

# Case Study 2019 onwards

8 FEBRUARY 2019



# **Case Study 2019 onwards – programme 8 February**

- **Case Study 2019 Learning Materials:**
  - **The Study Manual**
  - **Bux Walkthrough**
  - **True Taste (TT) Walkthrough**
- **Case Study Exam CBE project**
  - **Position as at February 2019**
  - **CBE for 2019 CS Exams**
  - **CBE Marking**
- **Q & A**

# Case Study Learning Materials 2019

- **The Study Manual**

- Overview
- Chapter 1 – Introduction
- Chapter 2 – Financial statement analysis
- Chapter 3 – Financial data analysis
- Chapter 4 – Commercial analysis (with business trust & ethics)
- Chapter 5 – Professional skills; Executive Summary; Exam Technique

- **Bux Walkthrough**

- **True Taste (TT) Walkthrough**

# The Study Manual: Overview

- **Objective of the CS is to assess students’:**
  - understanding of complex business issues
  - ability to analyse financial and non-financial data
  - application of professional and ethical judgement
  - development of conclusions and recommendations
- **Students will be provided with background details – Advance Information (AI) – on the organisation (their “client”) ahead of the CS Exam. From this students will be able to:**
  - achieve familiarisation with the scenario (the organisation and the industry in which it operates)
  - undertake detailed financial and non-financial analysis
  - perform further preparation wherever necessary
- **Students will be assessed by way of a 4-hour CS Exam comprising the drafting of a report concerning the client in which they must demonstrate:**
  - financial statement analysis and judgement
  - financial data analysis and judgement
  - commercial (financial, operational, strategic) analysis and judgement (including business trust & ethics)
- **These components of assessment may be integrated across the three main Requirements**

# The Study Manual: Overview (continued)

- Success in the CS Exam requires an integration of the technical knowledge and skills acquired from all ACA modules:
  - the core technical knowledge and skills and practical application acquired at the Certificate and Professional levels;
  - the technical, analytical, evaluative and integration skills from Corporate Reporting and Strategic Business Management
- The limited class time available with a tutor, even when supplemented by extensive home study, is insufficient for success in the Case Study. Students must bring work experience into their preparation and development programme. In particular
  - the advisory, judgemental and communication skills acquired through practical work experience undertaken during the training agreement.

*(This is the reason why many candidates call the CS Exam “the practical”)*

# The Study Manual: Chapter 1

## Introduction to the Case Study Learning Materials

### Overview:

- **Chapter 1: The purpose of the Study Manual**
  - The context of the Case Study (CS) Exam
  - Initial review of the skills required
- **Chapter 2: Financial statement analysis**
  - Using a case entitled Lighter Tread (LT)
- **Chapter 3: Financial data analysis**
  - Using a case entitled Palate
- **Chapter 4: Commercial analysis (& business trust & ethical awareness)**
  - Using a case entitled Rolling Stores (RS)
- **Chapter 5: The four professional skills (& the executive summary)**
  - Including further examples drawn from the cases already included in the SM

### Key message:

- No change to format of AI
- No change to assessment parameters and basic structure of Requirements
- Candidates must ensure that *they practise using CBE software & know its functionality*

# **The Study Manual: Chapter 1 (continued)**

## **Introduction to the Case Study Learning Materials**

### **The Case Study Learning Materials comprise:**

- The Case Study Manual (five chapters)
- Two Walkthroughs based on:
  - Bux (the July 2016 exam)
  - True Taste (TT) (the November 2016 exam)

# **The Study Manual: Chapter 1 (continued)**

## **Introduction to the Case Study Learning Materials**

### **1. About the Case Study**

### **2. The Case Study structure**

- All of the marks in the Case Study are awarded for professional skills, allocated broadly as follows:

Assimilating and using information	22.5%
Structuring problems and solutions	22.5%
Applying judgement	22.5%
Drawing conclusions and making recommendations	15.0%
Demonstrating integrative and multidisciplinary skills	17.5%

### **3. Case Study assessment and the Marking Key:**



# The Study Manual: Chapter 1 (continued)

## Introduction to the Case Study Learning Materials

### The Marking Key

	A&UI	SP&S	AJ	C&R	Total
R1 Financial statement analysis (Ch2)	3	3	3	2	11
R2 Financial data analysis (Ch3)	3	3	3	2	11
R3 Commercial analysis (Ch4)	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>11</u>
	<u>9</u>	<u>9</u>	<u>9</u>	<u>6</u>	33
Executive summary					6
Overall assessment criteria					<u>1</u>
TOTAL					<u>40</u>

