



Examiners' report

P5 Advanced Performance Management

December 2007

Firstly I would like to offer my congratulations to all of those candidates who achieved a pass at this diet and my commiserations to those who did not.

The examination paper comprised two sections, A and B. Section A consisted of two compulsory questions for 35 and 25 marks respectively. Section B consisted of three optional questions for 20 marks each from which candidates were required to answer two questions.

It was pleasing to see a significant number of candidates providing good answers to every question they attempted and consequently achieving high marks.

Sadly, the examination also revealed a large number of candidates who seemed inadequately prepared for the examination. Nevertheless it was pleasing to observe that only a relatively small number of candidates scored very low marks. In general, the overall performance of candidates was good.

Many candidates who clearly had knowledge of the areas of the syllabus which featured within the examination questions were unable to achieve a pass at this diet as a consequence of poor examination technique which frequently manifested itself via poor presentation and/or time management or not observing the specific requirements of each question.

Well-prepared candidates invariably provided concise workings which arrived at the correct solutions to the computational parts of the examination paper. However, a significant number of candidates produced workings, notably in their answers to part (a) of Question 1, which were and difficult to follow. The need for candidates to give more thought to the layout and organisation of their answers is of paramount importance. This is especially the case now that 'professional marks' might be awarded for well- presented answers.

Rather surprisingly, a number of candidates ignored the advice given in previous examiner's reports that each question should be started on a new page in their answer booklet(s) and that there should be clear labelling to indicate which questions are being attempted.

It was pleasing to observe that the vast majority of candidates attempted all four questions. However, there was some evidence of poor time management, particularly affecting Question 1 which a significant number of candidates attempted as their final question.

The poor performance of many candidates was exacerbated by a clear failure to carefully read the *content* and *requirements* of questions. This contributed to some poor performances in both the computational and discursive parts of questions.

Question 1

A large number of candidates produced good answers to each part of question 1 and consequently achieving a high mark. However, it was noticeable that there were significant variations in the quality of candidates' answers to this question. Most candidates managed to score well in part (a), although a number of candidates ignored the requirement to include an appendix to the report showing detailed workings of how each of the six figures marked with an asterisk in note 1 had been calculated. Indeed, many candidates simply reproduced the performance data provided in note (1) of the question.

In general, answers to part (b) were good although a number of candidates provided poor examples of additional information that would be of assistance in assessing the financial and operating performance of GBC and TTC.

The quality of answers to part (c) varied significantly. A large number of candidates achieved very high marks. However, it was disappointing to observe the significant number of candidates who made no attempt whatsoever

to provide an answer to part (c) which potentially was worth six marks. It was noticeable that virtually all candidates who attempted this part of the question received some credit.

Question 2

It was noticeable that a large number of candidates did not attempt all parts of this question. Answers to part (a) (i) were either very good or very poor. Answers to part (a) (ii) were often too superficial.

A number of candidates provided a correct solution to part (b) (i) and therefore achieved maximum marks. It was (again) very disappointing to observe the significant number of candidates who made no attempt whatsoever to provide an answer to this part of the question which potentially was worth eight marks.

Also frustrating was the significant number of candidates who provided 'advantages' of using EVA™ in the measurement of financial performance when Part (b) (ii) required a brief discussion of 'disadvantages'.

Question 3

There were a large number of correct solutions to part (a) of the question. However, it was disappointing to observe an equally large number of incorrect solutions.

In their answers to part (b) most candidates were able to explain three critical success factors and a significant number of candidates discussed five (CSFs) as required. Answers to part (c) varied significantly. The better answers produced by candidates were not only high in quality but were also concise. Poorer answers, which were often quite lengthy, resulted from the 'scattergun' approach adopted by candidates.

Question 4

This proved to be the least popular choice among the optional questions contained in Section B of this examination paper. In general, those candidates who chose to answer this question provided satisfactory answers. Many candidates provided a correct solution to part (a) and achieved maximum marks. Regrettably, many candidates ignored the information on batches and therefore arrived at incorrect solutions. Answers to part (b) were invariably of a satisfactory nature and many candidates provided very good answers to part (c).

Question 5

Part (a) was generally well answered with a significant number of candidates achieving maximum marks. However, many candidates who could describe Porter's five forces model were unable to apply it to the scenario contained within the question. Answers to part (b) were generally not as good as those to part(a). A significant number of candidates did not observe the requirement to discuss performance indicators which might indicate that JOL Co might fail as a corporate entity, but discussed the use of performance indicators in a more general sense.