

# Professional Examinations

**Management Level**

**May 2020**

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**CIMA Case Study**

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**FAMILIARISATION AND PRACTICE  
WORKBOOK**

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# Chapter 1

## INTRODUCTION

### 1 INTRODUCTION TO CASE STUDY EXAMS

The Case Study Exam is an attempt to simulate workplace problem solving, and allows examiners to move one step closer to the assessment of competence than is possible with objective test questions.

The Case Study is assessed by way of a three hour computer based examination. You cannot take the examination until you have successfully completed all the Objective Test Examinations for the relevant level. The exam comprises a series of requirements which aim to integrate and apply the technical knowledge tested in the Objective Test Examinations.

The exam is based on:

- pre-seen material issued in advance of the exam day, supplemented by
- additional, previously unseen material given to you in the exam room.

There will be several requirements, comprising:

- (a) Triggers - information and updates regarding situations in which the company finds itself
- (b) Tasks - work you will need to carry out based on the trigger

### 2 CORE ACTIVITIES

The CIMA Management case study blueprint is based on five 'core activities', supported by arrange of 'assessment outcomes' expressed in terms of 'I Can' statements that speak directly to the skills and competencies that drive the employability of successful learners. More detail on the skills and the competency framework can be found in the Official CIMA Case Study Textbook.

However, rather than focussing on the distinctions between the different core activities, the most important skill on the day of the exam is to be able to answer the tasks set with sufficient application to the company concerned. The main reason candidates fail is that their answers are too generic with little application. Broadly speaking you will need to ensure you have properly prepared the pre-seen information in advance of the exam and also be comfortable with how to react to the unseen information provided in the exam.

We have split the preparation into these two broad areas - familiarisation with the pre-seen and practice for the unseen and have included exercises and tasks for each of the five core activities at this level. Depending on your chosen method of study, you may also have the opportunity to practice the integration of all technical areas when you attempt mock exams.

### **3 HOW TO USE THIS WORKBOOK**

It is essential that, before you begin the exercises and tasks provided here, you have worked through the Official CIMA Case Study Textbook and read the relevant pre-seen information at least twice. You can then work through the Familiarisation Exercises and Exam-style Tasks for each particular core activity. This will help you to identify any last minute knowledge gaps as you prepare.

It is strongly recommended that when working through the workbook, you plan and write your own answer prior to reviewing the suggested solutions. This is an important part of the learning process.

## Chapter 2

# FAMILIARISATION

### 1. QUIZ

Attempt this quiz after you have read the pre-seen at least twice. Try not to refer to the pre-seen material when answering the questions unless you really can't remember. However it is better to look for the answers in the pre-seen if necessary rather than turning straight to the quiz solutions.

<i>Question</i>	<i>Response</i>
What does Alpaca do?	
Where is Alpaca based?	
What are the ranges and standards of hotels?	
On what basis do hotels vary their prices?	
What are the roles in hotels that require skilled staff?	
What are the categories that review sites use to provide a rating of hotels?	
What is the MTB? What does it do?	
What do the Maylandian Health and Safety Administration have to check on their visits?	
How has the Alpaca Group grown?	
When was Alpaca listed on the Maylandian Stock Exchange?	
How is the Alpaca Group structured?	
What is the Alpaca Group mission statement?	
What are the values of the Alpaca Group?	

What are the divisional directors responsible for?	
What booking options are available to potential guests?	
What is APAS?	
How does the Alpaca Group define value?	
How does the Alpaca Group deliver value?	
What are management recharges?	

## 2. FINANCIAL ANALYSIS

Calculate the following ratios for Alpaca and answer the questions below:

<i>Ratio</i>	<i>2019</i>	<i>2018</i>
Growth in revenue		
Growth in gross profit		
Growth in operating profit		
Operating profit margin		
Current ratio		
Quick ratio		
Inventory days		
Receivables days		
Payables days		
Length of operating cycle		
Financial gearing using book values of $D/(D+E)$		

<i>Question</i>	<i>Response</i>
Did Alpaca perform well in 2019?	
What has been the effect on Alpaca's profits?	
Why did revenue decrease in 2019?	
Comment on the increase in costs between 2018 and 2019	
Had the working capital position worsened or improved? Explain.	
Comment on Alpaca's financial gearing.	
Comment on Alpaca's cash flows from financing activities.	

### 3. SWOT ANALYSIS

Summarise what you know about the case by identifying the strengths, weaknesses, opportunities and threats of (or facing) Alpaca.

<i>Strengths</i>	<i>Weaknesses</i>
<i>Opportunities</i>	<i>Threats</i>