Strategic Case Study - Syllabus Overview

Created by:
Global CGMA University and Academic Center of Excellence
“We attract, inspire and engage the next generation of CIMA members and CGMAs by increasing awareness among academics and university students through identification of best practices, training, resources and communications, working in partnership with the regions.”

Global CGMA University and Academic Center of Excellence (COE)
The Association of International Certified Professional Accountants
The COE’s role

- Establish consistent global strategy & performance for academic relations that compliments country efforts
- Provide partnership & support
- Develop best practices & tools
- Align priorities & interests
- Develop operational efficiency
What is this document about?

• This document is part of a series that was developed to provide reading materials, case studies, videos, podcasts and other resources that are relevant to a specific exam in the 2019 CIMA Professional Qualification (PQ).

• These resources are aimed to help you understand more about the topics within a specific exam.

• All resources found in this document can be shared with faculty members and students.

• Each resource has a link to the webpage for ease of access. Just click on these icons when you see them in the following slides:
Overview

Strategic Case Study Exam
2019 CIMA Professional Qualification Framework

Strategic Case Study Exam
An integration of three strategic level syllabus

**E3 Strategic Management**
Formulate strategy and create conditions for successful implementation.

**P3 Risk Management**
-Analyse, evaluate and manage strategic, operational and cyber risks.

**F3 Financial Strategy**
Create financial strategy, evaluate and manage financial risk and assess organisational value.
An integration of three strategic level syllabus

E3 Strategic Management

P3 Risk Management

F3 Financial Strategy

E3 is the foundation of the Strategic Case Study exam & therefore, learners should have a strong knowledge of E3 contents
Syllabus in the context of the structure and shape of the finance function

Strategic level focuses more on business, people and leadership skills and less on technical accounting.
Strategic level summary

• Wide scope
• Fully integrated
• Financial and both quantitative and qualitative non-financial
• Future and some present
• Long-term decision-making

• External combined with internal (whole organisation)
• Aggregate (fewer details)
• Influence
Competencies on completion of the strategic level

• Able to support organisational leaders to craft strategy.

• Evaluate and manage risks that might prevent organisations from successfully implementing strategy.

• Able to value organisations.

• Able to source financial resources required to implement strategy.
Highlights of the strategic level

E3: Strategic Management
- A. The Strategy process
- B. Analysing the organisational ecosystem
- C. Generating strategic options
- D. Making strategic choices
- E. Strategic control
- New digital topics!

F3: Financial Strategy
- A. Financial policy decisions
- B. Sources of long term funds
- C. Financial risks
- D. Business valuation

P3: Risk Management
- A. Enterprise risk
- B. Strategic risk
- C. Internal controls
- D. Cyber risks

Cyber risks!
The competency framework reflects our findings on how finance professionals are expected to apply accounting and finance skills within the context of the business/organisations in which they operate.

It also reflects for the first time how technology and a digital mindset will be required to affect and influence their own decisions, actions and behaviours and those of their colleagues within the wider organisation.
Tips to pass CIMA case study exams
Expectations of a senior finance manager

• Now that you are at the strategic level, and the expectations of you in the role of a senior finance manager is a lot higher than the previous exam at management level.

• The board wants you to show them the implications for the business, or demonstrate the importance of the advice you are giving.

• They expect you to show them what could happen, what the knock on effects would be, and how to resolve the issues they are facing.

• It is important that students apply a business writing concept (show-don’t-tell technique) that enable the reader to experience the story or piece of content through actions, explanations, and examples.
Tips on passing the case study exam

Give examples
In your advice, give examples of what you are trying to say.

Improve your business writing skills
Practice this in your mock exams

Show-don’t-tell writing technique
“Accounting and finance staff need to be able to tell the story behind the numbers in an easy-to-digest manner”

-Robert Half International, Recruitment
### Tips from Bronwyn Clarke – top scorer in the world for CIMA SCS

<table>
<thead>
<tr>
<th>Start revising the technical parts of F3, P3, E3 early</th>
<th>Submit all of your mocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t just blurt everything out</td>
<td>Know the pre-seen</td>
</tr>
<tr>
<td>Industry analysis is important</td>
<td>Plan your answer</td>
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</table>
Tips on passing the case study exam

Set a good mindset
Yes, I can EXCEL!

