

Marking guide for Role Simulation Examination June 2022

The Role Simulation exam aims to examine knowledge, skills and behaviours in roughly equal proportions. This is reflected in the marking process where the available marks for each requirement are identified as Knowledge marks (K), Skills marks (S) and Behaviour marks (B).

A set of answers is issued to markers, giving an overview of the K, S and B points that can attract marks for each requirement. The model answers are extensive and contain all the points that could have been made; candidates are not expected to produce such full answers in the exam.

Broadly speaking, the K marks are for demonstration of appropriate and accurate knowledge and understanding from the Learning Materials for the five Certificate syllabuses assessed by the Role Simulation. This knowledge can be explicit or implied (eg where the answer is developed using recognised terminology, not just common sense).

Specifically, the K marks are for knowledge related to:

- Technical
- Business awareness
- Ethics and standards
- Regulation and compliance
- Systems and processes

The S marks are for the following skills:

- Analysis
- Communication
- Leadership
- Planning and prioritisation
- Producing quality and accurate information
- Team working and collaboration
- Using systems and processes

The B marks are for the following behaviours:

- Adaptability
- Adding value
- Ethics and integrity
- Proactivity
- Professional scepticism

For example, if the requirement was to 'analyse the industry using Porter's Five Forces model' then K marks would be available for knowing the meaning of the key headings and the terminology for items commonly seen under these headings, and both S and B marks would be available for applying this knowledge to the scenario and using the information in the scenario to explain how the force works.

For written requirements where the candidate may make many equally valid points using different aspects of knowledge, skills and behaviour, more marks were identified for explanations in the mark scheme than were available in the maximum mark awarded. In these requirements, once the maximum awarded mark was achieved by a candidate, no further marks were given.

The pass mark is 70% across the paper. There is no requirement to score at least 70% in each of the K/S/B pools of marks, nor to score at least 70% in each of the two tasks.

June 2022 marking grid

	Marks identified in marks scheme				Maximum marks awarded	
	K	S	B	Total		
1.1a	6	2	0	8	8	Accounting
1.1b	3	4	0	7	5	Accounting
1.2a	4	9	0	13	12	Accounting
1.2b	4	0	0	4	2	Accounting
1.3a	4	7	2	13	6	Assurance
1.3b	2	0	0	2	2	Assurance
1.3c	1	6	1	8	4	Assurance
1.3d	5	3	0	8	4	Assurance
1.3e	2	3	0	5	3	Assurance
1.4a	3	3	3	9	6	Assurance
1.4b	1	0	0	1	1	Law
1.4c	1	0	2	3	2	BTF
1.4d	1	0	0	1	1	BTF
1.4e	3	4	0	7	4	Law
					60	
2.1a	2	8	0	10	10	MI
2.1b	0	2	1	3	2	MI
2.1c	0	6	6	12	4	MI
2.1d	0	6	6	12	4	MI
2.2a	4	3	13	20	6	BTF
2.2b	0	2	0	2	2	BTF
2.2c	0	5	5	10	6	BTF
2.2d	2	7	7	16	6	BTF/Law
				174	40	
Overall total	48	80	46	174	100	
					27	Accounting
					25	Assurance
					7	Law
					21	BTF
					20	MI
					100	

The marking information set out below is that used to mark the requirements in the June 2022 exam. Markers were encouraged to use discretion and generally to give the benefit of the doubt where it was evident what the candidate was trying to explain even though the explanation could have been expressed more clearly. No partial marks were awarded but the 'own figure' (OF) rule in calculations was applied.

<p><u>Explanation using an appropriate FSC example (not necessarily numbers)</u></p> <p>For example, FSC's subscription income is recognised as the club provides the service to members rather than when the cash is received from members. FSC received £197630 in the year in cash from members but its subscription income due for the year, based on accrual accounting, must also add back irrecoverable debts of £1550, and deduct the change in the amount of arrears and advances at the two-year ends (£50 decrease in arrears and £1050 increase in advances) So subscription income in the year, measured on the accruals basis, is $197630 - 50 - 1050 + 1550 = 198080$</p>	<p>Max 2</p> <p>1</p> <p>1</p> <p>1</p>	<p>S Analysis</p> <p>S Analysis</p> <p>S Analysis</p>
<p>Examiner comments</p> <p>This requirement was tackled well by the majority of students. Most candidates showed very good communication skills and an excellent understanding of the difference between the cash and accrual bases of accounting, with suitable examples used from FSC to explain their points.</p>		
<p>Total possible marks Maximum full marks</p>	<p>7 5</p>	<p>3K, 4S</p>

Task 1.2
General comments
Performance on this task was very good.

