

YOUR PERFORMANCE ANALYSIS REPORT
September 2024 Common Final
Examination (CFE)

DAY 2 AND DAY 3

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Candidate Number

Enclosed is your performance analysis report for the September 2024 Common Final Examination (CFE). This report analyzes your performance on Day 2 and Day 3 only. Day 1 is reported on separately.

Section A of the report contains an analysis by assessment opportunity (AO) of your performance for each simulation. **Section B** contains a detailed analysis of your performance by competency area, and **Section C** contains a summary of the reviewers' general findings and an analysis of your performance by essential CPA enabling skills, following the CPA Way.

This report is intended to highlight areas in need of improvement, not just to explain why you failed the examination. Where the reviewers were able to, they provided recommendations for improvements, whether or not you met the passing profile requirements set by the Board of Examiners for the various levels of the fair pass model. This means that you may have received several comments on an area where you met (but barely) the minimum standard.

You are encouraged to read this report in conjunction with your transcript and the Board of Examiners' Report on the September 2024 CFE.

Section A: Assessment By Simulation

Section A reports the reviewers' findings by AO for each of the Day 2 and Day 3 simulations. The checklist is designed to help you identify which of the commonly exhibited weaknesses displayed by the candidate population you personally exhibited while writing each simulation. This information allows you to see where you missed a mission-critical AO completely or where you fell short of the entry-level requirements.

To help you understand which of the weaknesses you, in particular, exhibited, reviewers have marked Xs in the relevant boxes. If you did not address an AO at all, the box labelled "You did not address this assessment opportunity" will be marked with an X. If you addressed the AO and did not demonstrate any of the weaknesses listed, the boxes will be blank. If you did demonstrate a weakness, the box next to the weakness will be marked with an X and a comment will be included.

Section B: Assessment By Competency Area

The information in Section B is a re-sorting, first by technical competency area, and then by CPA enabling skill, of the weaknesses noted in Section A. The information presented in Section B allows you to identify whether you exhibited more technical weakness in one area than another.

Keep in mind that the checklist of points under each AO in Section A is made up of the tendencies exhibited by the candidate population based on the Board of Examiners' expectations for a competent response. By focusing on the areas in which there are several Xs, and by examining the reviewers' comments by competency area rather than by simulation, you will be able to identify which technical elements of a "competent" response you were lacking. Seeing the AO-by-AO weaknesses sorted by competency area will allow you to gain a better understanding of which technical area was weakest and the nature of the errors that contributed to the standing you received.

Beside each box, you will notice a "skill" description. This skill represents the sorting category that is used to present the reviewers' findings by the enabling skills portion of Section C of your report.

Section C: General Findings and CPA Enabling Skills

Section C of the report is designed to help you identify your major weaknesses in essential areas such as communication, role playing, ranking of issues, and other exam writing skills, as well as present you with a re-sorting of the Section A results by the CPA enabling skill.

For the General Findings sub-section, each of the reviewers has answered the same general questions, and their findings are summarized for you. Any questions that have a “NO” response are highlighted. These are the general areas in which you demonstrated weakness.

The CPA Enabling Skills sub-section is a re-sorting of the reviewers’ specific AO-by-AO comments from Section A by CPA enabling skills grouping (following the CPA Way). Each grouping is clearly defined so that you know in which of the essential CPA enabling skills that underlie a professional response you require further development. The groupings used consist of the following:

