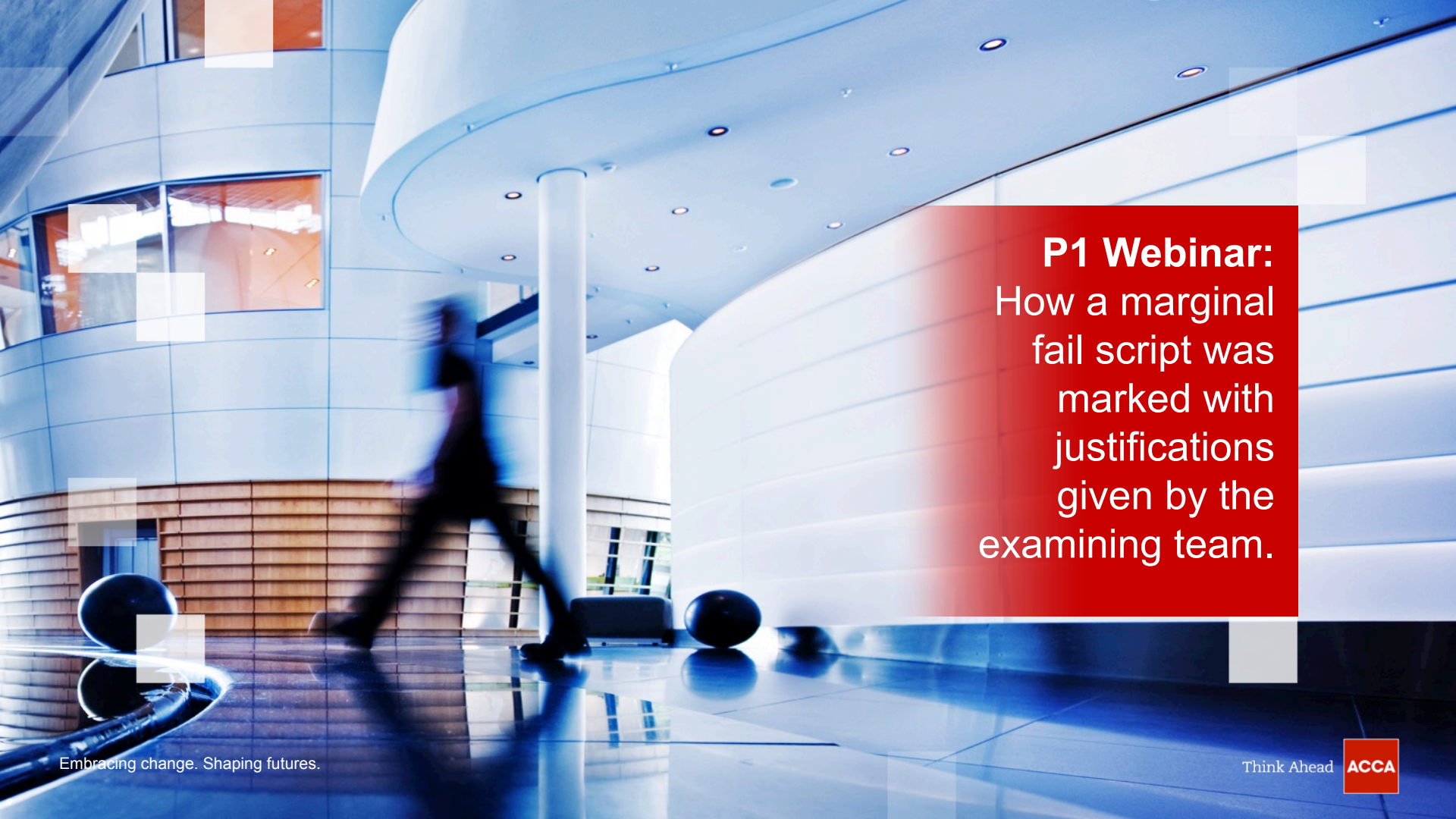


Think Ahead

ACCA

Embracing
change.
Shaping
futures.





P1 Webinar:
How a marginal fail script was marked with justifications given by the examining team.

The Question

Hybrid exam

Section B

Question 2

25 marks

- 2 Honey bees are a vital natural resource which work hard to pollinate hundreds of different crops, but it has been observed in recent years that they have started to disappear at an alarming rate. This situation may be due to the overconsumption of honey which bee colonies need to feed their larvae and the key worker bees, which in turn feed future Queen bees with the royal jelly they need to create new colonies. Overconsumption of honey by humans will eventually impact significantly on the global food chain. To raise public awareness about the honey bee issue, Grunwald, a health food manufacturer, has developed a *Honeybuzz* brand using only a natural honey substitute, tying this initiative back to its core strategic mission. To show its commitment to the cause, Grunwald has agreed to donate a portion of proceeds from its *Honeybuzz* brand sales to research into the decline of the honey bee population.

Paul Zondas, a freelance investigative journalist, managed to infiltrate one of Grunwald's manufacturing facilities which produced *Honeybuzz* branded products, and claimed it continues to use honey in the production processes. Grunwald rebutted this claim and stated that not only does it have a robust corporate social responsibility (CSR) strategy but in developing the *Honeybuzz* brand it has adopted a strategic CSR approach to its business. John Ulrich, Grunwald's operations director, stated that the company has published integrated reports for the past three years, and all aspects of the reports have been independently audited. He further claimed that these social and environmental audits provided evidence that the *Honeybuzz* branded products were having a positive impact on Grunwald's environmental footprint and did not contain honey, contrary to Paul Zondas' claims.

