

# Examiner's report

## P3 Business Analysis

September 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 knowledge of key topics and theoretical models, rather than the ability to apply that knowledge in the context of the scenarios presented. 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. 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.

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.

In addition to the ability to apply knowledge and select appropriate information, candidates should also ensure that they are able to manipulate quantitative data to support the understanding of situations. This may be in a specified manner or through the general use of such data. There are often some quite straightforward marks to be obtained through the use of quantitative data, which many candidates fail to make the most of.

### Specific Comment

#### Question One

This question related to a successful commercial organisation considering a growth strategy and to answer questions relating to the environment and the chosen method of growth. No prior knowledge of the type of organisation was required as all necessary information was included within the scenario.

Part (a) required candidates to apply the PESTEL model to the scenario. The question requirement stated a specific focus for this analysis. The majority of candidates scored well on this question if they adhered to the focus requested. Some candidates simply applied the model without considering the full requirement. It should be noted that this question was worth 7 marks and was over-answered by a number of candidates, who did not seem to take the mark allocation into account.

Part (b) required the use of Porter's 5 Forces model to assess the industry under consideration. Some candidates obtained full marks on this element, which was well answered on the whole.

Part (c) required candidates to assess the suitability and acceptability of a particular method of growth. This received mixed responses. Some candidates scored very highly as they covered only the two elements required (feasibility was not requested) and applied it to the method of growth.

Other candidates omitted to discuss the actual method of growth (the focus of the question) and instead discussed the environment alone. This led to a considerable amount of repetition from questions 1a and b. Financial data was provided in the scenario, which could have been used to make considerable observations within this question. Candidates who did this tended to score highly, with others missing the opportunity for some relatively straightforward marks.

Part (d) required the consideration of a different growth method to that discussed in 1c. A number of candidates omitted to answer this question in its entirety, and therefore were unable to obtain the 8 marks available for it.

### **Question Two**

This was the most popular optional question on the paper, probably because Project Management is a familiar topic area. The question provided a scenario about a public sector project, which had encountered some problems throughout its duration.

Part (a) was very similar to previously published questions of its type and should have provided little difficulty to the well-prepared candidate. Better candidates used a version of the project lifecycle to structure their response. This ensured that they covered all aspects of project management. Some candidates missed the reference to risk management within the question requirement, and did not gain the maximum marks for this reason.

Part (b) was generally very well answered, requiring the discussion of stakeholder management. It was important that candidates answered the actual question asked, about the appropriateness of the treatment of the stakeholders, rather than simply use a theoretical model to classify the stakeholders.

### **Question Three**

Question three provided candidates with a scenario whereby an organisation was planning to undertake a strategic change.

Part (a) required candidates to use specified elements of a change model to assess the likely success or failure of the change. Some candidates scored highly on this question and showed a clear ability to apply the model and to use it to assess how each element would affect the likely success of the strategy.

However, as with question one part c, some candidate responses developed outside of the scope of the question, covering all elements of the change model, rather than just those specified. Those candidates did not lose marks for this, but did not gain marks for those elements of their response and put themselves under unnecessary time pressure.

Part (b) of the question required a discussion of different approaches to boundary-less working. This was less well answered, despite the provision of definitions of each approach. Better candidates recognised that simply re-writing the scenario (in this case the definitions provided) would not gain marks and added value by applying the concepts to the information provided in the scenario.

#### **Question Four**

This was the least popular optional question on the paper.

A current process within a service organisation was displayed in the form of a swimlane diagram, with associated notes. A proposed redesigned service was also presented. Although these diagrams have been examined on a number of occasions in the past, this was the first time that associated cost data was provided.

Part (a) required the analysis of tangible and intangible benefits of the proposed change, in addition to a discussion of further consideration related to benefits, which was specified in the question. A few candidates scored highly on this question, showing a clear ability to manipulate quantitative data, recognise benefits and discuss further aspects associated with benefit management. However, there were a number of candidates who omitted to use the quantitative data, thus missing out on the marks available for tangible benefits. These candidates could still pass the question if they covered the remaining requirements, but some also omitted the discussion part of it, further limiting the marks available to them.

Part (b) required the discussion of other elements of the POPIT model. This was not the first time this had been examined, and appeared better answered than in previous sittings.