Improve your typing skills
Ability to think & type (without error) at the same time is a must

Application
Learners are not expected to duplicate the answer in the textbook

Learners are to answer exam questions based on the viewpoint of an employee of the pre-seen company

What is “Persona”? 
Tips on passing the case study exam

**Initial mis-understanding of requirements**
- Don’t speed read during the exam
- Type out sub-headings of the requirements as you read the new materials on exam day

**Subsequent mis-understanding**
- Don’t drift into some other requirements when answering the question

**Rely too much on the pre-seen material**
- Learners are not required to memorize the information in the pre-seen
Tips on passing the case study exam

**Practice! Practice! Practice!**

Practice questions pertaining to the industry or company in the pre-seen material

Do at least 3 mock exams

**Don’t rely too much on past exam questions when practicing**

Use past variants to familiarize yourself with the way questions are asked but don’t over practice using them
Tips on passing the case study exam

How much is enough?
Give 3 to 4 points and explain them well for each requirement

One line paragraph does not look professional and will likely not help you to pass

Answer all the requirements of the task
Skipping a question is disadvantageous

Read an examiner’s report for more tips
Exam blueprint
The Strategic Case Study exam blueprint

• For the first time, under the updated 2019 CIMA Professional Qualification, CIMA is publishing examination blueprints based on the syllabus which set out in detail what is examinable in each of the nine Objective Tests and three Case Study examinations.

• The Blueprints will be published annually, and provide information about the format, structure and weightings of the assessments.

• The current blueprint is effective for the following strategic case study examinations:
  - November 2019
  - February 2020
  - May 2020
  - August 2020
  - November 2020
  - February 2021
Key features of the blueprints

• Updated annually
• 3 documents, one per level
• 4 sections
  – Overview
  – Case study exam business simulation
  – Objective test representative tasks
  – Appendices (formulas etc.)
Strategic case study exam dates

- Exam results & feedback on performance
- Strategic Case Study exam under the updated PQ commences
- 26 - 28 Feb 2020
- 9 April 2020

2020 exam dates
Exam overview

Role simulation
Role simulated is that of a senior finance manager.

More on “Persona”

Exam format
- 3 sections (tasks) / 3 hours in total
- 60 minutes each section / equally weighted
- Pre-seen materials on case study will be provided in advance
- 4 exam windows per year

Pass rates
CIMA will publish updated case study exam pass rates every quarter
Post exam information

**Marking**
The Case Study Exams are human marked

**Results**
Available six weeks after the exam

**Grading**
Results will contain the following information:
- Pass
- Fail
- Scaled score: 0 to 150 (80 & above is a pass)
- Grade descriptors are available

**Feedback**
Feedback on performance against each core activity will be provided.
Post exam kit will be available with examiner’s comments on the overall global performance.
Learner’s experience

Analyse the case study material given 7 weeks before exam

Exam day

New information provided during exam to perform a series of tasks
Exam variants

Each case study exam have multiple equivalent version of the examination which are available across the exam window.

From February 2020 onwards, exams will be held over 3 days. Example,
Case study exam pre-seen materials

- Feb 2020 Standalone case
- May 2020 exam
- Aug 2020 exam
- Same pre-seen case
- Nov 2020 exam
- Feb 2021 exam
- Same pre-seen case
Examination purpose

• The Case Study Exams are designed to demonstrate mastery of previously acquired knowledge, skills and techniques and the drawing together of these to provide solutions to unstructured problems.

• Each synoptic assessment combines the content covered in the three pillar subjects at the level into a single assessment. Its aim is the “undoing” of the pillar and subject divisions of the syllabus.

• It challenges learners to provide solutions to the type of problems that they would encounter in the workplace.

• Examination tasks will be practical and applied, not theoretical or academic.
“I can” statements

- In the exam blueprint, you will find ‘I can’ statements.
- Each statement is a plain English description of what a CIMA finance professional should know and be able to do i.e. “I can….”. 

Student: I can evaluate the cost and benefit of....

Employer: Great! We are hiring someone who can....
“I can” statements (cont’d)

• The ‘I Can’ statements, which reflect the competencies of a learner at the end of a Case Study Examination and the representative task statements that emerge from the successful completion of Objective Tests — correspond directly with what employers are looking for and businesses need to transform and thrive.

• The Case Study Examination tests the knowledge, skills and techniques from the three pillars within one simulated scenario and is taken at the end of each level of the CIMA Professional Qualification.