1. Assess the Situation
 1. Define the issues correctly
 2. Identify any underlying issues
 3. Rank the issues (i.e., identify the mission-critical issues)
2. Analyze Major Issue(s) - Qualitative
 1. Technical (applies *CPA Handbook* or *Tax Act* correctly, uses correct techniques i.e. cash flow, net present value, etc.)
 2. Link theory to case facts (i.e., go beyond just stating the rules and consider the particular case facts in the analysis)
 3. Evaluate the alternatives (pros and cons, implications of different options, validity of options, etc.)
3. Analyze Major Issue(s) - Quantitative
 1. Applies the technique correctly
 2. Calculates accurately
 3. Explain assumptions clearly
4. Analyze Major Issue(s) - Integrate situation
 1. Integrate the situational assessment into analyses
 2. Integrate analysis of one issue into another, from one competency area to another, etc.
5. Conclude and Advise
 1. Make a logical/practical choice – one that flows from the analysis
 2. Display good judgment considering the decision factors identified
 3. See the bigger picture and consider impact of one analysis on the overall conclusion
6. Communication: Provide clear explanations (viewpoint and “thinking pattern” are evident)
7. Ethics: Exhibit professionalism, identify the need for a specialist; know professional limitations and responsibilities

Section A: Assessment By Simulation

Section A: Assessment By Simulation

Day 2 Inspired Books Ltd. (IBL)

Assessment Opportunity #1 (FR)

The candidate discusses the financial reporting for the acquisition of Bookmarks.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the financial reporting for the acquisition of Bookmarks contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion of the financial reporting for the acquisition of Bookmarks lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

While you recognized the need to discuss the financial reporting for the acquisition of Bookmarks, your analysis jumped to a conclusion without providing appropriate support using relevant case facts. For example, you stated "As per IFRS 3, as of the acquisition date, the acquirer shall recognise, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree" without applying case facts to the relevant Handbook criteria. Your discussion would have been more useful had you used case facts to discuss the guidance provided in IFRS 3 – Business Combinations.

You did not provide a conclusion on the acquisition of Bookmarks that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to discuss the financial reporting for the acquisition of Bookmarks, your discussion was not in sufficient depth to demonstrate competence on this assessment opportunity.

Assessment Opportunity #2 (FR)

The candidate discusses the financial reporting for the new lease.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the financial reporting for the lease contained technical errors.

☒

Analyze Major Issue(s)
- Qualitative

While you attempted to discuss the financial reporting for the new lease and to measure the lease liability, you did not consider the lease extension option that IBL intends to take in your present value calculation. The initial lease liability should have been measured by calculating the present value of the lease payments using IBL's incremental borrowing rate of 7.5% calculated on a monthly basis, a term of 122 months which includes the extension option, and the monthly payment of \$9,000. Ensure you read the simulation closely to help you identify the right assumptions to use in your calculations and refer to the Handbook guidance provided when you are unsure how to measure an element.

Your discussion of the financial reporting for the lease lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

While you attempted to analyze the financial reporting for the new lease using the different steps highlighted in CPA Canada Handbook, IFRS 16 – Leases, you did not apply relevant case facts to the Handbook criteria before concluding. For example, you used a lease term of 60 months in your calculation without using case facts to discuss the relevant Handbook criteria. Your analysis would have been more useful had you used case facts to support your discussion of the guidance provided in IFRS 16 – Leases.

You did not provide a conclusion on the lease that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to discuss the financial reporting for the new lease, your analysis contained technical errors and lacked depth and as such, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #3 (FR)

The candidate discusses the financial reporting for the lawsuit.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the financial reporting for the lawsuit contained technical errors.

☒

Analyze Major Issue(s)
- Qualitative

While you attempted to discuss the financial reporting for the lawsuit, you applied an incorrect section of the Handbook to your analysis. The accounting discussion should have included a discussion of the criteria of CPA Canada Handbook, IAS 10 – Events After the Reporting Period and IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets. Instead, your analysis attempted to discuss the issue using IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets only, which was inappropriate because there was new information about the lawsuit obtained after year-end, which indicated the need to consult IAS 10 – Events After the Reporting Period. Ensure you read the simulation closely to help you identify the right accounting issue and refer to the Handbook guidance provided when you are unsure what the issue is or when an unfamiliar topic is encountered. Further, you did not interpret some of the Handbook criteria correctly. For example, you responded to if it was probable that an outflow would be required with "Met - The resources impacted where the sale of books which was due to the fact that IBL released copies before the actual sale date" which is incorrect because that case fact does not relate to the probability of outflow of resources. In addition, you noted that there was no reliable measurement however, an expense should be recorded which is not consistent with the guidance. Ensure you read the simulation and plan your response carefully, and refer to the Handbook guidance provided when you are unsure or unfamiliar with the accounting issues that are being presented.

