# May and August 2026

# Strategic Case Study

# CGMA Professional Qualification

# Full post exam support materials

Below are the full post-exam supporting materials for the Strategic Case Study Exam. Use the links on this page to jump to the documents required.

## Pre-seen material

May and August 2026 Strategic Case Study pre-seen.

## Examiner's report

The May and August 2026 examiner's report.

## Exam variants

- Variant 1
- Variant 2
- Variant 3
- Variant 4
- Variant 5
- Variant 6

## Suggested solutions

- Suggested solutions for variant 1
- Suggested solutions for variant 2
- Suggested solutions for variant 3
- Suggested solutions for variant 4
- Suggested solutions for variant 5
- Suggested solutions for variant 6

## Marking Guidance

- Marking guidance for variant 1
- Marking guidance for variant 2
- Marking guidance for variant 3
- Marking guidance for variant 4
- Marking guidance for variant 5
- Marking guidance for variant 6

If you need any further information please contact us.

# Strategic Case Study Examination

May – August 2026

Pre-seen material

## Context Statement

We are aware that there has been, and remains, a significant amount of change globally. To assist with clarity and fairness, we do not expect students to factor these changes in when responding to, or preparing for, case studies. This pre-seen, and its associated exams (while aiming to reflect real life), are set in a context where current and ongoing global issues have not had an impact.

Remember, marks in the exam will be awarded for valid arguments that are relevant to the question asked. Answers that make relevant references to current affairs will, of course, be marked on their merits.


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## Introduction

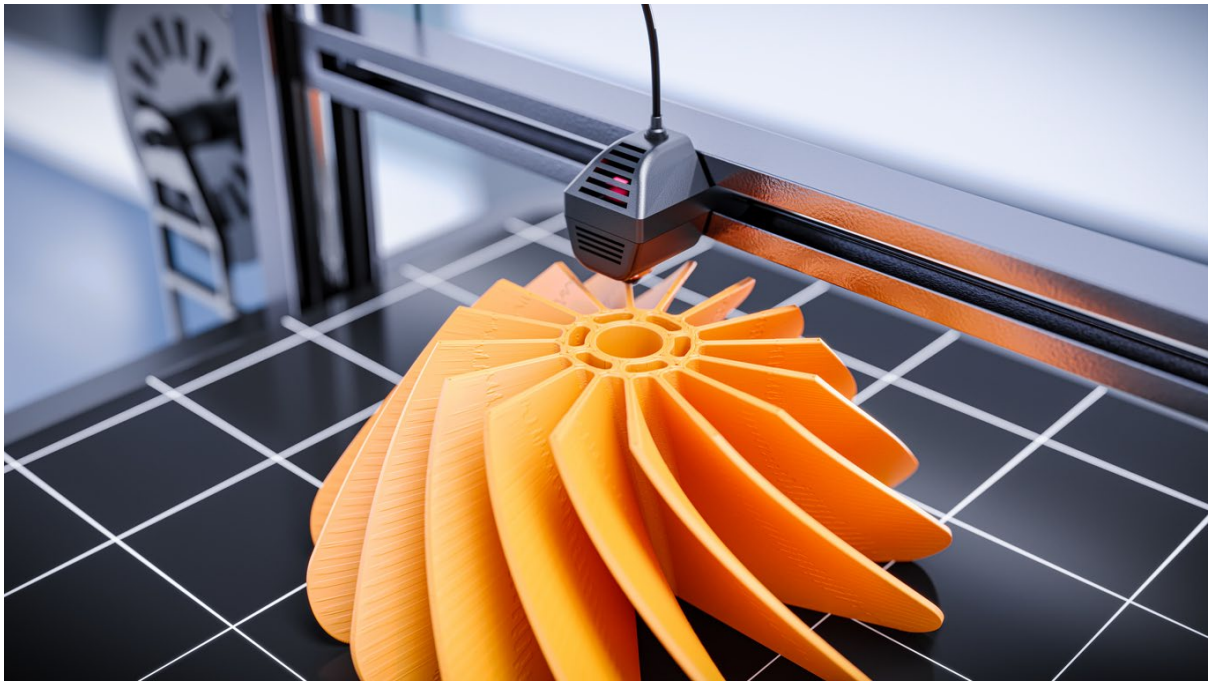
Kwirtmak is a quoted company that builds commercial 3D printers to customers' specification. These printers can be tailored to a variety of tasks.

You are a senior manager in Kwirtmak's finance function. You report directly to the Board and advise on special projects and strategic matters.

Kwirtmak's head office is located in Ennland, a developed country that has an active and well-regulated stock exchange. Ennland's currency is the E$. Ennland requires companies to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

## 3D printing

3D printing, or additive manufacturing, is a process whereby items are constructed by building up layers of material. These items are designed in computer-aided design (CAD) software. Different types of printer can manufacture items in plastic, metal or organic matter. 3D printers vary in size, sophistication and cost, starting with small units that are suitable for hobbyists to large units that can create parts for commercial applications. The commercial applications of this technology include prototyping new products and the manufacture of bespoke items.



3D printing starts with a three-dimensional digital model of an object. The printer creates a physical object by building up a succession of thin layers of material. This technology offers significant benefits in terms of the speed and accuracy of construction. For example, an engineer can edit a digital model of an object using CAD software before sending the result to a 3D printer for fabrication. 3D printers can create accurate physical versions of these CAD designs.

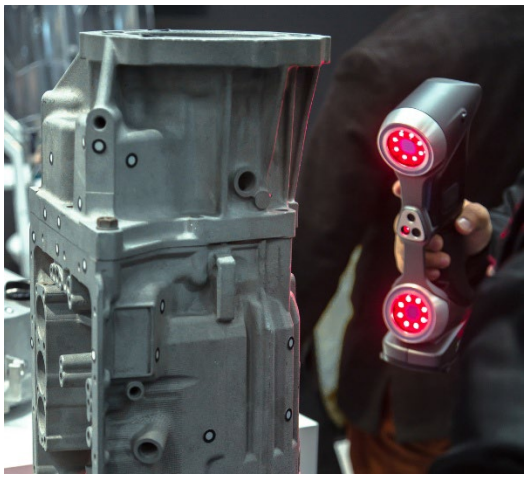

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3D printing can be used to design and create prototypes of components that can be used to assist in design work. It is also possible to manufacture complex parts that would be difficult to fabricate using traditional manufacturing methods.

Traditional manufacturing methods such as machining and moulding are generally more expensive than 3D printing when it comes to making individual units for prototypes. They are often less accurate in terms of creating a physical object from a plan. 3D printing of parts can, however, be much more expensive than mass producing those same parts using traditional methods.

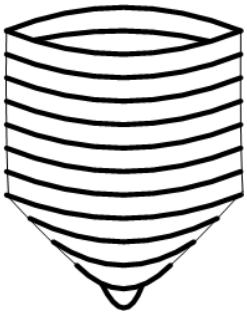
## 3D printing technology

In commercial settings, 3D printing applications usually start with the construction or edit of a model created in 3D CAD software. The design stage can often be speeded up by scanning an object that requires modification using a high-definition three-dimensional scanner. The scanner creates a file that can be opened and edited in 3D CAD software. That makes it possible to create 3D CAD files more quickly than by drawing the component in its entirety, starting with an empty file.



Once the digital model has been drafted, the software splits the resulting object into a large number of very thin layers. Each layer is intended to be added to the object with a single pass of the printer. Each layer is too thin to be seen with the naked eye.

The final stage is to transfer the processed file to the 3D printer, which creates a solid object that corresponds exactly with the digital model. There are several types of 3D printer. Each printer uses a specific material. 3D printing can create objects from:



- plastic
- nylon
- ceramic
- metal
- resin

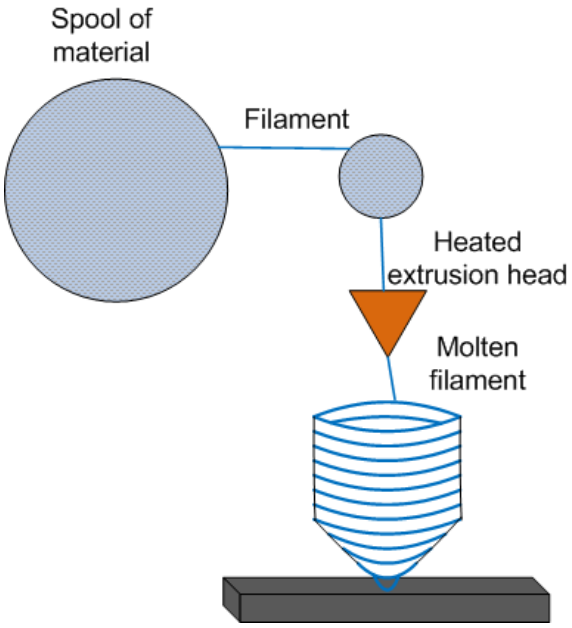
3D printers can create complex shapes that require no further assembly. Conventional production techniques might require the same items to be made in multiple parts that have to be fitted together to arrive at the final shape.


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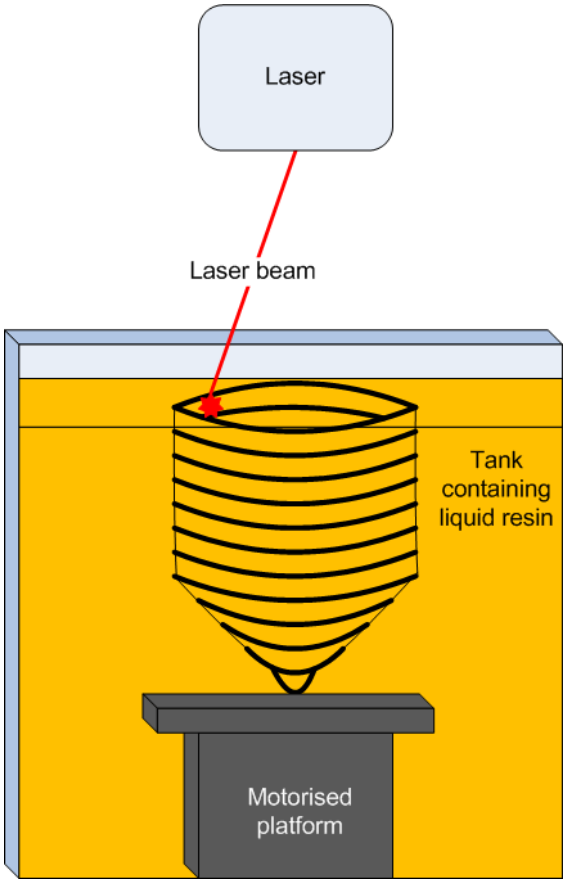
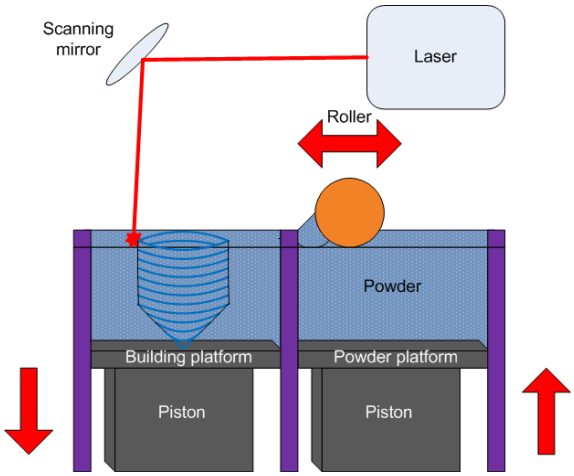


3D printing offers convenience and can save a significant amount of time in the design and development of new products. It is, however, necessary to apply some engineering skill in the creation of objects using 3D printing. For example, a complex shape might require a temporary support to be incorporated into the design. Once the object has been printed, it will have sufficient strength on all sides to allow for the support to be removed.

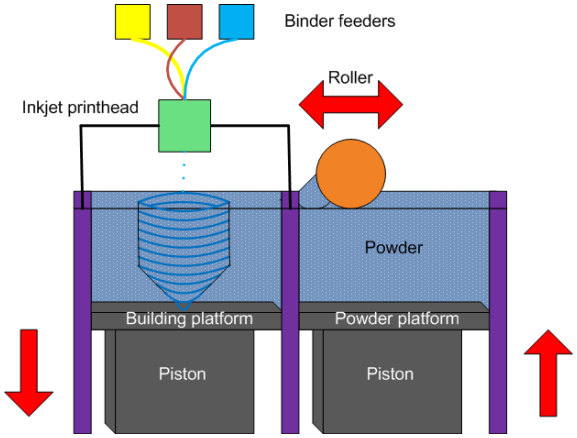
## Types of printer

| | |
|---|---|
| **Extrusion**<br> | Extrusion is one of the most recognisable 3D printing technologies. The physical object is constructed from plastic filament, which is loaded into the printer in spools.<br><br>The filament is fed into an extrusion head which melts the plastic and deposits it precisely, building up the object in layers. Each layer hardens and bonds to the preceding layer underneath.<br><br>Extrusion might require support structures to be added temporarily to ensure that any overhanging sections of the object are supported while they cool and harden.<br><br>Some extrusion printers have multiple extrusion heads, which makes it possible to incorporate different materials into an object. One application for this is the use of water-soluble material to construct any temporary support structures. These can then be removed by washing the object and dissolving the supports, which are no longer required.<br><br>These printers can be relatively small and can produce reasonable quality objects. |


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| | |
|---|---|
| **Stereolithography (SL)**<br> | Stereolithography (SL) uses photopolymer resins. These cure very quickly when exposed to laser light.<br><br>The printer consists of a laser that is mounted above a tank of liquid resin. The tank contains a motorised platform that can be raised to the surface of the resin and then lowered in very small and precise increments.<br><br>An object is created by placing the platform just below the surface of the resin, leaving a very thin layer of liquid. The laser beam is directed over specific parts of the platform, curing the layer of liquid in selected areas and so creating the first layer.<br><br>The platform is then lowered by one increment, leaving the first layer just below the surface. The laser creates the second layer by curing the resin in the appropriate places.<br><br>As with extrusion, SL may require temporary structures or supports for overhanging sections of the object.<br><br>Objects created with SL may require further curing by exposing them to bright light in order to fully harden the resin.<br><br>SL is one of the most accurate 3D printing processes.<br><br>There is a similar 3D printing process called digital light processing (DLP) which uses a more conventional light source that is directed using a lens and a mirror instead of a laser. |
| **Laser melting**<br> | Laser melting uses powdered materials in a machine that has two chambers: a build chamber and a powder chamber. Both chambers have platforms that can be raised or lowered by means of pistons.<br><br>The build chamber starts at the top of its tank. The piston in the powder chamber rises slightly and a roller pushes a thin layer of powder over the building platform. The powder is spread evenly and compacted by the weight of the roller.<br><br>The laser is directed over the appropriate parts of the building platform, causing the powder to melt and fuse to create a hard layer. |


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| | |
|---|---|
| | Subsequent layers are created by the piston under the powder platform, raising the platform slightly so that a further layer of powder can be spread across the building platform. The laser hardens subsequent layers, which bond with previous layers to create a solid object. This is repeated until all layers have been added.<br><br>Once the object has been completed, the material in the building tank is allowed to cool and then the object is removed from the unused powder. Any remaining powder can then be brushed away.<br><br>Laser melting does not require overhanging sections to be supported because the unused powder packs any empty spaces and so provides all necessary support.<br><br>Laser melting can create objects from plastic and metal materials.<br><br>Objects made using laser melting tend to be stronger than those from SL or DLP, although they are not always as accurate and their surface finish may be rougher. |
| **Multijet**<br><br><br> | There are two forms of multijet 3D printing: binder jetting and material jetting.<br><br>Binder jetting has some superficial similarities to laser melting. Both rely on powder being spread evenly and compressed on a building platform. Binder jetting fuses the relevant areas of powder by spraying them with precise quantities of a liquid binder. The binder reacts with the powder, creating a layer of the object.<br><br>The printhead that distributes the binder is very similar to the printhead on a conventional inkjet printer. It can be moved very precisely in two dimensions to reach any part of the platform.<br><br>Binders come in different colours and can be mixed, enabling the construction of multicoloured objects.<br><br>As with laser melting printers, the powder provides all necessary support during construction and so there is no need to add temporary supports to designs.<br><br>Binder jetting printers can use a wide range of materials, including ceramics.<br><br>Objects produced from this technology are not as strong as those from laser melting. |


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| | |
|---|---|
| | Inkjet technology is also used in material jetting printers. A printhead is used to deposit a layer of liquid or molten material, usually a photopolymer, onto a construction platform. Each layer is cured using ultraviolet light before the next pass from the printhead.<br><br>Material jetting allows for the simultaneous use of different materials. The resulting objects tend to be very accurate with smooth finishes. |

## Materials

| | |
|---|---|
| **Plastics** | Plastics are often used in powdered form in laser melting printers or in filament form for extrusion. Nylon can be used in both forms, creating strong and flexible objects. Nylon is usually supplied in white, but it can be coloured, either before or after printing.<br><br>Powdered nylon can also be combined with powdered aluminium to create alumide, which makes it possible to create objects that are both stiff and heat resistant.<br><br>ABS is a very strong plastic that can be used in filament form in extrusion printers. It is available in a wide range of colours.<br><br>PLA is a biodegradable plastic that can be supplied in resin form for use in SL and DLP printers and in filament form for extrusion. |
| **Metals** | Several metals can be used in powder form for 3D printing:<br>• aluminium<br>• cobalt<br>• stainless steel<br>• gold<br>• silver<br>• titanium<br><br>The metals differ in terms of their characteristics and applications. |
| **Ceramics** | Ceramic materials can be obtained in different formats, making it possible to use them in extrusion, binder jetting, laser melting, material jetting and DLP.<br><br>Ceramic objects must be fired, in the same manner as any other ceramic item, after printing. |

## Potential benefits of 3D printing

3D printing is often associated with the rapid development of prototypes, thereby speeding up research and development projects. For example, a 3D printer can create a solid object directly from a 3D CAD file. The alternative might require a time consuming and expensive process, such as sculpting the part from a solid block of material or making a mould and using that to cast the prototype.


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3D printing offers other benefits. For example, objects can be customised to fit customers' particular requirements.

3D printing can be flexible. For example, laser melting and binder jetting can make multiple objects simultaneously in the same development tank. These items can either be identical or tailored to a particular requirement.

3D printing can produce complex shapes that would be impossible to produce using conventional production techniques. That capability can also eliminate time-consuming assembly from manufacturing processes. The alternative to 3D printing a single object might be the manufacture of two or more pieces that would have to be built together to create the final item.

3D printing can result in sustainable production methods. Products and components can be printed locally, reducing the need for transportation. Also, conventional manufacturing techniques often result in materials waste that can be avoided using 3D printing.

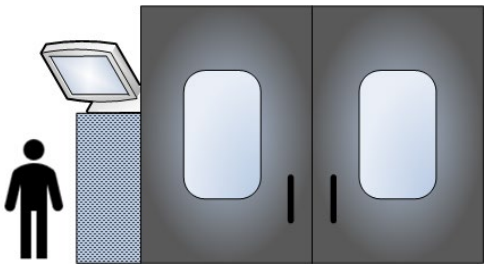
## About Kwirtmak

Kwirtmak

Kwirtmak was founded in 1992. Initially, it manufactured small 3D extrusion printers that were popular with small commercial design workshops.

Kwirtmak was quoted on the Ennland stock exchange in 2004.

The company's product range expanded over time. It continues to build 3D extrusion printers, but also makes stereolithography (SL), digital light processing (DLP), laser melting and material jetting printers. Kwirtmak specialises in printers for commercial customers, including machines that can create relatively large objects from plastic, metal or ceramics. The company's largest extrusion printer can create objects with a build volume of up to 1 metre cubed.



Kwirtmak supplies materials for use in its printers. Customers are not required to purchase those materials, but many choose to do so because they are known to be compatible and so will produce the best possible output from Kwirtmak's machines.

Kwirtmak's customers are from a wide range of industrial backgrounds, including:


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- **Aerospace** – the creation of spare parts at major airports around the world in order to speed up repairs to aircraft that would otherwise have to wait for parts to be flown in if not held locally in inventory.
- **Automotive** – the manufacture of switches and dashboards for low-volume luxury cars.
- **Consumer electronics** – the rapid creation of prototypes for the development of new or improved products.



- **Jewellery** – the manufacture of individual pieces in complicated shapes that would be difficult, if not impossible, to create using traditional jewellery techniques. These might be bespoke items that can be designed using 3D CAD in accordance with the consumer's specific wishes and sized to be a perfect fit, where necessary.

Kwirtmak supplies a wide range of customers, covering many different industries. The company has a strong reputation for the provision of technical advice, ensuring that customers' requirements are met in terms of several key criteria:

- **Cost** – 3D printers are generally quite expensive to purchase and to operate. They come at a range of different price points, depending on the technology of the printer and the features that are required.
- **Speed** – the time taken to create a particular item will depend on the printer's technology and the power of components such as lasers or heaters.
- **Properties of output** – customers should probably focus on the properties of the objects that they wish to create before considering factors such as cost and speed:
    - **Accuracy** – printers vary in terms of the precision that they can deliver. The need for precision depends on the application. An engine part might have to be accurate to within a tiny fraction of a millimetre, while an ornament could be perfectly acceptable even if it is created to a much wider tolerance.
    - **Finish** – different combinations of printer and material will produce different finishes on the item being created. Some parts might have to be created in a precise colour scheme and/or have a smooth surface. Appearance might not be an issue for parts that will not be visible to a consumer.
    - **Strength** – different combinations of printer and material will yield different strengths of object. Some objects will not require a great deal of strength while others will have to be quite robust. Objects will also vary in terms of their ability to retain their strength when exposed to moisture or to high or low temperatures.
    - **Size** – printers vary in terms of the size of their production platforms, which has implications for the size of the objects that they can create. It may be necessary to build some objects in multiple parts if the entire object could not be built as a single part on the platform.

Kwirtmak's range of products enables it to meet most customer requirements in terms of the speed and property of output criteria. The prices of Kwirtmak's printers and materials tend to reflect the high quality of its products. More advanced and capable printers tend to have higher selling prices in recognition of the superior components and better build quality that they provide.


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Kwirtmak largest factory is in Ennland, alongside its head office in the outskirts of Capital City. The company has three other factories, each in a different country. The company sells to a global market.

# Extracts from Kwirtmak's annual report

## Kwirtmak's mission, vision and values

Our mission

Kwirtmak's mission is to transform its customers through innovation in design and production.

Our vision

Kwirtmak's vision is to be the leading provider of additive manufacturing solutions across industries, to be achieved in a sustainable manner.

Our values

- Kwirtmak creates wealth and success.
- Kwirtmak's innovations are driven by customer need.
- Kwirtmak overdelivers on promises to its customers.
- Kwirtmak trusts its staff.
- Kwirtmak staff are team players.

## Kwirtmak's Board of Directors

*Madda Fedele, Non-Executive Chair*

Madda had a successful career as an administrator in Ennland's Government. She was involved in drafting several key pieces of business-related legislation during her time in office. She reached a very senior position before she retired from government service.

Madda serves on the senate of Capital City University. Her responsibilities include membership of the University Audit Committee.

Madda joined Kwirtmak's Board as Non-Executive Chair in 2024.


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*Dr David Wallace, Chief Executive Officer (CEO)*

David is a mechanical engineer. He has BEng and MEng degrees from the University of Central City. He completed a PhD at Capital City University, writing a thesis on the precision control of mechanical devices.

David joined Kwirtmak as a member of the Research and Development Department after graduating with his PhD. He has held several positions with the company, including Chief Technical Officer.

David was promoted to CEO in 2023.

*Kristina Eder, Operations Director*

Kristina has a degree in chemical engineering from the University of Newtown. She joined a company in the oil industry after graduation, where she held a number of positions in production.

Kristina joined Kwirtmak in 2016 as Head of Quality. She was promoted to the Board as Operations Director in 2022.

*Dr Said Abouchdak, Chief Technical Officer (CTO)*

Said has BEng and PhD degrees from the University of Central City. Said's PhD thesis was on the behaviour of molten plastics under extrusion.

Said joined Kwirtmak after completing his PhD. He has worked in both Production and Research and Development.

Said was promoted to Kwirtmak's Board as CTO in 2024.

*Agata Paluch, Chief Financial Officer (CFO)*

Agata is a professionally qualified accountant. She worked for an electronics manufacturer while studying for her professional exams. After qualifying, she moved to a larger electronics manufacturer and then to Kwirtmak, joining as Chief Accountant.

Agata was promoted to Kwirtmak's Board as CFO in 2025.

*Ouyang Qi, Marketing Director*

Ouyang joined the marketing department of a major manufacturing company straight after school. He has since had a long and successful career in business-to-business sales.

Ouyang joined Kwirtmak's Marketing Department as a senior manager in 2019. He was promoted to Marketing Director in 2022.


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*Dr Ada Rothenberg, Senior Independent Director*

Ada's PhD was in economics. Most of her career was spent in banking, ultimately serving as the Chief Economist of the Ennland Mutual Bank.

Since retiring from banking, Ada has served on three government advisory committees.

She joined Kwirtmak as Senior Independent Director in 2024.

*Professor Ahmet Usta, Independent Non-Executive Director*

Ahmet had an academic career. He taught and conducted research at the University of Newtown, before moving to the University of Central City's School of Business as head of their Master of Business Administration (MBA) degree.

Ahmet continues to serve as a part-time visiting professor at the University.

He joined Kwirtmak's Board as an Independent Non-Executive Director in 2025.

*Nina Abersek, Independent Non-Executive Director*

Nina founded a successful company that specialised in the commercial application of innovative new technologies. Her company was quoted on the Ennland stock exchange.

Nina has held several non-executive directorships since selling her shares and stepping back from the company that she founded. She now serves as a non-executive director on Kwirtmak's Board. She is also the Chair of Ennland Opera.


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## Board responsibilities

| David Wallace<br>Chief Executive Officer | | | |
|---|---|---|---|
| Kristina Eder<br>Operations Director | Said Abouchdak<br>Chief Technical Officer | Agata Paluch<br>Chief Financial Officer | Ouyang Qi<br>Marketing Director |
| • Factory operations<br>• CAD software<br>• Human resource management<br>• Health and safety<br>• Sustainability | • Research<br>• Product development | • Financial reporting<br>• Management accounting<br>• Treasury | • Marketing<br>• Customer service<br>• Public relations |

| | Board committees | | | |
|---|---|---|---|---|
| | Audit | Risk and CSR | Remuneration | Nomination |
| Madda Fedele<br>Non-Executive Chair | ♦ | ♦ | | ♦ |
| Ada Rothenberg<br>Senior Independent Director | ♦ | | ♦ | ♦ |
| Ahmet Usta<br>Independent Non-Executive Director | ♦ | ♦ | ♦ | |
| Nina Abersek<br>Independent Non-Executive Director | | ♦ | ♦ | ♦ |

Kwirtmak's Chief Internal Auditor reports to the convener of the Audit Committee.