• Candidates are given a fictional Case Study before the examination and are expected to give solutions to the situations and challenges presented within the examination.
I am aware that the senior finance manager’s duties require the exercise of professional judgement and ethics as this may have a significant effect on stakeholders.

I advise on issues relating to corporate governance and can evaluate the control environment and the management of internal audit.

I can advise the organisation’s leaders in the development of business strategy to create value and to evaluate strategic options.
Core activities of a Senior Finance Manager

Strategic case study exam
Summary

• Within each Strategic Case Study Examination, five core activities will be assessed.

• These core activities represent the tasks that are most frequent, critical and important to the role of senior finance manager.

• By completing the core activities, successful candidates will implicitly demonstrate not just the technical abilities but all the required competencies and the mindset for that level.
Five core activities

A. • Develop business strategy.

B. • Evaluate business ecosystem and business environment.

C. • Recommend financing strategies.

D. • Evaluate and mitigate risk.

E. • Recommend and maintain a sound control environment.

Exam weighting

Five core activities mapped to key syllabus areas

A. • Develop business strategy.
   
B. • Evaluate business ecosystem and business environment.
   
C. • Recommend financing strategies.
   
D. • Evaluate and mitigate risk.
   
E. • Recommend and maintain a sound control environment.
Assessment outcome for core activity A

- I can evaluate strategic options (digital and otherwise)
- I can recommend strategic decisions (digital and otherwise)
- I can evaluate potential acquisitions and divestment opportunities
- I can recommend responses to opportunities and threats arising from digital technologies

Syllabus = E3 P3 F3
Assessment outcome for core activity B

I can select and apply suitable strategic analytical tools

I can conduct an analysis of stakeholder needs and recommend appropriate responses

I can recommend appropriate responses to changes in the business ecosystem

I can recommend KPIs that encourage sound strategic management

I can recommend responses to economic, political and currency risks

B.

- Evaluate business ecosystem and business environment.
Assessment outcome for core activity C

- I can recommend suitable sources of finance
- I can recommend dividend policy
- I can recommend and apply business valuation models

C.

• Recommend financing strategies.
Assessment outcome for core activity D

I can evaluate risks and recommend responses and can maintain the corporate risk register

I can identify ethical dilemmas and recommend suitable responses

I can evaluate and mitigate cyber risks

I can recommend internal controls

D.

• Evaluate and mitigate risk.
Assessment outcome for core activity E

I can apply internal audit resources

I can recommend appropriate controls and evaluate the implications of compliance failures

I can recommend responses to the threats arising from poor governance

E.

- Recommend and maintain a sound control environment.
General marking guidance

- Candidates are rewarded for what they have demonstrated and not penalized for omissions.
- An answer which does not address the requirements of the task must be awarded no marks.
- The nature of the case study examination tasks means that a range of responses will be valid.
- Markers have to attend extensive training and standardization activities and ongoing monitoring.
Example of marking scheme

This is the new format which we are introducing for 2019 PQ.

There are full sample schemes for each of the question tutorials produced for the 2019 case study exams.

| Sub task (a): Explain the type of digital sources that are available and the data that we could obtain from both internal and external sources in order to produce a forecast of the member numbers for the new gym. |
|---|---|---|
| Trait | Level | Descriptor                                                                 | Marks |
| Type of sources | Level | No rewardable material | 0 |
| | Level 1 | Identifies very few types of digital sources available and provides a limited or unclear explanation of each. | 1 |
| | Level 2 | Identifies a number of digital sources and provides a reasonable explanation of each. | 2 |
| | Level 3 | Identifies a wide range of digital sources and provides a good explanation of each. | 3 |
| Data required | Level | No rewardable material | 0 |
| | Level 1 | Identifies very few types of useful data and gives a limited explanation of why they would be useful. Little application to the company / industry. | 1-3 |
| | Level 2 | Identifies a few types of useful data and provides a reasonable explanation of why they would be useful. Some application to the company / industry. | 4-6 |
| | Level 3 | Identifies a number of types of useful data and provides a good explanation of why they would be useful. Good application to the company / industry. | 7-9 |
Find out what it feels like taking a computer-based CIMA exam at a Pearson Vue center.
Tables and formulae

Strategic case study exam - tables and formulae

The following tables will be provided in your Strategic case study exam:

Present value table

Cumulative present value table

Normal distribution table
Persona in the Strategic Case Study Exam
Virtual business role play

Understanding the role in the case study examination can really help learners produce a good answer at the right level for their audience.

