Reporting in Sri Lanka. In its effort to ensure a high level of professional competence among those aspiring to become members of the Institute, the TOP CA CASE STUDY examination was introduced as the final component of the Institute examination plan. Further, case studies are important enabling tools to address the main social, economic, financial, technological, legal, strategic and other challenges of contemporary business organizations. The Top CA CASE STUDY examination is designed to enable candidates to demonstrate how they can apply their knowledge and understanding comprehensively in a given real life scenario.

#### **2. Introduction to case studies**

Case studies are widely used in various disciplines and they occupy a prominent position in management and allied disciplines including Accounting. A case study is a form of problem-based learning, by which students/candidates are presented with a situation that needs a solution. A typical business case study is a detailed account, or story, of what happened in a particular company, industry, or project over a period of time, often in a historical context. The key players are introduced. Objectives to be achieved and challenges faced are generally outlined. This may be followed by specific examples and data, which the candidates then use to analyze the situation, determine what happened, and make recommendations. A case study generally makes the candidate think critically about the information presented, and then develops a thorough assessment of the situation, leading to a well-thought-out solution or recommendation.

#### **3. The emphasis**

The depth of a case study depends on the purpose. The Institute examinations prior to the TOP CA CASE STUDY cover case studies ranging from mini to moderate ones depending on the subject. The scope of such case studies is basically limited to the subject matter under consideration.

Compared to them, the TOP CA CASE STUDY is essentially a comprehensive one cutting across the various business functions. Though the main focus of the TOP CA CASE STUDY examination is Accounting and Finance, but not limited to these disciplines, it is essentially interdisciplinary in nature. Therefore, it is very important for the candidates to recognize the interdependencies and interconnections among business functions and that the issues and challenges faced by contemporary organizations cannot be resolved through compartmentalized decision making.

#### **4. The link to work experience**

The work experience requirement which is an integral part of qualifying for membership provides a platform to gain a broader understanding of the functioning of business organizations in real-life context while offering an opportunity for gaining desired skills of a Chartered Accountant. Such experience will no doubt facilitate in preparing for the case study examination. In particular following key areas of work experience would be beneficial in this regard.

- Business awareness – being aware of the internal and external issues and pressure for change facing an organization and assessing an organization's performance.
- Technical and functional expertise – applying syllabus learning outcomes and wherever appropriate, further technical knowledge to real life situations.
- Ethics and professionalism – recognizing issues, using knowledge and experience to assess the implications beyond profits and economic considerations and making confident decisions.
- Professional judgment – making recommendations giving due consideration to their strength of bringing about the targeted and relevant solutions with the highest possible value addition.
- Professional effectiveness – developing, maintaining and exercising skills and personal attributes necessary to perform the role and to fulfil the responsibilities so that a professional service can be provided with competence and due care.

In general, the case study examination will be an opportunity for students to apply their practical knowledge and skills gained in the workplace to real life business scenarios. The proper preparation for case study examination would enhance this process.

#### **5. Purpose of the case study**

A case study is always about a particular situation of a particular business organization. Therefore, the purpose of a case study is particularization and not generalizations. It involves taking a particular case, getting to know it well, emphasizing its uniqueness. The objective of the Case Study is to assess the understanding of complex business issues and analyze financial and non-financial information, exercising professional and ethical judgment, and to come up with appropriate conclusions and recommendations.

By and large, the success in the case study examination depends on the ability to integrate the technical knowledge and skills acquired from all of the CA modules and practical experience gained during training period. The case study may involve a typical business situation encountered by a Chartered Accountant.

## **6. The format and structure of the paper**

There is no strict format for a case study and it could vary from case to case as it should suit the particular business scenario. Each case study is a unique one representing a unique business situation in relation to a particular organization or a project. The format of the case is driven by the case itself. As such the Institute's case studies are different from one examination to another. Therefore it would be useful to follow several case studies prior to the examination in order to improve your skills in answering the case study examination. Working in groups with your colleagues would be an effective way to understand the different perspectives and alternative solutions in relation to a given case study.

The information for the case study will be provided in two stages:

- Advance information and,
- Impact information with examination questions.

The advance information will be made available to all candidates four weeks prior to the examination. This may consist of a narrative of a particular business case relating to an industry. The information provided may include background details, past financial performance, future plans and projects, and issues confronted by the company as required by the particular case. Further, this information may be supplemented by management communications, board minutes, extracts from newspapers and other sources, relevant macroeconomic details etc... The purpose of issuing the advance information is to allow students to familiarize themselves with its contents, and to undertake any research and analysis as thought to be necessary.

In the examination the candidates will be provided examination questions and additional information (impact information) relating to the case study which will be an extension of the advance information provided. The impact information will generally update the candidate on further developments in relation to the particular case.

The duration of the examination will be four hours.