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## Kwirtmak's principal risks

| Risk impact | Risk mitigation |
|---|---|
| Kwirtmak trades globally, which can leave the Group exposed to the effects of economic trends. For example, foreign governments might increase interest rates in response to unacceptable rates of inflation. Such changes can have adverse effects on Kwirtmak's suppliers and customers. | Kwirtmak's Treasury Department closely monitors all such trends and recommends strategies for the mitigation of associated risks. The Group also pays close attention to minimising operating costs. |
| Sales demand can be volatile, creating variability in reported earnings. This volatility can also make it difficult to predict demand, which can lead to overinvestment in inventory if forecast sales do not materialise. | Kwirtmak's Marketing Department maintains a good relationship with major customers. Kwirtmak's sales staff ensure that customers are kept informed of potentially useful new products or updates to existing products. |
| Kwirtmak's printers are complicated in terms of the hardware and software used in their construction. Any flaws or faults can create significant quality issues. Errors in 3D printed components can often result in mission-critical failures. Customers can also be badly inconvenienced when 3D printers have to be taken offline because of breakdowns or software problems. | Kwirtmak's Factory Operations Department pays the closest possible attention to the quality of hardware manufactured in the Group's factories.<br><br>The Product Software Department pays close attention to updating and upgrading the software that operates products and provides their interface to leading 3D CAD packages. |
| Kwirtmak relies heavily on third-party suppliers to provide parts and materials for manufacturing its printers and 3D printing materials. These suppliers also provide many of the spare parts used to replace worn or damaged items. Any lack of availability can disrupt Kwirtmak's operations and those of its customers. Defective parts and materials can also affect Kwirtmak's product quality. | Kwirtmak works closely with third-party suppliers to ensure that they are aware of all of the quality standards that are required in the supply of parts and materials.<br><br>Quality management systems should minimise the risk of defective output being despatched to customers. |
| The nature of Kwirtmak's products can create significant exposure to the risk of penalties for non-compliance with health and safety and environmental legislation. | Kwirtmak's Legal Department pays close attention to all applicable laws and regulations that could impose a duty in relation to products and their operation. |


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## Extract from Kwirtmak's financial statements

**Kwirtmak Group**
**Consolidated statement of profit or loss**
**For the year ended 31 March**

| | 2026 E$ million | 2025 E$ million |
|---|---|---|
| Revenue | 2,320.0 | 2,856.6 |
| Cost of goods sold | (828.0) | (913.4) |
| Gross profit | 1,492.0 | 1,943.2 |
| Selling and administration | (47.4) | (47.1) |
| Research | (270.0) | (285.0) |
| Operating profit | 1,174.6 | 1,611.1 |
| Finance costs | (108.0) | (108.0) |
| | 1,066.6 | 1,503.1 |
| Tax expense | (256.0) | (360.7) |
| Profit for the year | 810.6 | 1,142.4 |

**Kwirtmak Group**
**Consolidated statement of changes in equity**
**For the year ended 31 March 2026**

| | Share capital E$ million | Currency reserve E$ million | Retained earnings E$ million | Total E$ million |
|---|---|---|---|---|
| Opening balance | 300.0 | 267.4 | 1,204.8 | 1,772.2 |
| Currency loss | | (44.3) | | (44.3) |
| Profit for year | | | 810.6 | 810.6 |
| Dividend | | | (432.2) | (432.2) |
| Closing balance | 300.0 | 223.1 | 1,583.2 | 2,106.3 |


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**Kwirtmak Group**
**Consolidated statement of financial position**
**As at 31 March**

| | 2026<br>E$ million | 2025<br>E$ million |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 2,551.3 | 2,321.7 |
| Goodwill | 118.6 | 118.6 |
| Other intangible assets | 497.2 | 422.6 |
| | 3,167.1 | 2,862.9 |
| **Current assets** | | |
| Inventory | 287.5 | 312.4 |
| Trade receivables | 198.3 | 244.2 |
| Bank | 136.2 | 148.1 |
| | 622.0 | 704.7 |
| | | |
| **Total assets** | 3,789.1 | 3,567.6 |
| | | |
| **Equity** | | |
| Share capital | 300.0 | 300.0 |
| Currency reserve | 223.1 | 267.4 |
| Retained earnings | 1,583.2 | 1,204.8 |
| | 2,106.3 | 1,772.2 |
| | | |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Borrowings | 1,350.0 | 1,350.0 |
| | | |
| **Current liabilities** | | |
| Trade payables | 76.7 | 84.6 |
| Tax liability | 256.1 | 360.8 |
| | 332.8 | 445.4 |
| | | |
| **Total equity and liabilities** | 3,789.1 | 3,567.6 |


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## Extract from competitor's financial statements

Kwirtmak is one of eight major manufacturers of industrial 3D printers. Most of these compete directly with Kwirtmak, producing similar ranges of products.

Breskko is Kwirtmak's closest competitor. It sells a very similar range of 3D printers and materials.

Breskko is based in Ennland. It is quoted on the Ennlandian stock exchange. The other major manufacturers are based abroad, but all compete in the same markets as Kwirtmak and Breskko.

**Breskko Group**
**Consolidated statement of profit or loss**
**For the year ended 31 March**

| | 2026<br>E$ million | 2025<br>E$ million |
|---|---|---|
| Revenue | 3,016.0 | 2,744.6 |
| Cost of goods sold | (1,026.7) | (903.5) |
| Gross profit | 1,989.3 | 1,841.1 |
| Selling and administration | (59.7) | (55.5) |
| Research | (329.4) | (312.9) |
| Operating profit | 1,600.2 | 1,472.7 |
| Finance costs | (112.0) | (112.0) |
| | 1,488.2 | 1,360.7 |
| Tax expense | (342.3) | (313.0) |
| Profit for the year | 1,145.9 | 1,047.7 |

**Breskko Group**
**Consolidated statement of changes in equity**
**For the year ended 31 March 2026**

| | Share capital<br>E$ million | Currency reserve<br>E$ million | Retained earnings<br>E$ million | Total<br>E$ million |
|---|---|---|---|---|
| Opening balance | 250.0 | 228.7 | 2,463.9 | 2,942.6 |
| Currency loss | | (11.3) | | (11.3) |
| Profit for year | | | 1,145.9 | 1,145.9 |
| Dividend | | | (799.4) | (799.4) |
| Closing balance | 250.0 | 217.4 | 2,810.4 | 3,277.8 |

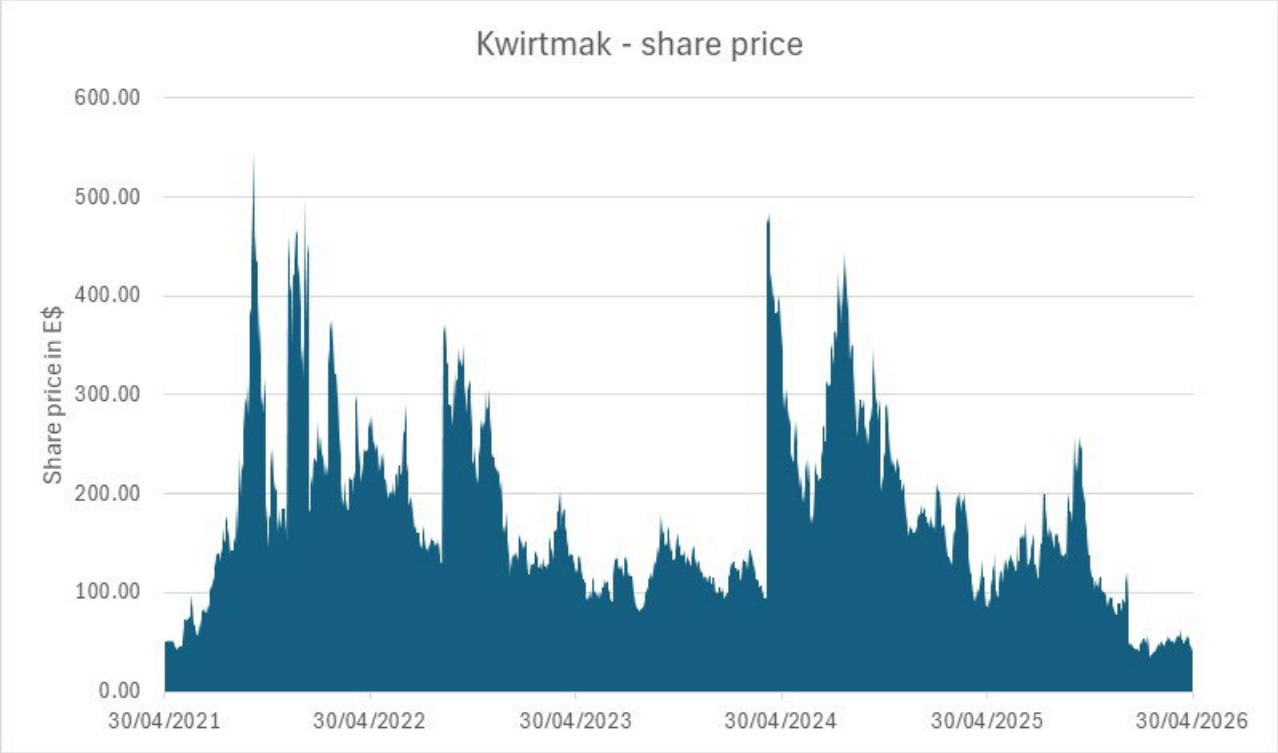

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**Breskko Group**
**Consolidated statement of financial position**
**As at 31 March**

| | 2026<br>E$ million | 2025<br>E$ million |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 3,571.8 | 3250.3 |
| Goodwill | 212.4 | 212.4 |
| Other intangible assets | 600.3 | 575.4 |
| | 4,384.5 | 4,038.1 |
| **Current assets** | | |
| Inventory | 345.0 | 343.6 |
| Trade receivables | 257.8 | 234.6 |
| Bank | 124.6 | 118.7 |
| | 727.4 | 696.9 |
| | | |
| **Total assets** | 5,111.9 | 4,735.0 |
| | | |
| **Equity** | | |
| Share capital | 250.0 | 250.0 |
| Currency reserve | 217.4 | 228.7 |
| Retained earnings | 2,810.4 | 2,463.9 |
| | 3,277.8 | 2,942.6 |
| | | |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Borrowings | 1,400.0 | 1,400.0 |
| | | |
| **Current liabilities** | | |
| Trade payables | 91.7 | 79.3 |
| Tax liability | 342.4 | 313.1 |
| | 434.1 | 392.4 |
| | | |
| **Total equity and liabilities** | 5,111.9 | 4,735.0 |


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## Kwirtmak's share price history



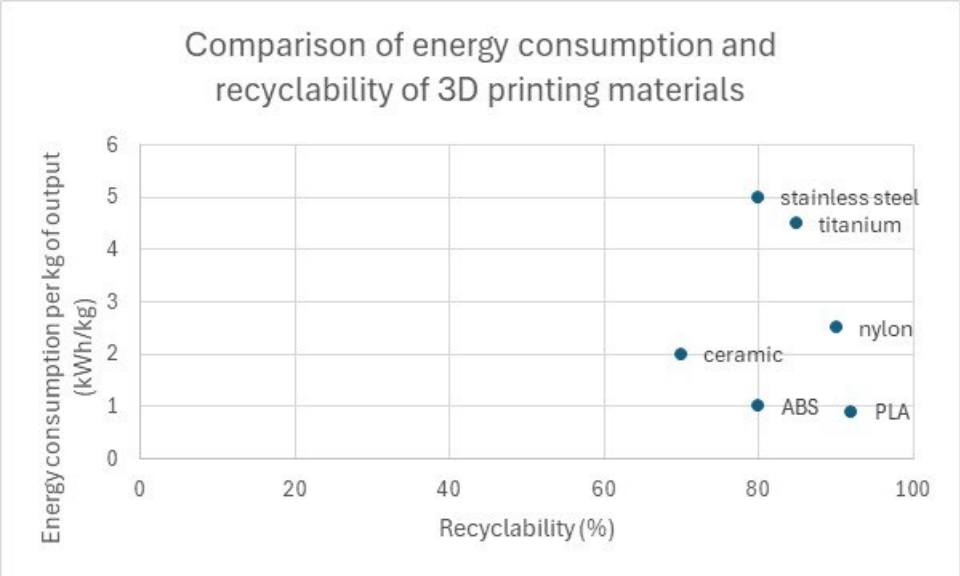

Kwirtmak's beta is 2.3


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## Kwirtmak's sustainability

| | |
|---|---|
| **Governance** | Kwirtmak's Operations Director has a specific responsibility for the oversight of sustainability issues. The Operations Director is expected to report on sustainability issues at all routine Board meetings.<br><br>Kwirtmak also has a Risk and CSR Committee, which monitors sustainability issues on behalf of the Board as a whole. |
| **Strategy** | 3D printing offers several benefits for the promotion of sustainability in comparison to traditional manufacturing methods:<br><br>• **Efficient use of materials –** The additive nature of 3D printing generally uses less material than traditional manufacturing, which often starts with a larger block of material and removes material to create an item.<br><br>• **Recycling –** Many of the plastics used in 3D printing can be recycled as new filament.<br><br>• **Carbon footprint –** 3D printers can be located close to the point of use, allowing components to be manufactured nearby, eliminating the need for transportation. |
| **Risk management** | Kwirtmak takes care to ensure compliance with all environmental legislation. All staff are trained in environmental issues relating to their roles and are encouraged to report any concerns.<br><br>Kwirtmak engages with government and other regulators with a view to assisting in the development of realistic and effective sustainability targets.<br><br>All staff are empowered to halt operations in the event of any serious environmental concerns, such as excessive emissions. |

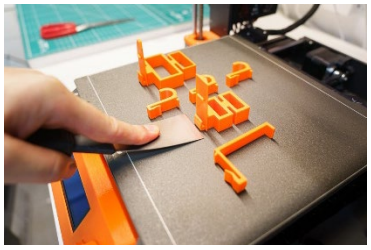

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| | |
|---|---|
| **Metrics** | Kwirtmak pays close attention to the impact of the machines that it sells on the environment. It aims to enhance the sustainability of its printers in use by customers.<br><br>For example, the energy consumption associated with printing with PLA was reduced by 32% through adjustments to the nozzle temperature and the thickness of layers in building up items.<br><br> |


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# Happy Comic

## Readers' questions



**Question:** My dad has a 3D printer that he uses to make model soldiers. He has a huge collection and they are really realistic.

I have asked him to make me a new wheel for my bicycle, but he says that he cannot. Why is that?

Alice, age 11

**Answer:** 3D printers come in lots of different shapes and sizes and your dad's printer is probably just too small to build a bicycle wheel. Also, his printer is probably designed to produce plastic objects. A plastic wheel made by a large printer would probably be too weak to carry a cyclist's weight.

Some businesses use 3D printers just like your dad's to create small objects such as buttons and switches that need not be particularly strong. It is also possible to buy 3D printers for commercial use that can make larger objects, possibly using robust materials such as metal.



**Question:** My uncle restores old motorcycles. He often finds it difficult to find parts. On his current project, the bracket holding the speedometer in place was cracked and he couldn't find a replacement. He had a new one made by a specialist company that uses 3D printers. He says that the bracket they supplied is a perfect match for his bike. How did they do that?

Pranesh, age 12

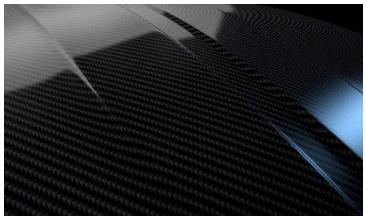
**Answer:** The 3D printing company probably used a three-dimensional scanner to create an image of the old bracket. They might have had to edit the image a little to take out any cracks or bends in the metal. There are lots of different 3D printing technologies, some of which can create metal objects that can be quite strong.


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# Ennland Telegraph

**Technology** | **Business** | **Politics** | **Science** | **World** | **Weather**

## Growing demand for carbon fibre



Manufacturers of carbon fibre are reporting strong demand for their product, which is used extensively in industrial applications that require materials that combine light weight with strength.

Carbon fibre consists of very thin fibres made from organic polymers (plastics) that can be woven into fabrics or combined with resin and built up in layers to create composite materials. In either form, carbon fibre is both light and strong and so can be used in a number of ways.

In the automotive and aerospace industries, carbon fibre can be used to make car body parts or aeroplane wings that reduce the weight of vehicles or aircraft without compromising on build quality. Further uses are emerging, including the manufacture of sporting goods such as tennis rackets or bicycle frames that combine light weight and rigidity.


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# Ennland Daily

**Technology | Business | Politics | Science | World | Weather**

## Medical profession making greater use of 3D printing



Doctors and dentists have been using artificial body parts to treat patients for many years. Perhaps the most common is the use of dental implants to replace lost teeth and enable patients to keep their smiles.

Medical implants are used widely in treating a range of conditions. For example, patients with serious heart problems can be treated by replacing their worn or damaged heart valves with articificial valves. Lost or injured limbs can be replaced with articificial limbs.

These replacements require considerable skill in their creation. They must be a perfect fit for the part that they are replacing and be free from manufacturing defects. Skilled technicians use measurements provided by dentists or doctors to fabricate those parts. Waiting for parts to come from the laboratory can delay urgent treatment.

Doctors and dentists are becoming increasingly reliant on 3D printing to speed up delivery of these products. The technicians enter the details provided by the medical experts into 3D CAD software and that interacts with a 3D printer to create the required parts. This is both faster than traditional manufacturing processes and more accurate.

The materials that are being used in these medical applicatons have all been submitted to the Ennlandian Health Service (EHS) for approval. They are not permitted for use until the EHS experts have made sure that they are safe for use with patients.


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# Strategic Case Study Exam

Maximum Time Allowed: 180 minutes

Welcome, Candidate Name

If this is not your name, please let your administrator know.

Click **Next** to start the test.

This examination is structured as follows:

| Task number | Time for task (minutes) | Number of tasks | Number of sub-task/s | % time to spend on each sub-task |
|---|---|---|---|---|
| 1 | 60 | 1 | 2 | (a) 60%<br>(b) 40% |
| 2 | 60 | 1 | 2 | (a) 50%<br>(b) 50% |
| 3 | 60 | 1 | 2 | (a) 40%<br>(b) 60% |

Each task has a number of sub-tasks. An indication of how much of the time available for the task that you should allocate to planning and writing your answer is shown against each sub-task in the text of the question (and summarised in the table above).

This information will be available for you to access during the examination by clicking on the Pre-seen button.

Reference Material Pre-seen

**Agata Paluch, Kwirtmak's Chief Financial Officer, stops by your workspace.**

"I have brought you an extract from a report prepared for the Board by a management consultancy firm.

I need your advice on two matters before the Board meets to discuss this report.

- Firstly, evaluate the possibility that the share price history presented by the consultancy firm indicates poor management by Kwirtmak's Board.

***[sub-task (a) = 60%]***

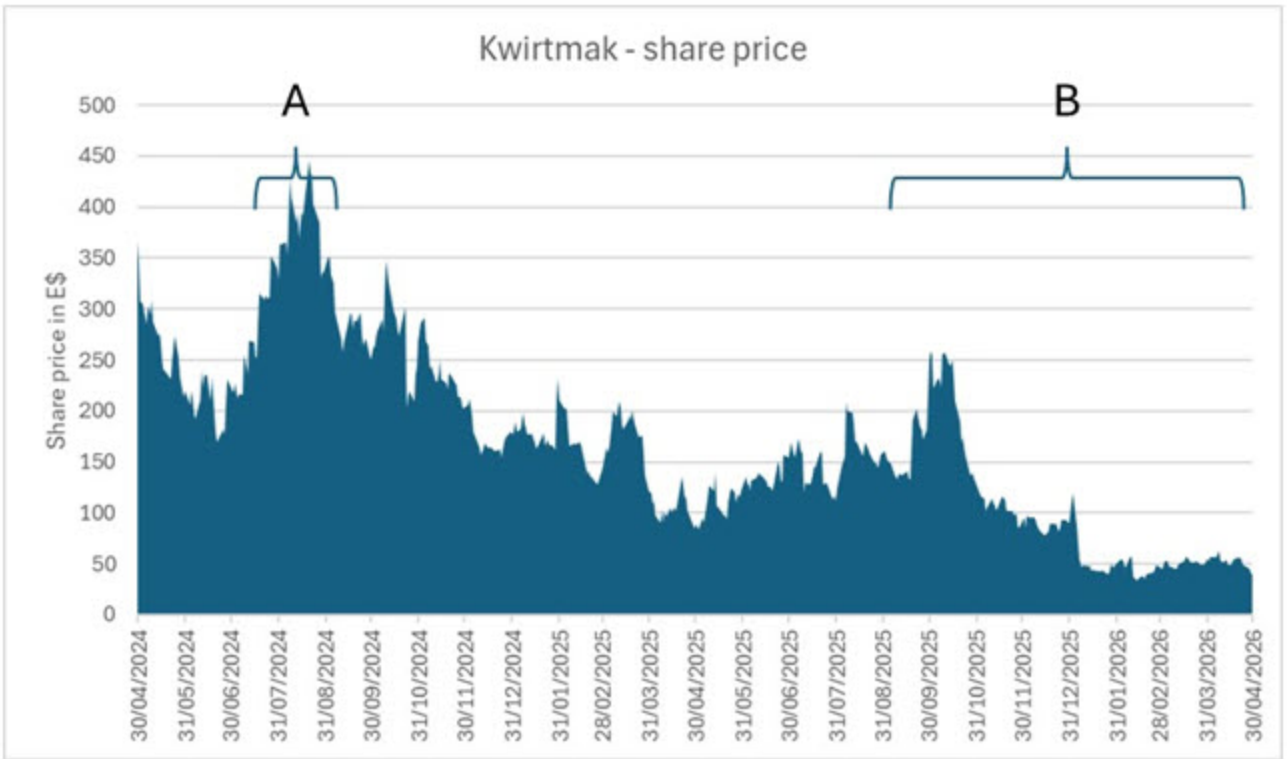
- Secondly, evaluate the potential usefulness of the Boston Consulting Group (BCG) matrix in managing Kwirtmak's approach to product development of extrusion printers and laser melting printers."

***[sub-task (b) = 40%]***

**The extract referred to by Agata can be viewed by clicking on the Reference Material button above.**

**Strategic review of Kwirtmak**
**Executive summary**

*Prepared by Margie Ng, Senior Consultant*




Our review of movements in Kwirtmak's share price suggests that the capital markets pay close attention to the company's position in key business markets. Our analysis of period A suggests that the share price increased significantly when Kwirtmak launched a new range of industrial plastic extrusion printers. The share price then fell dramatically when Breskko announced that it was close to launching a superior model.

The increase in share price at the beginning of period B appears to have coincided with Kwirtmak's launch of a laser melting printer that can produce complex shapes from titanium. Unfortunately, two rival manufacturers unexpectedly launched printers using similar technology with slightly lower running costs. Kwirtmak's machine produces better quality output, but many customers do not require such high quality.

Our analysis of the market for industrial 3D printers indicates that Kwirtmak has a high share of the market for extrusion printers, which has a growing demand. Kwirtmak also has a small share of the market for laser melting printers, which are specialised and so demand is unlikely to grow rapidly. Kwirtmak produces several other types of printer, but those provide relatively small proportions of the company's revenue and operating profit. Kwirtmak generally leads these markets in terms of product quality, which restricts market share because the printers are expensive to manufacture and so their selling prices are relatively high. They are, however, profitable lines.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

Paragraph

Reference Material Pre-seen

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject:** Potential acquisition

Hello,

I have attached an extract from the minutes of this morning's Board meeting.

I am keen to have your advice on the following matters:

- Firstly, recommend with reasons the factors that we should consider when deciding between Termmo and Derddon as acquisition targets.

***[sub-task (a) = 50%]***

- Secondly, recommend with reasons the ways in which Kwirtmak could mitigate the political risks associated with the acquisition of either Termmo or Derddon.

***[sub-task (b) = 50%]***

Regards

Agata

**The extract referred to by Agata can be viewed by clicking on the Reference Material button above.**

**Extract from Board minutes**

The Board discussed the possibility of expanding the Kwirtmak Group by the acquisition of an established manufacturer of 3D printers. Two potential acquisition targets have been identified: Termmo and Derddon. Both companies are based in Yanlland and both are quoted on the Yanllandian stock exchange.

Said Abouchdak, Chief Technical Officer, commented that both companies focussed on the mass production of printers that are of acceptable quality, but are not as good as Kwirtmak's equivalent products. Both companies have substantial market shares in their markets. Termmo produces industrial plastic extrusion printers and Derddon produces laser melting printers.

Agata Paluch, Chief Financial Officer, commented that Kwirtmak could probably afford to acquire 100% of the equity of either of these companies, but not both.

Madda Fedele, Non-Executive Chair, warned the Board that care would have to be taken because Yanlland's Government had prioritised economic development and would almost certainly be reluctant for either of its two high technology companies to be taken over by a foreign parent company. This will be Kwirtmak's first investment in Yanlland.

The Board agreed to meet soon to discuss this matter further.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: RE:** Potential acquisition

Paragraph

Reference Material Pre-seen

**Six months later, Kwirtmak has acquired 100% of the equity of Derddon, a company that manufactures laser melting printers. Derddon is based in Yanlland and was quoted on the Yanllandian stock exchange before it became a subsidiary of the Kwirtmak Group.**

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject: FWD:** Derddon risk register

Hello,

I have forwarded an email that has been circulated to all Board members.

I require the following from you before the next Board meeting:

- Firstly, evaluate the implications of Derddon's refusal to create a formal risk register.

***[sub-task (a) = 40%]***

- Secondly, recommend with reasons the ways in which Kwirtmak's Internal Audit Department could support the creation of a risk register for Derddon.

***[sub-task (b) = 60%]***

Regards

Agata

**The email referred to by Agata can be viewed by clicking on the Reference Material button above.**

**From:** Dima Alkawadri, Head of Internal Audit
**To:** Agata Paluch, Chief Financial Officer
**Subject:** Derddon risk register

Hi Agata,

A team of internal audit staff has just returned to head office from an internal audit visit to Derddon, our recently acquired subsidiary in Yanlland.

One of the major findings from this investigation was that Derddon does not have a risk register. Derddon's CEO informed our team that all of the company's managers are expected to pay close attention to risk and that Derddon's Board regards the creation of a formal risk register as a distraction from managing the company's operations.

Derddon's CEO was reluctant to discuss this matter further.

Regards

Dima

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: FWD: RE:** Derddon risk register

Paragraph



Thank you for completing the Strategic Case Study Exam.

Before you leave, don't forget to collect your printed confirmation of attendance.

Please click the End Exam (E) button before leaving the testing room quietly.



# Strategic Case Study Exam

Maximum Time Allowed: 180 minutes

Welcome, Candidate Name

If this is not your name, please let your administrator know.

Click **Next** to start the test.

This examination is structured as follows:

| Task number | Time for task (minutes) | Number of tasks | Number of sub-task/s | % time to spend on each sub-task |
|---|---|---|---|---|
| 1 | 60 | 1 | 2 | (a) 40%<br>(b) 60% |
| 2 | 60 | 1 | 2 | (a) 60%<br>(b) 40% |
| 3 | 60 | 1 | 2 | (a) 50%<br>(b) 50% |

Each task has a number of sub-tasks. An indication of how much of the time available for the task that you should allocate to planning and writing your answer is shown against each sub-task in the text of the question (and summarised in the table above).

This information will be available for you to access during the examination by clicking on the Pre-seen button.

Reference Material Pre-seen

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject:** Potential new product range

Hello,

I have attached an extract from the minutes of this morning's Board meeting.

I need your advice on two matters before the Board meets to discuss this new product range.

- Firstly, evaluate the potential usefulness of the suitability, acceptability and feasibility (SAF) criteria for making the decision on whether to continue with the development of the new product range. I do not wish you to evaluate the proposal using SAF at this stage.

***[sub-task (a) = 40%]***

- Secondly, recommend with reasons how the likelihood and impact of each of the following scenarios might be classified in order to assist in the decision concerning the further development of the new product range:
  - Environmental campaigners criticise Kwirtmak for developing a printer that assists in the manufacture of boats and vehicle parts.
  - The cost of plastics and carbon fibre increase significantly during the development process.
  - The lead engineer in charge of the development project resigns before the product range is ready for launch.

***[sub-task (b) = 60%]***

Regards

Agata

**The extract referred to by Agata can be viewed by clicking on the Reference Material button above.**

**Extract from Board minutes**

Said Abouchdak, Chief Technical Officer, briefed the Board on a potential new product range. This combines a new material with a new design of extrusion printer.

Kwirtmak's Research and Development (R&D) Department has been experimenting with mixing short lengths of carbon fibre with the plastics that are already in use in extrusion printing. The carbon fibre adds significantly to the strength of any objects printed using this new material.

R&D believes that the most practical use for this new material is in printing large items such as vehicle body panels and even hulls for small boats. R&D has created a mechanism for suspending a high-capacity printer nozzle from an overhead scaffold. This allows the printer to build up accurate layers as with a conventional extrusion printer, but on a much larger scale.

R&D has created an experimental version of this printer that can make objects that are up to 40 metres long, 8 metres wide and 4 metres high. The printer is also fast, being able to process up to 75 kilos of material per hour. This has already been used to create a boat hull that is stronger and lighter than an equivalent glass fibre design. The new printer will reduce the cost of skilled labour associated with making large parts using conventional production techniques.