Example:

• Senior Finance Manager
• Senior Management Accountant
• Group Accountant
• Financial Director

Refer to pages 15 – 17 "simulating the role" in the Strategic Level Exam blueprint
Who is your audience?

- Who are you seeking to influence?

Examples:
- Your manager (Finance Director)
- Board of Directors
- Peers within the finance department and in other departments
- External stakeholders and decision-makers

You can identify benefits for your readers if you know who your readers are.
Tips for exam based on your persona

- Think and write from the perspective of who you are (your role).
- Identify what your line manager/audience wants from you (the task requirements), including the depth of detail required.
- Imagine this as a job interview, what would you need to do to show your competence to do the tasks required?
- Remember why you are supplying this information (e.g. to recommend a decision).
Tips for exam based on persona (cont’d)

- Plan how you are going to communicate your response and to whom (format, tone, level of detail and technical complexity).
- Consider what long term measures can be taken for driving performance of the business.
- Consider what the impact may be for other parts of the business, such as other stakeholders and the financial statements (this is where you may be able to demonstrate business and people skills).
Simulating the role of a finance manager

<table>
<thead>
<tr>
<th>Support strategic decision-making</th>
<th>Understand good governance</th>
<th>Ability to use technology</th>
<th>Know organisation’s ecosystem</th>
<th>Understand CIMA Code of Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ability to formulate models and justify decisions.</td>
<td>• Advise issues relating to corporate governance.</td>
<td>• Understand the business case for digitization and the need to create partnerships for ensuring strategic success.</td>
<td>• Advise the organisation’s leaders in the development of business strategy to create value and evaluate strategic options.</td>
<td>• Adhere to high standards of professionalism and ethics.</td>
</tr>
<tr>
<td>• Raise finance from suitable sources to ensure that new strategic projects are adequately resourced.</td>
<td>• Evaluate the control environment given the increasing dangers from cyber risks and the management of internal audit.</td>
<td>• Understand the operation of capital markets in determining value.</td>
<td>• At the same time, be responsible for the overall risk management including cyber risks.</td>
<td></td>
</tr>
</tbody>
</table>

CIMA 2020 Code of Ethics
You are a Senior Finance Manager at Zoom, a transport network company (TNC).

You report directly to the Chief Finance Officer of Zoom and advise on special projects and strategic issues.

Kevin Sato, Chief Finance Officer, joined Zoom in early 2014, not long after it was formed. He is a qualified accountant and prior to joining Zoom, worked for a large private rail network company in Jayland.
Past exam personas – May 2019

You are a senior manager in the finance function at Denby Healthcare (“Denby”), a private hospital group. You report directly to the Board and advise on special projects and strategic matters.

Denby’s Board of Directors:
1. Professor Maurice Lavelle, Non-Executive Chairman
2. John Jenkins, Chief Executive Officer
3. Regina Chikaoanda, Chief Financial Officer
4. Dr Anthony Chan, Medical Director
5. Robert Borr, Commercial Director
6. Dr Louise Saunders, Deputy Chair and Senior Independent Director
7. Mark Charles, Independent Non-Executive Director
8. Kevin Mak, Independent Non-Executive Director
9. Dr Floriana Sanchez, Independent Non-Executive Director
10. Gustav Reiner, Independent Non-Executive Director
Past exam personas – Feb 2019

You are a Senior Finance Manager at Vita, a consumer electronics company.

You report directly to the Chief Finance Officer of Vita and advise on special projects and strategic matters.
You are a senior manager in the finance function at Shinepodd (“S/D”).
You report directly to the Board and advise on special projects and strategic matters.
Case study exam – prototype
2019 syllabus prototype

Variant 1

- Model answer
- Marking scheme

Variant 2

- Model answer
- Marking scheme

Strategic case study exam – 2019 syllabus prototype – pre-seen materials
Examiner’s report – May 2019 exam
Past exam materials

Some past case study exam materials are provided in the following pages.

While there will still be many relevant points to note for the 2019 PQ exams, there is a chance that references might be out of date due to syllabus changes.
Denby Healthcare ("Denby"), is a private hospital group based in Keeland where the currency is the K$.