Your discussion of the financial reporting for the lawsuit lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

You did not provide a conclusion on lawsuit that was consistent with your analysis.

☒

Conclude and Advise

Although you recognized the need to discuss the financial reporting for the lawsuit and attempted to apply relevant case facts to your discussion, you did not provide a conclusion in line with your analysis. For example, although you stated that "There is no reliable measurement, but the lawyer indicated that \$100,000 will be the amount to owe" under the provision criteria, you concluded that "Therefore, a contingent liability in the amount of \$150,000 (250,000 - 100,000) should have been recorded as at December 31, 2023 given that this was the best reliable measurement" and then noted that "This will have no impact on IBL's profits or market share until the amount is paid in which they have expensed correctly on January 11, 2024." Your discussion would have been more useful if you had concluded in line with your analysis and with the applicable Handbook criteria.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to discuss the financial reporting for the lawsuit, your analysis contained technical errors and your conclusion was not consistent with your analysis and as such, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #4 (MA)

The candidate reviews and revises the draft cash budget.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your quantitative analysis contained technical errors.

☒

Analyze Major Issue(s)
- Quantitative

While you recognized the need to revise the draft cash budget, your calculation contained technical errors. For example, you included non-cash items in your calculation such as depreciation, you did not match the timing of the inventory purchases with the timing of the sales and you did not adjust the quarterly opening cash balance to match the ending quarterly cash balance from the previous quarter. As a result, your calculations were inaccurate, and you were not able to provide a helpful quantitative assessment.

Your quantitative analysis lacked breadth.

☒

Assess the Situation

While you recognized the need to revise the quantitative analysis of the cash budget, you did not include a sufficient number of adjustments to provide an adequate revised cash budget. There were a number of issues with the co-op student's calculation, and these needed to be identified and correctly adjusted. For example, you did not adjust the cash budget for the lease payments and the leasehold expenditures for the new Halifax location, the interest paid on the company's long-term debt or, the cash settlement of the lawsuit. While candidates were not expected to adjust for all the issues with the co-op student's calculation, an adjustment of a sufficient number of them was necessary to provide a useful revised cash budget.

You did not provide a conclusion that was consistent with your analysis.

☒

Conclude and Advise

Although you recognized the need to revise the cash budget, you did not provide a conclusion as to whether IBL had sufficient cash flows to meet its needs, or if IBL would experience cash shortages and need financing in any quarter. Your cash budget would have been more useful had you provided a conclusion of IBL's financing needs.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to provide revisions to the cash budget, your analysis contained technical errors and therefore you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #5 (MA)

The candidate assesses the company's balanced scorecard and recommends improvements.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not identify a sufficient number of issues related to the company's balanced scorecard.

☒

Assess the Situation

While you recognized the need to analyze the balanced scorecard goals and measures you did not discuss a sufficient number of issues to provide adequate insight to your user. For example, your analysis only included a discussion from the financial perspective. Additional comments on the learning and growth perspective, customer perspective and internal operations perspective would have been more useful.

Your discussion of the issues related to the company's balanced scorecard lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

You did not always provide recommendations to address the issues related to the company's balanced scorecard that were effective.