The Board discussed whether to continue with the development of this new product range. No agreement was reached and so it was agreed that further discussion would take place at a future date.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: RE:** Potential new product range

Paragraph

**Two months later, Kwirtmak has commenced the development of the new product range that will combine large extrusion printers with a new material that mixes plastic and carbon fibre. Agata Paluch stops by your workspace.**

"I have printed a copy of a news report that has just gone online.

We are not connected with Dresno in any way, but it is worrying to learn that a company that is active in one of our product areas has run into financial difficulty. It does imply that there could be difficulties associated with the use of carbon fibre in 3D printing.

Dresno's failure has made our lender nervous in case we run into similar difficulties. The lender has contacted us to seek assurances about the security of the E$1,350 million that has been loaned to Kwirtmak. We are currently very close to breaching the gearing covenant on this loan. If Kwirtmak's project to develop a carbon fibre based material fails, then we will be forced to recognise large losses, which could reduce our equity to the point where we will be in breach of our covenant.

Dresno's liquidators have offered Kwirtmak the opportunity to purchase all intellectual property (IP) arising from Dresno's project to develop a plastic filament that is reinforced with carbon. We expect negotiations to take at least 6 months to complete. We expect to pay W$250 million for the IP, which is worth roughly E$300 million at current exchange rates.

I am keen to have your advice on the following matters:

- Firstly, recommend with reasons a response to the lender's concerns relating to Kwirtmak's debt covenant.

***[sub-task (a) = 60%]***

- Secondly, recommend with reasons the approach that might be taken to managing the currency risk on the expected payment for Dresno's IP."

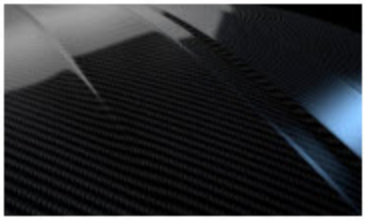
***[sub-task (b) = 40%]***

**The news report referred to by Agata can be viewed by clicking on the Reference Material button above.**

# Ennland Telegraph

**Technology | Business | Politics | Science | World | Weather**

## Carbon fibre manufacturer fails



Dresno, a major manufacturer of carbon fibre, has gone into liquidation. Industry sources blame this on cash flow difficulties arising from an ambitious development strategy. Dresno was rumoured to be working on a process for the reinforcement of plastic filament with carbon fibre. This would have opened new markets for 3D printers that would have enabled the production of large products that would have been of interest to the aerospace and automotive industries.

Dresno is based in Wollande. The volatility in the W$ will have complicated Dresno's cash flow problems.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

Paragraph

**Two months later, Kwirtmak is close to completing the development of a new extrusion technology that will enable large items to be printed using filament that has been reinforced with carbon fibre.**

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject: FWD:** Sustainability issues

Hello,

I have forwarded an email that has been circulated to all Board members.

I require the following from you before the next Board meeting:

- Firstly, evaluate the ethical dilemmas arising from the unsustainable nature of the products that will be made from the new extrusion technology.

***[sub-task (a) = 50%]***

- Secondly, evaluate both the advantages and disadvantages of creating a Board Sustainability Committee.

***[sub-task (b) = 50%]***

Regards

Agata

**The email referred to by Agata can be viewed by clicking on the Reference Material button above.**

**From:** Madda Fedele, Non-Executive Chair
**To:** Agata Paluch, Chief Financial Officer
**Subject:** Sustainability issues

Hi Agata,

The minutes of the latest meeting of Kwirtmak's Risk and CSR Committee include a brief discussion of the sustainability issues associated with our new extrusion technology that will enable us to make large items from plastic that has been reinforced with carbon fibre.

The Committee noted that it will be impossible to recycle objects made from the new reinforced material. This is unlike the conventional plastics that we usually sell for extrusion, which are at least 80% recyclable, simply by melting them down. It also contrasts with existing products made using conventional manufacturing techniques, such as steel car body panels that can easily be recycled when they are dismantled for scrap.

The Committee agreed to refer concerns about recycling to the Operations Director, whose responsibilities include sustainability. I am not satisfied that this is a sufficient response and propose that we establish a sustainability committee.

I recognise that Kwirtmak will not be responsible for the use to which this new technology will be put. Our customers will make items for sale. Kwirtmak simply provides them with printers and materials.

Regards

Madda

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: FWD: RE:** Sustainability issues

Paragraph



Thank you for completing the Strategic Case Study Exam.

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# Strategic Case Study Exam

Maximum Time Allowed: 180 minutes

Welcome, Candidate Name

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|---|---|---|---|---|
| 1 | 60 | 1 | 2 | (a) 40%<br>(b) 60% |
| 2 | 60 | 1 | 2 | (a) 60%<br>(b) 40% |
| 3 | 60 | 1 | 2 | (a) 50%<br>(b) 50% |

Each task has a number of sub-tasks. An indication of how much of the time available for the task that you should allocate to planning and writing your answer is shown against each sub-task in the text of the question (and summarised in the table above).

This information will be available for you to access during the examination by clicking on the Pre-seen button.

Reference Material Pre-seen

**Agata Paluch, Kwirtmak's Chief Financial Officer, stops by your workspace.**

"I have brought you an extract from a proposal submitted to the Board by Said Abouchdak, Kwirtmak's Chief Technical Officer.

I need your advice on two matters before the Board meets to discuss this proposal.

- Firstly, evaluate the corporate social responsibility (CSR) issues associated with the sale of these printers.

***[sub-task (a) = 40%]***

- Secondly, evaluate the challenges associated with raising finance for the development and launch of this new type of printer."

***[sub-task (b) = 60%]***

**The extract referred to by Agata can be viewed by clicking on the Reference Material button above.**

**Proposal for the application of 3D printing to housebuilding**
**Executive summary**

*Prepared by Ada Garcia, Senior Manager in Product Development*

The Product Development Department has been experimenting with the application of 3D printing to the construction of homes and other buildings. This works as follows:

- An architect designs the building, using specialised 3D computer aided design (CAD) software.
- An overhead scaffold is erected on site. The overhead scaffold is essentially a large framework that supports the print nozzle and other apparatus.
- The house is constructed one layer at a time, operating in a very similar manner to an extrusion printer, but on a much larger scale. The print nozzle deposits a mixture that is primarily cement. Each layer of cement is dried using hot air before the next is applied.
- The printer builds the walls of the house, more quickly and at a much lower cost than conventional construction methods. The house still requires builders to install doors, windows and the roof, as well as all internal plumbing and electrical wiring.
- The overhead scaffold can then be relocated to an adjacent building plot and the cycle can be repeated, using different designs or repeating the same design.
- We believe that a 3D printed house would reduce construction costs for the walls by 30% compared to conventional building, reducing the cost of a completed house by 10%.
- This technology can build walls up to 3 metres in height, which is sufficient to construct a single storey house. A second storey can be added using conventional building techniques.

We believe that we need to launch this new printing system quickly before any of our rivals can capture this market.

It will cost E$300 million to complete development and bring our final design of the overhead scaffold and nozzle to market. We could complete these stages within 9 months.

Once the printer has been launched, we will have to start work immediately on developing an alternative to cement as a building material for 3D printing. Manufacturing cement consumes a large amount of energy and so it is not regarded as a particularly sustainable material. There are more sustainable alternative building materials, many of which use plant fibres to replace a significant proportion of the cement. Those materials will, however, require adaptation to make them suitable for use with a 3D printer.

We will also have to work on ways to bring sufficient electrical power to building sites to power these printers. Pumping and drying the cement mix will put a strain on local electrical supplies, especially if multiple printers are being used to build more than one house at a time.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

Paragraph

Reference Material Pre-seen

**A month later, Kwirtmak's Board is still considering whether to proceed with 3D printers for house construction.**

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject:** Potential acquisition

Hello,

I have printed a news report that has just gone online.

We have investigated and discovered that this house was built using a 3D printer sold to the builder by Breskko, our closest rival. As far as we can tell, the printer is very similar to the one that we have under development. The development work on our printer is close to completion.

Of more interest is the fact that the builder used a new material supplied by Fybarr, an unquoted company that manufactures building materials. Fybarr appears to have developed a building material that is superior to the cement that we planned to recommend. Said Abouchdak, our Chief Technical Officer, has recommended that Kwirtmak should purchase Fybarr as a 100% subsidiary.

I am keen to have your advice on the following matters:

- Firstly, using a SWOT analysis as a framework, evaluate the implications of these recent events for Kwirtmak's position in relation to the housebuilding market for 3D printers and materials.

***[sub-task (a) = 60%]***

- Secondly, evaluate the post-acquisition issues that Kwirtmak will have to consider before making any move to acquire Fybarr.

***[sub-task (b) = 40%]***

Regards

Agata

**The news report referred to by Agata can be viewed by clicking on the Reference Material button above.**

# Ennland Daily

**Technology | Business | Politics | Science | World | Weather**

## Ennland's first 3D printed house




A young couple have just completed the purchase of the first house in Ennland to be built using a new 3D printing technology. They claim that they are delighted with their purchase, commenting that it had not been difficult to persuade their bank to lend them the cost of the house.

The house looks the same as most other modern homes, although the walls do have a slightly strange texture when examined closely. The printing process built the walls up in layers of material that was pumped through a nozzle with a round hole at its end. The building material consists of a mixture of plant fibre and cement. The plant fibre gives this material excellent insulating qualities and so the owners should have low heating bills.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: RE:** Potential acquisition

Paragraph

Reference Material Pre-seen

**Four months later, Kwirtmak has commenced the sale of a 3D printer system for use in home construction.**

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject: FWD:** Health and safety issues

Hello,

I have forwarded an email.

I require the following from you before the next Board meeting:

- Firstly, evaluate the risks arising from these health and safety issues for Kwirtmak.

***[sub-task (a) = 50%]***

- Secondly, recommend with reasons the controls that we could introduce to address the health and safety issues raised in the email.

***[sub-task (b) = 50%]***

Regards

Agata

**The email referred to by Agata can be viewed by clicking on the Reference Material button above.**

**From:** Kristina Eder, Operations Director
**To:** Agata Paluch, Chief Financial Officer
**Subject:** Health and safety issues

Hi Agata,

Construction work has begun on our new 3D printer for use in housebuilding. This product is being manufactured at our Wollande factory, the newest of our overseas factories. This printer creates a number of health and safety issues for our production staff:

- The printer is based on an overhead scaffold system that can be dismantled for transportation to a building site, where it is rebuilt and made ready for use. Reassembling the overhead scaffold requires staff to climb to the tops of supports that are 5 metres high. There have been several accidents involving our factory staff, including falls from supports and injuries caused by parts being dropped and hitting staff at floor level. Staff are equipped with safety harnesses and safety helmets, but they often choose not to wear them, claiming that they are uncomfortable.
- Assembling the printers requires staff to manoeuvre hoses into place to attach them to the nozzles. These hoses are heavier than any of the components that production staff are used to handling. A number of back injuries have occurred because of staff lifting hoses carelessly. Staff whose jobs involve lifting heavy objects are supposed to participate in training courses on safe lifting techniques and to wear back supports when lifting heavy objects. Most back injuries have involved untrained staff without back supports who were asked to assist when the usual staff were unavailable.

We should discuss these issues soon.

Regards

Kristina

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: FWD: RE:** Health and safety issues

Paragraph



Thank you for completing the Strategic Case Study Exam.

Before you leave, don't forget to collect your printed confirmation of attendance.

Please click the End Exam (E) button before leaving the testing room quietly.



# Strategic Case Study Exam

Maximum Time Allowed: 180 minutes

Welcome, Candidate Name

If this is not your name, please let your administrator know.

Click **Next** to start the test.

This examination is structured as follows:

| Task number | Time for task (minutes) | Number of tasks | Number of sub-task/s | % time to spend on each sub-task |
|---|---|---|---|---|
| 1 | 60 | 1 | 2 | (a) 40%<br>(b) 60% |
| 2 | 60 | 1 | 2 | (a) 60%<br>(b) 40% |
| 3 | 60 | 1 | 2 | (a) 50%<br>(b) 50% |

Each task has a number of sub-tasks. An indication of how much of the time available for the task that you should allocate to planning and writing your answer is shown against each sub-task in the text of the question (and summarised in the table above).

This information will be available for you to access during the examination by clicking on the Pre-seen button.

Reference Material Pre-seen

**Agata Paluch, Kwirtmak's Chief Financial Officer, stops by your workspace.**

"I have printed a news report that has just gone online.

Kwirtmak has already purchased the rights to use this new technology from Capital City University. These rights were not expensive because there are some significant technical problems to be overcome before pharmacists will be permitted to give printlets to patients. Pharmaceutical manufacturers will also have to be willing to supply pharmacies with medications in a format that will enable 3D printers to create printlets.

If we decide to proceed, we will have to modify one of our current printer models to ensure that it is suitable for sale to pharmacies. Said Abouchdak, Kwirtmak's Chief Technical Officer, has suggested that we should acquire a small pharmaceutical manufacturer to assist us in the development of our new printer models, if we decide to proceed.

I need your advice on two matters before the next Board meeting.

- Firstly, evaluate the challenges associated with determining whether there will be demand for 3D printers that can create printlets.

***[sub-task (a) = 40%]***

- Secondly, evaluate the potential usefulness of the acquisition of a small pharmaceutical manufacturer to assist in developing the new printer models."

***[sub-task (b) = 60%]***

**The news report referred to by Agata can be viewed by clicking on the Reference Material button above.**

# Ennland Telegraph



## Capital City University develops new medicine delivery system



Capital City University's Schools of Medicine and Engineering have developed a new approach to 3D printing that will enable pharmacists to create personalised tablets (or "printlets") that are personalised to patient needs.

This technology offers several potential benefits.

Printlets can contain precise dosages of medication. A hospital pharmacy will be able to create printlets containing, say, 15mg of medicine that is otherwise only available in a conventional tablet that is manufactured in 10mg and 20mg versions.

Printlets can contain multiple medications, each of which can be released at different times after being swallowed. These can be personalised for individual patients and created in hospital or retail pharmacies. Patients will then be able to take a single printlet each morning instead of having to organise two or more medicines for consumption at the correct time of day.

Printlets can be created as chewable products in different flavours, making it easier to persuade children to take their medicines.

Unfortunately, it will take some time for printlets to be available from your local pharmacy. As always, the new technology will have to be licensed for use by patients. The Ennlandian Health Service (EHS) will have to ensure that the materials used to make different types of printlet are safe for patients to swallow. They will also have to check that 3D printing can ensure correct dosages and that the printing process does not impair the effectiveness of the medication. Hospital and commercial pharmacists will still have to decide whether to purchase this new equipment and train their staff in its use after approval has been obtained.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**



Reference Material Pre-seen

**A month has passed. Kwirtmak's Board is still considering whether to proceed with the development and manufacture of 3D printer models that can produce printlets, a new and superior system for administering pharmaceutical products.**

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject:** Sales to Westland

Hello,

I have attached an extract from the minutes of this morning's Board meeting.

I am keen to have your advice on the following matters:

- Firstly, evaluate the arguments for and against the use of a green loan to fund the development of the new printer models and the initial sales to Westland.

***[sub-task (a) = 60%]***

- Secondly, recommend with reasons how the economic risk associated with selling these printers to the Westlandian market could be managed.

***[sub-task (b) = 40%]***

Regards

Agata

**The extract referred to by Agata can be viewed by clicking on the Reference Material button above.**

**Extract from Board minutes**

Ouyang Qi, Marketing Director, informed the Board that a sales team had just completed a review of the Westland market for potential demand for 3D printlet printers. Westland is a potentially important market:

- The country has a strong economy and offers a very high standard of medical care. Medical care is expensive and so patients demand the highest quality of care.
- Westland has a large population that is well served by both hospitals and commercial pharmacies. Each hospital and commercial pharmacy would require several 3D printers if they were to issue medication efficiently using this technology.
- The rules relating to the licensing of new medical products are not as strict in Westland as they are in Ennland and so Kwirtmak could commence sales of these new printers immediately.

Kristina Eder, Operations Director, stated that the new printers would have to be manufactured in Kwirtmak's Ennland factory. She noted that the exchange rate between Ennland's E$ and Westland's W$ is volatile.

Agata Paluch, Chief Financial Officer, advised the Board that developing the new printers would require an investment of E$250 million. She has had a preliminary meeting with a commercial bank and they were keen for Kwirtmak to apply for one of their green loans. They would require a full application covering both conventional lending criteria and sustainability criteria. Kwirtmak has never applied for a green loan before.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: RE:** Sales to Westland

Paragraph

Reference Material Pre-seen

**Several months later, Kwirtmak has successfully launched its new printlet 3D printers in Westland, a prosperous country that offers high standards of health care.**

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject: FWD:** Sales of printlet printers

Hello,

I have forwarded an email that has been circulated to all Board members.

I require the following from you before the next Board meeting:

- Firstly, evaluate the ethical implications of Kwirtmak having this unique position in the market for printers capable of creating printlets.

***[sub-task (a) = 50%]***

- Secondly, evaluate the arguments for and against non-executive directors taking an active interest in whether Kwirtmak's business practices are exploitative.

***[sub-task (b) = 50%]***

Regards

Agata

**The email referred to by Agata can be viewed by clicking on the Reference Material button above.**

**From:** Madda Fedele, Non-Executive Chair
**To:** Agata Paluch, Chief Financial Officer
**Subject:** Sales of printlet printers

Hi Agata,

I am writing to express some concerns about our recent sales of new 3D printer models that enable pharmacists to create printlets, which make it easier to take medicine.

I have read a newspaper report that one type of printlet is a chewable tablet intended for children. These are sugar free and have a pleasant flavour. Feedback from parents indicates that these printlets simplify getting their children to take medicine. Many parents are refusing to accept medicines for their children unless the pharmacy can supply them in the form of chewable printlets. Pharmacies are being forced to purchase our printers because of this, otherwise they face the loss of a significant amount of business.

There are similar issues relating to other printlets, such as the type that enables an adult to swallow a single printlet that contains a whole day's medication, releasing each medicine at the correct time of day. Many adults find this so convenient that they are refusing to have their prescriptions dispensed at pharmacies that cannot offer this service.

Kwirtmak is the only manufacturer of 3D printers that can offer this technology. Printlets were invented by Capital City University and we purchased the exclusive rights to use that invention and have incurred significant costs in development of the technology.

Regards

Madda

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: FWD: RE:** Sales of printlet printers

Paragraph



Thank you for completing the Strategic Case Study Exam.

Before you leave, don't forget to collect your printed confirmation of attendance.

Please click the End Exam (E) button before leaving the testing room quietly.



# Strategic Case Study Exam

Maximum Time Allowed: 180 minutes

Welcome, Candidate Name

If this is not your name, please let your administrator know.

Click **Next** to start the test.

This examination is structured as follows:

| Task number | Time for task (minutes) | Number of tasks | Number of sub-task/s | % time to spend on each sub-task |
|---|---|---|---|---|
| 1 | 60 | 1 | 2 | (a) 50%<br>(b) 50% |
| 2 | 60 | 1 | 2 | (a) 60%<br>(b) 40% |
| 3 | 60 | 1 | 2 | (a) 40%<br>(b) 60% |

Each task has a number of sub-tasks. An indication of how much of the time available for the task that you should allocate to planning and writing your answer is shown against each sub-task in the text of the question (and summarised in the table above).

This information will be available for you to access during the examination by clicking on the Pre-seen button.

Reference Material Pre-seen

**Agata Paluch, Kwirtmak's Chief Financial Officer, stops by your workspace.**

"I have brought you an extract from a proposal for a new range of 3D printers that is being considered by the Board.

I need your advice on two matters before the Board meets to discuss this report.

- Firstly, recommend whether we should classify this proposal as an emergent strategy and recommend whether classifying it as an emergent strategy should affect our evaluation of it.

***[sub-task (a) = 50%]***

- Secondly, evaluate the advantages and disadvantages of being the first to launch this category of 3D printer."

***[sub-task (b) = 50%]***

**The extract referred to by Agata can be viewed by clicking on the Reference Material button above.**

**Proposal for new range of printers**
**Executive summary**

*Prepared by Chloe Reynolds, Senior Manager in Research and Development*

Most industrial grade 3D printers are used to create items, either singly or in very small numbers. These items might be used in product development to create components for test purposes, or they might be used to create replacement parts to repair broken equipment.

The Research and Development Department believes that there might be a market for 3D printers that have been optimised for manufacturing short production runs of items. This optimisation would involve reducing the cost and increasing the speed of 3D printing short production runs of certain products. For example, it is not cost-effective for luxury car makers to mass produce parts such as door handles because they require those parts in small quantities. Existing 3D printers are too slow to make sufficient parts to keep pace with production and their running costs are too high to manufacture these parts economically. Our proposal would create 3D printers that have lower operating costs and faster print speeds.

There would be other applications for this technology. Manufacturers of products ranging from aircraft to production line equipment often need to create control panels with unique buttons and switches. Our 3D printers would be able to create such components in sufficient quantity to keep pace with production.

There are other possible commercial benefits. Some organisations could establish global networks of fulfilment centres that would use our new printers to print parts locally for immediate delivery. That would avoid the need to ship parts in response to orders or to keep inventories of spares.

No other manufacturer of 3D printers makes printers with this capability.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**



Reference Material Pre-seen

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject:** Funding the new printers

Hello,

I have attached an extract from the minutes of this morning's Board meeting. The extract deals with the possible use of a green loan to fund the development of a new range of 3D printers.

I am keen to have your advice on the following matters:

- Firstly, evaluate the arguments for and against proceeding with the green loan, given the conditions to be imposed by the lender.

***[sub-task (a) = 60%]***

- Secondly, evaluate the potential impact that any withdrawal of the green loan would have on Kwirtmak's reporting of sustainability issues.

***[sub-task (b) = 40%]***

Regards

Agata

**The extract referred to by Agata and an extract from Kwirtmak's sustainability report can be viewed by clicking on the Reference Material button above.**

Extract from Board Minutes | Kwirtmak's sustainability

**Extract from Board minutes**

The Board discussed the proposal to develop a range of 3D printers that had been optimised for manufacturing. Ouyang Qi, Marketing Director, advised the Board that feedback from the sales team suggested that there would be strong demand for such printers.

Agata Paluch, Chief Financial Officer, advised the Board that she had been in negotiation with a potential lender who would be prepared to consider a green loan to fund the development work on the new range of printers. The interest rate on the green loan would be only slightly lower than the rate charged on a conventional loan. The bank had warned that it would review Kwirtmak's environmental performance closely and would require the loan either to be repaid or restructured to a non-green loan in the event that there were any concerns about sustainability issues associated with the new 3D printers. This is a potentially controversial area because 3D printing of parts can consume much more power than conventional manufacturing techniques. The initial designs of the printers also suggests that their operation could waste a great deal of material because unused metal powders are contaminated and must be disposed of. It is unclear whether the promotion of this technology could trigger complaints from environmental protesters.

## Kwirtmak's sustainability

| | |
|---|---|
| **Governance** | Kwirtmak's Operations Director has a specific responsibility for the oversight of sustainability issues. The Operations Director is expected to report on sustainability issues at all routine Board meetings.<br><br>Kwirtmak also has a Risk and CSR Committee, which monitors sustainability issues on behalf of the Board as a whole. |
| **Strategy** | 3D printing offers several benefits for the promotion of sustainability in comparison to traditional manufacturing methods:<br><br>• **Efficient use of materials –** The additive nature of 3D printing generally uses less material than traditional manufacturing, which often starts with a larger block of material and removes material to create an item.<br><br>• **Recycling –** Many of the plastics used in 3D printing can be recycled as new filament.<br><br>• **Carbon footprint –** 3D printers can be located close to the point of use, allowing components to be manufactured nearby, eliminating the need for transportation. |
| **Risk management** | Kwirtmak takes care to ensure compliance with all environmental legislation. All staff are trained in environmental issues relating to their roles and are encouraged to report any concerns.<br><br>Kwirtmak engages with government and other regulators with a view to assisting in the development of realistic and effective sustainability targets.<br><br>All staff are empowered to halt operations in the event of any serious environmental concerns, such as excessive emissions. |

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: RE:** Funding the new printers

Paragraph

Reference Material Pre-seen

**Several months later, Kwirtmak has completed development work on the new 3D printer range.**

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject:** Launch of new range

Hello,

I have attached a news report that has just gone online.

The market analyst's comment has annoyed several members of the Board who feel that the comment is misleading, given that the company regularly updates its existing models. In addition, Said Abouchdak, the Chief Technical Officer, has indicated that he expects a bonus for his role in the successful launch of the new printers.

I require the following from you before the next Board meeting:

- Firstly, recommend whether Kwirtmak's Remuneration Committee should take contribution to new product development into account when setting performance-related bonuses for executive directors.

***[sub-task (a) = 40%]***

- Secondly, evaluate the arguments for and against Kwirtmak continuing to have a Chief Technical Officer who is responsible for research, product hardware development and product software on its Board.

***[sub-task (b) = 60%]***

Regards

Agata

**The news report referred to by Agata can be viewed by clicking on the Reference Material button above.**

# Ennland Telegraph



## Capital market welcomes new Kwirtmak range




Kwirtmak's share price increased dramatically yesterday following the announcement of a new range of printers that are optimised for short production runs rather than for the creation of single units of output. Said Abouchdak, Kwirtmak's Chief Technical Officer, revealed the new products at a trade fair in Capital City.

The new printers will enable users to produce parts in quantities that would be uneconomic to produce using conventional 3D printing methods. They will also extend the market for 3D printers to the factory floor rather than just the design laboratory.

It is understood that several large orders were placed for the new printers immediately after Mr Abouchdak's presentation.

A market analyst commented that the new range of printers was exactly what Kwirtmak needed. It is almost 5 years since the company launched a major new product.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: RE:** Launch of new range

Paragraph



Thank you for completing the Strategic Case Study Exam.

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Please click the End Exam (E) button before leaving the testing room quietly.



# Strategic Case Study Exam

Maximum Time Allowed: 180 minutes

Welcome, Candidate Name

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Click **Next** to start the test.

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|---|---|---|---|---|
| 1 | 60 | 1 | 2 | (a) 50%<br>(b) 50% |
| 2 | 60 | 1 | 2 | (a) 60%<br>(b) 40% |
| 3 | 60 | 1 | 2 | (a) 40%<br>(b) 60% |

Each task has a number of sub-tasks. An indication of how much of the time available for the task that you should allocate to planning and writing your answer is shown against each sub-task in the text of the question (and summarised in the table above).

This information will be available for you to access during the examination by clicking on the Pre-seen button.

Reference Material Pre-seen

**Agata Paluch, Kwirtmak's Chief Financial Officer, stops by your workspace.**

"I have brought you an extract from this morning's Board meeting.

I need your advice on two matters.

- Firstly, evaluate the implications of the attempted security breach for Kwirtmak's digital ecosystem.

***[sub-task (a) = 50%]***

- Secondly, evaluate the possible implications of the decrease in the share price immediately preceding the attempted breaches."

***[sub-task (b) = 50%]***

**The extract referred to by Agata can be viewed by clicking on the Reference Material button above.**

**Extract from Board minutes**

The Board received a report that there have been recent attempts to breach the security of Kwirtmak's IT systems. These attacks have all consisted of attempts to gain access to the electronic files used by the Operations Department to process customer orders. These files include detailed specifications for the 3D printers that have been ordered and of the parts that they will be used to create. Kristina Eder, Operations Director, reminded the Board that the Operations Department holds a great deal of commercially sensitive information provided under conditions of strict confidence by customers. Most of the 3D printers sold by Kwirtmak are used in customers' research and development activities. Customers often provide Kwirtmak with 3D CAD models of the objects that they will make using the printers that they have ordered, along with details of the accuracy required of the printed parts and other factors such as their rigidity. That information enables the engineers in the Operations Department to design suitable printers and ensure that these printers interface correctly with the 3D computer-aided design (CAD) software used by customers in their product development work. Kwirtmak's engineers also use these CAD models and other engineering information to recommend materials that might be used with their printers.

Fortunately, none of the attempts to gain access have succeeded. Despite that, the Board debated whether to inform customers that attempts were being made to access the information held by Kwirtmak.

