

Operational Level Case Study – Interim Examiner’s report

November 2024 – February 2025 exam session

The purpose of this document is to give feedback on the November 2024 Operational Case Study (OCS). It also aims to provide useful advice for candidates preparing to re-sit this exam in February 2025. If you are planning to re-sit in February 2025, remember that the exam will be based on the same pre-seen as November 2024. You do not need to know or use any information from the variants of the exam that were taken in November 2024.

General comments

The Operational Case Study (OCS) for November 2025 was based on BackOffice, a company that designs, manufactures and markets backpacks that serve as an alternative to the traditional briefcase. BackOffice backpacks are built to a high specification and aimed at the growing market of hybrid workers. BackOffice is a high-value brand, and this is reflected in the relatively high-selling prices compared to other backpack brands. Currently, BackOffice sells its products through the BackOffice website and selected retail stores. The company is based in Hland, a country in Western Europe which has the H\$ as its currency.

BackOffice was founded in 2015 by Arlo James, a chief designer for a hiking backpack company. He realised that there was a gap in the business market for a backpack that incorporated style, good interior functionality and comfort while being worn. When Arlo founded BackOffice, he decided that his company would have an in-house manufacturing facility in Hland, and this has proved to be a significant part of the success of the BackOffice brand.

BackOffice has experienced sales growth every year since launch. Since the founding of the company, Arlo James has recruited a highly competent team of senior managers. In the year to 30 June 2024, the company’s revenue was H\$16.1 million, gross profit was H\$7.9 million and profit before tax was H\$2.1 million. During this year, the company sold just over 100,000 backpacks.

The pre-seen, made available in advance, contained information about the background of the company, company ethos, the market for backpacks, extracts from the company website about product information, key management teams, the design and manufacturing process, other information about sales channels, suppliers, key raw materials and distribution, financial statements and budget information.

Three exam variants based on BackOffice were made available for November. Each variant gave additional information about BackOffice and had four 45-minute sections to be completed. Each section was split into two or more sub-tasks, with each sub-task relating to a specific core activity. All core activities were covered in each variant in line with the OCS blueprint.

The quality of answers in November varied significantly. Disappointedly, there were a significant number of very low scoring level 1 answers where candidates appeared to be wholly unprepared for the examination, despite attempting to answer all tasks. There were more of these types of answers (where candidates typically scored less than 20% of the marks available) than has been the case in recent sessions. At the other extreme, there were some excellent high scoring level 3 answers. Here, candidates demonstrated good technical understanding and gave answers that were clear, detailed and made reference to the information given in the case and the pre-seen.

As is usual for OCS, the majority of candidates scored in the mid-range. Continuing common features of these types of candidate answers (which are the same every time) were as follows:

- Gaps in technical knowledge and understanding in certain P1 and F1 areas, leading to technically inaccurate answers or no answer at all.
- Lack of application to the scenario, leading to generic, text-book type answers.
- Not using the information provided to illustrate explanations, leading to a lack of depth and application in answers.
- Lack of clarity and depth in explanations; a focus on identification or statement rather than explanation or justification.

In November 2024, like previous sessions, the presentation of answers was generally good. Most candidates used headings and sub-headings and wrote short, to-the-point paragraphs and sentences which were easy to read. Time management did not appear to be an issue for most candidates. Where elements of tasks were not answered, this seemed to be because of a lack of knowledge rather than a timing issue.

In relation to the core activities, the following comments are relevant:

A	Prepare costing information for different purposes to meet the needs of managers	This core activity represents between 12% and 18% of the marks available in the OCS blueprint. Most candidates demonstrated basic technical understanding of different approaches to costing and issues associated with costing digital products, although explanations often lacked depth and clarity. The demonstration of business awareness of costing issues in the context of the business was generally good this session, especially in relation to cost transformation. The application of professional scepticism and judgement in the context of the business was reasonable.
B	Prepare budget information and assess its use for planning and control purposes	This core activity represents between 17% and 25% of the marks available in the OCS blueprint. For this session, most candidates demonstrated reasonable knowledge and technical understanding of different forecasting and budgeting approaches, although some candidates did muddle up different approaches. Many candidates failed to sufficiently demonstrate business awareness and professional judgement when considering the benefits or difficulties associated with different approaches. This is because of a lack of depth and application to the scenario in answers. For the most part, there was a reasonable attempt to communicate clearly.
C	Analyse performance using financial and non-financial information	This core activity represents between 17% to 25% of the marks available in the OCS blueprint. Most candidates demonstrated technical understanding of the meaning of the more basic variances, but not always the more complex variances (such as mix and quantity, planning and operational). However, not all candidates were able to articulate this understanding in a clear and detailed way. The reasons given though were usually valid and therefore application of professional scepticism and business awareness when interpreting variances was generally good. Many candidates demonstrated reasonable understanding of the business model and its environment in respect of the selection and interpretation of KPIs, although, quite often, the explanation of how to measure the KPI and why it was suitable lacked depth and specificity.