Task 1.2	Marks	Nature
Noone plc: Statement of cash flows for the year ended 30 April 2022		
Cash flows from operating activities		
Profit before tax 1,840	1	S Quality & accurate info
Profit/loss on disposal 0		
Depreciation (4390+1260-150)*0.3 OR (4390+1260+450-600-3850) 1,650	2	S Analysis
Investment income -270		
Decrease in inventories 200	1	K Technical
Increase in trade and other receivables -520	1	K Technical
Decrease in trade and other payables <u>-1,280</u>	1	K Technical
Cash generated from operations 1,620		
Income tax paid (310+360-180) <u>-490</u>	2	S Analysis
Net cash from operating activities 1,130		
Cash flows from investing activities		
Purchase of property, plant and equipment -1,260	1	S Quality & accurate info
Proceeds from disposal 150	1	S Quality & accurate info
Investment income <u>270</u>	1 for both	S Quality & accurate info
Net cash used in investing activities -840		
Cash flows from financing activities		
Dividends paid <u>-100</u>	1	S Quality & accurate info
Net cash used in financing activities <u>-100</u>		
Net increase in cash and cash equivalents 190		
Cash and cash equivalents at 1 May 2021 <u>2,470</u>		
Cash and cash equivalents at 30 April 2022 <u>2,660</u>		
Title, headings and layout	1	K Regulation & compliance
Examiner's comments		
It was noticeable that many candidates did not give the statement of cash flows a correct title, and did not provide clear narratives within the statement, especially in relation to the working capital figures. A few failed to present any sort of working for depreciation or tax, which lost valuable marks.		
Total possible marks	13	4K, 9S
Maximum full marks	12	

Task 1.2 (b)	Marks	Nature
<p>Reasons why net cash inflow for the year is lower than profit for the year</p> <p>Increase in receivables</p> <p>Decrease in payables</p> <p>Dividend payment</p> <p>Tax paid exceeds tax charge</p> <p>Note: None of the following differences would explain why net cash inflow is <u>lower</u> than profit: purchase cost of PPE (lower than depreciation); depreciation; disposal at no profit/no loss; decrease in inventory.</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p>K Technical</p> <p>K Technical</p> <p>K Technical</p> <p>K Technical</p>
<p>Examiner's comments</p>		
<p>While most candidates identified two of the correct reasons, it was clear that some candidates misunderstood the impact of depreciation and the disposal.</p>		
<p>Total possible marks</p> <p>Maximum full marks</p>	<p>4</p> <p>2</p>	<p>4K</p>

Task 1.3
General comments
Performance in this sub-task was the weakest on the paper, as some candidates performed poorly on 1.3a and 1.3e in particular

Task 1.3 (a)	Marks	Nature
<u>Written representations from directors</u>	Max 3	
That the directors have fulfilled their responsibility:	Max 2	
... to prepare the FS in accordance with the applicable financial reporting framework to show a true and fair view;	1	K Systems & processes
...to provide MidRow with all relevant information and access;	1	K Systems & processes
...to record and reflect all transactions in the FS.	1	K Systems & processes
Other matters:	Max 1	
Confirmation that all obsolete inventories have been identified and written off.	1	S Using systems
Confirmation that they have complied with the letter of engagement .	1	S Using systems
Confirmation, in light of the bank letter, that financing will be available to fund short-term liquidity .	1	S Using systems
Confirmation that the directors believe Cementex to be a going concern as at 31 January 2022 despite the major procurement fraud	1	S Using systems
Confirmation that the directors believe they have identified and addressed the full extent of the procurement department fraud .	1	B Proactivity
Confirmation that the Environment Agency letter had been addressed regarding regulatory limits for chemical emissions from processing	1	B Proactivity
<u>The written representations should be dated as near as possible to/on or before/not after the date of MidRow's report on the FS.</u>	Max 1	K Systems & processes
<u>To evaluate the reliability of written representations, MidRow should consider:</u>	Max 2	
...whether the representations are consistent with/supports other evidence obtained before relying on them as audit evidence	1	S Using systems
...the competence, integrity, ethical values or diligence of management	1	S Using systems
...the extent of management's commitment to enforcement of these values (tone at the top)	1	S Using systems