Required:

- (a) (i) Explain and evaluate the concepts of CSR strategy and strategic CSR, as they relate to Grunwald and its *Honeybuzz* brand. (8 marks)
- (ii) Justify which position on social responsibility is being adopted by Grunwald in the context of the Gray, Owen & Adams classifications. (4 marks)
- (b) Explain the nature of social and environmental audits, and evaluate the contribution these make to the assurance of the integrated reports published by Grunwald. (7 marks)
- (c) Assess the environmental impacts which the *Honeybuzz* brand can have in terms of both Grunwald's environmental footprint and environmental reporting. (6 marks)

(25 marks)

General marker feedback on the candidate's script

General
Feedback on
the
candidate's
script.

As often quoted in feedback to students, the three essential elements of achieving a pass in P1 are to firstly answer all parts of a question, secondly to answer the question set, taking particular note of the verbs used, and thirdly to apply the answer to the case, using examples where possible to demonstrate understanding. This candidate made a fair attempt at all parts of the question but overall the answer was a marginal fail. If the candidate had demonstrated a better understanding of the requirements and a little more application to the case then this could easily have been improved to a pass.



Part ai)

**4 out of 8 marks
scored**

Marginal pass

Question 2 part a i)

Question 2

Part a) (i)

4/8 marks
scored

Explain and evaluate the concepts of CSR strategy and strategic CSR, as they relate to Grunwald and its 'Honeybuzz' brand.

(8 marks available)

Question 2 part a i) – Candidate Answer

Question 2

Part a) (i)

4/8 marks
scored

Honey Buzz has a robust corporate social responsibility strategy and adopts a strategic CSR approach to its business.

A CSR strategy of a company is its strategy of how it will fulfil its social responsibilities.

The CSR strategy of Honeybuzz is to protect the environment by introducing a natural honey substitute as an initiative to protect the population of honeybees and donating its proceeds to help with the decline of bee population research.

A strategic CSR is an approach to conducting business in which the main strategy of the business is to operate in a socially responsible way.

In this case HoneyBuzz was created to help with the issue of declining population of honey bees



Part aii)

**2 out of 4 marks
scored**

Marginal pass

Question 2 part ai)

Question 2

Part a) (ii)

2/4 marks
scored

Justify which position on social responsibility is being adopted by Grunwald in the context of the Gray, Owen & Adams classifications.

(4 marks available)

Question 2 part a ii) – Candidate answer

Question 2

Part a) (ii)

4/8 marks
scored

The social ecologist approach is being adopted by Grunwald in this case.

In this approach the belief is that the damage caused to the environment due to business activities must be reduced.

Grunwald believes that overproduction of honey has led to its gradual depletion, and thus makes active efforts to protect the environment and the damage caused to it by the honey production industry.



Part b)

3 out of 7 marks
scored

Marginal fail

Question 2 part b)

Question 2

Part a) (b)

3/7 marks
scored

Explain the nature of social and environmental audits, and evaluate the contribution these make to the assurance of the integrated reports published by Grunwald.

(7 marks available)

Question 2 part b) – Candidate answer

Question 2

Part b)

3/7 marks
scored

A social audit is conducted to check whether the targets set by the organisation have been achieved or not. An environmental audit seeks to evaluate how well a company is performing with the aim to protect the environment.

An environmental audit can help Honeybuzz identify possible liabilities and threats and can also serve as a form of marketing where investors who are interested in the wellbeing of the environment would want to invest in the company.

The three stages of the environmental audit would include:

- 1 Evaluate and identify metrics to environmental performance
- 2 Assess the actual compliance of the organisation to the set of metrics
- 3 create an auditor's report on the variance or compliance.

A social audit would help Honeybuzz to evaluate if they serve the needs of the society.



Part c)

**2 out of 6 marks
scored**

Bad fail

Question 2 part c)

Question 2

Part (c)

2/6 marks
scored

Assess the environmental impacts which the Honeybuzz brand can have in terms of both Grunwald's environmental footprint and environmental reporting.

(6 marks available)

Question 2 part c) – Candidate answer

Question 2

Part c)

2/6 marks
scored

An environmental footprint measures the impact of an organisations activities on the environment

The impacts Honeybuzz would have on the environment are as follows –

- 1 It could lead to the depletion of natural resources
- 2 It could lead to residual air emissions
- 3 It could lead to the change in the quality of local life
- 4 It could lead to losses that cannot be uncompensated
- 5 The production could lead to excessive noise pollution

A photograph of a modern, curved building interior. The architecture features a white, curved ceiling with recessed lights and a white, curved wall. A person is walking in silhouette across a polished, reflective floor. The scene is lit with a cool blue light. A large red box is overlaid on the right side of the image, containing white text.

Question 2 score

Total: 11 marks

Marginal fail

Examiner report about Q2 'HoneyBuzz' (March/June 17)

March/June
2017

Q2

General
issues

- ***Least popular question in Section B of that exam***
- ***Part a i) Problems differentiating CSR strategy and Strategic CSR***
- ***Part a ii) Candidates just discussing GOA in isolation or deciding on the wrong position***
- ***Part b) Candidates discussing social and environmental audits without relating to supporting <IR>***
- ***Part c) Generic discussions of environmental footprints, but not specifically about how the 'HoneyBuzz' product impacted on this at Grunwald.***

Additional exam resources

Use this guide to help you make best use of the resources available to support you to success in P1

<http://www.accaglobal.com/gb/en/student/changes-to-exams/p1-and-p3.html>

Over to
you!

Q&A