# **The Study Manual: Chapter 1 (continued)**

## **Introduction to the Case Study Learning Materials**

### **Main messages:**

- **Read the Examiners' reports on previous exams**
- **Review previous illustrative scripts to see what is expected / achievable**
- **Practise precise report writing – by way of short examples**
- **Remember quality rather than quantity (very important with CBE)**
- **Check the exam skills tips**
- **Go through the critical success factors**

# **The Study Manual: Chapter 1 (continued)**

## **Introduction to the Case Study Learning Materials**

**Main messages – concluding points:**

**Success at the Case Study lies in (and will lie in):**

- knowing the AI scenario thoroughly;
- integrating the CS Exam information with AI knowledge (A&UI);
- analysing and answering ALL the problems posed and performing relevant calculations (SP&S);
- making judgements from that analysis (AJ); and
- presenting conclusions and recommendations (C&R) that follow from the work conducted – all presented in a coherent report for the client.

# **The Study Manual: Chapter 2**

## **Financial statement analysis**

### **Main changes:**

- Identifying the professional skill that each learning activity affects
- Wider coverage of comparative answering techniques
- Changes to the key relating to Requirement 1

# **The Study Manual: Chapter 2 (continued)**

## **Financial statement analysis**

### **Main messages from the LMs:**

- Steps in financial statement analysis
- Initial analysis
- Detailed analysis of each component of the financial statements
- Using financial statement analysis
- Success in financial statement analysis
- How to improve exam technique in financial statement analysis

# **The Study Manual: Chapter 3**

## **Financial data analysis**

### **Main changes:**

- Providing more skills tips for each learning activity
- Examples of answering different elements of R2 in comparative answering techniques (including ES)
- Changes to the key relating to R2

# **The Study Manual: Chapter 3**

## **Financial data analysis**

### **Main messages:**

- Financial fluency and defining financial data analysis
- Using appropriate analytical tools
- Skills tips (examples)
- Accuracy – from practising beforehand and care in the CS Exam
- Evaluation of assumptions
- Professional scepticism and provenance
- Using and flexing numbers (practice and techniques)
- Interpretation of results
- How to be successful in the CS Exam in financial data analysis

# **The Study Manual: Chapter 4**

## **Commercial analysis**

### **Main changes:**

- Removal of one case example
- Updating Rolling Stores
- Examples of answering different elements of the exam
- Changes to the key relating to R3 – especially A&UI
- Continued emphasis of numerical analysis in R3



# The Study Manual: Chapter 4

## Commercial analysis

### Main messages:

- Components and definition of commercial analysis
- Business trust and ethical awareness
- Edited skills tips
- Financial analysis and the use of numbers
- Ethics and business trust in professional life
- Ethics and business trust in the Case Study – not a separate topic
- Ethics and business trust is approximately 10% of the CS assessment - this means 4 full boxes (or the equivalent number of single bullets)
- Examples of ethical issues under the four categories
- How to improve your exam technique in the commercial analysis requirement

# **The Study Manual: Chapter 5**

## **Professional skills, the Executive Summary and exam techniques**

### **Main changes:**

- The main requirements – 11 assessment boxes = 33 in total
- The Executive Summary (ES) – 6 boxes **plus** Overall Assessment Criteria (1 box) = 7 boxes
- The inclusion of an appendix box in each Requirement under A&UI
- Business context and own research explained
- Professional skills examples from the case studies in Chapters 2, 3, 4
- Changes to the key relating to ES and Overall Assessment Criteria (OAC)

# **The Study Manual: Chapter 5**

## **Professional skills, the Executive Summary and exam techniques**

### **Main messages:**

- Components, definition and examples of A&UI in R1, R2 and R3
- Components, definition and examples of SP&S in R1, R2 and R3
- Components, definition and examples of AJ in R1, R2 and R3
- Components, definition and examples of C&R in R1, R2 and R3
- The Executive Summary and Overall Assessment Criteria (OAC)
- What should a good Executive Summary contain
- Tips for effective Executive Summaries
- Integrating and assembling a Case Study binder
- Exam technique

# Walkthrough: Bux Limited – Part A

## Main elements:

- Introduction and structure
- Overview of the CS Exam and the Walkthrough process
- (Assimilating and) Using the Advance Information (AI)
- Interactive questions
- Financial analysis of Bux management accounts and other information
- Strategic analysis of Bux information
- Applying judgement to the AI information
- Ethics in Bux AI
- Tackling the Bux Case Study Exam
- Answers to Interactive questions

# Walkthrough: Bux Limited – Part B

## Debrief

Summary of the exam

1. Using the information provided in the exam
2. Note on the Marking Key
3. Illustrative script
4. Commentary on illustrative script
5. How to improve your answer
6. Suggested financial appendices (with commentary)
7. Focus on the Executive Summary
8. Illustrations of comparative answering techniques
9. Bux Marking Key