## **7. Assessment of skills**

Case studies tend to focus on why and how to apply the various skills than remembering facts as in traditional examinations. Generally case studies are used, when understanding the concept is more important than memorizing correct responses. In fact, case studies provide candidates with an active learning experience with opportunities including: deepening the candidates' understanding of theories through viewing them in relation to practical situations; developing a greater appreciation of the complexity of problems that can arise in practice; analyzing and evaluating the information provided; expressing ideas concisely and with clarity; creating convincing, reasoned arguments; proposing solutions to genuine problems. Therefore, in analyzing a case study and formulating answers for it, candidates essentially need to have a variety of technical and conceptual skills. Some interpersonal skills will also be helpful in this regard. Some of the main skills required to comprehend, analyze and formulate answers for a given case will include:

**i. *Analytical skills***

Case studies will usually contain both qualitative and quantitative data. You are forced to think through these materials, comprehend them well and analyze them to draw conclusions and justify why you have reached those conclusions. You require skills in assimilating, sorting and synthesizing information. You may use appropriate technical tools studied under various subjects prior to the case study examination to perform your analysis.

**ii. *Problem solving and decision making skills***

Once you identify the problem/s, you will make decisions or identify some specific courses of actions to resolve them. In doing this, you will have to consider alternative courses of action, evaluate those alternatives and select the most appropriate. You will also need to justify why that course of action is the most appropriate. Yet again you may use appropriate technical tools and know-how to aid to reach your answers. You may need some conceptual skills to justify your decisions specially beyond economic and financial considerations. Critical thinking skills should be a part of problem solving skills in order to solve the problem logically and avoid biases and focus on more important, meaningful data/information to draw the right conclusion.

**iii. *Application skills***

You will have the opportunity to demonstrate your understanding of theoretical concepts and frameworks through their application to the given facts and figures in the case to arrive at a sound judgement. Also, you may apply your practical knowledge about various aspects of the business such as changing business environment as related to the case.

**iv. *Communication skills***

It is likely that you will be required to present your answer logically and in an orderly fashion. As there might be several alternative solutions for a case study based questions, it is very important for you to justify your decisions, course of action etc. from the analysis you have undertaken. Usually you may work in groups in analyzing advance information in relation to the case study examination or previous examination case studies. This enhances your social skills through discussion, debate and compromise. These are important skills in the world of work, where many people work on projects or set tasks as part of a team. Furthermore, through your answer you will have to summarize information succinctly and identify the most important points of the problem rather than merely regurgitating words from the case study.

**v. *Integrative and multidisciplinary skills***

Essentially, the TOP CA CASE STUDY brings out a broad business-wide (organization-wide) puzzle that cannot be solved by a compartmentalized approach. Therefore, you are required to adopt a holistic approach in analyzing the case as well as making the recommendations. You are required to use your multidisciplinary skills in an integrative manner understanding the broader repercussion of the suggested solutions.

The greater the understanding you demonstrate of the above discussed main skills through your answers to the specific questions raised in relation to the case study, its more likely you are to score high marks at the evaluation.

## **8. Preparation by candidates**

The candidates preparing for the case study examination have to bear in mind that they already need to have a comprehensive theoretical knowledge to handle the questions in the case study successfully. This means that the candidates need to have a fair knowledge about what they have already studied in relation to different subjects under the Institute's comprehensive curriculum. The case study examination is an extension and application of what they have studied so far under these subjects, to a practical business instance. Further, a fair understanding of local, regional and global business environment is essential to comprehend the challenges presented in the case study. The following additional tips may be useful in approaching a case study.

- Read the advance information provided until you are thoroughly familiar with the context and the story. It usually contains a lot of details, and it's easy to miss something in your first, or even second reading. Through the information provided, it is very important to understand the challenges faced by the management/ organization.
- Once you're thoroughly familiar with the case study as per the advance information provided, note the facts which are relevant to the tasks you are likely to be assigned. In a case study, there are often a lot more facts than you need for your analysis. Generally, impact information will provide more focused information in relation to the case study.
- If it contains a large amount of data, analyze this data for relevant trends. The trends may be established through qualitative presentations as well.
- Do additional preparation based on the advance information provided before the date of examination. Candidates may undertake additional preparation in two areas; i) they may get themselves updated with regard to subject matter related to the case study including different theories, analytical tools, models and procedures, ii) They may also collect more information related to the business environment in relation to the given case study.
- At the examination, carefully read the additional impact information provided. Also read the questions directed to you, cautiously. You may have to alter some of your pre-planned answers/activities at this stage as per new information and directions. This is very critical in order to avoid irrelevant or inappropriate answers.
- With an understanding of what you have been asked to do, you may read the case study again (fully or section wise), in order to identify the problems that need to be solved. As with real-life situations, there may usually be more than one way to solve any problem.

- Stay with the facts and reasoning when you draw conclusions. These include facts given in the case study as well as established facts about the environmental context. Don't rely on personal opinions when you put together your answers.
- Consider a range of possible solutions to the problems. Evaluate the problems giving your opinion and considering the advantages and disadvantages of each solution. Justify your choices.