Examiner's comments
In relation to the content of the written representations, most candidates restricted their answers to the matters that constituted their legal responsibilities, effectively ignoring the specific other matters that had been flagged during the audit (eg the Environment Agency letter). Most candidates were correct in stating when the representations should be dated, though a couple appeared to confuse this with filing deadlines at Companies House. Answers relating to the evaluation of the reliability of representations were pleasing.

Total possible marks	13	4K, 7S, 2B
Maximum full marks	6	

Task 1.3 (b)	Marks	Nature
A Objectivity D Independence	1 1	K Ethics & standards K Ethics & standards
Examiner comments		
Most candidates scored full marks on this requirement.		
Total possible marks	2	2K
Maximum full marks	2	

Task 1.3 (c)	Marks	Nature
The information and explanations do not prevent MidRow from accepting the engagement.	1	K Systems & processes
Outstanding fees in themselves do not prevent MidRow from accepting appointment and anyway these have now been paid by Jasca.	Max 2	S Using systems
The rapid turnover in auditors raises a question mark but Izzy's explanation allays this and indeed supports accepting the engagement as it shows Jasca's directors are alert to threats to auditor ethics.	Max 2	S Using systems
The familiarity threat from the director's appointment was identified by the previous auditor and their formal resignation was communicated to Jasca so due process was followed.	Max 2	S Using systems
However the combination of events may cause MidRow to question the competence and integrity of Jasca's management.	1	B Professional scepticism
Examiner comments		
Most candidates scored full or almost full marks on this requirement.		
Total possible marks	8	1K, 6S, 1B
Maximum full marks	4	

Task 1.3 (d)	Marks	Nature
<p><u>Assess whether MidRow is professionally qualified to act.</u></p> <p>Consider whether: the firm is ethically barred in some way ie sufficiently competent, professionally qualified to act and able to exercise due care, independent and objective – conflicts of interest</p> <p>there are regulatory considerations eg money laundering due diligence, to be carried out</p> <p><u>Assess the risk of the audit</u></p> <p>Consider:</p> <p>Integrity of the directors and whether the appointment is likely to be high or low risk for MidRow</p> <p>Whether written evidence is available of the payment of fees and the appointment of the new director</p> <p>Whether there is a going concern issue</p> <p>Contents of references obtained for the directors as not previously known</p>	<p>Max 2 1</p> <p>1</p> <p>Max 2 1</p> <p>1</p>	<p>K Ethics & standards</p> <p>K Regulation/compliance</p> <p>K Systems & processes S Using systems</p>
<p><u>Assess whether MidRow has sufficient resources to carry out the engagement.</u></p> <p>The size (most complex audit client)... ...and nature (international) of Jasca plc may be problemsgiven MidRow has recently been acquiring other large and varied clients... ...and MidRow has faced technology problems</p> <p><u>Assess whether MidRow can make sufficient profit from the engagement</u></p> <p>As a commercial enterprise, MidRow is entitled to refuse to accept the engagement if it is not commercially viable. It should consider the time and costs involved in becoming familiar with Jasca plc and its industry, and in particular should establish how it will audit its international operations for a reasonable cost. It should assess whether Jasca may be a slow payer and consider the level of audit fee/credit checks on the firm accordingly</p>	<p>Max 2 1</p> <p>1</p> <p>Max 2 1</p> <p>1</p>	<p>K Systems & processes S Using systems</p> <p>K Systems & processes S Using systems</p>
<p>Examiner comments</p> <p>Most candidates scored full or almost full marks on this requirement.</p>		
<p>Total possible marks Maximum full marks</p>	<p>8 4</p>	<p>5K, 3S</p>

Task 1.3 (e)	Marks	Nature
1 Ensure Hazlett LLP's removal or resignation has been properly conducted in legal terms	1	K Regulation/ compliance
2 Ensure MidRow's appointment is valid by having sight of the required ordinary resolution in general meeting	1	K Regulation/ compliance
3 Submit a letter of engagement to Jasca plc's directors	1	S Using systems
4 Obtain books and papers regarding Jasca plc from Hazlett LLP	1	S Using systems
5 Perform AML due diligence	1	S Using systems
Examiner comments		
Most candidates scored full or almost full marks on this requirement but weaker candidates misread the requirement as being about actually conducting the audit – testing etc – so scored no marks.		
Total possible marks	5	2K, 3S
Maximum full marks	3	

Task 1.4
General comments
Performance in this sub-task was adequate.

