

SINGAPORE CA QUALIFICATION (FOUNDATION) EXAMINER'S REPORT

MODULE: Accounting for Decision Making (ADF)

EXAMINATION DATE: 11 December 2020

Section 1

General comments

For this examination, the difficulty level for questions set in this sitting was similar to the previous sitting. It comprises a good combination of both quantitative and qualitative question. Candidates who were well prepared had scored well, as they were able to demonstrate and apply their understanding of topics under examination with their well-structured answers.

The overall performance of the paper was satisfactory. As with any other past sittings, Candidates, who were ill prepared and/or did not manage their time well, scored below the passing grades. Candidates are advised to prepare themselves by covering all examinable topics within the module syllabus in order to obtain a passing grade. It seemed that many were not familiar with some of the topics tested in the examination, in particular, the Balance Scorecard.

Most of the Candidates did not manage to complete the paper, with majority leaving question 4 incomplete. This suggested that time management was one of the hurdles for Candidates who attempted the paper.

Section 2

Analysis of individual questions

Question 1

In general, this question tested Candidates on their conceptual understanding of Business Performance in relevant aspects highlighted in each part of this Question. This was the worst performing question of the paper, with majority of the Candidates failing to receive a passing grade, due to their lack of comprehension and application of the topic. Most provided textbook answers, which was surprising to see as the Examiner had provided guidance on the scope in the Study Tips to guide Candidates. Only a handful of Candidates managed to score as they had applied their practical knowledge or working experience when answering this question.

Q1(a) – Customer Perspective

Q1(b) – Learning & Growth Perspective

Q1(c) – Internal Business Processes Perspective

Q1(d) – Financial Perspective

Q1(e) – Mission Statement

Among these 5 question parts, Candidates mostly struggled with **part (e)** of the Question as they were just reiterating the given Mission statement instead of

elaborating and provide an analysis of whether the Company had succeeded in achieving their mission whether in part or in full. Very few Candidates grasped this key element to pass this part of Question 1.

Question 2

Question 2 was the best performing question among these 4 questions for this sitting. Candidates were able to score well so long as they had shown relevant workings and demonstrated their understanding in price and various costing methodologies.

For **part (a) and (b)**, Candidates who understood the concept of Current Overhead allocation and Activity-based Costing methods generally scored very well in these 2 parts of the Question.

Candidates did reasonably for **part (c)** of the question. A handful of Candidates were unable to answer this part of the question and left it blank. Many Candidates failed to impress for this part of Question 2, due to lack of understanding on Target Cost and Cost Gap. Candidates that brought forth their answers in **part (a) and (b)** and had demonstrated their understanding of this topic scored the full 3 marks.

Many Candidates failed **part (d)** of the question. Candidates, who cannot apply and determine Cost Gap in their answer in **part (c)**, failed this part of the question too, though it is a 2-marks question.

Question 3

This question tested Candidates' ability to understand the organic food industry, where the Examiner had gone in length to provide some telling information for Candidates attempting this question. However, many Candidates simply repeated the information provided in the question as their answer. These Candidates scored zero marks as they had failed to demonstrate their understanding on the subject matter discussed within this question. This reflected that they were ill prepared for this topic. Those who genuinely understood the information provided and demonstrated their thoughts scored well for this question.

Part (a) required Candidates to analyse the organic food industry using PESTEL. Candidates scored well for this question part as they managed to discuss the issues or concerns faced by NBTF.

Generally, Candidates who scored well in **part (a)** were able to get a pass for **part (b)**, by citing what they had discussed in **part (a)** with a recommendation and justifying one measure to assist in monitoring the ENVIRONMENT. The key to scoring well for this question is to discuss what NBTF could do using PESTEL to monitor the environment. Candidates who understood this requirement scored well while those who failed to quote measures still managed to secure a pass from their recommendation.

Part (c) required Candidates to assess NBTF's budgeting approach and discuss the advantages and disadvantages of this approach and recommend one change based on their discussion.

Strangely this part of the question was poorly attempted. Those who were able to quote advantages and disadvantages scored a pass for **part (c)**. There were several Candidates who did not manage to attempt this question part either due to poor time management or not knowing how to answer this question.

Question 4

Most of the Candidates did not manage to score or failed to attempt this question. It may be due to insufficient preparation for the exam or simply due to poor time management while attempting the questions.

For **part (a)**, Candidates were expected to calculate the incremental cost of processing timber into either paper or fencing. Most Candidates managed to secure a pass for this question part. There was a handful of Candidates who had shown workings for their calculations and even though their final answer was incorrect, their workings earned them valuable marks to secure a pass for **part (a)**. Hence, Candidates are strongly advised to show their workings for computational questions in order for markers to understand their flow of thoughts and award marks appropriately.

Part (b) of the question did not explicitly inform Candidates to link their answer in **part (a)** to work on this question. This question part was the worst performing part for question 4. Only a handful of Candidates who made use of their answers in **part (a)** to attempt **part (b)** manage to score well.

For **part (c)**, Candidates who understood what was required for this question generally scored a passing grade. About half of the Candidates were able to demonstrate their understanding to work out the number of trees per year (breakeven quantity) as hinted by the question itself. However, the other half of the Candidates were unable to provide what the question wanted and simply worked on the purchase price against leasing cost but did not calculate the number of trees per year.

Most of the Candidates failed to attempt or were unable to answer **part (d)** of the question as they did not demonstrate that they understood what was required to get marks.