



ICAEW / CISI Diploma in Corporate Finance

June 2015

CHIEF EXAMINER'S REPORT CORPORATE FINANCE STRATEGY & ADVICE

INTRODUCTION

24 candidates sat the exam and the overall standard of passing candidates was good with a pass rate of 92%. 10 candidates were awarded a merit and 4 candidates were awarded a distinction.

The better candidates showed a marked improvement in giving advice, which is a core skill at this level. The overall standard of candidates in this cohort was excellent. In this exam no marks were specifically allocated for the report, however future examinations will include report marks.

Turning to the individual questions.

1. Well answered with an average score of 16.5 marks out of 20 marks.
A financial comparing and contrasting Asos with SuperGroup.
12 for analysis; 8 conclusions
2. Well answered with an average score of 9.3 marks out of 12 marks. However some candidates did not provide adequate discussion regarding the multiples.
6 for calculations 6 for rational and conclusion.
3. Reasonably well answered with an average score of 18.6 marks out of 25 marks.
However it should be noted that it is important to give an explanation and conclusion for each part of the SWOT analysis.
A SWOT analysis, with conclusions in each section, of the potential takeover of SuperGroup.
5 for each section; 5 for conclusions.

4. Reasonable answers with an average of 5 marks out of 8 marks.
Assuming that Asos offers a 30% bid premium to the shareholders of SuperGroup. A suggestion of the terms of a share exchange.

4 for calculations; 4 for rational.

5. Reasonably well answered with an average of 8.7 marks out of 15 marks.
However some candidates did not refer to the shareholders of both companies.
A supported recommendation of the form of consideration, cash raised by way of a rights issue or a share exchange, that is likely to be most acceptable to both the Asos and SuperGroup shareholders.

5 for each form; 5 for overall conclusion.

6. Well answered with an average of 6.5 marks out of 10 marks.
A description of the documentation that will be required to complete the transaction under each financing alternative.

5 for each.

7. Well answered with an average mark of 7.1 out of 10 marks.
The Code and Listing Rule implications of the transaction.

5 for the Code; 5 for Listing Rules.