# Walkthrough: True Taste Limited – Part A

## Main elements:

- Introduction and structure
- Overview of the CS Exam and the Walkthrough process
- (Assimilating and) Using the Advance Information (AI)
- Interactive questions for True Taste (TT)
- Financial analysis of TT's management accounts and other information
- Strategic analysis of TT's information
- Applying judgement to the AI information
- Ethics in TT AI
- Tackling the TT Case Study Exam
- Answers to Interactive questions

# Walkthrough: True Taste Limited – Part B

## Debrief

Summary of the exam

1. Using the information provided in the exam
2. Note on the Marking Key
3. Illustrative script
4. Commentary on illustrative script
5. How to improve your answer
6. Suggested financial appendices (with commentary)
7. Focus on the Executive Summary
8. Illustrations of comparative answering techniques
9. True Taste Marking Key

# **Case Study Learning Materials 2019**

- **Conclusion / summary**
  - **Study Manual**
  - **Bux Walkthrough**
  - **True Taste (TT) Walkthrough**

**All written/prepared for the transition to CBE**



# **Case Study Exam: CBE Project 2019**

- **Position as at February 2019**
- **CBE for 2019 CS Exams**
- **CBE Marking**
  
- **Q & A**

# Position as at February 2019

- Live pilot sitting has occurred (CS November 2018 )
- Initial lessons :
  - A similar percentage passed compared with paper scripts
  - There were the usual causes of failure in CBE scripts
    - Poor timing
    - Poor knowledge
    - Poor assimilation
  - Additional factors identified in CBE scripts
    - Poor use of the technology
    - Poor clarity (unclear sentences / structure / sp...?)

# **CBE for 2019 CS Exams**

- **July 2019 CS will follow similar structure to past**
- **July 2019 CS Exam being prepared using CBE criteria – A5; large font size; continuous document**
- **July 2019 AI will be issued using the usual timeframe**
- **AI will be in similar format to all previous AIs**
- **Candidate preparation should follow usual AI process**
- **Candidates should also ensure they are CBE ready**
- **No further pilots are envisaged**

# **CBE for 2019 CS Exams**

**Candidates' preparation and practice for CBE – should include:**

- understanding the functionality of the software;
- how best to lay out the appendices;
- how to scroll between exhibits and between the answers to each requirement;
- how to navigate effectively between the printed AI and the on-screen exam;
- how to present the answers overall.

**Using the ICAEW website and reviewing its webinars on this process are essential.**

# CBE for 2019 CS Exams

## Success at the Case Study will lie in:

- knowing the AI scenario thoroughly;
- integrating the CS Exam information with AI knowledge (A&UI);
- analysing and answering ALL the problems posed and performing relevant calculations (SP&S);
- making judgements from that analysis (AJ); and
- presenting conclusions and recommendations (C&R) that follow from the work conducted – all presented in a coherent report for the client.



# CASE STUDY CBE MARKING

8 FEBRUARY 2019

# CS CBE Exam remains a Competency Based Assessment

- Grades awarded relate to demonstration of professional skills
- Four competencies (plus NA – Not Attempted)
  - CC – Clearly Competent
  - SC – Sufficiently Competent
  - IC – Insufficiently Competent
  - ID – Insufficiently Demonstrated
- Marked by reference to carefully chosen bullet points
- CC and SC are passing grades
- All scripts will be a mixture of grades (CC....NA)

# *The Marking Key*

A total of 40 boxes:

- Executive Summary (6 boxes)
- Overall Assessment Criteria (OAC) (1 box)
- 3 Requirements – equal weight – 11 boxes each (33 boxes)

The same skills grid will apply (A&UI; SP&S; AJ; C&R)



# *Executive Summary*

- Stand-alone document (no cross-marking)
- KEY numbers, issues and results
- It is a conclusion (doesn't need conclusions in each section)
- Approximately 1 typed page in length (?!)

# *Skills Columns - AUI*

- Assimilating and Using Information (AUI)
  - Demonstrate knowledge of case material
- By:
  - Using relevant information from AI and EP
  - A relevant appendix
  - Relevant numerical content derived
  - Wider business issues
    - Relevant background (not too much)
    - Issues relevant to the business current situation
    - Own research is now rewarded where relevant

# *Skills Columns - SPS*

- Structuring Problems and Solutions (SPS)
  - Present relevant analysis of problems and/or proposed solutions
- By:
  - Doing relevant calculations (as an appendix)
  - Performing quality analysis – compare figures, suggest explanations, consider assumptions, consider ethical/business trust facts
  - Covering all the question parts