☒

Conclude and Advise

While you recognized the need to analyze the current goals and measures in the balanced scorecard, your discussion of the issues did not provide practical solutions. For example, you identified the issue of retention rate but you did not provide recommendations to improve the goal or measure. A specific improvement that was appropriate in the circumstances was necessary for your reader to understand what to do to solve the issues you identified. As such, your analysis was considered to be incomplete.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to analyze IBL's balanced scorecard, your analysis was not in sufficient depth, and therefore you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #6 (MA)

The candidate assesses whether the café pilot was a success, and suggests improvements.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☒

Assess the Situation

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Your quantitative analysis contained technical errors.

☐

Analyze Major Issue(s)
- Quantitative

Your quantitative analysis did not contain a sufficient number of adjustments.

☐

Assess the Situation

Your discussion of the café pilot lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion of the café pilot lacked breadth.

☐

Assess the Situation

You did not provide a conclusion that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you recognized the need to assess whether the café pilot was a success and suggest improvements, your analysis contained only headings, and as such, you were unable to demonstrate competence on this assessment opportunity.

Overall Comments

☐

Yes

Was the response well organized with a logical flow?

For the Common section, your response was well organized and easy to follow. You used headings appropriately and separated your discussions by each issue addressed, which was a logical way to respond to this simulation.

Did the candidate understand their role?

☐

Yes

Not applicable for the Common section of the Day 2 response.

Was the response easy to read and understand?

☐

Yes

For the Common section, your response was written efficiently and was easy to read and understand. You used a combination of point form and complete paragraphs which allowed you to provide thoughts that were complete and clear.

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Did the candidate focus their response on the appropriate issues?

No

In the Common section of your response, you spent time discussing the acquisition of Bookmarks using IAS 28 and discussing the cost and equity methods of reporting. This was not relevant as it was not requested, nor were there case facts to suggest this was a significant issue. This appears to have limited the time you had to address the other, more significant, requests and issues.

Did the response appear balanced?

No

You appear to have run out of time in the Common section of your response, since you only provided headings for the last portion of your response. This prevented you from addressing all of the requirements in the case. It is important to plan your time on each case and ensure you allocate a sufficient amount of time to each of the significant issues.

Day 2 Inspired Books Ltd. (IBL)

Assessment Opportunity #7 (AS)

The candidate discusses the financial reporting implications of the RSU plan.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the financial reporting implications of the RSU plan lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion of the financial reporting implications of the RSU plan contained technical errors.

☒

Analyze Major Issue(s)
- Qualitative

In your response, you attempted to calculate the amount to be recorded for the restricted stock units. Your calculation was as follows: "the shares shall be measured at the fair value which is the \$7.50 per share or \$187,500 (25,000 x \$7.50)." This treatment demonstrated that you did not understand how to properly record this transaction because there were errors in your calculation of the number of restricted stock units vested. The correct way to perform this analysis would have been to determine the value of the restricted stock units at year end (which is \$7.50), multiply the value per restricted stock unit by the number of restricted stock units (25 employees x 1,000 RSUs), and multiply this by the amount of RSUs that vest (40%), which equals \$75,000 for the first tranche. For the tranches thereafter, we would multiply the total number of the vested restricted stock units by the stock price, the retention rate, as well as the vesting completion percentage.

You did not provide a conclusion in your discussion of the financial reporting implications of the RSU plan that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to discuss the appropriate financial reporting treatment for the RSU plan, your analysis contained technical errors and therefore, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #8 (AS)

The candidate discusses the risks of material misstatement at the overall financial statement level, and determines materiality for the 2023 audit.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the audit plan lacked breadth.

☐

Assess the Situation

Your discussion of the audit plan lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion of the audit plan contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

You did not provide a conclusion in your discussion of audit plan that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Your response on this assessment opportunity was sufficient, having provided a reasonable discussion of the risk of material misstatement and materiality for the IBL audit.

Assessment Opportunity #9 (AS)

The candidate prepares a year-over-year variance analysis of the draft financial statements, and discusses risks to consider when planning the audit.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

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Your variance analysis of the draft financial statements and discussion of risks to consider when planning the audit lacked breadth.