Agata Paluch, Chief Financial Officer, informed the Board that her staff had studied movements in Kwirtmak's share price immediately before these attacks. In each case, the share price had decreased on the day before the attempted breach, with the decrease being driven by heavy sales of shares on the stock market. The share prices recovered gradually in each case.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**



Reference Material Pre-seen

**A week later, you receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject: FWD:** Attempted cyber-attacks

Hello,

I have forwarded an email from one of our senior managers in IT.

I am keen to have your advice on the following matters arising from this email:

- Firstly, evaluate whether the acquisition of Uviv could be justified using the suitability, acceptability and feasibility (SAF) criteria.

***[sub-task (a) = 60%]***

- Secondly, recommend with reasons the investigations that Uviv's consultants should carry out on the recent cyber-attacks.

***[sub-task (b) = 40%]***

Regards

Agata

**The email referred to by Agata can be viewed by clicking on the Reference Material button above.**

**From:** Catharina Alam, Senior Manager in IT
**To:** Agata Paluch, Chief Financial Officer
**Subject:** Attempted cyber-attacks

Hi Agata,

I have been reviewing the recent attempts to breach our IT security systems. None of these attempts were successful, but I am concerned that a future attack will succeed. Our IT Department is focussed on the development and maintenance of effective design software and also administrative and accounting activities. We have installed effective security systems, but that is not our primary area of expertise.

I have spoken to the owner of Uviv, a small IT security consulting firm. Uviv employs a team of IT security experts. The firm has an outstanding reputation in the protection of IT systems and in the investigation of cyber-attacks.

Uviv's owner is prepared to sell her firm to Kwirtmak and to accept the position of head of IT security. Her staff would then work exclusively for Kwirtmak, ensuring that our systems are secure and that our controls are kept up to date.

We will, of course, have to pay a realistic price for Uviv.

Regards

Catharina

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: FWD: RE:** Attempted cyber-attacks

Paragraph

Reference Material Pre-seen

**Three months later, Kwirtmak has acquired the 100% of Uviv, an IT security consultancy.**

**You receive the following email:**

**From:** Agata Paluch, Chief Financial Officer
**To:** Senior Finance Manager
**Subject:** Uviv

Hello,

I have attached an extract from this morning's Board meeting.

I require the following from you before the next Board meeting:

- Firstly, recommend with reasons whether it would be appropriate to report the creation of the new IT Security Department as enhancements to human capital and intellectual capital in Kwirtmak's integrated report.

***[sub-task (a) = 40%]***

- Secondly, evaluate the arguments for and against promoting Sana Bilgrami to Kwirtmak's Board as Director of IT Security.

***[sub-task (b) = 60%]***

Regards

Agata

**The extract referred to by Agata can be viewed by clicking on the Reference Material button above.**

**Extract from Board minutes**

Kristina Eder, Operations Director, informed the Board that the Uviv consultancy team had been absorbed into Kwirtmak, creating a new IT Security Department under the supervision of the Operations Director. The IT Security Department will be separate from the existing IT Department, which will continue to focus on the operational aspects of IT under the supervision of the Operations Director.

The new department has created a positive first impression, recommending several improvements to Kwirtmak's security systems and intercepting two cyber-attacks that might previously have gone undetected.

Sana Bilgrami, Uviv's founder, received a payment of E$5 million for the company. She has been retained as Kwirtmak's Head of IT Security on a salary that puts her at the top of the pay scale for department heads. Uviv's consultants have all been appointed as senior managers in IT Security, on salaries that are 15% higher than they were paid as employees of Uviv.

David Wallace, CEO, commented that he was impressed by the new IT Security Department. Unfortunately, he believed that Sana Bilgrami was considering resigning from Kwirtmak. He believed that she was unhappy with her status as a head of department after holding a much more senior role as Uviv's founder.

Reference Material Pre-seen

**Draft your response to Agata in the box below.**

**From:** Senior Finance Manager
**To:** Agata Paluch, Chief Financial Officer
**Subject: RE:** Uviv

Paragraph



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Before you leave, don't forget to collect your printed confirmation of attendance.

Please click the End Exam (E) button before leaving the testing room quietly.

# Strategic Case Study Examination

May & August 2026 - VARIANT 1

EXAM ANSWERS

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## Variant 1

These answers have been provided by CIMA for information purposes only. The answers created are indicative of a response that could be given by a candidate demonstrating a good level of performance. They are not to be considered exhaustive, and other appropriate relevant responses would receive credit.

CIMA will not accept challenges to these answers based on academic judgement.

# TASK 1

## Sub-task (a)

### Share price history

The Board's primary responsibility is to maximise shareholder wealth. Management decisions can be judged at least partly in terms of their impact on the share price. The share price has the advantage of offering an objective measure of value, assuming that the market is efficient and reflects all available information in an unbiased manner. Clearly, the increased share price immediately after the launch suggests that the market has interpreted the product announcements at the start of the two time periods as good news. The capital markets clearly expected both of these products to sell at a profit, and so both were viewed as positive NPV investments. The increased share price does not necessarily indicate that the new products will benefit Kwirtmak in terms of future cash flows. The capital market will only have the limited information that is available for this evaluation, and so they may have been over-optimistic. The directors will also use different decision criteria to evaluate opportunities that arise. The capital markets will not, for example, prepare a formal discounted cash flow analysis for the launch of a new product. The share price is determined largely by the laws of supply and demand. New information might lead to the purchase of shares, which will boost the share price. It could be difficult to evaluate the impact of a specific Board decision on the share price.

Both of the cases discussed by the consultants suggest that the capital markets have reacted negatively whenever competitors have matched or bettered Kwirtmak in terms of product development. It appears that the share price has been volatile because of the announcement of rival products immediately after Kwirtmak's. That raises questions about the Board's strategic management because Kwirtmak has been unable to create a decisive competitive edge through product development. That does not necessarily imply poor management. It is reasonable to believe that all major manufacturers will be constantly working to create new and improved products. There is very little that Kwirtmak's Board could have done to prevent the announcement of new products from being overshadowed in this way. It would be extremely difficult to develop new products that would be certain to outmatch anything that could be introduced to the market. Arguably, the Board has demonstrated sound leadership by launching new products that keep pace with those of rival manufacturers.

Share price movements cannot necessarily be explained with the certainty implied by the consultancy firm's report. The capital markets could have responded favourably to the news of the new products, but they may have anticipated much of the information in Kwirtmak's announcement, and so the market reaction may not have been in response to the press release relating to the new products. The increase in the share price could have been triggered by some other event that might not necessarily have been reported by Kwirtmak. For example, a change in the economy could have been viewed as good news for companies producing 3D printers, which could have sparked a share price increase. The fact that the consultancy report covered only two events casts further doubt on whether the report's findings are valid. Arguably, the only fact that can be noted is that the share price increased and decreased. The fact that there were product announcements at both times could have been coincidental. It would require further historical analysis of publicity relating to management decisions and a consistent capital market reaction to enable the Board to be certain that its decisions could have an impact on share prices.

## Sub-task (b)

### BCG matrix

A strict application of the BCG matrix would classify plastic extrusion printers as a star, because the company has a high share of a product that has a growing market. That would justify either a hold or build strategy, with the suggestion that Kwirtmak should take advantage of the possible future growth in demand for industrial extrusion printers. That could involve continuing to invest in the development of new and improved versions of plastic extrusion printers. The question of whether Kwirtmak should invest in increasing its market share as a build strategy really requires an analysis of the company's competitive position in this sector. Kwirtmak is one of eight major manufacturers of 3D printers, all of whom make similar ranges of printers. The fact that it has a high share of what appears to be a substantial market segment suggests that it should invest in protecting this market share. It would appear that the most effective way to do so is to develop new and improved printers in this category in the hope of attracting demand away from rival companies. The fact that Breskko was able to announce a response to a new product suggests that Kwirtmak cannot afford to be complacent.

Similarly, the BCG matrix would classify laser melting printers as a cash cow because it has a high share of a market with little or no growth. That would justify a hold or harvest strategy, based on the assumption that Kwirtmak should aim to maintain its cash flows from this market for as long as possible until the market starts to decline. That ignores the possibility that Kwirtmak could attempt to promote this technology more effectively to attract customers to laser melting printers. These printers are currently used in specialist applications, but there could be a wider range of applications for them, given that they can create complex objects made from metal. Arguably, the guidance in the BCG matrix is based on the assumption that a market that is not growing will go into decline. In this case, it is possible that growth has slowed temporarily while the applications for 3D printing are resolving themselves. It may, therefore, be appropriate for Kwirtmak to continue with the development of new models of laser melting printers.

# TASK 2

## Sub-task (a)

### Acquisition targets

Kwirtmak should consider the spare capacity, if any, that it has for organic growth in either extrusion printers or laser melting printers. There would be relatively little point in acquiring a manufacturer in order to increase production of a product that could be served by increasing output from an existing Kwirtmak factory. The revenue and profit reported by Termmo and Derddon should also be compared in order to estimate the amount of additional business that each could bring to the Group. The objective of the acquisition is to increase size, so it makes sense to choose the larger company. It would also be worth considering the production capacities of the two companies in order to identify the one with the greater scope for organic growth. The limiting factors for increasing output should also be considered for both companies to establish which company has the greater scope for expansion in the long term.

The compatibility of the two companies' products with those of Kwirtmak's range is an important consideration. Both companies appear to aim for lower-quality products that can be sold for lower prices, which could be regarded as complementary to Kwirtmak's approach of higher quality for sale at a higher price. In both cases, it would be important to ensure that quality is good enough to be associated with the Kwirtmak name, otherwise it could damage the company's reputation. It may be that quality is more important for laser melting printers than for plastic extrusion printers because the latter uses less expensive material. In that case, quality arguments could favour Termmo as an addition to the Group. The extent to which the companies' products compete with Kwirtmak's is a consideration, because there is little point in acquiring a subsidiary that will generate revenue at the expense of the Group. Ideally, the chosen company should open up new market segments to Kwirtmak.

The Board should consider the value of any intangibles and intellectual property that either company can bring to the Group. Patents, trademarks and other intangibles could add significant value by opening up new products or production techniques. These assets might not be apparent from a review of financial statements, so it may be difficult to understand them without first interviewing the potential target companies' directors. The skills and experiences of the two workforces could be compared, bearing in mind the possibility that employees could be seconded to other companies in the Group with a view to passing on their knowledge. There could be marketing benefits if one of the companies has a long-established brand name that could be attached to some of Kwirtmak's products to create a stronger brand presence.

## Sub-task (b)

### Political risk

Kwirtmak should identify the sources of potential political risks from the outset of the acquisition process. It should engage with Yanlland's government in order to minimise the potential impact of those risks. For example, there could be concerns that the acquisition of either of these companies will harms the country's economy, perhaps by relocating production to another country. The Board should meet with officials from Yannland's government in order to brief them on their intentions for the acquired company. Ideally, it will be possible to minimise threats simply by being transparent and providing assurances that none of the planned changes will damage the economy. For example, Kwirtmak might offer assurances that it will not impose redundancies at the acquired company if its acquisition is successful. Kwirtmak should be honest about any uncertainties over its management of the

new acquisition. It would be better to negotiate any uncertainty than to make promises that subsequently have to be broken.

Kwirtmak should consider whether it can obtain local financial support in Yanlland, with a view to discouraging any damaging government action. For example, Kwirtmak could consider having its newly acquired subsidiary take out a large loan from a Yanllandian bank. The bank might intervene if the government imposes any significant penalties that might threaten the security of its loan, thereby protecting Kwirtmak. Another possibility would be for Kwirtmak to acquire a controlling interest that is significantly less than the proposed 100% acquisition of either company. Acquiring, say, 51% could leave a Yanllandian investor holding the remaining 49%, which would ensure that Kwirtmak could count on that investor's support in the event that the government threatened to impose sanctions. Ideally, the investor could be a financial institution such as a pension fund based in Yanlland so that the government would have a clear disincentive for any costly action.

Kwirtmak could develop contingency plans that could be implemented in the event of any government actions, such as tax penalties. The most damaging threat that the company could consider would be to relocate productive assets from Yanlland to Ennland or to some other country , That would lead to a loss of employment in a key industry and a loss of tax revenue from the subsidiary's operations. The threat of any such relocation would be sufficient to discourage the government from making good any threats of penalties. Multinational corporations such as Kwirtmak can damage the reputations of governments by closing down their factories and relocating their capital to another country.

# TASK 3

## Sub-task (a)

**Risk register**

The refusal to create a formal risk register implies poor governance at Derddon, which could prove damaging to the reputation of the Kwirtmak Group as a whole. Risk management is regarded as a key aspect of good corporate governance, and it will reflect badly on Kwirtmak's Board if a problem arises that could have been prevented by better risk management. The fact that Derddon's Board refused to create a risk register is a worry in itself, but that shortcoming is in the past. Kwirtmak's Board should address that shortcoming by insisting on the creation of a risk register as a matter of priority.

A risk register provides a useful planning tool for dealing with significant risks that could affect the company. The lack of a risk register will mean that Derddon will not have a comprehensive set of planned responses in place. It may not be clear who should take ownership of the risk, which could lead to a delayed response. There may not be a clear contingency plan for the local management team to implement, which could lead to further delays and possibly financial and reputational damage.

Kwirtmak's Board will have to consider whether there are further governance issues that have not been addressed by the subsidiary Board at Derddon. If the subsidiary Board can justify its refusal to create a risk register, then there could be further breaches of good governance. It may be that there are cultural issues in Derddon that mean that good governance is not valued and so companies may not implement recognised procedures that would be regarded as necessary in Ennland and elsewhere. It may be necessary for Kwirtmak to undertake a thorough evaluation of the governance procedures in place at Derddon in order to ensure that they are consistent with those of the Group as a whole.

## Sub-task (b)

**Internal audit**

Internal audit should determine the basis on which Kwirtmak's risk register was prepared. Ideally, the Board should have selected a formal standard that provides a basis for the evaluation of governance procedures. Internal audit should start by informing Derddon's Board that their risk register should comply with that standard. The standard will set out the criteria that can be used to judge the completeness of the risk register's coverage. Internal audit should ensure that Derddon's Board is aware of the formal standard and the need to comply with it. Internal audit should also ensure that any requirements of the Kwirtmak Board for a risk register are documented and communicated to Derddon's Board.

Internal audit should not assist in the preparation of the risk register because that is a matter for Derrdon's Board. The subsidiary Board should ensure that the risk register is consistent with that used throughout the Group, so they could make use of Kwirtmak's risk register as a starting point. The risk register should be consistent with that used by the Group, but it should also allow for the specific needs of the subsidiary itself. There may be specific risks arising from doing business on Yanlland or arising from the particular line of business that the subsidiary is in that should be taken into account. Internal audit should be prepared to respond to any requests for advice from Derddon's Board.

Once the risk register has been drafted, internal audit should conduct a thorough review of the document and a comparison with the documents that were furnished as a starting point. The review should include a check that all key matters set out in the formal standards have been addressed in the draft risk register. Derddon's Board should be asked to justify any omissions, with an expectation that gaps will be filled unless some of the matters set out in

the standard are not applicable to the subsidiary. Similarly, the subsidiary Board should be asked to justify any differences from the parent company risk register. The focus of this discussion should be to ensure that the Group as a whole can accept Derddon's approach to risk management.

Internal audit should conclude by conducting a detailed review of the risk register, checking that Derddon's risk register is complete and logical. The document itself should be read carefully to ensure that it is internally consistent. For example, the job titles of all risk owners should exist and the allocation of risks to specific owners should be sensible. Internal audit staff should meet with managers throughout the subsidiary to ensure that they are aware of the risk register's existence and of their responsibilities in relation to it. Internal audit should probe the logic of the risk register by asking managers open-ended questions about the risks that have been allocated to them as owners.



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# Strategic Case Study Examination

May & August 2026 - VARIANT 2

EXAM ANSWERS

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## Variant 2

These answers have been provided by CIMA for information purposes only. The answers created are indicative of a response that could be given by a candidate demonstrating a good level of performance. They are not to be considered exhaustive, and other appropriate relevant responses would receive credit.

CIMA will not accept challenges to these answers based on academic judgement.

# TASK 1

## Sub-task (a)

### SAF

The SAF criteria are generally consistent with factors that should be considered in relation to any strategic decision relating to product development. Deciding whether to invest in a proposal to create a new product would require careful consideration of three highly relevant criteria. Those criteria are applicable to any strategic decisions and should be sufficient when considered together to ensure that an optimal decision is reached. The three criteria can all be considered necessary but not sufficient when considered individually. That suggests that SAF provides clear guidance even if a proposal passes on one or two criteria but fails the rest.

It should be possible to apply the suitability and feasibility criteria to this decision in an objective manner. Suitability can be judged in terms of the company's mission and vision, which have been articulated by the company. Feasibility requires the advice of Kwirtmak's engineers in order to determine whether it would be possible to use this process effectively. If the product did not satisfy either of those criteria, then it would be sensible to abandon it rather than proceeding further.

The biggest concern with SAF is in deciding whether the project would be acceptable to stakeholders because different stakeholder groups could have conflicting needs. There is a further concern in this case because the complex nature of the product means that it will be difficult to decide whether proceeding will be acceptable to the shareholders as a stakeholder group. It would be necessary to determine whether this is a positive NPV investment, which would require estimates of future cash flows and the determination of a suitable discount rate. Arguably, if an accurate NPV calculation can be determined and found to be positive, then it could be argued that the suitability and feasibility criteria have been established and so SAF might be redundant.

## Sub-task (b)

### Scenario planning

The likelihood of this new technology attracting the interest of environmental campaigners could be quite high because of its association with the construction of vehicles and boats. Kwirtmak could encourage the attention of these campaigners because it will almost certainly wish to promote its new range of printers. Kwirtmak would be quite a visible target for such protests because campaigners could capitalise on this publicity for the new printers by attempting to disrupt the company's operations. The likelihood of protests might be further increased by the fact that most of the material to be used in this new process are in the form of plastics that have been reinforced by carbon fibre.

The impact of any such protests could be quite significant if they disrupt deliveries of the new printers, which would undermine the confidence of potential buyers in Kwirtmak's ability to deliver on time. The adverse publicity might also discourage potential buyers from buying these printers because they would then be associating themselves with a product and manufacturing process that is being criticised for being unsustainable. Any protests could be bad for the morale of Kwirtmak's staff, partly because of concerns for their safety and partly because they may not wish to be associated with an allegedly unsustainable product.

The likelihood of price increases is high because of demand for plastics, which are made from oil, and for carbon fibre, which is used extensively for manufacturing. Prices could be

volatile, with price rises being followed by decreases as additional sources of these commodities become available. The costs associated with this new manufacturing process will be driven heavily by the cost of materials because there is relatively little labour involved. The parts are designed as CAD models and the printing is done automatically.

The nature of the production process might make demand for these printers inelastic, which would reduce the impact of increases in prices of materials. 3D printing can create parts that would be difficult, if not impossible, to produce using conventional techniques. For example, boat hulls can be printed in shapes that would not be possible to produce by hand. Potential buyers might continue to buy these printers because of that capability and regardless of material costs.

It should be possible for Kwirtmak to manage the likelihood of the lead engineer resigning unexpectedly and at an inconvenient time. There should be contractual safeguards in place, such as the need to work for periods of notice, that will avoid key staff from leaving unexpectedly. Kwirtmak should also take care to manage other potential risks, such as ensuring that remuneration packages are competitive for engineers.

The impact of any such resignation could be significant because the lead engineer could be responsible for planning for the new printer to go into production. That impact should be managed by ensuring that all design staff produce detailed records of the work done to date and plans for the completion of each step of the design project. In the event that the lead engineer resigns, it should be possible to use these records to ensure that the work continues without interruption. Kwirtmak should insist on regular team meetings so that design staff are all fully aware of the work that needs to be completed before the product is ready for production.

# TASK 2

## Sub-task (a)

### Lender's concerns

Kwirtmak should be honest and transparent in its dealings with the lender. Ideally, it should aim to reach a mutually acceptable solution. Kwirtmak should learn all that it can about the reasons for Dresno's failure. Hopefully, it will be possible to reassure the lender that Kwirtmak is unlikely to run into the same difficulties that led to Dresno's failure. The lenders will be less likely to act if Kwirtmak can demonstrate that it is aware of the problems that affected Dresno and that it has good reason to believe that it will not encounter the same problems. The news report makes no specific reference to technical problems associated with the development of the new material, which suggests that there is no reason to believe that it will be impossible to complete the development work on this material. Kwirtmak should instruct its R&D Department to prepare a briefing for the lender so that they can be reassured that it will be possible to complete the work on time and within budget. It could also be worth arguing that Dresno manufactured carbon fibre and did not necessarily share Kwirtmak's expertise in 3D printing.

Dresno's failure appears to have been caused by poor cash flows rather than technical or marketing issues. Kwirtmak should furnish the lender with a detailed cash flow forecast in order to demonstrate that it does not expect to run into the same difficulties as Dresno. The forecast should be supported by a clear statement of the underlying assumptions so that there is transparency about the basis on which the forecast was prepared. Kwirtmak's CFO and CTO should offer to meet with the lender in order to discuss any concerns. It should be made clear whether Kwirtmak's current financial position complies with the terms of the loan agreement. It will be easier to negotiate with the lender if Kwirtmak's gearing is within acceptable limits, meaning that the lender is not yet able to foreclose on the loan. Ideally, it will be possible to demonstrate that Kwirtmak has sufficient discretion to cancel the contract without incurring penalties that will push it into default.

Kwirtmak should address the possibility that it might be put in a position of default on the loan and that it should seek a compromise with the lender. If the default will arise because of the recognition of a loss due to writing off an intangible asset, then it might be able to argue that any breach due to excessive gearing is technical in nature. If Kwirtmak can demonstrate that it has its own contingency plans for dealing with any failure of this project, then it could be possible to persuade the lender to restructure the loan conditions. Lenders often regard foreclosure as a last resort because of the adverse publicity associated with putting a borrower in financial difficulty. If Kwirtmak can demonstrate that it can maintain its loan payments even if it is in technical default, then the lender might be prepared to accept that arrangement. The real question is whether the failure of this development project will force Kwirtmak out of business, which would threaten the lender's security. It appears that Kwirtmak has sufficient non-current assets in the form of property, plant and equipment to protect the lender's interests.

## Sub-task (b)

### Currency risk

Kwirtmak's Treasury Department could evaluate the risk of currency movements by observing specific currency market prices to get an indication of the likelihood of an adverse currency movement. Differences between spot and forward rates will give an indication of the market's expectation of the likely movements in exchange rates during the expected extent of in the prices. The bigger the difference the greater the expected movement and the greater the market's confidence in the direction of the change. Similarly, a comparison of the

interest rates on W$ and E$ over the next six months will give an indication of expected movements in the exchange rate. The currency with the lower interest rate is expected to see a greater appreciation in its value over the term of the loans that are on offer. The pricing of currency options will indicate the expected volatility over the terms of the options that are available. These forecasts are not necessarily accurate, but they are an unbiased prediction based on an averaging of market expectations. The forecasts are potentially the most credible that are available.

The treasurer should then consider how best to manage the currency risk. One possibility would be to accept the risk, based on the expectations implied in the currency markets. If there is a strong expectation that the W$ will depreciate over the next 6 months then it might not be reckless to wait until the negotiations have concluded and to settle the contract at prevailing spot rates. Accepting the risk would simplify the whole process of risk management and would avoid the need to incur charges. If the Board chooses not to accept the risk then it might buy an option that would enable Kwirtmak to exchange E$ for W$ at a specified rate, if it wishes to do so. That would have the advantage of enabling the company to participate in any favourable movements while being protected from adverse movements. The option could also be allowed to lapse in the event that Kwirtmak does not arrive at an agreement with Dresno.

# TASK 3

## Sub-task (a)

**Ethical issues**

Consumers might be used to the plastics used in 3D printing being recyclable and could take it for granted that this new material will be recyclable in the same way. That creates a dilemma because warning the public that this reinforced plastic might not be recyclable could lead to a loss of sales for Kwirtmak. That could be viewed as conflicting with Kwirtmak's duty to maximise shareholder wealth. In this case, the conflict could be resolved by referring to the principle of objectivity. Kwirtmak should tell the truth, even if it is undesirable to do so. Any information published in marketing the new material should be truthful, regardless of the potential impact on sales. Kwirtmak should be honest in its responses to any questions about the sustainability of this new product.

It might not occur to consumers to question the sustainability of products made from plastic reinforced with carbon fibre. Kwirtmak could be tempted to disclose as little as possible about the recyclability of the new material, acting on the basis that customers and consumers should make their own investigations. Again, that attitude could be consistent with the desire to maximise shareholder wealth. This dilemma could be addressed by the principle of integrity. Kwirtmak should be straightforward and honest in all relationships. That principle would prevent Kwirtmak from knowingly permitting customers to work on the basis of invalid assumptions about the properties of the new material. The company should be clear about the positive and negative aspects of the material in all marketing materials and any other information that is published.

It could be argued that Kwirtmak's relationship is with the customers who will buy its 3D printers and materials for use in product development and manufacturing. Kwirtmak has no direct relationship with the consumers who will buy products made by these customers. That could create a dilemma if customers are making false statements about the recyclability of the new materials. Arguably, Kwirtmak could be bound by the principle of confidentiality, which would prevent the disclosure of any information obtained through business relationships and might be said to prevent Kwirtmak from disclosing any information about the recyclability of a customer's products. The principle of professional behaviour will probably prevent Kwirtmak from discrediting itself by ignoring any misunderstanding on the part of the public.

## Sub-task (b)

**Sustainability Committee**

A Board Sustainability Committee could have the advantage of ensuring a clear sense of purpose for that committee. The existing committee deals with risk and corporate social responsibility (CSR), which means that committee members are required to consider commercial risks as well as CSR, which could create conflict between the roles of the committee. The new committee will eliminate that conflict by requiring the committee to focus exclusively on sustainability. Having a committee of non-executives to oversee sustainability will enable the executive directors to speak freely about the commercial implications of any new products or other strategic proposals. The members of the Sustainability Committee will owe a duty to the shareholders, but they will be under less pressure to maximise profits and so there will be room for creative dialogue between the executive directors and the Sustainability Committee.

The creation of a sustainability committee will reassure stakeholders that strategic decisions take full account of sustainability. That might enable Kwirtmak to attract funds from ethical investors, which might lower its cost of equity slightly. It might also assist in raising green

loans, which will be slightly less expensive than conventional borrowing. Customers might also be reassured that they can present themselves as operating in an ethical and sustainable manner if it uses Kwirtmak's machines and materials.

There is a danger that there will be excessive emphasis on sustainability in the Board's discussions. While Kwirtmak has a duty to be sustainable, it also has a duty to act in the best interests of the shareholders. There would be a significant cost to rejecting every strategic opportunity that was not sustainable. For example, the new material for extrusion printing opens major markets for 3D printing, but at the cost of using a new material that cannot be recycled. It would only be practical to operate a sustainability committee if issues like this can be dealt with through agreement that some sacrifices in terms of sustainability may be necessary for the sake of commercial development.

There could also be concerns that this will impose additional pressure on the non-executives. There are currently four committees and each non-executive sits on three. It may be necessary to increase the workload of some directors in order to staff this, or to incur the disruption associated with recruiting at least one additional non-executive.



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# Strategic Case Study Examination

May & August 2026 - VARIANT 3

EXAM ANSWERS

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## Variant 3

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# TASK 1

**Corporate social responsibility**

The printers could create a significant benefit to society by enabling the construction of low-cost housing, both quickly and in relatively remote locations. Cement can be transported to building sites in bulk, and gantries erected by staff who are not necessarily skilled in crafts such as laying bricks. The printers will be able to replace outdated and derelict housing, improving the quality of accommodation available to former residents. Using 3D printing to build the walls will reduce employment opportunities for builders, but it will not make them all unemployed. Builders will still be required to finish the houses, install doors, plumbing, and so on. By reducing the total construction costs, it may be that more homes will be built because of this technology, and so there could be an overall increase in the number of building jobs available.

It may be that the use of these printers will increase the environmental impact of housebuilding. The cement requires a considerable amount of energy in its manufacture, and that could lead to a significant carbon footprint for the new houses. Mixing the cement for use will require a great deal of water at the building site. That water will either have to be transported to the site using tanker trucks or will have to be sourced locally. Applying the layers of cement will require considerable amounts of energy to dry each layer in turn in order to speed up construction. The printers will displace more environmentally friendly building materials that are currently in use, but that cannot be printed with. Presumably it will take quite some time to develop more sustainable building materials; otherwise Product Development would have delayed the launch until the new materials were ready.