# *Skills Columns - AJ*

- Applying Judgement (AJ)
  - Apply judgement on own analysis or assumptions provided
- By:
  - Evaluating key points – *say why they are key*
  - Implications of the analysis – *this means...*
  - Limitations and linkages between issues
  - Possible bias / scepticism (*or say why no bias*)
  - Ethical/Business Trust points – evaluation, impact and recommendations

# *Skills Columns – C&R*

- Conclusions and Recommendations (C&R)
  - Draw conclusions and make practical and commercial recommendations
- By:
  - Drawing conclusions (under a heading)
    - Think about the question; make sure you cover all of it
  - Considering all options, give reasons for picking one
    - Generally no right or wrong answer
  - Making case-specific, action-point recommendations on a number of different areas

# *Skills Assessment Boxes*

- Skills assessed using bullet points:
  - Examples of evidence of a skill
  - Range of difficulty
  - Different numbers of bullets in boxes

‘Standard’ boxes usually have 5 bullets (3 out of 5 = passing grade)

‘Easier’ boxes may have only 4 bullets (3 out of 4 = passing grade)

‘Trickier’ boxes may have 6 bullets (3 out of 6 = passing grade)

# *Bullets -> Grade*

- Bullets -> competency assessment
  - 0 bullets = NA
  - 1 bullet = ID
  - 2 bullets = IC
  - 3 bullets = SC
  - 4 or more bullets = CC
- Points must be clear and in context
- Don't need exact wording – we reward the understanding
- Lots of marking 'rules' to ensure objectivity

# Changes to the key ready for e-marking

- Appendix boxes for R1/R2/R3 included within R1/R2/R3 A&UI skill column
- Structure & Language skills boxes combined into an 'Overall Assessment Criteria' (OAC) box – some existing bullets will not be relevant for CBE (eg legibility, page numbering); consequently students were not penalised in Nov 2018 for not demonstrating these skills
- OAC box moved to a space on the ES page just for ease of use



# *CASE STUDY*

## *FACTORS INCLUDED IN DETERMINING THE CASE STUDY RESULT*



# Determining the Necessary Quality to Pass

Reflective process comprising:

- Position in the marked ranking
- Coverage of the requirements
- Quality of the answer to each requirement

In order to determine an overall sufficiency of competence

# Conversion of Grades to Raw Marks

CC	6
SC	4
IC	2
ID	1
NA	0

40 boxes

240 raw marks

# What is Sufficiently Competent?

It is **not**...

...simply more than 120 raw marks or 50% competent grades (SC or CC)  
overall

# What is Sufficiently Competent?

Indicated by:

- More than 50% of the achievable competent grades in each of the requirements [including Executive Summary]
- More ICs than IDs
- Few NAs overall or in any section



# *QUESTIONS*

# **Case Study Exam: CBE Project 2019**

## **Questions submitted – relating to CBE**

### **1 Passing standard per Requirement**

- How does the passing standard change if there will now be 11 Boxes (7 Boxes for the ES) in future?
- Previously we were advised that the candidate would need to pass at least 5 Boxes with more IC than ID grades – how is this changed if there are 11 Boxes for each Requirement and 7 Boxes for the ES?

### **2 Copying and pasting**

- This question is subject to information provided on how the computer-based assessment software works as we have not yet seen this or had a chance to play around with it. Therefore the question may well be answered in the general discussion of the software.
- What actions, if any, are being considered to deal with candidates copying and pasting material e.g. copying sentences from their main answer and then pasting these in as Conclusions? Will this be penalised?

# **Case Study Exam: CBE Project 2019**

4. Will the marking for the executive summary be stricter now that candidates are able to copy/paste areas of their reports into the executive summary?
5. How do the examiners suggest candidates go about planning their answers? Many wrote on the exam paper in the margin/made notes which cannot be done now as excessively (even though there is still the option of the 'review note' on the CBE version).
6. Can candidates still use bullets/list format for the recommendations area of the requirements?
7. When will the sample papers (on a CBE format) be released?



# Key messages for CBE candidates

- Key to success is in developing good case study skills in the candidates
- Thorough preparation based on the AI
- Candidates must answer the requirements set in the CS Exam
- Candidates must WATCH THE TIME
- Sitting/Marking mock exams can identify some candidate weaknesses BUT it is not easy to replicate the actual exam sitting/marking process
- Candidates fail on the day for the reasons discussed
- Set clear objectives for the purpose of mock exams:
  - look at writing style and readability on software;
  - check timings (make the candidates specify when they started writing each section);
  - check content

# Case Study LMs team

- Sam Binks – Senior Case Study Examiner
- Harvey Freeman – Senior Case Study Examiner
- Catherine Blease – Case Study Team Leader