☐

Assess the Situation

Your variance analysis of the draft financial statements and discussion of risks to consider when planning the audit lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion of the variance analysis of the draft financial statements contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion of the variance analysis of the draft financial statements was not always focused on the most significant risks.

☒

Analyze Major Issue(s)
- Integrate Situation

You provided a discussion related to variances that would not be considered valid risks. For example, you said, "The current ratio decreased from 2022 to 2023 which indicates that IBL has struggled in current operations and being able to cover obligations has declined." This was not appropriate because on the requirements page of the Assurance role, you were asked to "prepare a year-over-year variance analysis of the statement of financial position and statement of earnings, excluding income tax accounts, and discuss any risks to consider when planning the audit." Therefore, it was important for your discussion to be focused on analysis of specific variances of accounts and the risks or considerations surrounding those variances.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You calculated some year-over-year variances and attempted to discuss risks to consider when planning the IBL audit. However, your risk discussions were not focused on the most significant risks, and therefore, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #10 (AS)

The candidate recommends audit procedures to be performed on the financial reporting issues discussed, including the share compensation plan.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the audit procedures did not provide sufficient coverage of the financial reporting issues.

☐

Assess the Situation

Your discussion of the audit procedures for the financial reporting issues lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

You provided some audit procedures, but they were not always sufficiently specific. For the procedure to be a useful audit procedure, it should have articulated what evidence was to be obtained and what the auditor would be using it for. For example, related to the procedure to address the Halifax lease, you said "Obtain the contract with ALC to determine if the legal costs and commission costs directly related to the lease. Should receive confirmation from the commercial real estate agent for the lease to verify the costs." This was not sufficiently specific because your discussion was missing a clear explanation of the work to be performed. A better response would have explained that the work to be performed would be to obtain the invoices from the real estate agent and lawyer and review the descriptions to verify that the amounts are accurate and that they are related to the lease.

The audit procedures you provided for the financial reporting issues were not always effective.

☐

Analyze Major Issue(s)
- Qualitative

The audit procedures you provided for the financial reporting issues were not always focused specifically on the most significant risks.

☐

Analyze Major Issue(s)
- Integrate Situation

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You provided some valid and well explained audit procedures, including procedures related to the acquisition of Bookmarks and the lawsuit. However, some of your other procedures were not sufficiently specific, and therefore you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #11 (AS)

The candidate recommends audit procedures for testing the key payroll controls.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the audit procedures did not provide sufficient coverage of the key payroll controls.

☐

Assess the Situation

Your discussion of the audit procedures for testing the key payroll controls lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

The audit procedures you provided for testing the key payroll controls were not always effective.

☐

Analyze Major Issue(s)
- Qualitative

The audit procedures you provided were not always focused on testing the key payroll controls.

☒

Analyze Major Issue(s)
- Integrate Situation

While you recognized the need to address the payroll process and related internal-control activities, your response provided internal control recommendations, instead of procedures to test the key payroll controls at IBL. For example, you said "Effective: No - These controls are not effective because the managers could be inputting false information over the pay period to decrease costs and increase profits of each store." Also, your response provided substantive procedures, instead of procedures to test the key payroll controls at IBL. For example, you said, "Auditor's responsibility: It is the auditor's responsibility to determine if these amounts are accurate by obtaining time sheets from management and comparing the allocated hours to each employee to ensure that the amounts sent for processing are accurate." On the requirements page for the Assurance role, Kim asks you to "design procedures to establish whether IBL's payroll controls are operating effectively." As your response did not address Kim's specific request, it was of limited use.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Your response provided some discussion of the payroll controls for the 2023 year-end audit; however, you did not provide procedures to establish whether IBL's payroll controls are operating effectively. This was a specific request from Kim and you did not address it. Instead, you provided a discussion on internal control recommendations and substantive procedures. Therefore, you were unable to demonstrate competence on this assessment opportunity. Ensure that you read the case carefully and highlight any key requirements that you identify so that you have the opportunity to address them.