## Sub-task (b)

**Raising finance**

Equity finance might be expensive to raise because Kwirtmak has a high beta coefficient of 2.3. Even within a diversified portfolio, shareholders will regard this as a risky investment because of that high beta. There will be very little real diversification implicit in this investment because investors are being asked to invest in a risky new product that is essentially a variation on 3D printing. Arguably, applying 3D printing to housebuilding could be viewed as increasing systematic risk because demand for houses will be affected by economic conditions, such as interest rates. It may be that this investment will increase the beta coefficient further and make equity even more expensive.

Shareholders might be reluctant to support the directors if asked to support the Board by investing in a rights issue. Kwirtmak's share price has been volatile over the past few years, but it has also been decreasing steadily. The shareholders might challenge the Board publicly as to whether this would be a sensible investment project, given that existing products have not created an increase in share prices. A rights issue would probably require a significant discount in order to attract external investors if existing shareholders are reluctant to invest. The directors might be reluctant to proceed with attempts to issue further equity in this situation because it could undermine their credibility.

Debt might also be difficult to obtain. Kwirtmak's gearing ratio is currently 1,350/(1,350 + 2,106.3) = 39%, which is relatively high. Borrowing E$300 million would increase gearing to 1,650/(1,650 + 2,106.3) = 44%, which is a significant increase. Borrowing to that extent would further discourage the shareholders because their return would be even more volatile. Kwirtmak's profit after tax is already subject to volatile sales revenue. Increasing the fixed cost of financing debt will increase the volatility of Kwirtmak's earnings per share even further. The additional borrowing will also increase Kwirtmak's geared beta, which will further increase the cost of equity.

Potential lenders might be reluctant to invest in this venture because of the risk of foreclosure. If Kwirtmak completes this project but fails to attract buyers for the new printers then its cash flows might be disrupted. If Kwirtmak cannot maintain its cash flows then the lender might be forced to foreclose, which could prove expensive. There is also the possibility that the lenders will have insufficient security for the loan because Kwirtmak's existing tangible non-current assets are partly overseas, where they could be difficult to access. They could also already have been pledged as collateral. The development project will, at best, create intellectual property that is unlikely to have significant resale value and so may offer little in the way of security.

# TASK 2

## Sub-task (a)

**SWOT**

Kwirtmak's strengths include a reputation for the creation of good quality printers and printing materials, which should enable it to compete with rivals such as Breskko in terms of quality. Kwirtmak has a presence in several existing markets and so has demonstrated its ability to adapt and create new forms of 3D printer. Unfortunately, Breskko has already launched its printers, which gives it first mover advantage. Housebuilders may not be knowledgeable about the 3D printer market and so they may not be aware of Kwirtmak's reputation. Positive news stories about housebuilders creating homes using this new technology could make it difficult for Kwirtmak to enter this new market in competition against Breskko with its established reputation.

Kwirtmak's weaknesses include the need to rely heavily on third parties for parts and materials for use in the manufacture of printers and of printing materials. The fact that Breskko has already launched its printer suggests that it has already identified the best suppliers. If Breskko places large orders, then Kwirtmak may be unable to obtain all of the parts and materials that it needs to build its own version of this new product because suppliers lack capacity. For example, the gantries used to support these printers in operation will probably have to be supplied by a third-party supplier. If Breskko managed to negotiate an exclusive arrangement with its supplier then Kwirtmak will have to find an alternative and agree on a practical design that meets Kwirtmak's needs. That dependence could further delay Kwirtmak's entry to the market and so further weaken its position in the market.

There is an opportunity to be had because Breskko's printer is now available to study and to improve upon. Kwirtmak can contact building companies that are making use of Breskko's new printer, and they can identify what they like about the device and whether there is room for improvement. Ideally, Kwirtmak can launch a superior printer that will enable it to make significant inroads into Breskko's share of this market. Reverse engineering an example of a Breskko printer would enable Kwirtmak to determine how the printers are made. It might be possible to identify ways in which Kwirtmak can reduce production costs and so pass on savings to customers.

Kwirtmak faces a significant threat because it plans to launch a printer that builds with cement. Breskko's printer uses a mixture of cement and plant fibre that offers superior insulation. Housebuilders will be unlikely to buy Kwirtmak's printers if they build homes with poor insulation and higher carbon footprints. The fact that Kwirtmak is aware of this threat means that it can address the problem by adapting its design to enable it to use the same materials as Breskko's. There is a further response to this threat arising from the fact that the superior material is manufactured and sold by Fybarr and not by a printer manufacturer. If it moves quickly, Kwirtmak can acquire Fybarr and eliminate this threat.

## Sub-task (b)

**Post acquisition**

It is important to be clear about the nature of the intellectual property that will be acquired if the equity is purchased. Kwirtmak has to ensure that the IP belongs to Fybarr and that it is protected by effective patents. It is also important to establish whether there are any further threats to Kwirtmak's ability to profit from this product. For example, it could be a problem if there are agreements or orders in place to supply builders who do not use Kwirtmak's 3D printers.

It is important to be clear about the workforce and the possibility that loss of staff could undermine the value associated with the material. Kwirtmak should establish whether the manufacturing process requires any specific skills and whether the production staff are likely to remain after an acquisition. Kwirtmak should review factors such as staff turnover, salaries and other indications that skills could be lost. It would also be reassuring to see evidence that key staff have signed non-compete clauses and cannot leave to join a competitor.

The extent to which Fybarr's product could be matched without breaching patents must also be considered. There would be much less point in acquiring Fybarr if Kwirtmak could develop its own rival material that could provide the same advantages. Similarly, there would be very little point in paying a premium for Fybarr if Beskko and other rivals could make their own material. It may not be possible to prevent third parties from combining basic materials such as plant fibre and cement. The real intellectual property might be in the design of the printer.

# TASK 3

## Sub-task (a)

### Risks

When the new product was introduced, it should have been obvious that there was a high likelihood of employees being injured because of the dangerous aspects of assembling these printers. Kwirtmak's management team should have recognised that there was a high likelihood that careless behaviour by staff could lead to falls or back injuries. The consequences of any accidents are potentially high because Kwirtmak has a duty to protect the safety of its employees. There could be legal claims against the company for compensation, based on arguments that the employees were put in a dangerous situation without training or safety equipment. There could also be criminal action against the company and its directors because of breaches in health and safety law.

The fact that there have been multiple falls and back injuries increases both the likelihood and the impact of these legal risks facing Kwirtmak. The first incident of each type should have been sufficient to alert the company to the danger, and it should have taken immediate steps to address it. The recurrence of the incidents indicates recklessness on Kwirtmak's part and could make any claims or criminal charges more serious. It is also possible that the injured employees will share legal expenses and corroborate evidence concerning the risks.

There is also a high likelihood that building companies will be unwilling to purchase this printer because they do not wish to expose their employees to this risk of injury. Any publicity associated with the accidents at Kwirtmak's factory could discourage potential customers. Employees could refuse to work with the Kwirtmak 3D printer because they are afraid that they might be injured when they are erecting the gantry or fitting the hoses on construction sites. That response could persist even after Kwirtmak modifies its design to make it safer to work with.

The fact that these injuries occurred at a foreign factory that is relatively new could increase the impact of these risks. The host country government could be under additional political pressure to make an example of a foreign manufacturer that is behaving negligently concerning health and safety. Potential customers might also have greater concern about product quality if the printers are being made in a country that allowed Kwirtmak's operations to injure several members of staff. Kwirtmak could be at risk of reputational damage because of fears that it is exploiting a lax legal system in Wallande.

## Sub-task (b)

### Controls

All employees should be required to participate in safety training as part of their induction process. They should not be permitted to start work until they have completed that training, ideally with some assessment to demonstrate that they understood the training. The training should include the need for all staff to be fully responsible for their own safety and that of their colleagues. Every member of staff should assess the risks associated with any task that has been assigned and should refuse to attempt that task unless they are confident that they can do so safely. Staff should not be disciplined for refusing to complete a task that they believe to be unsafe. A competent supervisor should investigate the basis for the refusal and should provide any necessary advice or equipment before asking the employee to proceed.

It should be a serious disciplinary offence for an employee to work without wearing relevant safety equipment. There should be signs that indicate what equipment must be worn, such as helmets and protective boots. Any employee who is found to be working without the necessary equipment should be suspended from duty immediately and may face dismissal.

Each factory should have a safety department whose staff are trained to assess jobs and to designate the appropriate safety equipment required for each job. Employees should be responsible for checking their equipment and for refusing to work if their equipment is damaged or is not available. It should be made clear that it is not acceptable to refuse to wear equipment just because it is uncomfortable or inconvenient.

Supervisors should have a specific responsibility for compliance with safety standards in their departments. Any subordinate who is not wearing all safety equipment should be told to leave the factory and should not be permitted to return until they are properly equipped. Any such breaches should be reported to the safety department, and a record should be maintained of all such incidents. The supervisors should be required to investigate whether employees are trained and capable of undertaking any tasks that they assign. For example, the supervisor should confirm that staff are trained to lift heavy objects before they are instructed to undertake a task such as fitting a hose on a gantry.



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# Strategic Case Study Examination

May & August 2026 - VARIANT 4

EXAM ANSWERS

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## Variant 4

These answers have been provided by CIMA for information purposes only. The answers created are indicative of a response that could be given by a candidate demonstrating a good level of performance. They are not to be considered exhaustive, and other appropriate relevant responses would receive credit.

CIMA will not accept challenges to these answers based on academic judgement.

# TASK 1

## Sub-task (a)

### Predicting demand

This technology will require a thorough assessment of clinical safety before it can be used. . It could be reckless for Kwirtmak to proceed before that assessment has been completed. There could be significant risks to patients if medication is released from printlets at the wrong time or at an incorrect rate. Patients could receive accidental overdoses if a tablet releases a double dose instead of, say, two single doses spaced four hours apart. This assessment will have to check that medication can be inserted into printlets without altering its chemical composition. The printing process could affect the medication because of heat or a chemical reaction between the medication and the material in which it is presented. Patients may be reluctant to accept medicine in this format after being accustomed to taking separate doses.

Pharmacists could be reluctant to invest in this new technology unless it can be shown to deliver significant benefits. At present, a pharmacy can fill prescriptions by having assistants count pills into labelled bottles. That may be time consuming, but it can be scaled up by having several assistants under a pharmacist's supervision. The pharmacist can check pills against the prescriptions for their issue before the bottles are handed to the patients. Printlets will require trained assistants to load a printer with the necessary medication and to program the printer. These printers could delay the dispensing of prescriptions unless pharmacies are equipped with several printers. Pharmacists might not regard this technology as cost-effective.

## Sub-task (b)

### Acquisition

Kwirtmak's expertise is in the area of 3D printing. This new technology will require significant amounts of knowledge relating to pharmacy products. For example, a pharmaceutical manufacturer will know about the effects of different sizes and shapes on patients' ability to swallow printlets comfortably. A pharmaceutical manufacturer will also be able to advise Kwirtmak on the suitability of different materials for the casing of the printlets, ensuring that they will not be harmful when swallowed by patients. Different materials will also have different levels of reliability in terms of the rate at which the medicine is released after being swallowed. Finally, the pharmaceutical manufacturer will be able to advise on design issues, such as the maximum temperature that can be used in the printing process without damaging the printing process. The manufacturer will also be able to advise on the design of mechanisms for measuring and implanting precise doses.

Having a pharmaceutical manufacturer in the Group will reassure patients, who might otherwise be reluctant to take printlets instead of traditional tablets. The manufacturer will be able to confirm the suitability of printlets for the specific cases for which they are indicated. The manufacturer will be able to certify that the printlets are safe and are as effective as the tablets that they are replacing. The manufacturer will have its own quality control procedures and will be able to apply these to test batches of printlets. Its established reputation should be sufficient to persuade patients that there are no clinical concerns associated with this new approach to taking medicine.

Acquiring a pharmaceutical manufacturer will provide the Kwirtmak Group with valuable knowledge and experience of the licencing process for new medications. Knowing what questions are likely to be asked and how different responses will be received should help Kwirtmak to submit a successful application. The regulators are more likely to trust the

company if it has gone to the trouble and expense of acquiring a pharmaceutical manufacturer. The manufacturer will also be able to offer a track record in terms of the manufacture and sale of traditional medication. Regulators will be more inclined to trust an applicant who can offer such a history.

Finally, the pharmaceutical company will be able to offer Kwirtmak access to its contacts with pharmacies. Kwirtmak could take care to ensure that the manufacturer has experience of selling to both hospital pharmacies and retail pharmacists and will be able to use those contacts to develop sales leads. While a small manufacturing company will only have limited contacts, it should have enough to permit initial sales. The first few sales will make it easier for Kwirtmak to generate further interest on the basis of feedback received from the early adopted. The pharmaceutical manufacturer will know how best to collect that feedback and to make best use of it in seeking further sales.

# TASK 2

## Sub-task (a)

### Green loan

There will be reputational benefits to being granted a green loan. The lender will impose conditions relating to the sustainability of this product and will check that Kwirtmak appears to be compliant. Stakeholders who are interested in sustainability will have greater confidence in Kwirtmak's claims to be green if the lender has checked these credentials. Kwirtmak will be able to disclose the fact that this is a green loan in its annual report. The bank will probably publish the criteria that must be met before qualifying for a green loan and stakeholders will be able to evaluate Kwirtmak's claims to be sustainable by checking these criteria. Given that the new printers will replace the manual filling of pill bottles, it is potentially important to maintain a reputation for sustainability.

Green loans are usually offered at a small discount to the usual cost of debt. If Kwirtmak intends to pursue a sustainable approach anyway, there will be no real cost to obtaining a green loan. The shareholders will benefit from the savings due to the lower interest. They will also benefit from the slightly reduced fixed cost of servicing the debt, which will reduce the impact of the additional gearing on the volatility of their EPS. Even if the benefit is small, the shareholders might regard the saving as worth having.

The fact that this is a green loan does not alter the fact that it carries virtually all of the disadvantages of borrowing. Kwirtmak's gearing will increase from 1,350.0/(1,350.0 + 2,106.3) = 39% to (1,350.0+250.0)/(1,350.0+250.0 + 2,106.3) = 43%. Kwirtmak's gearing ratio is already high and it will increase still further because of this loan. The benefits of using a green loan will reduce the impact on gearing slightly, but only very slightly. It might make more sense for the Group to consider raising the funding for this development work by equity in order to reduce gearing.

Committing to a green loan could risk undoing the reputational benefits if Kwirtmak cannot maintain the sustainability of this project. If Kwirtmak finds itself in breach of the green conditions, then the lender might withdraw the green discount and designation. Doing so could draw attention to the loss of this green discount and could make Kwirtmak appear to be reckless regarding its sustainability. This could create a worse impression of the company than if it had been granted an ordinary loan that did not have green conditions. It may be that Kwirtmak will find itself in a position where it must incur significant expense in order to maintain the status of this loan.

## Sub-task (b)

### Economic risk

Kwirtmak could promote the benefits of printlets as vigorously as possible to patients. If patients can be convinced that the quality of their lives will be improved by receiving their medicines in this form, then they will push to have them available from hospital and commercial pharmacies. If printlets are popular then demand for these printers might not be particularly elastic, given the culture in which patients demand the best care. Pharmacies might buy the printers even when the W$ moves against them.

It could make commercial sense for Kwirtmak to price the printers in W$, thereby taking the risk upon itself. Kwirtmak will hopefully be able to sell these printers with sufficient markup to earn a profit regardless of the currency level. There is also a possibility that currency fluctuations will cancel out over time. It would be ideal if Kwirtmak could import some of the parts and materials used to make these printers from Westland because it could then offset

currency movements on both sales and purchases, reducing the overall cost of the economic risk.

The fact that the printer could be launched immediately in Westland means that it could be sensible for Kwirtmak to accept the economic risk as a price of launching the printer. Sales made in Westland will allow an opportunity to make sales and obtain experience in supporting the new product. Even if the currency volatility reduced profit on sales made in Westland, those sales might create a strong basis for sales in Ennland, once the printer has been licenced for use there. Given the importance attached to the quality of medical care in Westland, any experience gained of operating the printers in that market should benefit Kwirtmak in making sales in Ennland.

# TASK 3

## Sub-task (a)

### Ethical implications

Kwirtmak's duty to act with integrity requires it to be straightforward and honest. The company has fulfilled this duty in relation to printlets. It purchased the rights to this new technology and so is entitled to use those rights. Medication that is dispensed using printlets may be more pleasant or convenient to take, but Kwirtmak is not claiming that there are any health benefits to be had from this. Kwirtmak has created a product that consumers enjoy using, but it has not overstated the benefits of printlets. There is no reason to believe that consumers have been misled or that they have been left with a misunderstanding of Kwirtmak's product. It may well be that Kwirtmak has developed a product that is popular with consumers and that pharmacies will choose to buy this product in order to retain customers. Arguably, that is a sign of good business management on Kwirtmak's part. It has identified a business opportunity and is benefitting from good management of that.

Kwirtmak has a duty to maximise shareholder wealth. The concept of objectivity would prevent it from being distracted from that duty because of conflict of interest or bias. In this case, Kwirtmak is able to capture significant additional market share because of the popularity of printlets. It could surrender some or all of that advantage by selling rivals the rights to make these printers, but it could be argued that it would be wrong to do so. There is no reason to assist rivals or enable them to use Kwirtmak's intellectual property. It would, perhaps, be acceptable to sell those rights at a premium that reflected their true commercial value, otherwise the status quo should remain. The heavy demand for printlets is due to consumer preferences. Patients will not be harmed by any inability to obtain their medication in printlet form.

The duty to behave professionally would imply that Kwirtmak should not behave in a manner that discredits itself. It could be argued that the success of printlets is forcing pharmacies to purchase Kwirtmak's printers, whether they want to or not. That could lead to increased operating costs for pharmacies, which could prove harmful to patients if it leads to an increase in the cost of healthcare. Kwirtmak's reputation could be harmed if pharmacists criticise the company for overpricing its 3D printers or for excluding competition from rival printer manufacturers. Arguably, it would be unfair to criticise Kwirtmak because the benefits of printlets could be due to their promotion by the pharmacies that have these new printers. Pharmacies remain free to opt out of dispensing medicines in printlet form.

## Sub-task (b)

### Non-executives

It could be argued that the role of non-executives has been designed to ensure that they recognise unacceptable business practices and act to address them. The role of non-executives emerged in response to several corporate scandals. They were expected to take a proactive approach to preventing a recurrence. Non-executives are employed on the basis that they will have no incentive to permit malpractice on the part of the executive directors. This is reflected in the fact that numbers of executives and non-executives are supposed to be in balance to ensure that non-executives cannot be routinely outvoted in board meetings. Non-executives do not have any executive powers, so they can retain their independence and are free of any incentive to tolerate malpractice or exploitative business practices. Similarly, non-executives are paid on the basis of an annual salary, so that they have no financial incentive to participate in any mismanagement of the business. Finally, non-executives are expected to participate in board committees, which forces them to take some interest in specific issues relating to factors such as financial reporting and risk

management. Those committees have clearly designated functions and non-executives have an opportunity to review relevant papers and other information. Taken together, it seems clear that the non-executive directors have a duty to reassure stakeholders that there are no exploitative business practices.

There could be a risk of conflict between the executive and non-executive directors if the non-executives are viewed as taking an excessive interest in business practices. The executive directors are evaluated largely on Kwirtmak's ability to generate profits and maintain its share price. They may resent the non-executives for any constraints that they impose that interferes with their regards or career progression. It could be argued that the non-executives have relatively little to lose from speaking out against potentially controversial business practices, even if such controversies are simply matters of opinion. The non-executives have fixed remuneration and so they will continue to be paid as before, unlike the executive directors, whose remuneration is likely to contain a performance related element. That could lead to a serious lack of trust within Kwirtmak's Board if the executive directors feel that their non-executive colleagues are threatening their ability to implement potentially profitable business decisions. These feelings will be heightened if the non-executives are deemed to be aggressively seeking out reasons to deem proposed business practices as exploitative or potentially irresponsible. It should be sufficient for the executive directors to be empowered to reject any arguments put forward by the non-executives. In cases of extreme disagreement, the non-executives will always be able to resign from the Board if they do not wish to be associated with Kwirtmak's behaviour.



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# Strategic Case Study Examination

May & August 2026 - VARIANT 5

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## Variant 5

These answers have been provided by CIMA for information purposes only. The answers created are indicative of a response that could be given by a candidate demonstrating a good level of performance. They are not to be considered exhaustive, and other appropriate relevant responses would receive credit.

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# TASK 1

## Sub-task (a)

**Emergent strategy**

Emergent strategies usually involve change that is motivated by an unexpected change, rather than a response to a formal strategy. In this case, there is no change that has triggered the R&D Department's proposal. The only unexpected development is that R&D has identified a new approach to designing printers that does not appear to have been considered before. There has not, for example, been a request from customers for a new design of 3D printer that matches this proposal. The R&D Department has simply noted that 3D printers are generally suited to making small quantities of any given design and that a new design might eliminate those limitations. It could be argued that this is still consistent with an emergent strategy because it offers an evolution in terms of the capabilities of the printers that the company makes. There is a logic in allowing 3D printers to evolve in this way because there are undoubtedly compromises inherent in existing designs. It seems likely that there are drawbacks, such as increased production costs, to making 3D printers faster with reduced running costs; otherwise, they would already be in production. Addressing those compromises might offer Kwirtmak an opportunity to create a strategic advantage over rival manufacturers.

Kwirtmak is a quoted company, which means that it must satisfy its shareholders that their wealth is being invested and otherwise managed sensibly. It would probably be feasible to present an emergent strategy to the shareholders because it implies logical behaviour such as taking advantage of opportunities that emerge. It would not necessarily be important to meet all the criteria that define emergent strategy, but it should be possible to persuade the shareholders that there is a sound commercial logic to the development of this new type of printer. The shareholders are unlikely to be concerned about the formal classification of the company's strategy. The strategy is consistent with Kwirtmak's mission and vision, both of which relate to providing customers with effective 3D printing solutions. That consistency will provide further support for the commercial logic of this new strategy, given that there is a significant body of potential buyers for this new technology. The biggest concern to be addressed is whether there is a coherent strategy underpinning this new type of printer. The fact that faster speeds and lower operating costs are desirable does not necessarily make them realistic. There is nothing in the proposal that confirms that the new design can be made.

## Sub-task (b)

**First to market**

Being first to market will enable Kwirtmak to satisfy the immediate demand for these new printers. It will have no rivals in the short term. Ideally, that will lead to positive publicity arising from any benefits obtained by launch customer from their use of these printers.

Potential customers will be able to purchase products containing parts printed with this device, enabling them to evaluate product quality under operational conditions. Hopefully, that will also result in positive feedback from early adopters, who will be motivated to promote themselves on the basis of their investment in this technology. Early adopters will provide Kwirtmak with a further advantage because they will be unlikely to buy any other brand of printer if they need to expand their capability in this area. Adding rival brands of printer could lead to compatibility problems with software models, which could complicate making effective use of the new 3D printers. There might also be slight inconsistencies in parts made by different brands of printer, which could be a problem given that the target market includes luxury car manufacturers. Being first to market could help Kwirtmak to develop standards for this category of printer, which could include the formulation of materials. Ideally, this could provide Kwirtmak with a consistent demand for printing materials that are fully compatible with its new printers.

Being first to market will enable Kwirtmak's rivals to buy its printer for trial purposes. They will be able to test its operation and identify its strengths and weaknesses, with a view to developing their own improved versions. Reverse engineering Kwirtmak's printer may provide them with savings in the development of their own machines. That could enable them to save time in the design of their versions of these printers and so cut short the period in which Kwirtmak has the market to itself. There is also the possibility that being first to market will lead to a commercial failure if demand for these printers does not materialise. Potential customers may decide against replacing traditional manufacturing techniques with 3D printing. Kwirtmak will not be aware of weak demand until it has launched its printer and suffered disappointing sales. If this is the case, then the company will be discouraged from launching further new products. It will feel it has lost some credibility.

# TASK 2

## Sub-task (a)

**Green loan**

There is only a small financial benefit to be had from proceeding with the loan because the discount for meeting the green criteria is very small. Nevertheless, stakeholders are likely to be concerned if Kwirtmak cannot obtain a green loan because that would imply that the company is not operating in a sustainable manner. If Kwirtmak's operations are sustainable then there should be no additional cost associated with obtaining a green loan. Failure to obtain a green loan could suggest that Kwirtmak's Board was insufficiently motivated to obtain the best possible rate for their finance. Banks are generally keen to grant green loans because that makes their lending practice appear to be sustainable, but borrowers must still be willing to take the trouble to furnish the relevant assurances along with their application.

The bank proposes concentrating its green loan criteria on the new 3D printers that Kwirtmak plans to develop. Obtaining the loan will help Kwirtmak to validate any claim that it makes concerning the new printers being sustainable. That could offer a marketing advantage when Kwirtmak comes to promote the printers. The focus on the new printers will also avoid having to meet detailed criteria relating to the overall sustainability of Kwirtmak's operations. Apart from saving time in preparing documentation for the loan application, it will also avoid the risk of being penalised for historical choices that might be regarded as unsustainable.

The bank's insistence on checking on the sustainability of the new product could complicate the compliance issues associated with the loan. The reference to controversy in matters such as the consumption of electricity could mean that the green loan is withdrawn, even if Kwirtmak meets all of its commitments made at the time of application. Meeting with the bank's inspectors and dealing with any concerns could take up significant amounts of management time and could be a distraction. It could also mean that aspects of the development work and the design could be altered in order to avoid reputational damage due to loss of the green loan. It might be safer to agree on specific lending criteria such as upper limits on the energy consumption (or similar) from the outset of the loan period.

The fact that the green loan is contingent on the development process and the printers themselves being sustainable in their operation could prove damaging to Kwirtmak. If the green loan is restructured into a non-green loan then that may be interpreted as an indication that there are serious problems with the printer's design. Potential buyers might be reluctant to purchase it because consumers will regard their products as unsustainable. The bank appears to be keen to demonstrate its green credentials and so it may be rigorous in its review of these lending criteria and Kwirtmak's eligibility. The risk of the loan being reclassified are high, suggesting that it might be safer to apply for a conventional loan.

## Sub-task (b)

### Sustainability reporting

Kwirtmak will still be able to report on the governance structures in place in the same terms as before, assuming that the Operations Director has the same responsibilities and that the Risk and CSR committee has the same remit. The adverse publicity associated with the withdrawal of the loan might suggest that Kwirtmak should make its assurances more credible through greater transparency. For example, it would be desirable to inform stakeholders of the frequency of Risk and CSR Committee meetings and the attendance of members. It might also be helpful to add a narrative statement by the Operations Director that sets out the terms of oversight of sustainability issues, again with a view to increasing transparency.

The strategy statement may have to be modified to avoid confusion. For example, it may be necessary to report in traditional 3D printer operations separately from those designed for manufacturing. It could be argued that the new printers are more likely to be inefficient in their use of electricity and materials because they will be operating for longer periods and will require more materials to allow for the greater quantity of output. Transparency will be important because of the new product range and the publicity associated with its impact on sustainability. The efficient use of materials should be compared with material consumption by the 3D printer compared with traditional manufacturing processes.

The implications of the loan restructure on risk management will have to be considered because the report currently focusses on Kwirtmak's production of printers. The question arises as to whether the report should address the sustainability issues associated with the company's printers when they are used by customers. There appears to be a risk that printers designed for manufacturing purposes are loaded with greater quantities of materials that are tainted in the process and cannot be recycled if they are not used immediately. It would be misleading to exclude such concerns from the report, even if those concerns apply only to the new printer range.

# TASK 3

## Sub-task (a)

**Remuneration committee**

It could be argued that there is a full-time Chief Technical Officer whose only distinct roles are research and product development. Presumably the CTO is well paid for that role and should not receive a bonus for doing that clearly defined job. A bonus paid to the CTO could demotivate the other directors unless they are also motivated by bonuses for conducting their roles. The shareholders might regard a bonus as a double payment to a director who is already costing a great deal to employ.