Task 1.4 (a)	Marks	Nature
Insider dealing is a crime which represents a serious breach of the fundamental principle of professional behaviourwhich is the requirement that an accountant must comply with relevant laws and regulations and avoid any conduct that they know will discredit the profession. As a chartered accountant, Joe being accused and convicted of a criminal offence will make reasonable and informed third parties think badly of a profession which has allowed Joe to practise.	Max 2 1 1 1	K Ethics/standards S Analysis B Ethics/integrity
Insider dealing is also a breach of the fundamental principle of integritywhich requires an accountant to be straightforward and honest in all professional and business relationships. Joe knew that the information to which he was party would affect the share price of Trista plc in a particular way, so it was dishonest of him to encourage Kieran to use this information to make a gain. Joe's actions also breach the fundamental principle of confidentialitywhich requires that an accountant should not use confidential information acquired as a result of a professional relationship for their personal advantage or the personal advantage of a third party	Max 2 1 1 1 Max 2 1 1 1	K Ethics/standards S Analysis B Ethics/integrity K Ethics/standards S Analysis B Ethics/integrity
Examiner comments		
The requirement asked for an explanation of the fundamental ethical principles that were breached by Joe, so candidates should have named at least two such principles and explained how Joe's behaviour meant they were breached. Restricting themselves to only one ethical principle, or stating the principle without further explanation, meant that some candidates missed marks.		
Total possible marks	9	3K, 3S, 3B
Maximum full marks	6	

Task 1.4 (b)	Marks	Nature
7 years	1	K Regulation/compliance
Examiner comments		
All candidates scored full marks on this requirement.		
Total possible marks	1	1K
Maximum full marks	1	

Task 1.4 (c)	Marks	Nature
The most appropriate basis on which Helena would make a complaint is that Joe breached a bye-law by bringing discredit on ICAEW, the profession and himself by breaching a regulation, as Joe has admitted to a crime.	1 1 1	K Regulation/compliance B Ethics/integrity B Ethics/integrity
Examiner comments		
Answers were weak to this requirement as the candidates did not appear to know the specific grounds on which a person may make a complaint to ICAEW. This is most commonly for a member's breach of ICAEW's bye-laws,		

which encompasses breaching a regulation and/or bringing discredit on the profession – both of which applied in this case.		
Total possible marks	3	1K, 2B
Maximum full marks	2	

Task 1.4 (d)	Marks	Nature
B Disciplinary Committee	1	K Regulation/compliance
Examiner comments		
All candidates scored full marks on this requirement.		
Total possible marks	1	1K
Maximum full marks	1	

Task 1.4 (e)	Marks	Nature
Summary dismissal occurs where an employer dismisses an employee with either no notice or notice that is less than set out in law or the employment contract.	1	K Regulation/compliance
MidRow is legally justified because Joe's disclosure of confidential information constitutes gross misconduct in law.	Max 3	K Regulation/compliance
It is an express requirement of MidRow's staff code of conduct not to discuss confidential information outside of work, so breaching this term also legally justifies summary dismissal for breach of the employment contract.	Max 2	
Joe is a Chartered Accountant and is likely to be stripped of his membership of ICAEW, so he will not be able to continue in practice, which breaches his contract and again legally justifies summary dismissal.	Max 2	S Analysis
Examiner comments		
All candidates identified that MidRow was legally justified in summarily dismissing Joe but several provided inaccurate explanations of summary dismissal or failed to apply the facts of the case adequately.		
Total possible marks	7	3K, 4S
Maximum full marks	4	

Task 2.1
General comments
Performance in this task was very good.