Assessment Opportunity #12 (AS)

The candidate discusses internal control weaknesses in IBL's retail operations, and provides recommendations to address them.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not identify a sufficient number of valid internal control weaknesses in IBL's retail operations.

☐

Assess the Situation

Your discussion of the internal control weaknesses in IBL's retail operations lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

You did not always provide recommendations to address the internal control weaknesses that were practical and/or effective.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Your response on this assessment opportunity was sufficient, having discussed several of the internal control weaknesses in IBL's retail operations and having provided recommendations to address them.

Assessment Opportunity #13 (AS)

The candidate comments on the excerpts from the draft Management Discussion & Analysis, and discusses Rutherford's responsibilities for the section that is not expected to be ready before the audit report is issued.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the draft Management Discussion & Analysis lacked breadth.

☐

Assess the Situation

Your discussion of the draft Management Discussion & Analysis lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

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You commented on some of the issues in the Management Discussion & Analysis, but your discussions were not always sufficiently specific. For the discussion to be useful, it should have explained why the excerpt is inappropriate. Also, related to the discussion of EBITDA in the Management Discussion & Analysis, you said "The EBITDA for the online sales were approximately \$3 million higher than store sales based on the 2023 results." This was not sufficiently specific because your discussion was missing an explanation of the inconsistency. A better response would have explained that the EBITDA calculation is inaccurate since it includes depreciation expense, which should be excluded from the calculation. Also, related to the discussion of employee retention in the Management Discussion & Analysis, you said "The stores are understaffed and there is a high turnover rate for new staff. This is more than likely the cause of the high difference in sales." This was not sufficiently specific because your discussion was missing an explanation of the inconsistency. A better response would have explained that IBL claims that it undertook efforts to improve retention at the senior leadership level, when the issue was retention with retail employees. Also, related to the discussion of the new Halifax retail store in the Management Discussion & Analysis, you said "IBL purchased Bookmarks and opened a new retail store in Halifax which will generate \$5 million in revenues." This was not sufficiently specific because your discussion was missing an explanation of the issue. A better response would have explained that there has been no corroboration of the comment that the new Halifax store will earn revenue of \$5 million annually, and hence we will need to obtain and test the forecasts. Additionally, IBL presently operates 45 stores and earns revenue of \$74.5 million, for an average of \$1.6 million per store, which is much lower than the \$5 million estimate.

Your discussion of the draft Management Discussion & Analysis contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to provide a discussion of some issues in the Management Discussion and Analysis. However, your discussions were not sufficiently specific. Therefore, you were unable to demonstrate competence on this assessment opportunity.

Overall Comments

☐

Yes

Was the response well organized with a logical flow?

For the Assurance section, your response was well organized and easy to follow. You used headings appropriately and separated your discussions by each issue addressed, which was a logical way to respond to this case.

Did the candidate understand their role?

☐

No

For the Assurance section, you did not appear to have understood some of Kim's requests. For example, you said, "Effective: No - These controls are not effective because the managers could be inputting false information over the pay period to decrease costs and increase profits of each store. Auditor's responsibility: It is the auditor's responsibility to determine if these amounts are accurate by obtaining time sheets from management and comparing the allocated hours to each employee to ensure that the amounts sent for processing are accurate." This was not relevant because Kim asked you to "design procedures to establish whether IBL's payroll controls are operating effectively." In order to provide a relevant discussion, candidates were expected to provide audit procedures to test the key payroll controls, and instead you provided internal control recommendations and substantive procedures.

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Was the response easy to read and understand?

Yes

For the Assurance section, your response was written efficiently and was easy to read and understand. You used complete paragraphs which allowed you to provide thoughts that were complete and clear.

Did the candidate focus their response on the appropriate issues?

Yes

For the Assurance section of your response, you did a good job focusing on the significant requests and issues and your response did not contain any unrelated issues.