It could be difficult to determine which directors deserved to receive a bonus or how much their bonus should be because the CTO will not be the only one involved in creating new products. It is likely that the Marketing Director will have a significant input to the selection of potential projects that are worth developing into new products. Similarly, the CFO will have to raise finance, and the Operations Director will have to address production issues. Paying anyone a bonus for anything other than exemplary work could lead to bad feelings between the executive directors.

There could be a danger that paying bonuses for product development could lead to dysfunctional behaviour on the part of the CTO and other Board members. The most recent product was the first in five years. It may be that Kwirtmak does not need to launch new products frequently. Paying bonuses could provide directors with a financial incentive to launch products far more frequently, even if there is a risk that they will fail. It might be more consistent to have the Remuneration Committee grant bonuses in return for contributions to Kwirtmak's overall performance.

## Sub-task (b)

**Chief Technical Officer**

Kwirtmak makes a wide range of products for use in a variety of industries. It is important to ensure that the company's products remain current for the market that the company aims to serve. Having a CTO will ensure that the product range is subject to strategic review, which will reduce the risk of rival printer manufacturers taking over Kwirtmak's business. It is not necessary for Kwirtmak to be releasing major new products on a frequent basis to justify a CTO on the Board. It is sufficient for the company to make regular updates and upgrades to existing products as and when required. Maintaining a regular strategic review of products could avoid wasting time and money on unnecessary or impractical upgrades. The CTO can identify the technical feasibility of new features requested by customers and can ensure that those are added to existing products when they have been classified as technically feasible and commercially desirable. It is important for Kwirtmak to be responsive to any such

requests because customers rely on their 3D printers to assist in their own research and development.

Having a CTO will help reassure stakeholders that Kwirtmak has the ability to track and respond to technical developments in the 3D printer market. Some of the updates that will be required will take the form of updates to software, including integration of printers with the latest versions of 3D CAD packages. These updates may not attract a great deal of publicity, but any failure to maintain software and operating systems will have a significant impact on customer satisfaction. Having a CTO on the Board will encourage design engineers to apply for positions with Kwirtmak and to remain in post. Having a director in this role will demonstrate that the company recognises the importance of technical skills. The shareholders can hold the CTO responsible for ensuring that products are kept up to date and so should regard the cost of maintaining this position as a sound investment.

It could be argued that the market's positive reaction to the new product range implies that the capital market does not believe that Kwirtmak's CTO is providing value for money. The market clearly did not expect Kwirtmak to bring a significant new product to market. The market analyst's comment suggests a sense of frustration at the lack of new products in the previous 5 years. This could suggest that Kwirtmak is unable to make sufficient use of a CTO who is supported by a research and development department. If Kwirtmak is not launching products, given the pressure that the CTO is likely to face to do so, then there may be no real advantage in retaining that role.

The reaction to the new printers could suggest that the 3D printer market has matured to the extent that there is no need for a dedicated board member to oversee research and development. The market was clearly surprised by the positive announcement that a new product was to be launched, suggesting that it had not expected that possibility. There may be more cost-effective ways to manage product development that would satisfy the shareholders. It might, for example, be possible to replace the CTO with a manager who will oversee a small department that will carry out routine software updates. It could be more cost-effective to seek support from an engineering consultancy when the possibility of a new product launch is being considered.



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# Strategic Case Study Examination

May & August 2026 - VARIANT 6

EXAM ANSWERS

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## Variant 6

These answers have been provided by CIMA for information purposes only. The answers created are indicative of a response that could be given by a candidate demonstrating a good level of performance. They are not to be considered exhaustive, and other appropriate relevant responses would receive credit.

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# TASK 1

## Sub-task (a)

### Digital ecosystem

Kwirtmak must recognise that its digital ecosystem is not restricted to its own IT systems. The ecosystem has a much broader range of participants. Kwirtmak is using digital models supplied by customers to create value by designing printers and recommending materials that can meet customers' needs. A significant part of this design work is in ensuring compatibility between the software packages used by the customers to design parts and Kwirtmak to interface with their printers. Kwirtmak must ensure that any changes that it makes within its own IT systems do not inconvenience customers. That opens the ecosystem up still further to include the software companies that develop these 3D CAD packages. Any changes and modifications that they make could undermine Kwirtmak's ability to serve its customers' needs. Ideally any upgrades to the 3D CAD packages will remain backwards compatible with older versions so that customers can continue to modify them and create the resulting objects using Kwirtmak printers. Kwirtmak must work with customers and software publishers to ensure that the overall digital ecosystem remains accessible and efficient for all.

Kwirtmak must determine its role within the overall digital ecosystem. The recent attack might indicate that its role could be complicated. The digital ecosystem is crucial because it addresses the need for precise and specific communication with customers. Kwirtmak's engineers must be able to design printers that can meet customers' needs to translate 3D CAD models into physical objects. That means that the engineers must be able to open these digital models and modify them as necessary to deal with the limitations of 3D printers. It may be possible for Kwirtmak's engineers to offer tailored recommendations, such as changes to the design that would enhance its quality when printed. The ability to share files is an important aspect of Kwirtmak's ability to meet its customers' needs. The fact that it can receive 3D CAD drawings means that customers can supply much more detailed information relating to the required capability of the printers that they wish to order.

The recent attacks indicate that Kwirtmak's ability to protect the security of customer data is potentially a key value proposition for customers. If third parties can access the files that customers supply to Kwirtmak then customers could risk the loss of competitive advantage if there are weaknesses in the security of its IT systems. Unauthorised access could also lead to files being tampered with so that Kwirtmak supplies printers whose designs do not meet customers' requirements. This attack could indicate that the perpetrators believe that it will be easier to access key information through Kwirtmak's systems than it would be to breach the customers' systems directly. Kwirtmak should be clear about the assurances that it can provide with regard to the security of the files supplied by customers. The ability to protect the security of designs and other commercially sensitive files could affect customers' choice of printer manufacturer.


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## Sub-task (b)

### Share price

In an efficient market, the share price will reflect all relevant information that is available to the market. The decrease in Kwirtmak's share price could be consistent with someone planning to manipulate the company's share price for profit. The hacker's intention could have been to breach the IT system and make the breach public, which would almost certainly have caused a decrease in the share price. Selling Kwirtmak's shares short immediately before the breach would have made it possible to profit from this venture because the short position could have been closed out, paying less for the shares than had been received from their sale. The decrease in share price before the attempted breach could have been the market's reaction to the sale, which would have been interpreted as a market participant who was in possession of bad news. The subsequent recovery in the share price would have been due to the hacker closing out the short position, without the benefit of a successful security breach to drive down the price.

This interpretation of events would suggest that the attempted breach was not motivated by a desire to access confidential data. If the hacker wished to profit from manipulating the share price, then it would be sufficient to offer some evidence that a successful hack had been perpetrated, which would drive down the share price and allow the short position to be closed out at a profit. It might be helpful for Kwirtmak to be able to reassure customers that an attempted breach had occurred but that it did not appear to have been motivated by a desire to access their files. It is also possible that the hacker will have no particular reason to repeat the attack against Kwirtmak because the first attempt failed and the same gains could be made from a successful attack against any quoted company. If the hacker is simply manipulating share prices, then it would make sense for any future attack to be directed at a different company altogether. Kwirtmak certainly could not rely on any such assumption, but it might justify a more relaxed approach to security strategy.

If it is accepted that the hackers were attempting to manipulate Kwirtmak's share price, then the pattern of share purchases and sales could be used to assist the authorities in identifying the hackers. There will be a money trail that can be followed to identify the market participants who conducted these suspicious trades, and those people could be investigated as suspects. Such facts would not constitute evidence of wrongdoing, but they would be a useful start to any investigation, with justification for any time and effort that has to be spent in investigating the investors. The Board should also consider paying close attention to any unusual movements in the share price or any increase in the volume of transactions. Such movements could indicate that a further attack is about to occur and so additional safeguards could be taken to prevent a successful breach.


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# TASK 2

## Sub-task (a)

**SAF**

The suitability of this acquisition can be judged in terms of whether it is consistent with Kwirtmak's strategic position. The company's business requires open and free communication with customers concerning their needs for innovation in product development. That business could be put at serious risk if customers do not feel that any files that they upload to Kwirtmak will be kept secure. The Senior Manager in IT does not sound particularly confident in the company's ability to defeat further attacks that are likely to be made against the company. Hackers will always have the advantage over the owners of IT systems because they can modify their approach and attempt breaches using the latest methods. Acquiring Uviv as a dedicated IT security function would give Kwirtmak a more proactive ability to detect and respond to attempted intrusions. That would be consistent with the corporate value of innovations driven by customer need. Customers would be reassured if the acquisition of Uviv was announced at the same time as the successful response to recent attempted IT security breaches.

The acceptability of this proposal will depend on the response of stakeholders. Customers will undoubtedly take a positive view of any innovation that makes their data safe. They may have been guilty of complacency in the past, but that was before they knew that Kwirtmak has been the subject of repeated cyber-attacks. If Kwirtmak can offer reassurance that its security systems have been effective to date but are going to be further enhanced by the acquisition of Uviv then the customers should be happy to remain with the company. It is also likely that Kwirtmak's shareholders will support this acquisition because it will protect the company's key revenue stream. An effective IT breach could have a significant and persistent negative impact on the share price. From a governance point of view, the shareholders will almost certainly prefer to see the company invest in a significant improvement to its security than to have it risk a successful attack. Presumably the Board will be able to argue that this will be a cost-effective response to that threat.

The feasibility of the acquisition depends on whether it will be seen to offer a realistic defence against future attacks. The fact that Uviv was a dedicated IT security consultancy suggests that it can offer a credible track record with respect to identifying weaknesses and recommending responses. Its experience of dealing with a wide range of clients will give it a breadth of expertise that it can use in its attempts to match the evolving techniques used by hackers. Uviv will have seen a variety of attempts to breach IT security, both successful and unsuccessful and that experience will help it to serve Kwirtmak's interests. It may be that the decision to work exclusively with one client after the acquisition will reduce the effectiveness of its service. Uviv will no longer experience dealing with a wide range of different businesses and so may have less opportunity to learn about the latest hacking techniques. There is also the risk that the consultancy will lose some of its key staff if they feel that there are fewer opportunities available from working exclusively with a single client.

## Sub-task (b)

**Investigations**

Uviv should identify the methods used by the attackers and the manner in which they were detected by Kwirtmak's staff. Knowing how the attack was carried out will assist Uviv's consultants to recommend improvements to Kwirtmak's systems. For example, if the attackers focused on social engineering, attempting to obtain staff account names and passwords, it could be argued that the response should prioritise staff training. Knowing how the attempt was discovered could also give an insight into whether the hackers are likely to


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repeat that approach. If it is clear that, say, social engineering did not work because Kwirtmak's staff appear to be well trained and vigilant then Uviv should extend its monitoring to other techniques that rely on a different approach. Knowing the sophistication of the attacks and of the techniques used to detect them will give an insight into the potential sophistication of any future attacks by the same perpetrators.

Uviv should investigate the IT systems to determine whether there might be any remaining code or other threat that could be used in future attacks. It may be that the hackers identified some vulnerability in Kwirtmak's software or operating systems and exploited that because it was available and had not been detected. Uviv's consultants should identify ways in which any vulnerabilities could be eliminated. For example, installing all available security updates for Kwirtmak's systems might eliminate vulnerabilities that have been exploited in previous attacks. Similarly, there could be back doors into the system that were originally put in place for testing or maintenance purposes and that should be eliminated as a matter of urgency. It might also be worth checking the code for unauthorised software such as key loggers that could be used by hackers to intercept inputs into the system and enable further access to the network. That might require a sophisticated analysis of Kwirtmak's software, which would be appropriate if Uviv's consultants believed that the hackers had the necessary capability.


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# TASK 3

## Sub-task (a)

**Integrated report**

This would appear to be an investment in additional human capital because the acquisition is expanding on Kwirtmak's competence in the area of IT security. It was debateable whether the company had sufficient competence in this area before the acquisition took place. Now the company employs a number of experts with direct experience of the investigation and evaluation of IT security systems. This expansion of capabilities is in an area that was needed by Kwirtmak, so there is little doubt that the investment can be classified as human capital. The former consultants will be motivated by the fact that any breach of Kwirtmak's IT security is likely to be blamed on them. Furthermore, Kwirtmak has attempted to ensure their loyalty by rewarding them with an increase in salary compared to their previous employment.

It is debateable whether Kwirtmak is acquiring any intellectual capital in the immediate short term, other than any rights to any software or other intangible assets owned by Uviv. There could also be knowledge of IT security matters that are specific to Uviv and that have been accumulated over time. This knowledge may not be specifically about Kwirtmak, but effective IT security consultants may possess knowledge that is not widespread or available from textbooks. It is highly likely that their prior experience will enable the consultants to make an immediate start on the investigation of weaknesses in Kwirtmak's IT security. The danger is that Kwirtmak has very little control over any such expertise that Uviv's staff have brought into the company. These experts will be highly employable if they choose to leave and take up employment with other businesses.

## Sub-task (b)

**Directorship**

Joining Kwirtmak as head of IT security could prove a difficult transition because Sana could find herself in conflict with colleagues who are technically her superiors. She might be concerned that any concerns she raises in relation to control weaknesses will not be addressed because of this. Appointing Sana to the Board could grant her the authority that is necessary to ensure that her instructions are complied with. That could be particularly true of her relationship with the Head of the IT Department, who was previously responsible for IT security matters and might be unwilling to accept instructions from a new colleague who is technically of the same rank within the organisation. It might also be awkward for Sana to have to deal with the Operations Director over urgent security matters because the latter is on the Board and might resent any implication that she did not supervise IT effectively before Sana's appointment. A seat on the Board will demonstrate the executive Board's commitment to IT security.

Kwirtmak has made a substantial investment of E$5m in the former Uviv consultancy. The company's shareholders will undoubtedly be unhappy with the Board if Uviv's founder leaves and thereby reduces Uviv's effectiveness. Losing Sana could also lead to her former employees leaving Kwirtmak and further impairing the company's IT security. It seems likely that offering her an executive directorship will give her a greater inventive to remain with the company. She is unhappy about what appears to be a demotion from chief executive of the company that she founded to a corporate head of department. A seat on a quoted company's board would be a much more prestigious post and would encourage her to settle into her role.

Giving Sana a seat on the Board might overstate the importance of IT security, which could lead to dysfunctional behaviour. While it is important to prevent breaches, it may be possible that Sana will use her directorship to disrupt operations or overspend on security measures.


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Kwirtmak will face threats of IT breaches regardless of the extent of the precautions that are taken. Sana might always see reasons to spend more or to take additional time-consuming precautions that delay operations or disrupt the completion of contracts. It could prove difficult to make an executive director whose only specific responsibility is security to curtail her requests for additional resources.

Promoting Sana could lead to resentment amongst other senior managers, who may feel that their contribution is not sufficiently valued. Each of the current directors will have several heads of department reporting to them, all of whom will have served for longer than Sana. Many will believe that their contribution is of greater value than IT security because they are creating wealth for the business. For example, the Head of Research and Development might feel let down if not awarded a directorship because Kwirtmak will not have any sales if the company does not offer up-to-date products. Several of these managers might threaten to resign, either in response to feeling disappointed or because they saw that Sana's threat led to her promotion. Regardless of whether they are serious, any such threat could disrupt staff morale.


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# Strategic Case Study Examination

May & August 2026

EXAMINER REPORT

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# General expectations about the Strategic Case Study examination

## Structure

Each Strategic Case Study (SCS) examination consists of three tasks, each requiring 1 hour and worth 33 or 34 marks in the marking guidance. Each task will give you new information about the company (either on the display screen or as an exhibit) and present you with between two and four sub-tasks to complete.

Within a task, each sub-task will show a percentage weighting, which represents the percentage of the total time available for the task that should be allocated to answer that sub-task. This percentage weighting equates to the marks that are available in the marking guidance for that sub-task. For example, if the sub-task is shown as 50%, that equates to 50% of the time available for that section, or 30 minutes out of the total task time of 60 minutes.

## Blueprint

Each SCS examination will cover all core activities in line with SCS blueprint weightings. These are as follows:

| Core activity | Blueprint weighting |
|---|---|
| **A.** Develop business strategy | 15-25% |
| **B.** Evaluate business ecosystem and business environment | 15-25% |
| **C.** Recommend financing strategies | 15-25% |
| **D.** Evaluate and mitigate risk | 15-25% |
| **E.** Recommend and maintain a sound control environment | 15-25% |

Each core activity will be covered once or twice across each variant. For example, core activity A could have a requirement relating to recommending strategic decisions and another relating to acquisitions.

## Marking

Within the marking guidance, each sub-task will be broken into one or more traits for the purposes of marking. Each trait is marked using a levels-based approach, with the marks available evenly allocated across level 1, level 2 and level 3. If there is no rewardable material in your answer, you will score 0.


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For SCS, four key elements determine whether your answer for a trait is judged as level 1, 2 or 3 by the marker. These are summarised below:

| Element | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| ***Technical understanding*** | Your answer shows limited technical understanding of the syllabus content. | Your answer shows some technical understanding. There may be technical weaknesses and/or gaps in your answer. | The answer meets the technical requirements implicit in the task and demonstrates good technical understanding. |
| ***Communication*** | Your answer does not reflect the task requirement. | Your answer demonstrates some relevance to the requirements stated in the task. | Your answer generally demonstrates a full understanding of the requirement set out in the task. |
| ***Use of the information provided*** | Your answer shows limited use of the information provided. | Your answer reflects the information given to some extent. | Your answer makes appropriate use of the information provided. |
| ***Application to the scenario and context*** | Your answer takes an illogical or unrealistic approach to the issues arising from the scenario. | Your answer offers some logic and realism in approaching the issues arising from the scenario. | Your answer reflects a logical and realistic response to the issues arising from the scenario. |


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## General comments on the Strategic Case Study May – August 2026

The SCS examinations for May 2026 and August 2026 were based on a pre-seen scenario which provided information about Kwirtmak, a quoted company that manufactures 3D printers. These printers offer the ability to make precision parts and products by building up layers of material. Items can be designed on a computer using computer-assisted design software, and a 3D printer can create a physical copy using a variety of different materials, depending on the printer. 3D printers have a variety of applications, including the rapid creation of prototypes in the design and development of new products and the manufacture of specialised parts, such as replacements for parts that would not otherwise be readily available.

## Overview of the Strategic Case Study Variants

- Variant 1: Kwirtmak's Board is concerned because the share price for companies selling 3D printers peaked and then declined.
- Variant 2: Kwirtmak is considering the development of 3D printers that use carbon fibre.
- Variant 3: Kwirtmak is considering the issues associated with 3D housebuilding.
- Variant 4: Kwirtmak is considering 3D printing of pharmaceutical products.
- Variant 5: Kwirtmak is considering 3D printing for manufacturing rather than being restricted to prototyping.
- Variant 6: Kwirtmak is concerned about the issues associated with security of clients' intellectual property.


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## Variant 1

| TASK 1 | | | | | |
|---|---|---|---|---|---|
| The share price is erratic | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | How could the history of share price movements be used to evaluate the quality of Kwirtmart's management? | 60% | Recommend and apply business valuation models | focused on the relationship between the Board's judgement and the share price. In this case, there were potential concerns about the impact on the share price of product launches and of competitors' responses to those new products. Good answers offered realistic interpretations of the share price history in relation to those events. | tended to summarise the efficient markets hypothesis, with little or no application of the theory to the share price movements in the scenario. Answers at this level would not have satisfied the Board in terms of providing a response to their request for advice. |
| (b) | How might the application of the BCG matrix assist the Board in managing the share price? | 40% | Select and apply suitable strategic analytical tools | demonstrated an understanding of the BCG matrix. Those answers also tended to discuss the usefulness of the matrix in the strategic development of products. Answers at this level offered a reasoned explanation of the relevance of the matrix to those decisions. Candidates at this level also tended to identify the weakness of the matrix in certain contexts. | showed little understanding of the BCG matrix, which made it difficult to discuss its usefulness. Poor answers that did demonstrate an understanding tended to apply the matrix in a mechanical manner, arguing that a potentially profitable product ought to be withdrawn without further consideration of its merits. It is important to bear in mind that theoretical models may have value, but only when the context in which they are being applied is understood. |


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| TASK 2 | | | | | |
|---|---|---|---|---|---|
| Two potential acquisitions are being considered. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | How might Kwirtmart choose between two potential takeover targets? | 50% | Evaluate potential acquisitions and divestment opportunities | tended to include some discussion of the factors that can be identified from the task exhibit, highlighting the advantages and disadvantages of the two potential acquisition targets in relation to Kwirtmak's existing business. For example, answers at this level often argued that the slightly poorer product quality of Termo's printers would be less of an issue in selling plastic extrusion printers. Answers at this level generally went on to discuss more generic factors, such as compatibility of business cultures. | tended to lack the relevant content from the task exhibit. There was also a tendency to raise irrelevant or illogical arguments. For example, answers at this level frequently made an issue of the fact that both companies are based in the same country, which added very little to the process of choosing to invest in one or the other. |
| (b) | How should the political risks associated with the acquisition of a foreign company be managed? | 50% | Recommend responses to economic, political and currency risks | offered a range of relevant recommendations, each of which was justified with logical explanations. Candidates at this level generally took account of the likelihood that the host country's government has a policy of prioritising economic development. | tended to be generic, with little attempt made to reflect the nature of the industry and the government's concerns. Answers at this level tended to read like extracts from study materials. |


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| TASK 3 | | | | | |
|---|---|---|---|---|---|
| A new acquisition creates governance challenges | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | How might the lack of a risk register undermine the subsidiary's governance? | 40% | Evaluate risks and recommend responses and can maintain the corporate risk register | approached this failure from a governance perspective and pointed out the problems that might arise. Answers at this level took account of the fact that the subsidiary has been newly acquired and so the lack of clarity in managing risks might be a particular problem. | tended to be little more than a summary of the typical content of a risk register and often said very little about the actual situation that Kwirtmak finds itself in. |
| (b) | How can internal audit assist in the creation of a suitable risk register for the new subsidiary? | 60% | Apply internal audit resources | considered the circumstances of the acquisition and pointed out specific recommendations for Internal Audit's involvement. Candidates at this level considered suggestions such as Internal Audit advising the subsidiary on adjustments that might be made to the Kwirtmak risk register so that it could be used by the new subsidiary. | tended to be limited to descriptions of the role of internal audit. Candidates at this level made little real attempt to consider the skills that Internal Audit might offer to this task or the knowledge of Kwirtmak's operations that might be transferable to the need to integrate the new subsidiary. |


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## Summary of Variant 1 blueprint coverage

The percentages of marks available in the variant for each topic covered and core activity are shown in the following table:

| Sub-task | Topic | Core activity | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | A: | B: | C: | D: | E: | |
| **TASK 1** | | | | | | | |
| (a) | Share price history | | | 21 | | | **21%** |
| (b) | BCG matrix | | | | 12 | | **12%** |
| **TASK 2** | | | | | | | |
| (a) | Acquisition targets | 17 | | | | | **17%** |
| (b) | Political risk | | 17 | | | | **17%** |
| **TASK 3** | | | | | | | |
| (a) | Risk register | | | | 12 | | **12%** |
| (b) | Internal audit | | | | | 21 | **21%** |
| **Variant totals** | | **17%** | **17%** | **21%** | **24%** | **21%** | **100%** |
| ***Blueprint weightings*** | | ***15-25 %*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | |


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## Variant 2

| TASK 1 | | | | | |
|---|---|---|---|---|---|
| The Board requires advice on whether to start making machines suitable for 3D printing of carbon fibre. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | Would the SAF framework be a suitable basis for evaluating this new product? | 40% | Select and apply suitable strategic analytical tools | provided clear evaluation of the criteria, explaining that all three criteria can be considered necessary and that determining acceptability to stakeholders will be difficult because different stakeholder groups have different needs. | ignored the instruction not to carry out an evaluation using the SAF criteria and attempted to do so. |
| (b) | How might scenario planning be used to evaluate this product (with some emphasis on sustainability)? | 60% | Evaluate strategic options (digital and otherwise) | gave a well justified classification for each of the three scenarios, considering both likelihood and impact, showing a good understanding of the business. | provided classification but without justification. |


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| TASK 2 | | | | | |
|---|---|---|---|---|---|
| A company that is already in this market has gone into liquidation, which is worrying potential lenders. A new technology might be purchased from an overseas supplier. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | How should the Board deal with the lenders' concerns? | 60% | Recommend suitable sources of finance | gave practical recommendations which were appropriate and relevant to the scenario, such as demonstrating that Kwirtmak is aware of the problems faced by Dresno and has good reasons to believe it will not be similarly affected. Given that Dresno's problems seem to have been cash flow related, providing the lender with a cash flow forecast could be reassuring. | did not include technical recommendations and were more concerned with having a reassuring discussion with the lender, rather than focussing on what steps might actually provide them with reassurance. |
| (b) | How should the currency risks associated with the purchase of the technology be managed? | 40% | Recommend responses to economic, political and currency risks | looked at the actions the Treasury Department should take, including observing currency prices to get an indication of the likelihood of adverse movement, comparing interest rates and looking at the price of currency options. They also often pointed out that there is a choice to accept the risk, to wait until after the negotiations are concluded, or to use a hedging product. | did not go beyond defining currency risk and giving a summary of hedging techniques without considering the strategic approach needed or justifying why a particular technique would be appropriate. |


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| TASK 3 | | | | | |
|---|---|---|---|---|---|
| The Board is concerned about the potential sustainability issues associated with this new product | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | How should the ethical dilemmas associated with the unsustainable nature of this product be managed? | 50% | Identify ethical dilemmas and recommend suitable responses | recognised that consumers might not realise that the new plastics will not be recyclable, which creates an ethical dilemma that warning them would be likely to result in lost sales. They pointed out that Kwirtmak needs to be truthful, straightforward and honest despite the temptation to disclose as little as possible. There is also a dilemma resulting from the fact that Kwirtmak's relationship is with the customer who buys its machines and plastics, not the end consumer of the products made with these. | did not recognise the scope for ethical discussions and merely stated that the new material being unrecyclable made the project unethical and the new technology should be abandoned. |
| (b) | What role might a sustainability committee play? | 50% | Recommend responses to the threats arising from poor governance | were well-balanced, covering advantages such as creating a committee with a clear sense of purpose to oversee sustainability and reassure stakeholders, as well as disadvantages like the danger of rejecting too many opportunities because of too great an emphasis on sustainability. | made a recommendation to have or not have a committee but did not provide an evaluation of advantages and disadvantages. |


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## Summary of Variant 2 blueprint coverage

The percentages of marks available in the variant for each topic covered and core activity are shown in the following table:

| Sub-task | Topic | Core activity | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | A: | B: | C: | D: | E: | |
| **TASK 1** | | | | | | | |
| (a) | SAF | | 12 | | | | **12%** |
| (b) | Scenario planning | 21 | | | | | **21%** |
| **TASK 2** | | | | | | | |
| (a) | Lender's concerns | | | 21 | | | **21%** |
| (b) | Currency risk | | 12 | | | | **12%** |
| **TASK 3** | | | | | | | |
| (a) | Ethical issues | | | | 17 | | **17%** |
| (b) | Sustainability committee | | | | | 17 | **17%** |
| **Variant totals** | | **21%** | **24%** | **21%** | **17%** | **17%** | **100%** |
| ***Blueprint weightings*** | | ***15-25 %*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | |


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## Variant 3

| TASK 1 | | | | | |
|---|---|---|---|---|---|
| The Board is interested in the use of 3D manufacturing for the construction of buildings. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | What are the CSR issues associated with entering this market? | 40% | Recommend strategic decisions (digital and otherwise) | were able to exemplify both good and bad points from the scenario while giving reasons for their inclusion, demonstrating good understanding of the wider social issues involved. | tended to be rather sparse in their content, often providing little evidence from the scenario and often being very one-sided in their argument. Alternatively, supplying a list of bullet points without any development. |
| (b) | What are the challenges associated with raising finance for this investment ? | 60% | Recommend suitable sources of finance | took elements from the scenario of the question and from the pre-seen to and applied their knowledge. Good candidates recognised that with a high beta, investors may be reluctant to support a risky new product development and that the cost of equity may rise as a result. Similarly, major shareholders may object openly, so any rights issue would need deep discounting to succeed.<br>Although calculations are not required, recognition of 39% as relatively high gearing demonstrated awareness of the potential difficulties in raising new debt finance also putting pressure on the cost of equity. | tended to give fairly brief summaries of debt versus equity without much, if any, reference to the details from the scenario. Often brief points were made without any development. |


