



CGMA Management Level Case Study February 2020
Marking Guidance
Variant 1

About this marking scheme

This marking scheme has been prepared for the CIMA 2019 Professional Qualification CGMA Management Case Study [Feb 2020].

The indicative answers will show the expected or most orthodox approach; however, the nature of the case study examination tasks means that a range of responses will be valid. The descriptors within this level-based marking scheme are holistic and can accommodate a range of acceptable responses.

General marking guidance is given below, markers are subject to extensive training and standardisation activities and ongoing monitoring to ensure that judgements are being made correctly and consistently.

Care must be taken not to make too many assumptions about future marking schemes on the basis of this document. While the guiding principles remain constant, details may change depending on the content of a particular case study examination form.

General marking guidance

- Marking schemes should be applied positively, with candidates rewarded for what they have demonstrated and not penalised for omissions.
- All marks on the scheme are designed to be awarded and full marks should be awarded when all level descriptor criteria are met.
- The marking scheme and indicative answers are provided as a guide to markers. They are not intended to be exhaustive and other valid approaches must be rewarded. Equally, students do not have to make all of the points mentioned in the indicative answers to receive the highest level of the marking scheme.
- An answer which does not address the requirements of the task must be awarded 0 marks.
- Markers should mark according to the marking scheme and not their perception of where the passing standard may lie.



- Where markers are in doubt as to the application of the marking scheme to a particular candidate script, they must contact their lead marker.

How to use this levels-based marking scheme

1. Read the candidate's response in full

2. Select the level

- For each trait in the marking scheme, read each level descriptor and select one, using a best-fit approach.
- The response does not need to meet all of the criteria of the level descriptor – it should be placed at the level when it meets more of the criteria of this level than the criteria of the other levels.
- If the work fits more than one level, judge which one provides the best match.
- If the work is on the borderline between two levels, then it should be placed either at the top of the lower band or the bottom of the higher band, depending on where it fits best.

3. Select a mark within the level

- Once you have selected the level, you will need to choose the mark to apply.
- A small range of marks may be given at each level. You will need to use your professional judgement to decide which mark to allocate.
- If the answer is of high quality and convincingly meets the requirements of the level, then you should award the highest mark available. If not, then you should award a lower mark within the range available, making a judgement on the overall quality of the answer in relation to the level descriptor.

Summary of the core activities tested within each sub task

Sub Task	Core Activity	Sub task weighting (% section time)
Section 1		
(a)	C. Effect on value chain	50%
(b)	A. Revising business model	50%
Section 2		
(a)	D. External factors	40%
(b)	B. Project management issues	60%
Section 3		
(a)	A. Pricing	40%
(b)	D. Ratios	60%
Section 4		
(a)	E. Goodwill	60%
(b)	C. Investment centre	40%

SECTION 1			
Task (a): How would the release of a significant proportion of our back catalogue affect Trevel's value chain?			
Trait			
Defining changes	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Offers a brief overview of changes to the value chain	1
	Level 2	Offers a clear overview of changes to the value chain	2-3
	Level 3	Offers a clear and full overview of changes to the value chain	4
Impacts on value chain	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Offers a limited discussion of the impacts on the value chain	1-3
	Level 2	Offers a clear discussion of the impacts on the value chain	4-6
	Level 3	Offers a clear and comprehensive discussion of the impacts on the value chain	7-9
Task (b): Discuss from a business perspective, Anna's enthusiasm for the launch of fragile and bulky physical media to replace digital media that can be delivered online.			
Trait			
Declining digital	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Identifies a single criterion for evaluating disadvantages of digital to business model	1-2
	Level 2	Identifies some valid criteria for evaluating disadvantages of digital to business model	3-4
	Level 3	Identifies a full selection of valid criteria for evaluating disadvantages of digital to business model	5-6

SECTION 1 (continued)			
Trait			
Vinyl positives	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Identifies a single criterion for evaluating advantages of vinyl to business model	1-2
	Level 2	Identifies some valid criteria for evaluating advantages of vinyl to business model	3-4
	Level 3	Identifies a full selection of valid criteria for evaluating advantages of vinyl to business model	5-6

SECTION 2

Task (a): Recommend, with reasons, five key external factors that would determine the viability of the proposal to make the back catalogue available on vinyl.

Trait			
Key factors	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Recommends a single relevant factor	1
	Level 2	Recommends two or three relevant factors	2-3
	Level 3	Recommends five relevant factors	4-5
Reasons	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Offers reasonable justification for one recommendation	1
	Level 2	Offers reasonable justification for two or three recommendations	2-3
	Level 3	Offers reasonable justification for four or five recommendations	4-5

Task (b): Identify and evaluate the key project management issues associated with the launch of Trevel's back catalogue on vinyl.

Trait			
Initiation and planning	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Identifies issues arising at the initiation and planning stages	1-2
	Level 2	Produces a clear explanation of issues arising at the initiation and planning stages	3-4
	Level 3	Produces a clear and comprehensive explanation of issues arising at the initiation and planning stages	5-6
Execution to closure	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Identifies issues arising at the stages from execution to closure	1-3
	Level 2	Produces a clear explanation of issues arising at the stages from execution to closure	4-6
	Level 3	Produces a clear and comprehensive explanation of issues arising at the stages from execution to closure	7-9

SECTION 3

Task (a): Discuss the factors that we should consider when setting the selling price for vinyl records and please recommend, with reasons, the pricing strategy we should adopt.

Trait			
Optimal pricing	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Offers some discussion of pricing strategy or simply describes available strategies	1-3
	Level 2	Recommends a satisfactory pricing strategy with some justification	4-7
	Level 3	Recommends a satisfactory pricing strategy and offers full justification	8-10

Task (b): Identify the key accounting ratios that will be affected by this venture and explain whether they will improve or deteriorate. There is no need to calculate the actual ratios.

Trait			
Profitability ratios	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Identifies profitability ratios and offers some discussion of movements	1-3
	Level 2	Identifies profitability ratios and offers justification for assertions re movements	4-6
	Level 3	Identifies profitability ratios and fully explains and justifies justification for assertions re movements	7-9
Other ratios	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Identifies other key ratios and offers some discussion of movements	1-2
	Level 2	Identifies other key ratios and offers justification for assertions re movements	3-4
	Level 3	Identifies other key ratios and fully explains and justifies justification for assertions re movements	5-6

SECTION 4			
Task (a): What challenges would we face in determining the goodwill on the acquisition of 100% of Steampress Vinyl's equity.			
Trait			
Assets	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Discusses some issues relating to the valuation of assets	1-4
	Level 2	Offers clear discussion relating to the valuation of assets	5-8
	Level 3	Offers clear and comprehensive discussion relating to valuation of assets	9-12
Liabilities	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Discusses some issues relating to the valuation of liabilities	1
	Level 2	Offers clear discussion relating to the valuation of liabilities	2
	Level 3	Offers clear and comprehensive discussion relating to the valuation of liabilities	3
Task (b): Assuming that we make this acquisition, whether we should leave the resulting subsidiary company to operate independently as a separate investment centre within the Trevel Group.			
Trait			
Responsibility issues	Level	Descriptor	Marks
		No rewardable material	0
	Level 1	Offers an overview of different types of responsibility centre	1-3
	Level 2	Offers relevant discussion of the suitability of investment centre	4-7
	Level 3	Offers clear and comprehensive discussion of the suitability of investment centre	8-10