

Examiner's interim feedback

November 2020 Management Case Study and CIMA Gateway Examination

The purpose of this document is to give some feedback on the November 2020 Management Case Study (MCS) and CIMA Gateway. It also aims to provide some useful advice for candidates preparing to re-sit this exam in February 2021. If you are planning to re-sit in February 2021, remember that the exam will be based on the same pre-seen as November 2020. You don't need to know or use any information from the variants of the exam that was taken in November 2020.

General comments

This case study was based on Prybloxx, a company that manufactures a popular construction toy. The nature of the product is fairly generic and so the company must compete with a number of other brands, including the market leader. The pre-seen document that was made available well before the exam, described the product, the companies that manufacture it and Prybloxx itself.

The examination comprised four tasks, each of which was equally weighted. Each task was sub-divided into two or three sub-tasks. These sub-tasks were not necessarily equally weighted and so guidance was provided with respect to the time that should be spent on each one.

Candidates were expected to be familiar with Prybloxx's approach to doing business. The company is competing against a leading brand that has a strong reputation for quality. It also faces competition from cheaper brands. The companies in this sector of the toy industry are also keen to differentiate their products by adding features that take their kits beyond basic construction sets. It was encouraging to see evidence that candidates had read and understood the nature of this business and the problems associated with creating a distinctive brand.

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

Evaluate opportunities to add value	This core activity represents between 15% and 25% of the marks available in the MCS blueprint. The Management level is often concerned with evaluation issues in support of the Board decisions. This core activity frequently asks candidates to offer the Board feedback and guidance on an important decision such as a substantial investment or the introduction of a new product or process. Typically, the Board has reached an important decision and is now seeking confirmation that it can be justified in terms of the formal decision-making models that are covered by the Management blueprint.
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	<p>Level 3 answers generally reflect the fact that the decision models require professional judgement in order to apply them properly and also to make sensible recommendations based on their results. If the models could be applied mechanically then there would be little need to employ professional accountants to apply them.</p> <p>Level 1 answers often focus more on the description of the models and of the logic behind them. While it is important to be able to explain how a model works, that does not necessarily mean that such an explanation is relevant to an answer. If the task is to advise the Board then the requirement may require a focus on application.</p>
<p>Implement senior management decisions</p>	<p>This core activity represents between 15% and 25% of the marks available in the MCS blueprint.</p> <p>This Case Study often reflects the real world in which the Board makes a strategic decision and then delegates its implementation to managers at lower levels within the organisation. Implementation requires an understanding of the changes that are being made and the challenges that they create.</p> <p>Level 3 answers generally reflect the fact that the implementation of major change often creates challenges that must be overcome in a thoughtful and focussed manner. There is little point in implementing a decision in a careless or aggressive manner that encourages conflict and resistance within the organisation.</p> <p>Level 1 answers often fail to recognise the main challenges that are to be overcome. The temptation may be to summarise the decision itself and/or the context of the change without addressing the main concerns. Level 1 answers may list all of the responses that are available for resolving the issue without really recommending an acceptable response.</p>
<p>Manage performance and costs to aid value creation</p>	<p>This core activity represents between 15% and 25% of the marks available in the MCS blueprint.</p> <p>This core activity reflects the need to ensure that performance is being measured and reported in a manner that reflects the commitment and the competence of decision makers. This Case Study frequently raises questions about performance measurement, either because performance measures must change in order to reflect changes being made within the organisation or because existing performance measures are encouraging dysfunctional behaviour and so must be revised.</p> <p>Level 3 answers generally reflect the fact that the manner in which performance is measured and communicated can (and indeed should)</p>