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| TASK 2 | | | | | |
|---|---|---|---|---|---|
| A potential acquisition target has been identified | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | How would a SWOT analysis assist in deciding whether to enter this market? | 60% | Conduct an analysis of stakeholder needs and recommend appropriate responses | showed good working knowledge of how to apply a SWOT analysis to the evidence provided in the scenario.<br>Points in each of the sectors were well developed and supported.<br>This is a complex strategic change where Kwirtmak does not have first mover advantage and there is high dependence on external 3rd party suppliers. | tended to fail in developing all elements of the SWOT, sometimes lacking structure or substance to any of the points being made or failing to pick evidence from the task scenario. |
| (b) | What are the post-acquisition issues if Kwirtmak acquires a subsidiary with experience in this technology? | 40% | Evaluate potential acquisitions and divestment opportunities | quickly identified the intellectual capital at risk and the need to protect IPR and any patents.<br>Good answers also considered the wider marketplace to establish whether existing forecast orders would support or disrupt Kwirtmak's development of this business.<br>Good answers also considered essential staff retention and ongoing development of the products in question to maintain and develop market position. | tended to give generic post-acquisition factors of merging companies with different cultures. Poor answers tended to fail to protect the future development of the business. |


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| TASK 3 | | | | | |
|---|---|---|---|---|---|
| The risks associated with this product have to be identified and mitigated. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | How might the health and safety risks associated with using this new technology for construction be evaluated and managed? | 50% | Evaluate risks and recommend responses and maintain the corporate risk register | tended to take a wider strategic view of the overall situation provided in the scenario. They picked up on the significant scale of change being forced on the business and the need to step back and address basic potential major risks in a strategic manner. If the product gets associated with major injuries, significant long term reputational risk can result and may cause catastrophic business failure. | tended to give brief or bullet point answers without developing individual points with the material provided in the scenario. |
| (b) | What controls might be introduced to ensure compliance with the risk mitigation procedures? | 50% | Recommend appropriate controls and evaluate the implications of compliance failures | were able to take a strategic view of; preventative controls, ownership at Board level through risk register development and management.<br>Good answers demonstrated that change management in a health and safety environment goes far beyond single instance interventions and requires ethos shift and complete buy in at every level. | tended to focus on tactical actions at the individual employee level. Often brief points were made on training and rules without developing the answers to demonstrate proper buy in and full compliance needs. |


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## Summary of Variant 3 blueprint coverage

The percentages of marks available in the variant for each topic covered and core activity are shown in the following table:

| Sub-task | Topic | Core activity | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | A: | B: | C: | D: | E: | |
| **TASK 1** | | | | | | | |
| (a) | Corporate social responsibility | 12 | | | | | **12%** |
| (b) | Raising finance | | | 21 | | | **21%** |
| **TASK 2** | | | | | | | |
| (a) | SWOT | | 21 | | | | **21%** |
| (b) | Post acquisition | 12 | | | | | **12%** |
| **TASK 3** | | | | | | | |
| (a) | Risks | | | | 17 | | **17%** |
| (b) | Controls | | | | | 17 | **17 %** |
| **Variant totals** | | **24%** | **21%** | **21%** | **17%** | **17%** | **100%** |
| ***Blueprint weightings*** | | ***15-25 %*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | |


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## Variant 4

| TASK 1 | | | | | |
|---|---|---|---|---|---|
| Demand for a new product is uncertain | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | What are the challenges associated with identifying buyers for these printers? | 40% | Conduct an analysis of stakeholder needs and recommend appropriate responses | considered the nature of the product that is under consideration by Kwirtmak. Candidates recognised that the primary source of demand is driven largely by the pharmacists who will have to invest in the new technology and train staff to use it correctly. Demand from pharmacists could be influenced by pressure from consumers for the new product. | were unrealistic, focussing on consumer demand for medication and ignoring the possibility that pharmacists might decide not to satisfy consumers' preferences for printlets. |
| (b) | Would it be sensible to acquire a small pharmaceutical company that would use these printers? | 60% | Evaluate potential acquisitions and divestment opportunities | tended to focus on the potential synergies associated with the proposed acquisition. Candidates generally identified multiple advantages and explained each in turn. Some good answers also discussed the possible drawbacks of this investment. | tended to present the proposed acquisition in terms of the diversification of the Kwirtmak group's business interests. Answers at this level often ignored the specific requirement to evaluate the acquisition from the perspective of developing the new pharmaceutical printer. |


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| TASK 2 | | | | | |
|---|---|---|---|---|---|
| The development of the new technology will require funding. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | Would this be a suitable investment for funding by a green loan? | 60% | Recommend suitable sources of finance | tended to demonstrate a realistic understanding of the nature of a green loan. Answers at this level reflected the fact that a green loan is fundamentally the same as a traditional loan, with the added complexity of conditions relating to the sustainability of the activity that is being funded. Good answers often brought out both the advantages and disadvantages of being subject to the additional green lending criteria. | were highly unrealistic in terms of their descriptions of green loans. Poor answers often suggested that green loans are substantially cheaper than traditional business loans. While green loans are often less expensive, the discount that is available is unlikely to be as large as some answers suggested. Some poor answers suggested that green lending criteria consisted of nothing more than an evaluation of sustainability. It is unlikely that a lender would make a loan on the basis of sustainability, with no consideration of the risk of default. |
| (b) | How should the economic currency risk be managed? | 40% | Recommend responses to economic, political and currency risks | were clear about the nature of economic risk and addressed the ways in which that risk might be managed. Most good answers identified a range of ways in which economic risk might be mitigated. Such mitigation would be an effective response to the risk. | failed to define economic risk correctly and so they tended to offer unrealistic responses to the economic risks facing Kwirtmak. Many poor answers confused economic risk with translation risk. |


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| TASK 3 | | | | | |
|---|---|---|---|---|---|
| The development of the software has been a success. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | What are the ethical implications of generating profits from the manufacture and sale of expensive pharmaceutical products? | 50% | Identify ethical dilemmas and recommend suitable responses | identified relevant ethical dilemmas and explained those in a clear and relevant manner. Good answers frequently recognised that Kwirtmak's new product could be seen to have created an unfair advantage in terms of forcing potential buyers to purchase this new technology. | listed selections of ethical principles from the CIMA Code and summarised those without necessarily making them relevant to the scenario. |
| (b) | Should the non-executives take an active interest in ensuring that Kwirtmak's business practices are not unduly greedy? | 50% | Recommend responses to the threats arising from poor governance | tended to give equal emphasis to both the arguments for and arguments against non-executives taking an active interest in this situation. These answers reflected the responsibilities that are generally attributed to non-executives but addressed the potential advantages of modifying those responsibilities to address these specific circumstances. | described the roles of non-executive directors, failing to address the specifics of the requirement. |


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## Summary of Variant 4 blueprint coverage

The percentages of marks available in the variant for each topic covered and core activity are shown in the following table:

| Sub-task | Topic | Core activity | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | A: | B: | C: | D: | E: | |
| **TASK 1** | | | | | | | |
| (a) | Predicting demand | | 12 | | | | **12%** |
| (b) | Acquisition | 21 | | | | | **21%** |
| **TASK 2** | | | | | | | |
| (a) | Green loan | | | 21 | | | **21%** |
| (b) | Economic risk | | 12 | | | | **12%** |
| **TASK 3** | | | | | | | |
| (a) | Ethical implications | | | | 17 | | **17%** |
| (b) | Non-executives | | | | | 17 | **17%** |
| **Variant totals** | | **21%** | **24%** | **21%** | **17%** | **17%** | **100%** |
| ***Blueprint weightings*** | | ***15-25 %*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | |


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## Variant 5

| TASK 1 | | | | | |
|---|---|---|---|---|---|
| The Board is evaluating potential demand for a new range of 3D printers. | | | | | |
| | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | Is the investigation of this product evidence of an emergent strategy? | 50% | Recommend responses to opportunities and threats arising from digital technologies | gave a clear explanation of what an emergent strategy is, explored whether or not this proposal should be classified as one and whether this affected its evaluation. Valid points included consideration of the point of view of shareholders and whether the strategy is consistent with Kwirtmak's vision and strategy. | did not show knowledge of what an emergent strategy is and therefore could not make meaningful recommendations. The impact on evaluation was often not addressed. Some did not answer the question posed and instead tried to evaluate whether or not the proposal should be adopted. |
| (b) | Is it sensible for Kwirtmak to lead in the development of this category of 3D printing? | 50% | Recommend appropriate responses to changes in the business ecosystem | evaluated both the advantages and disadvantages of being first to market, including the initial lack of competition and the opportunity for potential rivals to reverse engineer Kwirtmak's printers. | identified some appropriate issues but did not provide evaluation or explanation. Some only identified advantages or only disadvantages. |


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| TASK 2 | | | | | |
|---|---|---|---|---|---|
| A green loan is being considered. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | Would a green loan be a suitable source of finance? | 60% | Recommend and apply business valuation models | provided a detailed evaluation of the arguments for and against the green loan, making good use of the information provided in the Board minutes extract. Valid points made included the small size of the green discount and the need to comply with the bank's requirements regarding the sustainability of the new product. | identified some appropriate arguments but did not provide analysis or evaluation. |
| (b) | What are the risks associated with the potential loss of green lending conditions? | 40% | Identify ethical dilemmas and recommend suitable responses | focused on the requirement and discussed the impact on reporting of sustainability issues, including governance structures, strategy statements and risk management. They made good use of the reference material regarding sustainability. | discussed the impact of withdrawal of the green loan in general terms rather than focussing on the sustainability reporting issues. |


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| TASK 3 | | | | | |
|---|---|---|---|---|---|
| This is the first major new product in 5 years. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | What are the Board's duties for the development of new products? | 40% | Identify ethical dilemmas and recommend suitable responses | provided a clear recommendation with a balanced discussion to support it, reflecting points in favour and against taking the contribution into account. Recognised the risk of dysfunctional behaviour and the need to determine which directors deserved to receive a bonus. | stated whether or not the bonus should reflect contribution to new product without supporting this recommendation or provided a generic discussion about directors' remuneration without making reference to the specific scenario presented in this case study. |
| (b) | Is it desirable to have an executive director who is responsible for product development? | 60% | Recommend responses to the threats arising from poor governance | presented arguments both for and against continuing to have a CTO, including the need to ensure that products remain current, the risk of one Board member having too wide a remit and the fact that the market appeared not to expect Kwirtmak to introduce a significant new product. | focussed on whether the current CTO should remain in office rather than whether there should be a CTO on the Board with responsibility for research, hardware development and software. |


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## Summary of Variant 5 blueprint coverage

The percentages of marks available in the variant for each topic covered and core activity are shown in the following table:

| Sub-task | Topic | Core activity | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | A: | B: | C: | D: | E: | |
| **TASK 1** | | | | | | | |
| (a) | Emergent strategy | 17 | | | | | **17%** |
| (b) | First to market | | 17 | | | | **17%** |
| **TASK 2** | | | | | | | |
| (a) | Green loan | | | 21 | | | **21%** |
| (b) | Sustainability reporting | | | | 12 | | **12%** |
| **TASK 3** | | | | | | | |
| (a) | Remuneration committee | | | | 12 | | **12%** |
| (b) | Chief Technical Officer | | | | | 21 | **21%** |
| **Variant totals** | | **17%** | **17%** | **21%** | **24%** | **21%** | **100%** |
| ***Blueprint weightings*** | | ***15-25 %*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | |


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## Variant 6

| TASK 1 | | | | | |
|---|---|---|---|---|---|
| There have been several attempts to breach Kwirtmak's systems. | | | | | |
| | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | What are the implications of Kwirtmak's possession of customer IP for the management of the ecosystem? | 50% | Recommend responses to opportunities and threats arising from digital technologies | considered the wider scope of the ecosystem considering possibilities of attacks from external elements and vulnerabilities exposed from within the Kwirtmak system to their direct customers.<br>Many referenced possible reputational damage if attacks were successful, the fact that the attacks appear sustained and therefore need urgent attention and also noting that the systems had been robust enough so far to survive. | missed the "Attempted" element and thus responded with quite different and largely irrelevant factors.<br>Poor answers were often brief and failed to consider any wider element of Kwirtmak's ecosystem. |
| (b) | What are the implications of short selling of Kwirtmak immediately before the most recent attack? | 50% | Recommend and apply business valuation models | considered both the need to verify the share price movements as being independent from other sectors in the market alongside identifying significant investors shorting; divesting and re-investing in shares.<br>Good answers displayed understanding of efficient market hypothesis influenced by manipulation and went on to consider whether this could be simple fraud or possible attempts to gain majority shareholding for takeover purposes or simple destabilisation by a competitor. | either assumed that the attacks had been successful, failing to pick up on any aspect of possible market manipulation, or simply referenced that Krirtmak's share price has been in decline for some time.<br>Poor answers often failed to tie their response in with any of the facts given in the scenario. |


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| TASK 2 | | | | | |
|---|---|---|---|---|---|
| The Board is considering the acquisition of an IT security consultancy. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | Would the acquisition be justified in terms of the SAF criteria? | 60% | Select and apply suitable strategic analytical tools | sought to evaluate both good and bad elements of the change in business and also justify the change.<br>Good answers tended to consider both the immediate tactical response to the hacking attempts and the longer view of how the business might be reshaped to accommodate and retain the new talent acquired. | Poor answers often failed to take details from the scenario to provide evidence for their assertions of suitability, acceptability or feasibility.<br>Some poor answers simply regurgitated details of SAF theory with little reference to the question. |
| (b) | How could the security consultancy usefully evaluate the most recent attacks? | 40% | Evaluate and mitigate cyber risks | determined the style, source and progress of the attack to anticipate and deter or protect against further attack and to identify the purpose and identity of the attacker.<br>Better answers considered the strategic benefits of understanding the outcomes of investigations, enabling and directing follow through actions. | failed to give reasons for any investigations, or gave a list of investigations unrelated to the skill set of Uviv's consultants. |


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| TASK 3 | | | | | |
|---|---|---|---|---|---|
| There are further governance issues associated with the attack. | | | | | |
| **Sub-task** | | **% time** | **Core activity** | **Good answers for this sub-task often:** | **Poor answers for this sub-task often:** |
| (a) | How should the consultancy be presented under non-financial capitals? | 40% | Identify ethical dilemmas and recommend suitable responses | made arguments, mostly positive, about human capital.<br>Better answers included a more strategic view of the wider issues, giving both positive assertions and reasons for having reservations about making disclosures.<br>Good answers were able to identify the types of intellectual capital that might exist with the acquisition of the consultants whilst also having reservations about including this in the integrated report.<br>Retention of these new members of staff could be very difficult, and any short-term adverse outcomes would lead to potential reputational damage. | tended to be somewhat generic in their response, failing to give reasons for their recommendation, and also often failing to give any response in the intellectual capital aspect of the question. |
| (b) | Should the head of the consultancy be given a seat on the Board? | 60% | Recommend responses to the threats arising from poor governance | were able to develop the potential role to be played in strategic development of Kwirtmak's Board, whilst also considering the possible drawbacks of rapid promotion over the heads of existing staff.<br>Good answers often considered the wider implications on both existing and new staff in terms of development and retention of skills. Also considering that this promotion, if given, indicates a need to develop or evolve business strategy to maximise the benefits seen by customers and to enhance rather than disrupt existing business processes. | tended to be one sided in their argument either for or against the promotion. They also tended to be rather tactical or sparse in their arguments, failing to expand the view to demonstrate strategic long-term thinking. |


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## Summary of Variant 6 blueprint coverage

The percentages of marks available in the variant for each topic covered and core activity are shown in the following table:

| Sub-task | Topic | Core activity | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | A: | B: | C: | D: | E: | |
| **TASK 1** | | | | | | | |
| (a) | Digital ecosystem | 17 | | | | | **17%** |
| (b) | Share price | | | 17 | | | **17%** |
| **TASK 2** | | | | | | | |
| (a) | SAF | | 21 | | | | **21%** |
| (b) | Investigations | | | | 12 | | **12%** |
| **TASK 3** | | | | | | | |
| (a) | Integrated report | | | | 12 | | **12%** |
| (b) | Directorship | | | | | 21 | **21%** |
| **Variant totals** | | **%** | **%** | **%** | **%** | **%** | **100%** |
| ***Blueprint weightings*** | | ***15-25 %*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | ***15-25%*** | |


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# Strategic Case Study Examination

May – August 2026 – VARIANT 1

MARKING GUIDANCE

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# Variant 1

## About this marking scheme

This Marking Guidance has been prepared for variant 1 of the CGMA Strategic Case Study May–August 2026.

The indicative answers will show the expected or most orthodox approach; however, the nature of the case study examination tasks means that a range of responses will be valid. The descriptors within this level-based marking scheme are holistic and can accommodate a range of acceptable responses.

General marking guidance is given below, and markers are subject to extensive training, standardisation activities and ongoing monitoring to ensure that judgements are made correctly and consistently.

Care must be taken not to make too many assumptions about future marking schemes on the basis of this document. While the guiding principles remain constant, details may change depending on the content of a particular case study examination form.

## General marking guidance

Marking schemes should be applied positively, with candidates rewarded for what they have demonstrated and not penalised for omissions.

All marks on the scheme are designed to be awarded, and full marks should be awarded when all level descriptor criteria are met.

The marking scheme and indicative answers are provided as a guide to markers. They are not intended to be exhaustive and other valid approaches must be rewarded. Equally, students do not have to make all of the points mentioned in the indicative answers to receive the highest level of the marking scheme.

An answer which does not address the requirements of the task must be awarded no marks.

Markers should mark according to the marking scheme and not their perception of where the passing standard may lie. Where markers are in doubt as to the application of the marking scheme to a particular candidate script, they must contact their lead marker.


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## How to use this levels-based marking scheme

**1. Read the candidate's response in full**

**2. Select the level**

For each trait in the marking scheme, read each level descriptor and select one, using a best-fit approach.

The response does not need to meet all of the criteria of the level descriptor – it should be placed at the level where it meets more of the criteria of this level than the criteria of the other levels.

If the work fits more than one level, judge which one provides the best match.

If the work is on the borderline between two levels, then it should be placed either at the top of the lower band or the bottom of the higher band, depending on where it fits best.

**3. Select a mark within the level**

Once you have selected the level, you will need to choose the mark to apply.

A small range of marks may be given at each level. You will need to use your professional judgement to decide which mark to allocate.

If the answer is of high quality and convincingly meets the requirements of the level, then you should award the highest mark available. If not, then you should award a lower mark within the range available, making a judgement on the overall quality of the answer in relation to the level descriptor.


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## Summary of the core activities tested within each sub-task

| Sub-task | Core activity | | Sub-task weighting (% section time) |
|---|---|---|---|
| **TASK 1** | | | |
| **(a)** | **C** | Recommend financing strategies | 60% |
| **(b)** | **D** | Evaluate and mitigate risk | 40% |
| **TASK 2** | | | |
| **(a)** | **A** | Develop business strategy | 50% |
| **(b)** | **B** | Evaluate business ecosystem and business environment | 50% |
| **TASK 3** | | | |
| **(a)** | **D** | Evaluate and mitigate risk | 40% |
| **(b)** | **E** | Recommend and maintain a sound control environment | 60% |


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# TASK 1

| TASK 1 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the possibility that the share price history presented by the consultancy firm indicates poor management by Kwirtmak's Board. | | | |
| **Trait** | | | |
| 1st argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-2 |
| | Level 2 | Evaluates argument | 3-5 |
| | Level 3 | Evaluates argument with justification | 6-7 |
| 2nd argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-2 |
| | Level 2 | Evaluates argument | 3-5 |
| | Level 3 | Evaluates argument with justification | 6-7 |
| 3rd argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-2 |
| | Level 2 | Evaluates argument | 3-5 |
| | Level 3 | Evaluated argument with justification | 6-7 |
| **Sub-task (b)** Evaluate the potential usefulness of the Boston Consulting Group (BCG) matrix in managing Kwirtmak's approach to product development of extrusion printers and laser melting printers. | | | |
| **Trait** | | | |
| 1st use | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible use | 1-2 |
| | Level 2 | Evaluates possible use | 3-4 |
| | Level 3 | Evaluates possible use with justification | 5-6 |
| 2nd use | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible use | 1-2 |
| | Level 2 | Evaluates possible use | 3-4 |
| | Level 3 | Evaluates possible use with justification | 5-6 |


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# TASK 2

| TASK 2 | | | |
|---|---|---|---|
| **Sub-task (a)** Recommend with reasons the factors that we should consider when deciding between Termmo and Derddon as acquisition targets. | | | |
| **Trait** | | | |
| 1st factor | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies factor | 1-2 |
| | Level 2 | Recommends factor with reasons | 3-4 |
| | Level 3 | Recommends factor with reasons and justification | 5-6 |
| 2nd factor | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies factor | 1-2 |
| | Level 2 | Recommends factor with reasons | 3-4 |
| | Level 3 | Recommends factor with reasons and justification | 5-6 |
| 3rd factor | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies factor | 1 |
| | Level 2 | Recommends factor with reasons | 2-3 |
| | Level 3 | Recommends factor with reasons and justification | 4-5 |
| **Sub-task (b)** Recommend with reasons the ways in which Kwirtmak could mitigate the political risks associated with the acquisition of either Termmo or Derddon. | | | |
| **Trait** | | | |
| 1st mitigation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends mitigation | 1-2 |
| | Level 2 | Recommends mitigation with reasons | 3-4 |
| | Level 3 | Recommends mitigation with reasons and justification | 5-6 |
| 2nd mitigation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends mitigation | 1-2 |
| | Level 2 | Recommends mitigation with reasons | 3-4 |
| | Level 3 | Recommends mitigation with reasons and justification | 5-6 |
| 3rd mitigation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends mitigation | 1 |
| | Level 2 | Recommends mitigation with reasons | 2-3 |
| | Level 3 | Recommends mitigation with reasons and justification | 4-5 |


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# TASK 3

| TASK 3 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the implications of Derddon's refusal to create a formal risk register. | | | |
| **Trait** | | | |
| 1st implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1 |
| | Level 2 | Evaluates implication | 2-3 |
| | Level 3 | Evaluates implication with justification | 4 |
| 2nd implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1 |
| | Level 2 | Evaluates implication | 2-3 |
| | Level 3 | Evaluates implication with justification | 4 |
| 3rd implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1 |
| | Level 2 | Evaluates implication | 2-3 |
| | Level 3 | Evaluates implication with justification | 4 |
| **Sub-task (b)** Recommend with reasons the ways in which Kwirtmak's Internal Audit Department could support the creation of a risk register for Derddon. | | | |
| **Trait** | | | |
| 1st support | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends support | 1-2 |
| | Level 2 | Recommends support with reasons | 3-4 |
| | Level 3 | Recommends support with reasons and justification | 5-6 |
| 2nd support | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends support | 1 |
| | Level 2 | Recommends support with reasons | 2-3 |
| | Level 3 | Recommends support with reasons and justification | 4-5 |
| 3rd support | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends support | 1 |
| | Level 2 | Recommends support with reasons | 2-3 |
| | Level 3 | Recommends support with reasons and justification | 4-5 |
| 4th support | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends support | 1 |
| | Level 2 | Recommends support with reasons | 2-3 |
| | Level 3 | Recommends support with reasons and justification | 4-5 |


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# Strategic Case Study Examination

May – August 2026 – VARIANT 2

MARKING GUIDANCE

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# Variant 2

## About this marking scheme

This Marking Guidance has been prepared for variant 2 of the CGMA Strategic Case Study May – August 2026.

The indicative answers will show the expected or most orthodox approach; however, the nature of the case study examination tasks means that a range of responses will be valid. The descriptors within this level-based marking scheme are holistic and can accommodate a range of acceptable responses.

General marking guidance is given below, and markers are subject to extensive training, standardisation activities and ongoing monitoring to ensure that judgements are made correctly and consistently.

Care must be taken not to make too many assumptions about future marking schemes on the basis of this document. While the guiding principles remain constant, details may change depending on the content of a particular case study examination form.

## General marking guidance

Marking schemes should be applied positively, with candidates rewarded for what they have demonstrated and not penalised for omissions.

All marks on the scheme are designed to be awarded, and full marks should be awarded when all level descriptor criteria are met.

The marking scheme and indicative answers are provided as a guide to markers. They are not intended to be exhaustive and other valid approaches must be rewarded. Equally, students do not have to make all of the points mentioned in the indicative answers to receive the highest level of the marking scheme.

An answer which does not address the requirements of the task must be awarded no marks.

Markers should mark according to the marking scheme and not their perception of where the passing standard may lie. Where markers are in doubt as to the application of the marking scheme to a particular candidate script, they must contact their lead marker.


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## How to use this levels-based marking scheme

**1. Read the candidate's response in full**

**2. Select the level**

For each trait in the marking scheme, read each level descriptor and select one, using a best-fit approach.

The response does not need to meet all of the criteria of the level descriptor – it should be placed at the level where it meets more of the criteria of this level than the criteria of the other levels.

If the work fits more than one level, judge which one provides the best match.

If the work is on the borderline between two levels, then it should be placed either at the top of the lower band or the bottom of the higher band, depending on where it fits best.

**3. Select a mark within the level**

Once you have selected the level, you will need to choose the mark to apply.

A small range of marks may be given at each level. You will need to use your professional judgement to decide which mark to allocate.

If the answer is of high quality and convincingly meets the requirements of the level, then you should award the highest mark available. If not, then you should award a lower mark within the range available, making a judgement on the overall quality of the answer in relation to the level descriptor.


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## Summary of the core activities tested within each sub-task

| Sub-task | Core activity | | Sub-task weighting (% section time) |
|---|---|---|---|
| **TASK 1** | | | |
| **(a)** | **B** | Evaluate business ecosystem and business environment | 40% |
| **(b)** | **A** | Develop business strategy | 60% |
| **TASK 2** | | | |
| **(a)** | **C** | Recommend financing strategies | 60% |
| **(b)** | **B** | Evaluate business ecosystem and business environment | 40% |
| **TASK 3** | | | |
| **(a)** | **D** | Evaluate and mitigate risk | 50% |
| **(b)** | **E** | Recommend and maintain a sound control environment | 50% |


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# TASK 1

| TASK 1 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the potential usefulness of the suitability, acceptability and feasibility (SAF) criteria for making the decision on whether to continue with the development of the new product range. | | | |
| **Trait** | | | |
| 1st argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4 |
| 2nd argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4 |
| 3rd argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluated argument with justification | 4 |
| **Sub-task (b)** Recommend how the likelihood and impact of each of the following scenarios might be classified in order to assist in the decision concerning the further development of the new product range. | | | |
| **Trait** | | | |
| Campaigners | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes risk | 1-2 |
| | Level 2 | Classifies risk | 3-5 |
| | Level 3 | Classifies risk with justification | 6-7 |
| Materials costs | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes risk | 1-2 |
| | Level 2 | Classifies risk | 3-5 |
| | Level 3 | Classifies risk with justification | 6-7 |
| Resignation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes risk | 1-2 |
| | Level 2 | Classifies risk | 3-5 |
| | Level 3 | Classifies risk with justification | 6-7 |


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# TASK 2

| TASK 2 | | | |
|---|---|---|---|
| **Sub-task (a)** Recommend with reasons a response to the lender's concerns relating to Kwirtmak's debt covenant. | | | |
| **Trait** | | | |
| 1st response | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes response | 1-2 |
| | Level 2 | Recommends response with reasons | 3-5 |
| | Level 3 | Recommends response with reasons and justification | 6-7 |
| 2nd response | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes response | 1-2 |
| | Level 2 | Recommends response with reasons | 3-5 |
| | Level 3 | Recommends response with reasons and justification | 6-7 |
| 3rd response | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes response | 1-2 |
| | Level 2 | Recommends response with reasons | 3-5 |
| | Level 3 | Recommends response with reasons and justification | 6-7 |
| **Sub-task (b)** Recommend with reasons the approach that might be taken to managing the currency risk on the expected payment for Dresno's IP. | | | |
| **Trait** | | | |
| 1st recommendation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes approach | 1-2 |
| | Level 2 | Recommends approach with reasons | 3-4 |
| | Level 3 | Recommends approach with reasons and justification | 5-6 |
| 2nd recommendation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes approach | 1-2 |
| | Level 2 | Recommends approach with reasons | 3-4 |
| | Level 3 | Recommends approach with reasons and justification | 5-6 |


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# TASK 3

| TASK 3 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the ethical dilemmas arising from the unsustainable nature of the products that will be made from the new extrusion technology. | | | |
| **Trait** | | | |
| 1st dilemma | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies dilemma | 1-2 |
| | Level 2 | Evaluates dilemma | 3-4 |
| | Level 3 | Evaluates dilemma with justification | 5-6 |
| 2nd dilemma | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies dilemma | 1-2 |
| | Level 2 | Evaluates dilemma | 3-4 |
| | Level 3 | Evaluates dilemma with justification | 5-6 |
| 3rd dilemma | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies dilemma | 1 |
| | Level 2 | Evaluates dilemma | 2-3 |
| | Level 3 | Evaluates dilemma with justification | 4-5 |
| **Sub-task (b)** Evaluate both the advantages and disadvantages of creating a Board Sustainability Committee. | | | |
| **Trait** | | | |
| Advantages | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies advantages | 1-3 |
| | Level 2 | Evaluates advantages with reasons | 4-6 |
| | Level 3 | Evaluates advantages with reasons and justification | 7-9 |
| Disadvantages | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies disadvantages | 1-2 |
| | Level 2 | Evaluates disadvantages with reasons | 3-5 |
| | Level 3 | Evaluates disadvantages with reasons and justification | 6-8 |


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# Strategic Case Study Examination

May – August 2026 – VARIANT 3

MARKING GUIDANCE

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# Variant 3

## About this marking scheme

This Marking Guidance has been prepared for variant 3 of the CGMA Strategic Case Study May – August 2026.

