Comments for Candidate Performance on Finance Elective (December 2017)

There was no issue with the identification of the AOs, since all of them were clearly indicated in the cases. In fact, step by step instruction was given by the users in both cases and both cases laid out the requirements very clearly in bullet points.

Most candidates clearly understood the scenarios presented. Most candidates analyzed and discussed the requirements within both cases, using the appropriate quantitative tools where necessary, including ratio analyses in case #1 and NPV analyses of the current lease and new location in case #2. Better candidates provided very practical analyses and integrated the case information provided. Some candidates provided superficial depth in some of the AOs, including a financial assessment of non-significant items in case #1 or restatement of case facts as qualitative discussions in case #2.

Most candidates attempted all of the requirements but there were a fair number of candidates that did not seem to allocate their time appropriately to address all requirements, which was demonstrated in the last AOs of the second case. In other cases, some candidates took too much time on items that weren't required. For example, some candidates prepared a 10-year present value calculation for case #2 financing options when a simple weighted average calculation of the options would have sufficed. Overall though, the candidates performed well.

Comments on Skills

Identification: Generally, well done by most candidates given the requirements were clearly laid out.

Analysis: Most candidates that attempted the AOs did it with sufficient analysis. Very few had wrong analysis. Some however provided superficial responses by restating case facts, especially with the qualitative discussion in case #2. Finally, many candidates had difficulty showing sufficient depth in their qualitative analyses, because they did not use the case facts appropriately. Rather than using the case fact as a starting point to a qualitative analysis, where they would identify the consequences of the fact to the client, they merely repeated the case fact, without adding anything to it, other than the fact that it was a "pro" or a "con".

Integration: This was adequately performed for the most part as most candidates integrated their calculations to other analyses and their overall conclusions.

Conclusion: Most candidates presented reasonable, convincing, supported conclusions and recommendations.

Communication: Nearly all candidates adequately communicated within their response. Language used was appropriate and quantitative information was well presented.