Task 2.1 (a)	Marks	Nature																																																																			
<p>Payback period</p> <table border="1"> <thead> <tr> <th></th> <th>Flow £000</th> <th>Cumulative cash flow £000</th> </tr> </thead> <tbody> <tr> <td>Yr 0</td> <td>-4,200</td> <td>-4,200</td> </tr> <tr> <td>Yr 1</td> <td>950</td> <td>-3,250</td> </tr> <tr> <td>Yr 2</td> <td>1,280</td> <td>-1,970</td> </tr> <tr> <td>Yr 3</td> <td>1,690</td> <td>-280</td> </tr> <tr> <td>Yr 4</td> <td>1,730</td> <td>1,450</td> </tr> </tbody> </table> <p>Payback is 3 years plus $((280)/1730 \times 12)$ months = 3 years 2 months</p> <p>NPV</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="5">30 June/1 July</th> </tr> <tr> <th>2022 £000</th> <th>2023 £000</th> <th>2024 £000</th> <th>2025 £000</th> <th>2026 £000</th> </tr> </thead> <tbody> <tr> <td>NPV</td> <td>T0</td> <td>T1</td> <td>T2</td> <td>T3</td> <td>T4</td> </tr> <tr> <td>Cash flows</td> <td>-4200</td> <td>950</td> <td>1280</td> <td>1690</td> <td>1730</td> </tr> <tr> <td>DF @8%</td> <td>1</td> <td>0.926</td> <td>0.857</td> <td>0.794</td> <td>0.735</td> </tr> <tr> <td>PV</td> <td>-4200</td> <td>879.7</td> <td>1097.0</td> <td>1341.9</td> <td>1271.6</td> </tr> <tr> <td>NPV</td> <td>390.2</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>For investment at T0</p> <p>For cash inflows T1 – T4</p> <p>For discount factors at 8%</p> <p>For NPV (OF)</p> <p>Presentation / layout / £,000s to 1dp</p> <p>IRR:</p> <table border="1"> <tbody> <tr> <td>8</td> <td>a</td> </tr> <tr> <td>12</td> <td>b</td> </tr> <tr> <td>390.2</td> <td>NPVa</td> </tr> <tr> <td>-27.9</td> <td>NPVb</td> </tr> </tbody> </table> <p>11.73281 = 11.7%</p>		Flow £000	Cumulative cash flow £000	Yr 0	-4,200	-4,200	Yr 1	950	-3,250	Yr 2	1,280	-1,970	Yr 3	1,690	-280	Yr 4	1,730	1,450		30 June/1 July					2022 £000	2023 £000	2024 £000	2025 £000	2026 £000	NPV	T0	T1	T2	T3	T4	Cash flows	-4200	950	1280	1690	1730	DF @8%	1	0.926	0.857	0.794	0.735	PV	-4200	879.7	1097.0	1341.9	1271.6	NPV	390.2					8	a	12	b	390.2	NPVa	-27.9	NPVb	<p>3 marks:</p> <p>1 flows 1 for cumulative flows 1 for years/months calc</p> <p>5 marks:</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>2 marks:</p> <p>1 for figures 1 for calc</p>	<p>K Technical S Analysis</p> <p>S Quality and accurate information</p> <p>S Analysis</p> <p>S Analysis</p> <p>K Technical</p> <p>S Quality and accurate information S Quality and accurate information</p> <p>S Analysis S Quality and accurate information</p>
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Examiner comments																																																																					
Most candidates scored very well in this requirement. Common errors were rounding incorrectly and using the IRR formula inaccurately																																																																					
Total possible marks	10	2K, 8S																																																																			
Maximum full marks	10																																																																				

Task 2.1 (b)	Marks	Nature
The investment in Update Project 22 should proceed...	1 (OF)	B Adding value
...because the NPV is positive...	1 (OF)	S Analysis
...and the IRR at 11.7% is higher than the 8% cost of capital	1 (OF)	S Analysis
Examiner comments		
Candidates scored very well on this requirement with no problems noted.		
Total possible marks	3	2S 1B
Maximum full marks	2	