	<p>affect behaviour. The selection of suitable performance measures generally requires an understanding of the underlying business issues. The most important criterion is to align the performance measure with the underlying business activity that is being undertaken.</p> <p>Level 1 answers are often vague about the management process and that leads to a lack of clarity in the recommendations that are being made. There is very little point in simply describing the problem in some depth and then stating the staff should be encouraged to behave more efficiently.</p>
Measure performance	<p>This core activity represents between 15% and 25% of the marks available in the MCS blueprint.</p> <p>This core activity reflects the need to measure and report risk and uncertainty and also the need to prepare and present financial statements that inform external users. This activity complements the others by dealing with the need to evaluate the position and the performance of the entity as a whole.</p> <p>Level 3 answers generally demonstrate a sound understanding of the challenges associated with meeting the needs of managers and external users for information about the entity itself. In particular, that often requires a clear understanding of the issues associated with external financial reporting.</p> <p>Level 1 answers tend to respond to questions based on this core activity by summarising decision-making models in the case of risk management and summarising accounting standards in the case of financial reporting. Such answers are rarely directly relevant to questions on this activity, which generally focus more on recommending valid responses than on repeating definitions.</p>
Manage internal and external stakeholders	<p>This core activity represents between 15% and 25% of the marks available in the MCS blueprint.</p> <p>This core activity focusses on the need to manage both internal and external relationships in order to minimise conflict and make the best possible use of any synergies that might be available.</p> <p>Level 3 answers tend to demonstrate an understanding of the interests of the stakeholders who are involved or engaged in the activity raised in the question. They offer realistic recommendations that minimise the potentially damaging conflict between the entity and third parties or between managers within the entity. Stronger candidates generally recognise that it is rarely possible to eliminate conflict completely and so their recommendations are justified in terms of offering a viable compromise.</p>

	Level 1 answers often fail to offer a viable response to the problem, often simply recommending that a mutually satisfactory resolution should be adopted without actually indicating what such a resolution might be.
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The following hints and tips should be considered if you plan to sit the Management Case Study or CIMA Gateway in February 2021:

1. Apply the technical knowledge that you did have to the case study scenario. Lack of application limits the score for many traits to level 1 or level 2.
2. Answer the task given rather than the task that you wish you had been given and had prepared an answer for.
3. Utilise the new information about the business given to you in the exam to provide an applied context to your answers. Generic textbook-style answers and pre-prepared answers based only on the pre-seen will limit your mark.
4. Provide an answer to all elements of a task or sub-task. We do not give compensatory marks if one part of your answer is excellent, but another part is missing. If there is “no rewardable material” for a task or sub-task you will score nil.

Before the exam:

1. It is important to revise and master the study materials. It is important that you can, if asked, be capable of explaining that content to a colleague from a non-accounting background. If you can do so, then you can be confident that you understand it.
2. Review the pre-seen carefully. Prybloxx manufactures children’s toys. Some of its products are almost identical to those of competitors while others are distinctive. Any of the information in the pre-seen could be helpful in answering the specific questions that you will be set.
3. Take time to type out answers to as many past cases as you can. Answering scenario-based questions requires particular skills that can be developed and improved with practice. The more practice you obtain before the exam the better developed your skills will be.

During the exam:

1. Think about the requirements. Take a few minutes at the start of each task to digest the information that is provided with the requirements. Think about the issue raised in the task and think about how that should be managed by Prybloxx.
2. Allocate your time to ensure that all sub-tasks of a task are answered and read the task carefully. Each task is broken down into two or three sub-tasks and each one has a percentage to reflect its weighting. If you have 45 minutes for a task and sub-task (a) is worth 60% then you should spend $45 \times 60\% = 27$ minutes on it.



3. Try not to waste time. In particular, if you read about the toy industry or about some of the major manufacturers of construction toys when you were preparing to sit the MCS then that may help you to offer relevant and practical answers. You should, however, refrain from writing about specific examples from the real world unless you are certain that the content is relevant to the answer.
4. Do, please, write in paragraphs. don't make your answer difficult to read by over-elaborate use of highlighting with bold or underlined text.
5. Make sure that you are explaining rather than just stating or identifying a list of points. Quite often, adding "because" or "this is due to" or "resulting in", will help you to develop a point.
6. Use the information given to you in the exam: it's there for a reason! Don't be afraid to use your common sense and think around an issue if needed.

Good luck!