D	Apply relevant financial reporting standards and corporate governance, ethical and tax principles	This core activity represents between 12% and 18% of the marks available in the OCS blueprint. Many candidates demonstrated basic technical understanding of most IFRS, although not all. Technical understanding of taxation issues was less well demonstrated. There was a reasonable level of professional scepticism and judgement in applying IFRS to the scenario, although answers often lacked depth due to a lack of justification of why a treatment was appropriate. Clarity was also an issue at times.
E	Prepare information to support short-term decision making	This core activity represents between 17% and 25% of the marks available in the OCS blueprint. Most candidates demonstrated a reasonable technical understanding of most short-term decision-making techniques, although this did depend on the technique being considered. However, quite often, the application of business awareness and professional judgement were lacking due to a lack of depth and reference to the specific scenario in answers. Communication wasn't always clear.
F	Prepare information to manage working capital	This core activity represents between 7% and 13% of the marks available in the OCS blueprint. Most candidates seemed to be well prepared for this core activity and produced answers that demonstrated reasonable business awareness and application of professional judgement as well as clear communication.

Specific comments to candidates

The reasons why candidates failed in November 2024 are exactly the same as in previous sessions and hence these points are repeated from previous reports. If you failed in November 2024, this is likely to be because you did not:

- Demonstrate technical knowledge and understanding of technical P1 and F1 topics. The OCS blueprint is heavily focused on the application of technical knowledge. This has been said many times, but you cannot hope to apply technical knowledge that you do not have.
- Apply the technical knowledge that you did have to the case study scenario. Lack of application limits the score for many traits to level 1 or low level 2.
- Answer the task given rather than the task that you wish you had been given and had pre-prepared an answer for.
- Explain rather than describe or simply identify points. Typically, at OCS, we ask for explanation, which means that we are looking for depth in answers rather than a list of points.
- Utilise the new information about the business given to you in the exam to provide an applied context to your answers. Generic text-book style answers score few if any marks and pre-prepared answers based only on the pre-seen will also limit your mark.
- Provide an answer to all elements of a task or sub-task. We do not give compensatory marks if one part of your answer is excellent, but another part is missing. If there is 'no rewardable material' for a task or sub-task, you will score nil.

If you failed in November 2024, there are things that you can do to help improve your chance of future success. Make sure that you:

1. Revise technical topics from P1 and F1.
2. Review the free resources available in the [CGMA Study Hub](#). These include a [re-sitters guide](#), [performance descriptors](#) and many more support articles.
3. Practise and keep practising past OCS questions. Doing this will help you to:
 - Understand how to apply the technical knowledge gained from your revision in point 1 above.
 - Appreciate how the pre-seen and new information in the exam itself can be utilised to give application in answers.
 - Get used to how the examiner phrases tasks and from reviewing suggested solutions, what they are looking for.
 - Get used to managing your time (assuming that you test yourself under exam conditions) and working under time pressure.

4. In the exam itself:

- Allocate your time to ensure that all elements of a task are answered and read the task carefully: don't just assume that because it's on a topic that has come up before that the task will be the same. Think to yourself as you are writing... 'is this really answering the task?'
- Plan answers rather than launching straight in. This is best done in the body of the answer box by using headings and short points, which can then be expanded to give a fully explained answer. You also have the functionality to use tables in your answers.
- Make sure that you are explaining rather than just stating or identifying a list of points. Quite often, adding 'because', or 'this is due to' or 'resulting in' will help you to develop a point which takes it from identification to explanation.
- Use the information given to you in the exam: it's there for a reason! Don't be afraid to use your common sense and think around an issue if needed.
- Don't give up.

Good luck!