



# Examiner's report

## F4 (GLO) Corporate & Business Law

### For Paper Variant exams June 2017

#### 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 June 2017 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 significantly 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. That being said the fact that 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 as 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 spent 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 was a commonality of questions between the Global and the English papers the overall percentage of candidates selecting the correct answer was remarkably similar. However, there was also a commonality of poor performance in both papers. Two questions that were not done well are as follows:

**When is compulsory liquidation deemed to commence?**

- A On the date the members vote to proceed with the liquidation
  - B On the date of presentation of the liquidation petition to the court
  - C On the date the court issues the liquidation order
  - D On the date the Official Receiver assumes control of the company
- (2 marks)**

This question was not answered particularly well, although the majority of answers did focus on either the correct answer, B or the incorrect answer C. Unfortunately most candidates elected for C. The only explanation that can be offered is simply that the question required a depth of knowledge that was beyond the scope of the majority of candidates. However, it also has to be mentioned that this is a fundamental principle of the law relating to liquidation and it is the sort of question that candidates usually do well in.

**In relation to the ICC Incoterm FCA, which of the following is correct?**

- A The seller is liable for loading goods and export clearance
  - B The buyer is liable for loading goods and export clearance
  - C The seller is liable for loading goods and the buyer is responsible for export clearance
  - D The seller is liable for export clearance and the buyer is responsible for loading goods
- (2 marks)**

Perhaps, this was not the next most inadequate answer, but it was not done well and deserves comment for the simple fact that it was not done nearly as well as it should have been. Candidates know there would be questions

on this area and yet did not appear willing to commit the necessary knowledge about the various terms. Most candidates did give the correct answer, which was A.

### **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. What 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.