

CIMA SCS EXAM August 2017, Variant 1

Section 1

I need your advice before I brief the Board.

Requirement 1:

Firstly, to what extent will agreeing to this proposal limit AutoAuto's strategic options in the future?

- Here the requirement is to evaluate the potential impact on AutoAuto's strategic options in the future (discuss the pros and cons of this proposal strategically)

Requirement 2:

Secondly, how is our participation in this project likely to affect our share price during the development phase?

- Here the requirement is to discuss whether the share price would be affected or not, and if so, how?

Section 2

I need your advice on two issues.

Requirement 1:

Firstly, I am concerned that this project will leave us exposed to significant currency risks. Please draft a briefing paper that I can present to the Board, covering the nature of the key risks and the difficulties associated with quantifying such risks.

- Here the requirement is to split into two parts. 1) the types of key currency risk in this scenario (i.e. transaction and economic) and 2) the difficulties in measuring such risks.

Requirement 2:

Secondly, this technology is likely to attract adverse publicity because we are developing a product that will threaten the jobs of taxi and delivery drivers. How should we address this in our annual Corporate Social Responsibility Report?

- Here the requirement is to discuss how to address the impact of the new technology in the social and environmental report (what to include and why)
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