

## **The Spice of Life - a guide to blending your knowledge to create a perfect integrated answer in the case studies**

### **Like a good chef, CIMA case study students need to blend their knowledge to produce the perfect answer**

Pause for a minute and think of your favourite meal. For us Brits, nothing tops a curry. When you get a really good one it's obvious that the chef innately understands the chemical processes involved: when a marinade softens the meat, how to mix the spices without overwhelming the overall dish, and when it's appropriate to use a tandoor oven.

The act of cooking is the act of integration, the award winning curry dish is judged as a whole: the mix of flavours and textures, the deep understanding of how the ingredients combine. CIMA's case studies are very much the same, our students are asked to demonstrate their understanding of how topics from all three pillars (Enterprise, Performance and Financial) interact and depend upon each other, forming a key part of their analysis and recommendations.

Integration is therefore a key component of an answer in CIMA's case study exams, in fact our Examiners state that all good answers are automatically integrated, that the tasks themselves ensure that a good answer has no alternative but to contain integrated content.

If integration is automatically produced in a good case study answer, why does CIMA award marks for integration? The reason for this is that we want CIMA qualified Management Accountants to be world class and to do that, they need to demonstrate a deep understanding of how subjects interrelate so that they can bring this knowledge and insight to the workplace. Integration marks are therefore a very clear message to students, shaping their studies, increasing their understanding and ultimately their employability.

So what do we mean by integration? The CIMA syllabus has three levels with three subjects at each level. Integration exists between subjects and with between topics within the subject. Taking an example from the Operational level, Cost Accounting Systems (P1A) can affect the following:

The extent to which the Finance Function supports/provides costing information (E1B)

How technology/big data can assist with costing and preparation of reports (E1C)

How the operations are managed will affect the costs and cost drivers. (E1D)

Both marketing and costing will need to be considered together, to ensure strategic match. (E1E)

The reporting of costs will have to be in line with relevant standards (F1A)

Accurate costing information will be required for the accounts. (F1B)

Accurate short-term cash forecasts will depend on correct costing information. (F1C)

Costs are one factor that will have an eventual effect on taxation. (F1D)

A holistic, integrated response in a case study exam requires students to apply and demonstrate their deep understanding of how the components of the syllabus combine and interact within an unfamiliar situation set out in the case study exam. This is similar to a chef in a cookery competition being asked to make something they have never cooked before. The winner of the competition is always the person who can best apply their technical knowledge and previous experience to this new challenge.

So, what can you do to prepare to earn the integration marks available in a CIMA case study exam?

CIMA case studies simulate a scenario where the candidate is working within an organisation, dealing with a situation a colleague has presented to them. The task at hand is to respond to that situation, using management accounting, to add to the understanding of that colleague.

In business, you need to consider the reason behind your colleague setting you the task; the issues or risks facing the organisation around the situation that is being addressed; the likely implications of your feedback on colleagues or other stakeholders; and the management accounting techniques that will help resolve the situation. If you do this before committing to a response, you are likely to present a reply which raises the right points at the right time and delivers a free-flowing, coherent, integrated answer.

For example, variant 2 of the November 2015 management case study begins by asking candidates to advise a marketing director on a choice for which she has prepared two present value calculations. Those calculations are provided in detail, as are a few pieces of background information about staffing, technology, capacities and other risk factors.

A poorly integrated response might have a few paragraphs explaining, in text book fashion, the need to apply annualised equivalents for the decision making in the task. There might be another few paragraphs talking knowledgeably about risk and the importance of incorporating risk into decision making. Two separate piles of ingredients, exquisitely prepared but at different ends of the table.

To earn integration marks, the same knowledge and understanding could be applied but, this time, by using the information about the cash flows alongside the factors from the task which indicate risk. For instance, annualised equivalents assume that a contract will be renewed; we're not told whether there is any guarantee that the contract will be renewed so we may have to use different costs of capital, depending on the extent of that risk.

The case study answer is a blended dish, incorporating the raw ingredients but much easier to digest.