



**CGMA Management Level Case Study February 2020**  
**Marking Guidance**  
**Variant 2**

**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 subtask**

Sub Task	Core Activity	Subtask weighting (% section-time)
<b>Section 1</b>		
(a)	A. Conflict over the business model	50%
(b)	C. Balanced scorecard	50%
<b>Section 2</b>		
(a)	E. Back catalogue	34%
(b)	D. Interpretation	33%
(c)	C. Product lifecycle	33%
<b>Section 3</b>		
(a)	B. Project	34%
(b)	A. Digital sources	33%
(c)	E. Transfer prices	33%
<b>Section 4</b>		
(a)	D. Impairment	34%
(b)	E. Communication concerning losses	33%
(c)	B. Future promotions of back catalogue	33%

<b>SECTION 1</b>			
<b>Task (a):</b> An evaluation of the argument that it is a bad thing for senior managers to be in conflict over the business model.			
<b>Trait</b>			
Problems	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Offers a limited discussion of problems	1-3
	Level 2	Offers a clear discussion of problems	4-6
	Level 3	Offers a clear and comprehensive discussion of problems	7-9
Benefits	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Offers a brief acknowledgement of the need to challenge model	1
	Level 2	Offers a clear acknowledgement of the need to challenge model	2
	Level 3	Offers a clear and justified acknowledgement of the need to challenge model	3
<b>Task (b):</b> An evaluation of the argument that a balanced scorecard for Marketing and Business Development would help optimise the marketing spend.			
<b>Trait</b>			
Emphasis	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Offers a limited overview of the impact of BSC on emphasis attached to key matters	1-2
	Level 2	Offers a clear discussion of the impact of BSC on emphasis attached to key matters	3-5
	Level 3	Offers a clear and comprehensive discussion of the impact of BSC on emphasis attached to key matters	6-7
Budgeting	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Offers a limited overview of the impact of BSC on the approach taken to budgeting and planning	1-2



	Level 2	Offers a clear discussion of the impact of BSC on the approach taken to budgeting and planning	3-4
	Level 3	Offers a clear and comprehensive discussion of the impact of BSC on the approach taken to budgeting and planning	5-6

<b>SECTION 2</b>			
<b>Task (a):</b> How will Belboa's back catalogue be accounted for by the Trevel Group at the date of acquisition and subsequently?			
<b>Trait</b>			
Assets	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Offers a brief overview of accounting treatment	1-3
	Level 2	Offers a clear description of accounting treatment	4-6
	Level 3	Offers a clear description, with justification, of accounting treatment	7-9
<b>Task (b):</b> What impact will the valuation attached to Belboa's back catalogue have for the interpretation of the Trevel Group's financial statements?			
<b>Trait</b>			
Ratios	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Offers a limited discussion of ratios	1-2
	Level 2	Offers a clear discussion of ratios that would be affected	3-5
	Level 3	Offers a clear discussion of ratios that would be affected, with good justification	6-8

**SECTION 2 (continued)**

**Task (c):** What are the challenges in using the product lifecycle in deciding how best to promote the recordings in Belboa's back catalogue in order to generate revenues?

<b>Trait</b>			
Lifecycle	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	<b>Level 1</b>	Offers a limited overview of challenges in using lifecycle	1-2
	<b>Level 2</b>	Offers a clear discussion of challenges in using lifecycle	3-5
	<b>Level 3</b>	Offers a clear and comprehensive discussion of challenges in using lifecycle	6-8

<b>SECTION 3</b>			
<b>Task (a):</b> How should we structure the relaunch of our recently expanded back catalogue as a project?			
<b>Trait</b>			
Project	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Outlines project stages	1-3
	Level 2	Recommends a realistic approach to project structure	4-6
	Level 3	Recommends a realistic approach to project structure, with good justification	7-9
<b>Task (b):</b> How could we use big data analytics and other digital sources to determine which back catalogue albums to invest time and money on promoting?			
<b>Trait</b>			
Sources	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Describes Big Data and Four Vs	1-2
	Level 2	Recommends a viable approach to data analysis	3-5
	Level 3	Recommends a viable approach to data analysis, with good justification	6-8
<b>Task (c):</b> What are the challenges associated with setting transfer prices for the use of Belboa's back catalogue by Trevel's streaming companies?			
<b>Trait</b>			
Transfer prices	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Describes transfer pricing strategies	1-2
	Level 2	Offers a clear description of challenges	3-5
	Level 3	Offers a clear description of challenges, with good justification	6-8



**SECTION 4**

**Task (a):** How will the impairment adjustment affect Trelvel's return on capital employed and gearing ratios in the short term and longer-term future? I am not looking for any calculations, just an explanation, stating reasons.

<b>Trait</b>			
Impairment	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Asserts change with limited justification	1-3
	Level 2	Clear explanation of change	4-6
	Level 3	Clear explanation of change, with justification	7-9

**Task (b):** How should the decision to recognise an impairment loss on the back catalogue be communicated to the artists (who will undoubtedly have their business managers study our financial statements carefully) so that we minimise the risk of losing their support?

<b>Trait</b>			
Communication	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Repeats issues to be communicated	1-2
	Level 2	Discusses approach to communication	3-5
	Level 3	Discusses approach to communication with justification in terms of commercial issues	6-8

**Task (c):** To what extent does this disappointment suggest that we should not undertake further promotions of back catalogue recordings?

<b>Trait</b>			
Future promotions	<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>
		No rewardable material	0
	Level 1	Offers limited insight into implications	1-2



	Level 2	Offers clear discussion of implications	3-5
	Level 3	Offers clear and comprehensive discussion of implications	6-8