

Examiner's interim feedback

May 2020 Management Case Study Examination

The purpose of this document is to give some feedback on the May 2020 Management Case Study (MCS). It also aims to provide some useful advice for candidates preparing to re-sit this exam in August 2020. If you are planning to re-sit in August 2020, remember that the exam will be based on the same pre-seen as May 2020. You don't need to know or use any information from the variants of the exam that was taken in May 2020.

The full set of post-exam materials (applying to both May 2020 and August 2020) including the full examiner's report, along with model answers, variants and marking schemes will be available two weeks after the August 2020 exam results are released.

General comments

This case study was based on a pre-seen scenario which described Alpaca Hotel Group (Alpaca), a company that owns 50 hotels organised into three divisions. The scenario was made available in advance with each variant presenting additional scenario-based information and setting four tasks to be completed. Each task was split into either two or three specific elements.

The hotel industry is diverse, with revenues from business travel, tourism and other sources. Candidates should be able to identify with the industry: the hotel industry is highly visible and is frequently featured in business news stories. The pre-seen highlighted the particular types of accommodation and services that Alpaca had to offer and so candidates should have entered the exam feeling familiar with the company. Many answers demonstrated an understanding of the background information provided in the pre-seen.

The following points are based on feedback from the marking team:

<p>Evaluate opportunities to add value</p>	<p>This is a broad core activity that offers candidates an opportunity to make and justify recommendations. Several of the decisions that have to be made in relation to this activity can be evaluated through the use of models and structured techniques.</p> <p>Stronger answers demonstrated an understanding of the issues arising from the scenario and applied the relevant models or techniques to those issues. This reflects the needs of managers in the real world who rely on accountants to make specific recommendations that are pertinent to the specific situation in which those recommendations are being made.</p> <p>Weaker answers generally listed and described different techniques for decision making in the context set by the question. Such answers reflect</p>
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	<p>knowledge of study materials, but demonstrate little real understanding and also generally fail to address the requirement.</p>
<p>Implement senior management decisions</p>	<p>This core activity requires an understanding of the specific implications of a decision made by senior managers, which then requires a realistic response.</p> <p>Stronger answers generally approach questions that involve this core activity by identifying the issue at stake and the specific circumstances in which a recommendation is being requested. A good answer will then explain how the business challenge raised in the question should be overcome, possibly justifying the recommendation being offered by referring to the match between the features of a particular model and the scenario.</p> <p>Weaker candidates often offer detailed summaries of their course materials, sometimes listing alternative choices that are available but making little or no attempt to evaluate their suitability.</p>
<p>Manage performance and costs to aid value creation</p>	<p>This core activity covers a number of issues that are linked by the fact that they deal with matters relating to motivation and behaviour. This reflects the need for accountants to be aware of the extent to which accounting choices can affect business decisions.</p> <p>If you scored a good pass, then your answer probably demonstrated some sensitivity to the manner in which your recommendations could affect the behaviour of colleagues and other stakeholders. Ideally, your recommendations will have aligned to the various interests that were involved in the scenario.</p> <p>A low mark would suggest that your answer paid insufficient attention to the motivational issues arising from the scenario. For example, your recommendation might have led to dysfunctional behaviour.</p>
<p>Measure performance</p>	<p>Measuring performance requires an understanding of the activity that is being measured and the factors that determine the importance of that activity to the business. Irrelevant or misleading performance measures can confuse managers and encourage dysfunctional behaviour by staff.</p> <p>Stronger candidates were generally aware of the performance measures that were available to them, and focussed their responses on the needs of the entity and the circumstances that determined the most appropriate measure.</p> <p>Weaker candidates tended to offer generic descriptions of performance measures, with little or no attempt to reflect the scenario and the issues that it raised in their descriptions. A manager who requested advice on</p>

	performance measurement in a specific case would be unlikely to be satisfied with a generic list of the options that are available to them.
Manage internal and external stakeholders	<p>Managing stakeholders requires an understanding of their interests. Once those have been established then their likely behaviour can be better understood and influenced.</p> <p>Stronger candidates were generally aware of the interests of the stakeholders identified in the scenario and could offer recommendations that would direct those interests in a manner that aligned with the interests of the company and its managers.</p> <p>Weaker candidates tended to focus on offering generic summaries of the internal and/or external reporting mechanisms that would be used to address stakeholders. Such summaries implied a strong recall of study materials, but was of little help in advising managers.</p>

The following hints and tips should be considered if you plan to sit the Management Case Study in August 2020:

Before the exam:

1. Reflect on your understanding of the study materials. Are you confident in your ability to apply the syllabus content from all five core activities?
2. Review the pre-seen carefully. Think about the nature of the business. Be ready to take the nature of the business into account when you apply your understanding of the syllabus material to the requirements in the case.
3. Have you practised answering case study questions? The only way to tell whether you can write a realistic answer to a case is to look at past cases and attempt to write a detailed answer. Reflect on what you have produced and ask whether you would be confident of getting a job if you offered those responses to interview questions if you had applied for a job or a promotion with this company.

During the exam:

1. Focus on the requirement. Examiners frequently comment on a lack of relevance. Relevant answers address the specific requirements in the questions and take the case study scenario into account. If you find yourself writing out content from your study materials then you may have missed the point of the question.
2. Offer a credible attempt at all requirements. Each task has two or more elements, with weightings that indicate the recommended time that should be spent on each. Weaker candidates often offer a very brief response to one or more of the elements, which limits their overall mark. If a question seems difficult then it may be worth investing a few minutes of additional thinking time in the hope of identifying some additional points that might be



made. Having said that, it is preferable to use all of the time available for each task, even if that time is spent expanding a stronger answer.

3. It may be helpful to draw upon information provided in the pre-seen and to refer to that as and when it would be relevant or would support an argument. It may also help to refer to material gathered from independent study. Be careful, however, not to waste time by including irrelevant material. If a real-world example (such as a real case associated with hotels) is relevant then it will be awarded marks if it improves your answer. The examiner will not, however, give credit for an irrelevant example, even if it does demonstrate that you have researched the industry.
4. Don't waste time on elaborate presentation. All that is really required is a clear and relevant answer that is split into paragraphs. There is no great point in excessive use of bold type or underlining. Similarly, don't waste time with greetings and similar 'social' responses.