

KC5 – Corporate Strategy and Contemporary Issues

July 2017

Examiner's Comments

Overall

The expectations of the examiner were clear and simple. The final expectations of the examiner were an environmental analysis (with the application of SWOT) under a changing environment, and the redesigning and realignment of corporate strategy to meet the new challenges. The questions were generally easy and candidates could have pre-planned their answers (report) using the pre-seen information and facts. The pass rate was 72% (approximately).

Specific comments

1. All candidates had done the environmental analysis (SWOT analysis) and formulated strategies. However a few candidates (almost all of those that failed) could not even identify the SWOT properly and apply them to formulate strategies. These candidates could not score more than 6 to 7 marks out of the total 20 marks allocated.
2. Candidates simply had to do a small cash flow computation and then make a decision. Only a few could prepare the correct cash flow (just a few adjustments were expected) and use the correct methodology to make the decision. In this aspect candidates were weak. Our advice for candidates is to do revision to enhance their strategic finance knowledge by referring to the past papers. Each year we observed that candidates were weak in financial management and financial strategy.
3. Almost all the candidates could not understand the redesigning/realignment of corporate strategy for the supply chain as a result of the proposed online business. As a result, 90% of candidates scored from 6 to 7 marks out of the total 15 marks allocated.
4. The majority of candidates scored above 10 marks out of the total 15 marks allocated for this financing option part.
5. 75% of candidates could understand governance issues related to overseas suppliers of the company and scored above 6 to 7 marks out of the total 10 marks allocated. The others could not understand this area properly and referred to corporate governance of the entire company and got very low marks. Some candidates even got zero marks for this part.

Report writing: At this examination, the majority of reports were above average. However, it was observed that all the candidates that got below 40 marks were weak in report writing. They could not write a proper executive summary and conclusion.