

Examiner's report

P3 Business Analysis

June 2016

The ACCA logo consists of the letters 'ACCA' in a bold, white, sans-serif font, centered within a solid black square.

General Comments

The examination consisted of two sections. Section A contained one question for 50 marks and Section B contained three questions of 25 marks each, from which candidates had to answer two questions. There is a significant cost in terms of time and discipline in order to obtain the level of knowledge and application required to pass this examination. As with previous examinations, there was some evidence that a number of candidates are reliant on covering a few key topics in their preparation for the examination and then attempting to fit these topics to the question rather than providing what the question actually requires.

Candidates who add value to the information provided in the scenario will earn higher marks than those who simply repeat the information. If candidates consider why they believe that information to be important, it should help to add value to their response.

Similarly, rote learning of theory and theoretical models is unlikely to provide the depth required to achieve high marks in this subject. Candidates should ensure that they can understand and apply models to a variety of situations to prepare themselves for this examination. It is also necessary to recognise that there isn't a theoretical model for every occasion; business analysis, by its nature, will sometimes require an ad-hoc approach.

Specific Comments

Question One

This question required the candidates to read a scenario relating to a commercial organisation and answer questions relating to its strategic choices and how to finance them. No prior knowledge of the type of organisation was required as all necessary information was included within the scenario.

Part (a) required candidates to use a template provided to analyse three different growth strategies for the organization, in the context of Ansoff's growth matrix. The majority of candidates scored well on this question if they used the template provided. Some candidates would have benefitted from using appropriate examples to support their answer, with some being provided within the scenario itself. However, those candidates who provided alternative, relevant, examples were also given full credit for these.

Part (b) required the use of a decision tree to choose between alternative projects, as well as an evaluation of the use of this method for decision making. Some candidates obtained full marks on this element, but others were unable to produce a simple decision tree. To maximise their performance in this examination, candidates need to become more accustomed to such techniques. A number of candidates omitted to answer this question in its entirety, both the quantitative and qualitative elements, and therefore were unable to obtain the 14 marks available in total across the different elements of part (b).

Part (c) received mixed responses. It required candidates to discuss methods of financing the project discussed in part (b). Although irregularly examined in this paper, some candidates were well-informed in this subject area and were able to apply their knowledge to the scenario. High

scoring answers used the quantitative data provided to enhance their responses.

Question Two

This question provided candidates with a scenario whereby information systems were crucial to the business and yet there were many problems with the controls surrounding these systems.

Part (a) required candidates to suggest the control failings and how to address them. On the whole this question was well answered. Some candidates could have benefited from suggesting why each specific control problem was important e.g. what could be the effect of this breach of control, rather than simply quoting the information from the scenario.

Part (b) of the question required a discussion of the ethical and governance implications of certain situations occurring within the company. Some candidates omitted this question, but those who attempted it typically showed a good understanding of the concepts involved. Some candidates would have benefitted from an ability to apply the concepts to the information provided in the scenario.

Question Three

Question 3 provided a scenario about a public sector organisation which was considering the implementation of a new software package. The organisation had suffered some difficulties with similar previous projects and appeared not to have fully learned from its mistakes.

Part (a) required the discussion of the four stage process for evaluating and implementing software package. This was very similar to previous questions of its type and should have provided little difficulty to the well-prepared candidate. Some candidates scored very highly for this reason, although there were a number of candidates who could not apply their knowledge to the scenario, providing a very generic response and thus missing out on some of the available marks.

Part (b) was less well answered, requiring the discussion of other elements of the POPIT model. This was not the first time this had been examined, but it did not seem familiar to the majority of candidates. A number of candidates omitted this part question.

Question Four

This was the most popular optional question on the paper, probably due to the inclusion of a well-recognised model.

Part (a) required the application of Porter's Diamond to a company wishing to expand overseas. The majority of candidates answered very well this part of the question, with good recognition of how the facts provided in the scenario fit into the various elements of the model. However, many missed out on higher marks by failing to evaluate the information provided in the scenario with regards to whether this enhanced the company's chances of success in this venture.

Part (b) required the discussion of the different problems the company may face should it decide to go ahead with the expansion. Although few candidates approached the question in the same way as the solution provided, it was recognised that there could be many approaches to this question and all relevant responses were given full credit as appropriate. Some responses were very comprehensive and earned high marks.