



Examiner's report

F4 (GLO) Corporate & Business Law For Paper Variant exams December 2016

General Comments

As there is a commonality of approach and indeed questions between this and the F4 ENG paper, much of what follows below is taken from the F4 ENG report, with changes of focus where required.

The December 2016 paper followed the structure introduced in the December 2014 examination. The paper is divided into two parts: Section A comprises 45 multiple choice questions (MCQs) of either 1 or 2 marks to a total of 70 marks, while Section B contains 5 multiple task questions (MTQs) each worth a total of 6 marks giving the normal overall total of 100 marks. All questions are compulsory and the exam time period is 2 hours. In the computer-based examination format, all questions are structured so as to be capable of objective marking, while in the paper based format, although Section A is marked objectively by computer, Section B is still marked by subject experts.

The present structure replicates division in the previous examination structure between essentially knowledge based questions and questions requiring, not merely knowledge, but analysis and application in addition. Performance in Section A, the purely knowledge based section of the paper, continues to be better than in, the more analytically challenging, Section B; that however is to be expected and reflects the general skill set of most candidates. In relation to this specific point, it is worth mentioning that the better performance in Section A generally compensated for any weakness in relation to Section B candidates perform more inadequately in Section B cannot be ignored and will be considered further in some detail below.

Although the time period for the exam is only two hours, there is no evidence of candidates' performance suffering under time pressure to complete it. Indeed it would appear that some candidates still had sufficient time to copy their answers for the Section A computer marked MCQ questions on their exam papers, while others provided unnecessarily extended answers to questions in the written part of the paper exam. One final comment in relation to section A, and one that supports the above point about time management, is that very, very, few candidates did not answer all of the questions.

Section A

As was hoped, this knowledge part of the exam appears to have benefited the majority of candidates, who traditionally have been stronger in fact based questions than in legal analysis. In examining the overall performance it can still be seen that candidates fared better in this section than in the analysis/application and there is certainly no evidence that any candidates suffered as a result of their performance in section A as opposed to section B.

As might be expected, the simpler 1 mark questions tended to be answered better than the more complex 2 mark questions. It has to be said, however, that there was a wide range of performance over the whole range of questions in either mark category, so it cannot be concluded that either the 1 mark questions were too easy or the 2 mark questions too difficult, although the best performances were in relation to 1 mark questions and the worst in relation to the 2 mark ones.

As in previous examinations under the new structure, the extension of the field of material to be covered did not prove a major difficulty. However, it has to be admitted that candidates did show some problems in dealing with the more difficult question in areas of the syllabus in which they have traditionally struggled. It would appear that candidates have benefited from the recognition that they will be examined over a wider spectrum of the curriculum. All aspects of the syllabus can be examined in one exam.

Some questions proved particularly problematic for the simple reason that they were not the most straightforward and required careful thought in order to come up with the correct answer. Some of these will now be considered. But many of the least well done questions were in the areas that always have proved problematic for candidates, in particular the first section of the syllabus: business, political and legal systems. This is by far the least well done section of the syllabus. While it is perhaps understandable that candidates find this part of the syllabus more challenging, in that it relates to the more conceptual and less obviously business centred aspects of accountancy work and involves an understanding of various legal and quasi-legal systems, it nonetheless has to be emphasised that it remains a core aspect of the syllabus and as such it will always be examined. Consequently candidates would be strongly advised not to undervalue this element of their study.

The suspicion continues that candidates may be tempted to skim read questions and answers and simply do not spend sufficient time on thinking about them. Questions are sometimes more subtle than candidates allow for and the alternatives to the correct answers are called ‘distractors’ for the simple reason that they are there to undermine candidates’ certainty as to the correct answer.

Where there were commonality of questions between the Global and the English papers the overall percentage of candidates selecting the correct answer was remarkably similar. However the performance of Global candidates is not as good as might have been expected in relation to ICC Incoterms. There are only a limited number of these and the topic is examined in every paper, so one would have thought that candidates would have seen this area of the syllabus as a rich source of marks. Question 24 requires examination as it was the least well done question in the paper.

Under the UNCITRAL Model Law on International Credit Transfers, in the context of the authentication of electronic payment orders, which of the following statements is true?

- A The sending bank establishes the procedure and the receiving bank must comply with it
- B The receiving bank establishes the procedure and the sending bank must comply with it
- C The sending bank establishes the procedure and it must comply with it
- D The receiving bank establishes the procedure and it must comply with it

(2 marks)

The correct answer to the question is option D, although that was the least popular choice of answers. It has to be said that this topic is towards the difficult end of the syllabus spectrum, but that aspect of the syllabus is of crucial importance and the actual question appears more daunting than it is in fact, if the candidate knows the topic. However the even spread amongst the other 3 options would suggest that the topic area was not well studied and that, for the most part, candidates merely guessed at the answer. Unfortunately for them, the least likely looking option was the correct one.

Section B

This element of the examination requires both analysis and application, which skills traditionally have not been to the forefront of candidates’ abilities. Unfortunately, it has to be recognised that such weaknesses remain. The questions under the new structure seek to do is to encourage candidates to demonstrate their understanding of, and ability to, apply particular legal principles and concepts. However, as with Section A, this apparent reduction in what is required, introduces a compensating difficulty, that candidates must focus on and succinctly address the issue raised by the question: irrelevant information simply will not be rewarded and it is a matter of fact that



the shorter, more detailed, questions have a tendency to starkly expose any lack of knowledge or application on the part of candidates.

Section B of the written paper essentially uses the latter four questions in the English paper with a specific Global syllabus topic in question 1. Wherever possible the topic addressed in question 1 is similar to that in the English paper and performance in the two parallel questions would appear to be equivalent.