The indicative answers will show the expected or most orthodox approach; however, the nature of the case study examination tasks means that a range of responses will be valid. The descriptors within this level-based marking scheme are holistic and can accommodate a range of acceptable responses.

General marking guidance is given below, and markers are subject to extensive training, standardisation activities and ongoing monitoring to ensure that judgements are made correctly and consistently.

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## General marking guidance

Marking schemes should be applied positively, with candidates rewarded for what they have demonstrated and not penalised for omissions.

All marks on the scheme are designed to be awarded, and full marks should be awarded when all level descriptor criteria are met.

The marking scheme and indicative answers are provided as a guide to markers. They are not intended to be exhaustive and other valid approaches must be rewarded. Equally, students do not have to make all of the points mentioned in the indicative answers to receive the highest level of the marking scheme.

An answer which does not address the requirements of the task must be awarded no marks.

Markers should mark according to the marking scheme and not their perception of where the passing standard may lie. Where markers are in doubt as to the application of the marking scheme to a particular candidate script, they must contact their lead marker.


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## How to use this levels-based marking scheme

**1. Read the candidate's response in full**

**2. Select the level**

For each trait in the marking scheme, read each level descriptor and select one, using a best-fit approach.

The response does not need to meet all of the criteria of the level descriptor – it should be placed at the level where it meets more of the criteria of this level than the criteria of the other levels.

If the work fits more than one level, judge which one provides the best match.

If the work is on the borderline between two levels, then it should be placed either at the top of the lower band or the bottom of the higher band, depending on where it fits best.

**3. Select a mark within the level**

Once you have selected the level, you will need to choose the mark to apply.

A small range of marks may be given at each level. You will need to use your professional judgement to decide which mark to allocate.

If the answer is of high quality and convincingly meets the requirements of the level, then you should award the highest mark available. If not, then you should award a lower mark within the range available, making a judgement on the overall quality of the answer in relation to the level descriptor.


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## Summary of the core activities tested within each sub-task

| Sub-task | Core activity | | Sub-task weighting (% section time) |
|---|---|---|---|
| **TASK 1** | | | |
| **(a)** | **A** | Develop business strategy | 40% |
| **(b)** | **C** | Recommend financing strategies | 60% |
| **TASK 2** | | | |
| **(a)** | **B** | Evaluate business ecosystem and business environment | 60% |
| **(b)** | **A** | Develop business strategy | 40% |
| **TASK 3** | | | |
| **(a)** | **D** | Evaluate and mitigate risk | 50% |
| **(b)** | **E** | Recommend and maintain a sound control environment | 50% |


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# TASK 1

| TASK 1 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the corporate social responsibility (CSR) issues associated with the sale of these printers. | | | |
| **Trait** | | | |
| 1st issue (1) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies issue | 1-2 |
| | Level 2 | Evaluates issue | 3-4 |
| | Level 3 | Evaluates issue with justification | 5-6 |
| 2nd issue (1) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies issue | 1-2 |
| | Level 2 | Evaluates issue | 3-4 |
| | Level 3 | Evaluates issue with justification | 5-6 |
| **Sub-task (b)** Evaluate the challenges associated with raising finance for the development and launch of this new type of printer. | | | |
| **Trait** | | | |
| Equity | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies challenges | 1-3 |
| | Level 2 | Evaluates challenges | 4-7 |
| | Level 3 | Evaluates challenges with justification | 8-10 |
| Debt | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies challenges | 1-3 |
| | Level 2 | Evaluates challenges | 4-7 |
| | Level 3 | Evaluates challenges with justification | 8-11 |


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# TASK 2

| TASK 2 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the implications of these recent events for a SWOT analysis of Kwirtmak's position in relation to the housebuilding market for 3D printers and materials. | | | |
| **Trait** | | | |
| Strengths | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1 |
| | Level 2 | Evaluates implication | 2-3 |
| | Level 3 | Evaluates implication with justification | 4-5 |
| Weaknesses | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1-2 |
| | Level 2 | Evaluates implication | 3-4 |
| | Level 3 | Evaluates implication with justification | 5-6 |
| Opportunities | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1 |
| | Level 2 | Evaluates implication | 2-3 |
| | Level 3 | Evaluates implication with justification | 4-5 |
| Threats | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1 |
| | Level 2 | Evaluates implication | 2-3 |
| | Level 3 | Evaluates implication with justification | 4-5 |
| **Sub-task (b)** Evaluate the post-acquisition issues that Kwirtmak will have to consider before making any move to acquire Fybarr. | | | |
| **Trait** | | | |
| 1st issue (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies issue | 1 |
| | Level 2 | Evaluates issue with reasons | 2-3 |
| | Level 3 | Evaluates issue with reasons and justification | 4 |
| 2nd issue (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies issue | 1 |
| | Level 2 | Evaluates issue with reasons | 2-3 |
| | Level 3 | Evaluates issue with reasons and justification | 4 |
| 3rd issue (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies issue | 1 |
| | Level 2 | Evaluates issue with reasons | 2-3 |
| | Level 3 | Evaluates issue with reasons and justification | 4 |


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# TASK 3

| TASK 3 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the risks arising from these health and safety issues for Kwirtmak. | | | |
| **Trait** | | | |
| 1st risk | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies risk | 1 |
| | Level 2 | Evaluates risk | 2-3 |
| | Level 3 | Evaluates risk with justification | 4-5 |
| 2nd risk | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies risk | 1 |
| | Level 2 | Evaluates risk | 2-3 |
| | Level 3 | Evaluates risk with justification | 4 |
| 3rd risk | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies risk | 1 |
| | Level 2 | Evaluates risk | 2-3 |
| | Level 3 | Evaluates risk with justification | 4 |
| 4th risk | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies risk | 1 |
| | Level 2 | Evaluates risk | 2-3 |
| | Level 3 | Evaluates risk with justification | 4 |
| **Sub-task (b)** Recommend with reasons the controls that we could introduce to address those health and safety issues. | | | |
| **Trait** | | | |
| 1st control | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends control | 1-2 |
| | Level 2 | Recommends control with reasons | 3-4 |
| | Level 3 | Recommends control with reasons and justification | 5-6 |
| 2nd control | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends control | 1-2 |
| | Level 2 | Recommends control with reasons | 3-4 |
| | Level 3 | Recommends control with reasons and justification | 5-6 |
| 3rd control | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends control | 1 |
| | Level 2 | Recommends control with reasons | 2-3 |
| | Level 3 | Recommends control with reasons and justification | 4-5 |


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# Strategic Case Study Examination

May – August 2026 – VARIANT 4

MARKING GUIDANCE

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# Variant 4

## About this marking scheme

This Marking Guidance has been prepared for variant 4 of the CGMA Strategic Case Study May – August 2026.

The indicative answers will show the expected or most orthodox approach; however, the nature of the case study examination tasks means that a range of responses will be valid. The descriptors within this level-based marking scheme are holistic and can accommodate a range of acceptable responses.

General marking guidance is given below, and markers are subject to extensive training, standardisation activities and ongoing monitoring to ensure that judgements are made correctly and consistently.

Care must be taken not to make too many assumptions about future marking schemes on the basis of this document. While the guiding principles remain constant, details may change depending on the content of a particular case study examination form.

## General marking guidance

Marking schemes should be applied positively, with candidates rewarded for what they have demonstrated and not penalised for omissions.

All marks on the scheme are designed to be awarded, and full marks should be awarded when all level descriptor criteria are met.

The marking scheme and indicative answers are provided as a guide to markers. They are not intended to be exhaustive and other valid approaches must be rewarded. Equally, students do not have to make all of the points mentioned in the indicative answers to receive the highest level of the marking scheme.

An answer which does not address the requirements of the task must be awarded no marks.

Markers should mark according to the marking scheme and not their perception of where the passing standard may lie. Where markers are in doubt as to the application of the marking scheme to a particular candidate script, they must contact their lead marker.


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## How to use this levels-based marking scheme

**1. Read the candidate's response in full**

**2. Select the level**

For each trait in the marking scheme, read each level descriptor and select one, using a best-fit approach.

The response does not need to meet all of the criteria of the level descriptor – it should be placed at the level where it meets more of the criteria of this level than the criteria of the other levels.

If the work fits more than one level, judge which one provides the best match.

If the work is on the borderline between two levels, then it should be placed either at the top of the lower band or the bottom of the higher band, depending on where it fits best.

**3. Select a mark within the level**

Once you have selected the level, you will need to choose the mark to apply.

A small range of marks may be given at each level. You will need to use your professional judgement to decide which mark to allocate.

If the answer is of high quality and convincingly meets the requirements of the level, then you should award the highest mark available. If not, then you should award a lower mark within the range available, making a judgement on the overall quality of the answer in relation to the level descriptor.


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## Summary of the core activities tested within each sub-task

| Sub-task | Core activity | | Sub-task weighting (% section time) |
|---|---|---|---|
| **TASK 1** | | | |
| **(a)** | **B** | Evaluate business ecosystem and business environment | 40% |
| **(b)** | **A** | Develop business strategy | 60% |
| **TASK 2** | | | |
| **(a)** | **C** | Recommend financing strategies | 60% |
| **(b)** | **B** | Evaluate business ecosystem and business environment | 40% |
| **TASK 3** | | | |
| **(a)** | **D** | Evaluate and mitigate risk | 50% |
| **(b)** | **E** | Recommend and maintain a sound control environment | 50% |


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# TASK 1

| TASK 1 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the challenges associated with determining whether there will be demand for 3D printers that can create printlets. | | | |
| **Trait** | | | |
| 1st challenge | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies challenge | 1-2 |
| | Level 2 | Evaluates challenge | 3-4 |
| | Level 3 | Evaluates challenge with justification | 5-6 |
| 2nd challenge | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies challenge | 1-2 |
| | Level 2 | Evaluates challenge | 3-4 |
| | Level 3 | Evaluates challenge with justification | 5-6 |
| **Sub-task (b)** Evaluate the potential usefulness of the acquisition of a small pharmaceutical manufacturer to assist in developing the new printer models. | | | |
| **Trait** | | | |
| 1st argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible benefit | 1-2 |
| | Level 2 | Evaluates possible benefit | 3-4 |
| | Level 3 | Evaluates possible benefit with justification | 5-6 |
| 2nd argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible benefit | 1 |
| | Level 2 | Evaluates possible benefit | 2-3 |
| | Level 3 | Evaluates possible benefit with justification | 4-5 |
| 3rd argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible benefit | 1 |
| | Level 2 | Evaluates possible benefit | 2-3 |
| | Level 3 | Evaluates possible benefit with justification | 4-5 |
| 4th argument | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible benefit | 1 |
| | Level 2 | Evaluates possible benefit | 2-3 |
| | Level 3 | Evaluates possible benefit with justification | 4-5 |


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# TASK 2

| TASK 2 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the arguments for and against the use of a green loan to fund the development of the new printer models and the initial sales to Westland. | | | |
| **Trait** | | | |
| Arguments for | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-3 |
| | Level 2 | Evaluates argument with reasons | 4-7 |
| | Level 3 | Evaluates argument with reasons and justification | 8-11 |
| Arguments against | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-3 |
| | Level 2 | Evaluates argument with reasons | 4-7 |
| | Level 3 | Evaluates argument with reasons and justification | 8-10 |
| **Sub-task (b)** Recommend with reasons how the economic risk associated with selling these printers to the Westlandian market could be managed. | | | |
| **Trait** | | | |
| 1st mitigation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends mitigation | 1 |
| | Level 2 | Recommends mitigation with reasons | 2-3 |
| | Level 3 | Recommends mitigation with reasons and justification | 4 |
| 2nd mitigation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends mitigation | 1 |
| | Level 2 | Recommends mitigation with reasons | 2-3 |
| | Level 3 | Recommends mitigation with reasons and justification | 4 |
| 3rd mitigation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends mitigation | 1 |
| | Level 2 | Recommends mitigation with reasons | 2-3 |
| | Level 3 | Recommends mitigation with reasons and justification | 4 |


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# TASK 3

| TASK 3 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the ethical implications of Kwirtmak having this unique position in the market for printers capable of creating printlets. | | | |
| **Trait** | | | |
| 1st implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1-2 |
| | Level 2 | Evaluates implication | 3-4 |
| | Level 3 | Evaluates implication with justification | 5-6 |
| 2nd implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1-2 |
| | Level 2 | Evaluates implication | 3-4 |
| | Level 3 | Evaluates implication with justification | 5-6 |
| 3rd implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1 |
| | Level 2 | Evaluates implication | 2-3 |
| | Level 3 | Evaluates implication with justification | 4-5 |
| **Sub-task (b)** Evaluate the arguments for and against non-executive directors taking an active interest in whether Kwirtmak's business practices are exploitative. | | | |
| **Trait** | | | |
| Arguments for | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes arguments | 1-3 |
| | Level 2 | Evaluates arguments with reasons | 4-7 |
| | Level 3 | Evaluates arguments with reasons and justification | 7-9 |
| Arguments against | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes arguments | 1-2 |
| | Level 2 | Evaluates arguments with reasons | 3-5 |
| | Level 3 | Evaluates arguments with reasons and justification | 6-8 |


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# Strategic Case Study Examination

May – August 2026 – VARIANT 5

MARKING GUIDANCE

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TASK 3 ..... 8


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# Variant 5

## About this marking scheme

This Marking Guidance has been prepared for variant 5 of the CGMA Strategic Case Study [May – August 2026].

The indicative answers will show the expected or most orthodox approach; however, the nature of the case study examination tasks means that a range of responses will be valid. The descriptors within this level-based marking scheme are holistic and can accommodate a range of acceptable responses.

General marking guidance is given below, and markers are subject to extensive training, standardisation activities and ongoing monitoring to ensure that judgements are made correctly and consistently.

Care must be taken not to make too many assumptions about future marking schemes on the basis of this document. While the guiding principles remain constant, details may change depending on the content of a particular case study examination form.

## General marking guidance

Marking schemes should be applied positively, with candidates rewarded for what they have demonstrated and not penalised for omissions.

All marks on the scheme are designed to be awarded, and full marks should be awarded when all level descriptor criteria are met.

The marking scheme and indicative answers are provided as a guide to markers. They are not intended to be exhaustive and other valid approaches must be rewarded. Equally, students do not have to make all of the points mentioned in the indicative answers to receive the highest level of the marking scheme.

An answer which does not address the requirements of the task must be awarded no marks.

Markers should mark according to the marking scheme and not their perception of where the passing standard may lie. Where markers are in doubt as to the application of the marking scheme to a particular candidate script, they must contact their lead marker.


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## How to use this levels-based marking scheme

**1. Read the candidate's response in full**

**2. Select the level**

For each trait in the marking scheme, read each level descriptor and select one, using a best-fit approach.

The response does not need to meet all of the criteria of the level descriptor – it should be placed at the level where it meets more of the criteria of this level than the criteria of the other levels.

If the work fits more than one level, judge which one provides the best match.

If the work is on the borderline between two levels, then it should be placed either at the top of the lower band or the bottom of the higher band, depending on where it fits best.

**3. Select a mark within the level**

Once you have selected the level, you will need to choose the mark to apply.

A small range of marks may be given at each level. You will need to use your professional judgement to decide which mark to allocate.

If the answer is of high quality and convincingly meets the requirements of the level, then you should award the highest mark available. If not, then you should award a lower mark within the range available, making a judgement on the overall quality of the answer in relation to the level descriptor.


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## Summary of the core activities tested within each sub-task

| Sub-task | Core activity | | Sub-task weighting (% section time) |
|---|---|---|---|
| **TASK 1** | | | |
| **(a)** | **A** | Develop business strategy | 50% |
| **(b)** | **B** | Evaluate business ecosystem and business environment | 50% |
| **TASK 2** | | | |
| **(a)** | **C** | Recommend financing strategies | 60% |
| **(b)** | **D** | Evaluate and mitigate risk | 40% |
| **TASK 3** | | | |
| **(a)** | **D** | Evaluate and mitigate risk | 40% |
| **(b)** | **E** | Recommend and maintain a sound control environment | 60% |


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# TASK 1

| TASK 1 | | | |
|---|---|---|---|
| **Sub-task (a)** Recommend whether we should classify this proposal as an emergent strategy and recommend whether classifying it as an emergent strategy should affect our evaluation of it. | | | |
| **Trait** | | | |
| 1st argument (1) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-3 |
| | Level 2 | Evaluates argument | 4-6 |
| | Level 3 | Evaluates argument with justification | 7-9 |
| 2nd argument (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-2 |
| | Level 2 | Evaluates argument | 3-5 |
| | Level 3 | Evaluates argument with justification | 6-8 |
| **Sub-task (b)** Evaluate the advantages and disadvantages of being the first to launch this category of 3D printer. | | | |
| **Trait** | | | |
| Advantages | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible advantages | 1-3 |
| | Level 2 | Evaluates possible advantages | 4-6 |
| | Level 3 | Evaluates possible advantages with justification | 7-9 |
| Disadvantages | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible disadvantages | 1-2 |
| | Level 2 | Evaluates possible disadvantages | 3-5 |
| | Level 3 | Evaluates possible disadvantages with justification | 6-8 |


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# TASK 2

| TASK 2 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the arguments for and against proceeding with the green loan, given the conditions to be imposed by the lender. | | | |
| **Trait** | | | |
| 1st argument for (1) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-2 |
| | Level 2 | Evaluates argument | 3-4 |
| | Level 3 | Evaluates argument with justification | 5-6 |
| 2nd argument for (1) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |
| 1st argument against (1) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |
| 2nd argument against (1) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |
| **Sub-task (b)** Evaluate the potential impact that any withdrawal of the green loan would have on Kwirtmak's reporting of sustainability issues. | | | |
| **Trait** | | | |
| 1st impact | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies impact | 1 |
| | Level 2 | Evaluates impact | 2-3 |
| | Level 3 | Evaluates impact with justification | 4 |
| 2nd impact | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies impact | 1 |
| | Level 2 | Evaluates impact | 2-3 |
| | Level 3 | Evaluates impact with justification | 4 |
| 3rd impact | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies impact | 1 |
| | Level 2 | Evaluates impact | 2-3 |
| | Level 3 | Evaluates impact with justification | 4 |


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# TASK 3

| TASK 3 | | | |
|---|---|---|---|
| **Sub-task (a)** Recommend whether Kwirtmak's Remuneration Committee should take contribution to new product development into account when setting performance-related bonuses for executive directors. | | | |
| **Trait** | | | |
| 1st argument (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument for or against | 1 |
| | Level 2 | Offers argument for or against with reasons | 2-3 |
| | Level 3 | Offers argument for or against with reasons and justification | 4 |
| 2nd argument (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument for or against | 1 |
| | Level 2 | Offers argument for or against with reasons | 2-3 |
| | Level 3 | Offers argument for or against with reasons and justification | 4 |
| 3rd argument (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument for or against | 1 |
| | Level 2 | Offers argument for or against with reasons | 2-3 |
| | Level 3 | Offers argument for or against with reasons and justification | 4 |
| **Sub-task (b)** Evaluate the arguments for and against Kwirtmak continuing to have a Chief Technical Officer who is responsible for research, product hardware development and product software on its Board. | | | |
| **Trait** | | | |
| 1st argument for (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1-2 |
| | Level 2 | Evaluates argument | 3-4 |
| | Level 3 | Evaluates argument with justification | 5-6 |
| 2nd argument for (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |
| 1st argument against (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |
| 2nd argument against (2) | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |


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# Strategic Case Study Examination

May – August 2026 – VARIANT 6

MARKING GUIDANCE

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# Variant 6

## About this marking scheme

This Marking Guidance has been prepared for variant 6 of the CGMA Strategic Case Study [May – August 2026].

The indicative answers will show the expected or most orthodox approach; however, the nature of the case study examination tasks means that a range of responses will be valid. The descriptors within this level-based marking scheme are holistic and can accommodate a range of acceptable responses.

General marking guidance is given below, and markers are subject to extensive training, standardisation activities and ongoing monitoring to ensure that judgements are made correctly and consistently.

Care must be taken not to make too many assumptions about future marking schemes on the basis of this document. While the guiding principles remain constant, details may change depending on the content of a particular case study examination form.

## General marking guidance

Marking schemes should be applied positively, with candidates rewarded for what they have demonstrated and not penalised for omissions.

All marks on the scheme are designed to be awarded, and full marks should be awarded when all level descriptor criteria are met.

The marking scheme and indicative answers are provided as a guide to markers. They are not intended to be exhaustive and other valid approaches must be rewarded. Equally, students do not have to make all of the points mentioned in the indicative answers to receive the highest level of the marking scheme.

An answer which does not address the requirements of the task must be awarded no marks.

Markers should mark according to the marking scheme and not their perception of where the passing standard may lie. Where markers are in doubt as to the application of the marking scheme to a particular candidate script, they must contact their lead marker.


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## How to use this levels-based marking scheme

**1. Read the candidate's response in full**

**2. Select the level**

For each trait in the marking scheme, read each level descriptor and select one, using a best-fit approach.

The response does not need to meet all of the criteria of the level descriptor – it should be placed at the level where it meets more of the criteria of this level than the criteria of the other levels.

If the work fits more than one level, judge which one provides the best match.

If the work is on the borderline between two levels, then it should be placed either at the top of the lower band or the bottom of the higher band, depending on where it fits best.

**3. Select a mark within the level**

Once you have selected the level, you will need to choose the mark to apply.

A small range of marks may be given at each level. You will need to use your professional judgement to decide which mark to allocate.

If the answer is of high quality and convincingly meets the requirements of the level, then you should award the highest mark available. If not, then you should award a lower mark within the range available, making a judgement on the overall quality of the answer in relation to the level descriptor.


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## Summary of the core activities tested within each sub-task

| Sub-task | Core activity | | Sub-task weighting (% section time) |
|---|---|---|---|
| **TASK 1** | | | |
| **(a)** | **A** | Develop business strategy | 50% |
| **(b)** | **C** | Recommend financing strategies | 50% |
| **TASK 2** | | | |
| **(a)** | **B** | Evaluate business ecosystem and business environment | 60% |
| **(b)** | **D** | Evaluate and mitigate risk | 40% |
| **TASK 3** | | | |
| **(a)** | **D** | Evaluate and mitigate risk | 40% |
| **(b)** | **E** | Recommend and maintain a sound control environment | 60% |


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# TASK 1

| TASK 1 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate the implications of the attempted security breach for Kwirtmak's digital ecosystem. | | | |
| **Trait** | | | |
| 1st implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1-2 |
| | Level 2 | Evaluates implication | 3-4 |
| | Level 3 | Evaluates implication with justification | 5-6 |
| 2nd implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1-2 |
| | Level 2 | Evaluates implication | 3-4 |
| | Level 3 | Evaluates implication with justification | 5-6 |
| 3rd implication | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies implication | 1 |
| | Level 2 | Evaluates implication | 2-3 |
| | Level 3 | Evaluates implication with justification | 4-5 |
| **Sub-task (b)** Evaluate the possible implications of the decrease in the share price immediately preceding the attempted breaches. | | | |
| **Trait** | | | |
| 1st possibility | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible implication | 1-2 |
| | Level 2 | Evaluates possible implication | 3-4 |
| | Level 3 | Evaluates possible implication with justification | 5-6 |
| 2nd possibility | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible implication | 1-2 |
| | Level 2 | Evaluates possible implication | 3-4 |
| | Level 3 | Evaluates possible implication with justification | 5-6 |
| 3rd possibility | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies possible implication | 1 |
| | Level 2 | Evaluates possible implication | 2-3 |
| | Level 3 | Evaluates possible implication with justification | 4-5 |


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# TASK 2

| TASK 2 | | | |
|---|---|---|---|
| **Sub-task (a)** Evaluate whether the acquisition of Uviv could be justified using the suitability, acceptability and feasibility (SAF) criteria. | | | |
| **Trait** | | | |
| Suitability | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies criterion | 1-2 |
| | Level 2 | Evaluates criterion | 3-5 |
| | Level 3 | Evaluates criterion with justification | 6-7 |
| Acceptability | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies criterion | 1-2 |
| | Level 2 | Evaluates criterion | 3-5 |
| | Level 3 | Evaluates criterion with justification | 6-7 |
| Feasibility | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Identifies criterion | 1-2 |
| | Level 2 | Evaluates criterion | 3-5 |
| | Level 3 | Evaluates criterion with justification | 6-7 |
| **Sub-task (b)** Recommend with reasons the investigations that Uviv's consultants should carry out on the recent cyber-attacks. | | | |
| **Trait** | | | |
| 1st investigation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends investigation | 1-2 |
| | Level 2 | Recommends investigation with reasons | 3-4 |
| | Level 3 | Recommends investigation with reasons and justification | 5-6 |
| 2nd investigation | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends investigation | 1-2 |
| | Level 2 | Recommends investigation with reasons | 3-4 |
| | Level 3 | Recommends investigation with reasons and justification | 5-6 |


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# TASK 3

| TASK 3 | | | |
|---|---|---|---|
| **Sub-task (a)** Recommend with reasons whether it would be appropriate to report the creation of the new IT Security Department as enhancements to human capital and intellectual capital in Kwirtmak's integrated report. | | | |
| **Trait** | | | |
| Human capital | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends treatment | 1-2 |
| | Level 2 | Recommends treatment with reasons | 3-4 |
| | Level 3 | Recommends treatment with reasons and justification | 5-6 |
| Intellectual capital | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Recommends treatment | 1-2 |
| | Level 2 | Recommends treatment with reasons | 3-4 |
| | Level 3 | Recommends treatment with reasons and justification | 5-6 |
| **Sub-task (b)** Evaluate the arguments for and against promoting Sana Bilgrami to Kwirtmak's Board as Director of IT Security. | | | |
| **Trait** | | | |
| 1st argument for | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes argument | 1-2 |
| | Level 2 | Evaluates argument | 3-4 |
| | Level 3 | Evaluates argument with justification | 5-6 |
| 2nd argument for | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |
| 1st argument against | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |
| 2nd argument against | **Level** | **Descriptor** | **Marks** |
| | | No rewardable material | 0 |
| | Level 1 | Describes argument | 1 |
| | Level 2 | Evaluates argument | 2-3 |
| | Level 3 | Evaluates argument with justification | 4-5 |


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