

## **ICMAP Pathway Exam (IPE)**

### **December 2022 Examiner's report**

#### **General comments**

In this report, the examining team share observations from the marking process, highlighting the strengths and weaknesses of candidates who attempted the questions in the December 2022 ICMAP Pathway Exam. Unsuccessful candidates can use this examiner's report as part of their preparation towards future exam attempts, alongside attempting question practice from the specimen questions provided.

#### **Format of the exam**

The examination consisted of a 4-hour exam with a single compulsory section comprising of two questions, each consisting of a variety of main tasks. Question 1 consisted of a 50 mark case study focused on Sinton Bank, a challenger bank in the country of Denland. The candidate's role was as an external consultant and qualified accountant hired by the CEO to advise on several issues currently facing the bank. Question 2 consisted of a 50 mark case study focused on the Patel Furniture Company, a company making furniture for customers to self-assemble at home. The candidate's role was as a business consultant advising the company's founder.

The marking scheme included 80 technical marks for the correct use and application of technical knowledge. For every element of technical content, answers needed to be applied to the case; repetition of rote learned knowledge attracted minimal marks.

In addition, the marking scheme included 20 marks for Professional skills and competencies. The skill being examined in the requirement should have been evident in how candidates answered the task, although candidates may have drawn on other skills as well when answering. When awarding Professional skills marks, the marker looked primarily at the professional skill being tested in the task requirement, but also looked at the general professionalism that candidates demonstrated (which includes consideration of logical, well presented answers, which avoid unnecessary repetition and answer the question set). The marker also looked for answers to be presented in an appropriate tone for the recipient.

#### **Exam performance**

Overall, the standard of candidates' answers was mixed, with some candidates demonstrating strong technical and professional skills across the syllabus, but others appearing to struggle and demonstrating a weak exam technique.

On the whole, there did not appear to be evidence that candidates struggled to complete the exam within the given time or failed to understand the required tasks. As in previous diets, the main reason that unsuccessful candidates did not pass appears to predominantly be linked to a lack of application, for example repeating information from the case study or making generic theory points.

As was the case in previous examination diets, weaker candidates would have benefited from spending more time on the practice questions provided in the learning materials, particularly

attempting these under exam conditions and this remains a key recommendation. The advice on question practice and undertaking tuition from a learning partner does not seem to have been taken up by many of the candidates. The examining team would strongly advise that candidates use these resources to ensure that they have the right overall attitude to IPE, which is intended to lie at a post-graduate level.

#### Areas answered well

Question 1a) required candidates to analyse the culture at the bank, and assess the potential consequences if this culture were portrayed in a proposed TV documentary featuring the bank.

The scenario presented candidates with plenty of material about the culture at the company. Candidates were generally able to take this information and provide good analysis of the impact this would have on the ability of the company to achieve its objectives. Most candidates recognised that the cultural web was an appropriate model to use for this requirement and were able to provide a structured approach to their analysis.

The strongest candidates were able to provide well-reasoned comments on the implications for the company which extended beyond what was provided in the scenario.

Question 2a) required candidates to analyse and interpret social media data in relation to the company's pop-up shops and identify additional information that would be useful for a fuller analysis.

Stronger candidates referred directly to the trends in the data points in each of the visualisations and then commented on why these trends may have occurred, with insights into specific pieces of future information and their potential effect on the interpretation. Weaker candidates simply commented on the data increasing or decreasing.

#### Areas answered poorly

Question 1c) asked candidates to individually evaluate the bank's key stakeholders, and comment on whether they would be supportive of a proposed IPO.

Although some candidates provided good answers to this question, weaker students tended to describe each stakeholder in terms of their power and interest (using Mendelow's matrix) rather than explaining how this would impact the likelihood of them supporting the IPO. Candidates generally did not make adequate use of the information in the scenario to make more nuanced discussion of their likely level of support.

Question 1d) required candidates to prepare a briefing note for the CEO which discussed how amounts paid as part of a proposed sponsorship agreement should be reflected in the company's financial statements.

Candidates generally did not structure their answer well using the three payments under the sponsorship proposals. This meant that, although the accounting treatment was relatively straightforward, candidates struggled to score many of the available marks.

Question 2c)ii) asked candidates to compare the company's total cost of quality to best practice companies in the same country, and provide advice on how the company could improve.

Candidates generally answered part (i) of this question reasonably well, which required them to calculate the company's quality costs. Few candidates progressed beyond the calculations, which could suggest weak exam technique in omitting part of the question, or could be due to a lack of the deeper understanding of the calculations and their meaning.

Question 2d) required candidates to assess both the accounting and ethical issues involved in the suggestion to change the accounting treatment used for the company's non-current assets.

Whilst most candidates recognised that the proposed accounting treatment was problematic, many candidates were unable to progress beyond a simple explanation of the need to apply IAS8. The majority of candidates did not separately explore the accounting and ethical issues raised in the proposed accounting change, and did not distinguish between the two specific accounting changes proposed (in relation to the useful life of assets and their residual value).