Denby is quoted on the Keeland Stock Exchange, an active and well-regulated exchange.

Companies that are quoted on the exchange are required to adhere to the Keeland Code of Corporate Governance.
Questions and answers

- Monday Day 1
- Tuesday Day 2
- Wed Day 3
- Thursday Day 4
- Friday Day 5

Denby Healthcare
5 sets of questions & answers
Overall performance for May 2019 Strategic Case Study Exam

- Overall, candidates performed reasonably well on some aspects of all the variants.
- However, there were a number of areas of concern relating to student performance in several other areas; this applies to all variants.

  The main weaknesses were that in several tasks, candidates failed to apply their knowledge directly to the scenario information and in some parts candidates just failed to answer what had been asked.

- On the positive side most candidates structured their answers well.
Ability to apply theory to the case study scenario

• All answers must be applied to the case study and should bring in aspects of the pre-seen information as well as the information and exhibits in the unseen material.

• Theoretical answers are awarded very few marks.

• Candidates should read the pre-seen material carefully and come into the examination understanding the industry and the company which will be the focus of the exam. This will help candidates formulate good answers that relate to the tasks they are given.
Give in depth answers

- Most candidates did demonstrate application of knowledge in their answers which was good.

- Many candidate answers lacked depth of development and therefore, although demonstrating a basic understanding and application of knowledge, they failed to accumulate sufficient marks due to not developing their answers sufficiently.
Zoom is a transport network company (TNC). Its primary activity is taxicab hire, using its mobile application (app) and website to match customers with drivers, in order to transport them to a destination of their choice.

Zoom also offers a bike-sharing service.

Zoom operates throughout Jayland, a large and prosperous country, where a significant proportion of the population live and work in urban locations.
Questions and answers

Zoom
5 sets of questions & answers
Overall performance - Aug 2019 Strategic Case Study Exam

• Some candidates performed well, but many appeared to be ill-prepared for this examination and did not demonstrate the required level of technical knowledge and application of knowledge to the case study.

• Overall, candidates performed reasonably well on some aspects of all the variants.

• However, there were a number of concerns relating to student performance in several other areas, this applies to all variants.
Ability to relate answers to the case study

• In many cases candidates quoted and described models but did not apply them to the case study, this approach does not achieve marks.

• All answers must be applied to the case study and should bring in aspects of the pre-seen information as well as the information and exhibits in the unseen material.

• Answers which are purely rote learning were quite common in some requirements and this approach is awarded very low marks.

• There were also a number of candidates who gave very theoretical answers and did not apply them to the case study.
In depth answers were lacking

- Many candidate answers lacked depth of development and therefore, although demonstrating a basic understanding and application of knowledge, they failed to accumulate sufficient marks due to not developing their answers sufficiently.
- Some answers were just short and incomplete.
Tips by the examiners

- Read the pre-seen material carefully.
- Come into the examination understanding the industry and the company.
- Manage time and make sure they do not run out of time on sections they know well.
- Answer what is asked by reading the questions very carefully.
- Answers which are not applied to the case will not score high marks.
- A good level of knowledge of the three strategic syllabi is necessary.
- Candidates must be able to apply their knowledge to a variety of situations and show they have an in-depth knowledge of the subject matter.
Other strategic case study exams
Previous pre-seen materials

- **Vita**
  - Feb 2019

- **Novak Pharmaceuticals**
  - Nov 2018

- **Finch News Group**
  - Aug 2018

- **Runn**
  - Nov 2019
  - Final exam under the 2015 syllabus
Short cases for the classroom
Classroom business game

Case study: Blockbuster vs Netflix
Background information and reading resources

Download | Play
Additional classroom business games

Business Games

- Business Game Synopsis
- Paradise Park (New!)
- Paradise Park suggested answers
- X-Max Systems (New!)
- X-Max Systems suggested answers
- Aedis Homes
- Aedis Homes suggested answers
- JOT Toy Company communication and suggested answers
- JOT Toy ethical dilemma
- JOT Toy ethical dilemma suggested answers
- Kadgee Clothing
- Kadgee Clothing suggested answers

View Cases At CGMA Academic Partners Website
Additional tutor support

Webinar

Do listen to this webinar
Contact:

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Karen.Phang@aicpa-cima.com
Thank you