Did the response appear balanced?

Yes

The Assurance section of your response was well-balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities.

Day 3-1 Fresh Fashion Inc. (Fresh)

Assessment Opportunity #1 (MA)

The candidate analyzes the causes of the differences between the budgeted and actual income statement figures for 2023, and how much each contributed to the differences.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not identify a sufficient number of causes of the differences between the budgeted and actual income statement figures.

☐

Assess the Situation

You did not provide both a quantitative and qualitative analysis of the causes of the differences between the budgeted and actual income statement figures.

☐

Assess the Situation

You did not provide a quantitative analysis of how much the causes contributed to the differences between the budgeted and actual income statement figures for a sufficient number of items.

☒

Assess the Situation

Your quantitative analysis of the how much the causes contributed to the differences between the budgeted and actual income statement figures did not include a sufficient number of valid items. While you did attempt to calculate how much the change to premium subscriptions throughout the year contributed to the increase in subscription sales, you could have also calculated how much the influencer campaign contributed to the increase in subscription sales, influencer discount code contributed to the increase in sales discounts, bulk sales to discount chains contributed to the gain on sale of clothing, increase in subscription sales contributed to the increase in shipping expenses, and the change from print to social media advertising contributed to the increase in marketing expenses. While you were not expected to quantitatively evaluate all the causes, it was important to address a reasonable number of causes in order to provide Griffin with a useful and sufficiently complete understanding of the differences between the budgeted and actual income statement figures.

Your quantitative analysis of how much the causes contributed to the differences between the budgeted and actual income statement figures contained technical errors.

☒

Analyze Major Issue(s)
- Quantitative

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You attempted to calculate how much the causes contributed to the differences between the budgeted and actual income statement figures, but your calculations included errors. For example, you attempted to determine how much the switch from regular to premium subscriptions contributed to the increase in subscription sales, but you incorrectly calculated the amount. The case stated, "Customers pay either \$225 monthly for a regular subscription, ...or \$300 monthly for a premium subscription" on page 1 and "throughout 2023, 720 customers switched their subscriptions from regular to premium" in Appendix I. To determine the impact of the switch, you should have taken the number of customers multiplied by the difference in subscription prices multiplied by the number of months. For example, assuming that customers joined evenly from January to December, this would have resulted in an expected increase in revenues of \$324,000 (720 customers x \$75 x 12 months / 2). This along with the increase in revenues (\$270,000) from the social media influencers would result in approximately \$594,000 of the \$639,000 difference in revenue noted on the draft income statement. In your response, you calculated the impact of the switch in subscriptions as \$54,000. In doing so, you incorrectly included only one month in your calculation.

Your qualitative analysis of the causes of the differences between the budgeted and actual income statement figures lacked depth.



Analyze Major Issue(s)
- Qualitative

You recognized the need to analyze the causes of the differences between the budgeted and actual income statement figures, but your discussion lacked depth. It is important to include case facts and expand on these to explain why or how each case fact would contribute to the differences. This would have provided Griffin with a more complete picture of the causes of the differences between the budgeted and actual income statement figures. For example, in your response you noted, "Sales discounts - \$42k unfavourable." This discussion lacked depth because it did not incorporate case facts to support how or why this contributed to the differences between the budgeted and actual income statement figures. Instead, a better response would have explained, for example, that a new influencer marketing campaign started in July which was not originally part of the business plan for 2023. This campaign attracted 150 new customers who were granted access to the first month free when signing up for six months thus resulting in higher sales discounts than anticipated. In addition, in your response you noted, "Shipping - \$32k unfavourable....These expenses increases due to the purchase of the BestFit and the fees that were incurred. However, these fees were inaccurate due to the fact that the actual costs expensed needed to be capitalized, so the actual results will decrease which may cause the variance to be more favourable." This discussion lacked depth because it was incorrect and did not incorporate case facts to support how or why this contributed to the differences between the budgeted and actual income statement figures. Instead, a better response would have explained, for example, that Fresh is responsible for the shipment of rental clothing to customers so the increase in subscription sales had a corresponding impact on shipping, thus resulting in higher shipping costs than anticipated. Finally, in your response you noted, "Marketing - \$26k - unfavourable...These expenses increases due to the purchase of the BestFit and the fees that were incurred. However, these fees were inaccurate due to the fact that the actual costs expensed needed to be capitalized, so the actual results will decrease which may cause the variance to be more favourable." This discussion lacked depth because it was incorrect and did not incorporate case facts to support how or why this contributed to the differences between the budgeted and actual income statement figures. Instead, a better response would have explained, for example, that Fresh decided to replace the originally budgeted print advertising with influencer marketing part way through the year and, the influencer marketing was more expensive than the print advertising thus resulting in higher marketing costs than anticipated.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