Task 2.1 (c)	Marks	Nature
Mark first 2 reasons, max 2 per well-explained reason		
<u>DCF techniques and payback period</u>		
The advantages of DCF decision-making techniques over payback period are:		
<ul style="list-style-type: none"> NPV is consistent with the assumed objective of owner wealth maximisation because it directly measures, in absolute (£) terms, the effect of taking on the project now, while payback looks at the future time taken to recover the initial investment. 	Max 2	S Analysis B Adding value
<ul style="list-style-type: none"> DCF considers the time value of money, ie, the further away the cash flow, the less it is worth in present terms – unlike payback period 	Max 2	S Analysis B Adding value
<ul style="list-style-type: none"> DCF incorporates risk into decision making by adjusting the project's discount rate or target IRR, while payback takes no account of risk. <p>NPV, though not always IRR, provides clear, unambiguous decisions, ie, if the NPV is positive, accept; if it is negative, reject. Payback is more ambiguous as it depends on the payback period target established by the entity.</p>	Max 2	S Analysis B Professional scepticism S Analysis B Professional scepticism
<ul style="list-style-type: none"> DCF considers all cash flows unlike payback period which ignores cash flows after payback has been achieved 	Max 2	S Analysis B Adding value
<ul style="list-style-type: none"> DCF allows different projects to be compared more easily than payback period 	Max 2	S Analysis B Adding value
Examiner comments		
Candidates showed good skills in explaining the benefits of DCF but did not always contrast this effectively with payback period		
Total possible marks	12	6S, 6B
Maximum full marks	4	

Task 2.1 (d)	Marks	Nature
Non-financial factors for management to consider:		
Mark first 2 factors, max 2 per well-explained factor		
<p>Feasibility of timescale to commence: the start date is 1 July and it is currently 7 June, so if the decision is only being made now, will finance, training and organisation be in place in time?</p>	Max 2	S Planning/prioritisation B Adding value
<p>Usefulness of new technology over four years: updating all equipment and software now and expecting them to be as relevant/useful in four years' time may be unrealistic in this age of rapidly changing technology. Extra payments may be required for the software updates in particular, which currently are assumed to be paid for in full upfront</p>	Max 2	S Planning/prioritisation B Professional scepticism
<p>Effect of home-working/hot-desking on staff efficiency: will teams work together effectively using hybrid working/project teams/technology? Historically teams have struggled when physically dispersed around offices or between departments but still able to meet/problem solve in person – how well will they adapt?</p>	Max 2	S Teamwork B Adding value
<p>Level of change: Whether closing half the 12 offices, including two of the larger ones which offer services from all five departments, may be too big a change as it will be disruptive and may involve staff travelling further just to go into an office</p>	Max 2	S Planning/prioritisation B Adding value
<p>Types and levels of risks: need to evaluate the risks inherent in the project, especially cyber-risk</p>	Max 2	S Planning/prioritisation B Adding value
<p>Effect on clients: Whether clients will miss the easy access to MidRow staff afforded by the existing number of offices, and will wonder whether the firm is still stable and bona fide</p>	Max 2	S Planning/prioritisation B Adding value
Examiner comments		
<p>Candidates performed well in this requirement for the most part, although weaker ones struggled to extend their arguments beyond the effect of the project on flexibility – which was its objective.</p>		
<p>Total possible marks Maximum full marks</p>	<p>12 4</p>	<p>6S, 6B</p>

Task 2.2
General comments
Performance in this task was the strongest on the paper.

Task 2.2 (a)	Marks	Nature
Benefits of increased use of data analytics		
<p>Mark 3 benefits, max 2 per well-explained benefit</p> <p>Benefits for MidRow of increased use of data analytics:</p> <ul style="list-style-type: none"> - analyse patterns, deviations, outliers and inconsistencies in data derived from all areas of large clients, so there is less risk of missing something significant - extract other useful information from the data underlying or related to the different areas of an audit (different regions, divisions, products etc), which enhances MidRow's understanding of clients - analyse all transactions, not just a sample of them, to obtain more reliable audit evidence and reduce audit risk - reperform calculations in the client's transactions data, to confirm accuracy - - allows MidRow to offer granular, data-driven insights into how clients operate and how MidRow itself operates - - enhance transparency by creating insights into issues affecting clients that had not previously been understood eg customer buying patterns or market price fluctuations - improve performance by MidRow's managers making better decisions about the use of staff to improve the firm's profitability - - use market segmentation and customisation from analysing data about clients to adapt MidRow's services and amend prices to suit clients - support clients in using real-time information to make better day-to-day decisions - analyse data to identify, quantify and manage risk for clients 	<p>Max 2</p>	<p>K Business awareness B Proactivity S Analysis B Proactivity</p> <p>S Using systems B Proactivity S Using systems B Proactivity</p> <p>K Business awareness B Proactivity</p> <p>K Business awareness B Proactivity</p> <p>K Business awareness B Proactivity</p> <p>B Adaptability B Proactivity</p> <p>B Adaptability B Proactivity</p> <p>B Adaptability B Proactivity</p>
Examiner comments		
Candidates engaged well with the scenario and explained the varied benefits of data analytics for MidRow very clearly		
Total possible marks	20	4K, 3S, 13B
Maximum full marks	6	

