



MANAGEMENT CASE STUDY AUGUST 2018 EXAM ANSWERS

Variant 2

Marking Guidance

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The following marking guidance is based on Management Case Study Exam August 2018, Variant 2

This marking guidance has been provided by CIMA for information purposes only. It is not to be considered exhaustive and alternative, valid approaches would earn marks.

Note: while the published weighting of competencies for the level would be reflected in the distribution of marks for each examination, there may be some small variations between different forms of the examination.

CIMA will not accept challenges to this marking guidance on the basis of academic judgement.

Marking Guidance

| Section | Technical Skills | | Business skills | | People Skills | | Leadership Skills | | Integration | Total |
|---------|---|----|--|----|--|----|---|----|-------------|-------|
| 1 | Discuss the application of net present value | 12 | Discuss the determination of the fair value of shares issued as a purchase consideration. | 6 | | | Discuss the implications of the acquisition of a subsidiary for its remaining non-controlling shareholders. | 5 | 2 | 25 |
| 2 | | | Identify the factors that affect the determination of an appropriate transfer pricing policy | 12 | Recommend approach to resolving conflict | 12 | | | 1 | 25 |
| 3 | Discuss challenges of applying target costing | 12 | Discuss competitive advantage and the need to delegate authority to design team. | 6 | Discuss competitive advantage and the need to delegate authority to design team. | 6 | | | 1 | 25 |
| 4 | Evaluate impact on accounting ratios. | 11 | | | | | Identify and mitigate operational risks. | 12 | 2 | 25 |
| | | 35 | | 24 | | 18 | | 17 | 6 | 100 |