



PROFESSIONAL 2 – STRATEGIC PERFORMANCE MANAGEMENT

EDUCATORS BRIEFING 2019-2020

Performance in the 2019 examinations

- There was a pass rate of approximately 65% at the April 2019 sitting and approximately 75% at the August 2019 sitting. These are good performance rates for a paper at this level, although the April 2019 pass rate is noticeably lower than the excellent pass rate of more than 80% which was achieved in the April 2018 sitting.
- As indicated in the Examiners' Reports on the two 2019 papers, candidates are to be commended for availing of opportunities to get some relatively easy marks where available. Examples include Q1 on the April 2019 paper (most candidates had read and understood the exam-focussed article and were able to apply the knowledge which it gave them) and Q1(a) on the August 2019 paper where candidates generally performed well in obtaining the marks available for determining some quite basic variances.
- However in many cases there was unfortunately evidence of candidates having fundamental weaknesses in their knowledge and therefore not being able to perform at the level required for an exam at P2 level. Some specific examples:

(1)	Inadequate knowledge of how to calculate divisional performance measures, and (even more so) inability to appraise proposals to modify or extend performance measurement systems (e.g., April Q2, August Q2).
(2)	Inadequate knowledge of planning and operational variances even though such variances feature prominently on the syllabus (e.g., April Q3). Many candidates' answers to the same question also exhibited an inability to <u>critically evaluate</u> managers' assertions.
(3)	Inability to propose and justify illustrative examples where necessary – e.g., of business processes (August Q5) or factors other than cost that might a product's competitive position (August Q4).

Candidates need to bear in mind the standard which they are expected to achieve in an examination at this level. It is a final professional-level exam, open-book in type, and with an emphasis on declarative rather than directional questions. Candidates cannot satisfy the examiners and achieve a pass by a naive and superficial standard of answering.

1. **Syllabus objectives**

- The aims and learning outcomes are stated in the syllabus document. The types of question set and the marking scheme applied will reflect these. The main reason for candidates failing in recent years has been because they fell short of the level of professional competence expected in an open-book exam at this (final professional) level. This point was illustrated in more detail in the previous section of this Briefing.
- Excellent technical knowledge alone is expected of candidates at P2 level, but it is not sufficient in itself to pass this paper. In accordance with the learning outcomes, candidates need to have the ability to select, integrate and apply strategic performance management techniques to the analysis of unfamiliar business situations as described in a case study and related questions. Sections 4 and 5 below provide guidance as to how these aims and learning outcomes will be reflected in the design of the paper and the types of questions which will be asked in 2020.

2. **Syllabus changes**

No syllabus changes (except that references to textbooks have been updated to the most recent editions where applicable).

3. **Format of the 2020 examination papers**

- The format in 2020 will be similar to that in 2019 and in previous years. The examination paper will (as in the past) be a “loosely-stitched” case study. Specifically, the paper will begin with a case description of an organisation (including relevant details appropriate to the case and to the questions, e.g., nature of the business activity, strategies, and control systems). This introductory information will be kept reasonably short (typically less than 500 words) Candidates will be subsequently provided (in the introductions to each of the individual questions) with additional information as appropriate. All of the individual questions on the paper will be about this same organisation, in accordance with the integrative nature of the case.
- This fairly structured approach is easier for candidates to manage under examination conditions than a more traditional case study exam paper where candidates are presented with all of the information at once before any questions are set out.
- After the case description at the start of the paper, the remainder of the paper will consist of a number of individual questions (all compulsory). As in all recent sittings, the 2020 papers will consist of 5 questions, with each question carrying approximately 10 to 25 marks.
- Most questions will be divided into two (or at most three) parts. The purpose of this division into parts is to provide candidates with a structure which is intended to be helpful in answering the question (as a practical matter, candidates will find it easiest to answer the parts within a question in the order in which the parts are asked). To ensure that the content and structure of the paper are in accordance with the learning outcomes and the standard expected at a final professional level examination, the questions will be “declarative” rather than “directional” in style.
- As in previous years, the questions set will provide candidates with opportunities to draw on their knowledge of all five syllabus areas, although questions will typically not spell out the precise form of analysis required in answer to each question.
- Although candidates will need to be able to identify (and justify) the forms of quantitative analysis (if any) which form part of an appropriate answer to a question, questions will not be set which can be answered wholly by quantitative analysis.

4. Education focus for 2020

- As indicated above, it is necessary (but not sufficient) for candidates to have excellent technical knowledge and business writing skills. In order to pass, candidates need to be able to apply their excellent technical knowledge and business writing skills in a previously unseen setting. This is what is required by the syllabus: specifically, to “select, integrate and apply SPM techniques” and “critically evaluate existing and proposed SPM structures as described in a particular case study”.
- Because of the declarative nature of the questions, and consequent variety of acceptable answer formats, it is impossible to specify a precise division of marks as between theory and practice over the paper as a whole. As a general indication, the mix will be about 50:50, although this may vary between candidates in the sense that (for example) there might be two equally good answers to an unstructured question which nevertheless vary somewhat in the extent of the quantitative elements of the answers. However, candidates must not only have excellent technical (quantitative) knowledge but must also be able to perform the necessary qualitative analysis (including justification and critical evaluation).
- Candidates should know that the open book nature of the exam does not make the exam situation easier, and may even be a disadvantage if candidates do not “manage” the situation properly. For example, candidates who spend a lot of exam time consulting textbooks to find technical knowledge which they should have “in their heads” are not only wasting valuable time but also are unlikely to be sufficiently advanced professionally to be able to apply the knowledge at the level expected in an exam at this level.
- Another feature of open book exams is that candidates should not waste time in the exam by writing answers consisting of material which has been (or could have been) transcribed from a textbook or other published source. Questions are deliberately designed so that they cannot be answered in this way; candidates would receive no marks for transcription-type answers because they are irrelevant to the question asked. (For an example of this, see the comment on Q5 in the Examiner’s Report on the August 2019 paper).