Task 2.2 (b)	Marks	Nature
Senior management team = strategic apex Zahra Oubihi and Ben Scott = technostructure	1 1	S Analysis S Analysis
Examiner comments Most candidates scored full marks on this requirement.		
Total possible marks Maximum full marks	2 2	2S

Task 2.2 (c)	Marks	Nature
<p>Mark 3 ways, max 2 per well-explained way</p> <ul style="list-style-type: none"> - UP22 entails connecting staff by technology which overcomes the geographical dispersion of different offices and there is greater flexibility in how individual staff are deployed – eg less need to physically move between offices (hotdesking also means that staff from different offices can work physically together if required) - UP22 improves communication so staff can co-ordinate responses and react more swiftly to client demands, improving the chances of a flexible response to the client – eg one person can be the point of contact for a client then access the relevant person easily to answer an urgent client question - UP22 involves giving training to staff in use of the equipment and software so they become multi-skilled in the variety of required tasks needed in multi-functional teams, the tasks can then be performed flexibly at the time required by clients - The connectedness and co-ordination of team members across offices and departments that is enabled by UP22 means there is more capacity within MidRow, so it can respond flexibly to opportunities and take on clients outside its restricted regional area if it chooses - UP22 involves providing staff with equipment which will enable better management of the large amounts of available digital data to the different departments, so each staff member can respond flexibly to clients 	<p>Max 2</p> <p>Max 2</p> <p>Max 2</p> <p>Max 2</p> <p>Max 2</p>	<p>S Analysis B Proactivity</p>
Examiner comments Candidates engaged well with the scenario and explained the varied ways in which the project improves flexibility very clearly		
Total possible marks Maximum full marks	10 6	5S, 5B

Task 2.2 (d)	Marks	Nature
<p>Legal differences between an LLP and a general partnership: LLP is a legal entity separate from its owners, there is no separate legal entity from the partners in a general partnership</p> <p>Partners in an LLP have only limited liability for the business' debts, partners in a general partnership have full, joint and several liability</p> <p>Practical advantages and disadvantages for Agnes and Hector: Mark one advantage and one disadvantage</p> <p>Advantages:</p> <ul style="list-style-type: none"> - less risk as they will be liable for MidRow's debts only up to the extent of the capital they have introduced/retained in MidRow, unless they are in breach of a personal duty of care as professional accountants - there are 32 other partners in MidRow which spreads the workload and responsibility, allows them a chance to learn from others and covers them for when they take a holiday/are ill - MidRow offers more services so their existing clients will be happier as they will be able to access more support - There are more options for funding new projects as MidRow LLP than they had as a general partnership - They will have more scope for succession planning for how their clients are handled should they decide to retire <p>Disadvantages:</p> <ul style="list-style-type: none"> - They will be more exposed to scrutiny as there is far greater publicity for LLP's affairs than for a general partnership eg accounts must be filed at Companies House - They will have less control over how they work eg in relation to technology and how their clients are served as they are part of a bigger organisation <p>NB there will be no change in their tax affairs, profits from the LLP are taxed in the hands of the partners, as for general partnerships</p>	<p>Max 2 1</p> <p>1</p> <p>Max 2</p>	<p>K Regulation/compliance</p> <p>K Regulation/compliance</p> <p>S Analysis B Proactivity</p>
<p>Examiner comments</p> <p>The candidates engaged well with the legal and practical aspects of scenario and explained the varied ways in which the project improves flexibility very clearly</p>		
<p>Total possible marks Maximum full marks</p>	<p>16 6</p>	<p>2K, 7S, 7B</p>