

Management Level Case Study – Interim Examiner’s report

November 2024 – February 2025 exam session

The purpose of this document is to give some feedback on the November 2024 Management Case Study (MCS). It also aims to provide some useful advice for candidates who were unsuccessful in that exam and are preparing to re-sit in February 2025. While the November 2024 case study will be based on the same pre-seen, the unseen material introduced in November will not be relevant in February 2025.

The full set of post-exam materials (applying to both November 2024 and February 2025), including the full examiner’s report, along with model answers, variants and marking schemes, will be available 2 weeks after the results of the February 2025 exam are released.

General comments

This case study was based on Shinyglas, a company that manufactures double-glazed windows and doors for both domestic and commercial customers. It is the largest fabricator of double-glazed windows and doors in its home country.

Each variant consisted of four equally-weighted tasks. Each of those tasks was subdivided into two requirements, with a recommendation as to the percentage of the available time that should be spent on each requirement.

Candidates were expected to pay close attention to the pre-seen, which offers an overview of the double-glazing industry and describes Shinyglas’ position within that industry. The pre-seen explains the company’s business model.

The following comments were noted by the marking team, in relation to the core activities:

<p>Evaluate opportunities to add value</p>	<p>Senior managers often seek support from their subordinates when they are faced with decisions about strategic opportunities or possibilities. The MCS often puts candidates in a position where they are required to provide such support. Tasks may seek recommendations as to the choice of model or advice on the use of a particular model.</p> <p>Level 3 answers reflected the manner in which Shinyglas does business, both in terms of relationships with the other businesses that are involved in the manufacture of components and the installation of doors and windows, and in terms of the ultimate customers who have these products installed in their properties.</p> <p>Candidates scoring at level 3 generally took care to have read the requirements carefully and provided relevant responses. The resulting advice to senior management was credible and implied an understanding of the way in which Shinyglas does business.</p> <p>Level 1 answers often provided descriptive answers that tended to read like extracts from study materials or from the pre-seen. This was rather frustrating because senior managers would be unlikely to be satisfied by a response to an assignment that consisted of summaries of content that was readily available to them. Candidates were generally expected to provide a justification of their recommendations.</p>
<p>Implement senior management decisions</p>	<p>Senior managers often require assistance with the implementation of decisions that have already been made. Tasks may be based on a description of changes that will be made within the business, with a request for recommendations in relation to specific aspects of the implementation of those changes. Implementation may require an understanding of both the technical models that can be used to structure advice and the impact that changes will have on the business.</p> <p>Level 3 answers demonstrated an appreciation of the impact that senior management intentions will have on Shinyglas' business. Candidates at this level generally focussed on the justification for their recommendations rather than simply describing the recommendations themselves. In practice, senior managers are unlikely to have any confidence in recommendations that are not accompanied by clear and logical justifications.</p> <p>Level 1 answers often summarised content from study materials, offering senior managers responses that would have some value if they were applied to the specific implementation issues with which they required explanations. It is unlikely that senior managers would accept such responses in practice.</p>

<p>Manage performance and costs to aid value creation</p>	<p>Managers must be capable of recommending suitable performance measures that ensure that staff at all levels and their supervisors can be held accountable for their actions. Managers must also be able to identify the potential impact that performance measures might have on motivation and behaviour. Badly designed systems may cause dysfunctional behaviour that could harm the business.</p> <p>Level 3 answers recognised the impact that feedback might have on motivation and took care to align the interests of the staff being evaluated with Shinyglas’ interests. This approach enabled senior management to be confident in the use of the performance measures.</p> <p>Level 1 answers paid much less attention to the needs of the business and the possibility that badly designed systems could encourage staff to behave in a manner that is not in the entity’s best interests. Senior management would be unlikely to have any confidence in the results generated by such systems.</p>
<p>Measure performance</p>	<p>Financial managers are often called upon to advise on the preparation and interpretation of financial statements for publication. It may be necessary to advise senior management on the application of financial reporting standards and also on the manner in which the reporting of a transaction could influence the opinions of external stakeholders.</p> <p>Level 3 answers generally identified the accounting issues arising from the unseen materials and offered a suitable response to those issues that was consistent with the relevant accounting regulations. Candidates at this level were able to identify the problem and to cite the relevant accounting standard. Answers then resolved the problem with an explanation of why that resolution was consistent with the regulation that had been identified.</p> <p>Level 1 answers often did little more than summarise the requirements of one or more potentially relevant accounting standards. Such answers often suggested a detailed knowledge of the standard but offered little application of the standard’s requirements to the task in hand. It is rarely sufficient to quote, say, a formal definition set out by an accounting standard if little or no attempt is made to relate that definition to the issues raised in the scenario. Candidates still appear to be weak in terms of their understanding of the F Pillar.</p>

<p>Manage internal and external stakeholders</p>	<p>Managers must be able to maintain good relationships with both internal and external stakeholders. They may also be required to advise senior managers on the implications of events and proposed changes to the business for ongoing relationships. This can be complicated because it is not always possible to guarantee a satisfactory outcome for all interested parties. It may not always be possible to benefit one party without adversely affecting another.</p> <p>Level 3 answers recognised the impact that decisions and/or recommendations made by managers might have on Shinyglas' stakeholders. Answers at this level demonstrated an understanding of the need to allow for divergences between the interests between competing stakeholders in encouraging behaviour that was beneficial to the company as a whole.</p> <p>Level 1 answers often overlooked the motivational issues arising from the scenario. Answers at this level tended to offer descriptive answers that either summarised study materials or repeated factual information from the pre-seen or unseen content from the case study.</p>
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Specific comments to candidates

The following hints and tips should be considered if you plan to sit the Management Case Study in February 2025:

Before the exam:

1. It is important to revise and master the study materials. Mastery implies that you can explain the meaning of technical terms and definitions so that they can be understood by an intelligent colleague who does not have an accountancy background.
2. Review the pre-seen carefully. Shinyglas fabricates windows and doors, which pose specific challenges in relation to conducting a profitable business. It is rarely necessary to quote the pre-seen in answering tasks, but marks are often related to the relevance of answers to the scenario.
3. Review the free resources available in the [CGMA Study Hub](#). These include a [re-sitters guide](#), [performance descriptors](#) and many more support articles.
4. Take time to prepare detailed written answers to past cases. The case study tests the ability to interpret and respond to practical situations. That requires skills that can be developed and improved by practising, even if practice is based on past cases set in different industries.

During the exam:

1. Think about the requirements. Take a few minutes at the start of each task to digest the information that is provided with the requirements. Think about the issue raised in the task and think about how that should be managed by Shinyglas.
2. Use your time wisely. Each task is broken down into two or three elements and each element has a percentage to reflect its weighting. If you have 45 minutes for a task and sub-task (a) is worth 60%, then you should spend $45 \times 60\% = 27$ minutes on it.
3. Try not to waste time. Don't, for example, write out a formal definition just because you can, unless you believe that it will help you write a better developed and more relevant answer. Also, don't summarise a real-world business case that you read about when preparing, again, unless you believe that it is relevant to the requirement and supports your answer.
4. Do, please, write in paragraphs. But don't waste time (and make your answer difficult to read) by over-elaborate use of highlighting with bold or underlined text.

Good luck!