You attempted to analyze the causes of the differences between the budgeted and actual income statement figures and how much each contributed to the differences. Your analysis included both qualitative explanations of the causes along with calculations of how much the causes contributed to the variances. However, you did not provide supporting calculations for a sufficient number of the causes of the differences. The case provided many causes that could have been quantitatively analysed. You were expected to include more supporting calculations in order to provide Griffin with a complete and accurate understanding of the budget to actual differences and to sufficiently demonstrate your understanding of the management accounting concepts in this case. In addition, your calculations contained technical errors. Because of this, they did not provide accurate information on the differences between budget and actual, and therefore would not have been useful to Griffin when reviewing the differences. It is important to have a good technical understanding of the management accounting concepts, as well as a clear understanding of the case facts, so that you can incorporate these correctly in your analysis. Finally, your discussion of the causes of the budget to actual differences lacked depth as you did not always include relevant case facts to support your explanations of the causes. It is important to consider your audience, and Griffin would require a clear explanation of how events noted in the case contributed to the budget to actual differences.

Assessment Opportunity #2 (TAX)

The candidate calculates federal corporate income taxes payable.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not attempt a calculation of taxes payable.

☐

Assess the Situation

You did not include a sufficient number of elements in your taxes payable calculation.

☐

Assess the Situation

You did not incorporate a sufficient number of CCA elements in your taxes payable calculation.

☐

Analyze Major Issue(s)
- Quantitative

Your discussion of the elements of your taxes payable calculation lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your calculation of taxes payable contained technical errors.

☐

Analyze Major Issue(s)
- Quantitative

You did not apply a reasonable tax rate when calculating taxes payable.

☐

Analyze Major Issue(s)
- Quantitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You performed a calculation of Fresh's federal corporate income taxes payable, incorporating a sufficient number of elements, and a reasonable federal corporate tax rate. Your calculations demonstrated a good technical understanding of corporate income tax and provided useful information to Griffin.

Assessment Opportunity #3 (STRAT & GOV)

The candidate discusses the risks associated with the draft terms of the algorithm licensing agreement, and provides suggestions to mitigate them.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not identify a sufficient number of relevant risks associated with the algorithm licensing agreement.

☒

Assess the Situation

While you identified the risks relating to all retailers having access to a shared folder and Fresh's customer satisfaction guarantee, you did not identify a sufficient number of relevant risks overall. Based on the information provided in Appendix III, you could have addressed other risks such as the quality of data received from retailers, Fresh's retention of personal information, and retailers having access to the algorithm source code. While you were not expected to discuss all of the risks related to the terms of the licensing agreement, providing more coverage of the issues would have given Griffin more complete information and allowed you to better demonstrate your understanding of strategy and governance concepts.

Your discussion of the risks associated with the algorithm licensing agreement lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Although you addressed some of the risks related to the terms of the licensing agreement, your discussions did not always adequately explain the direct implications of these risks. Griffin asked you to "explain the risks and provide suggestions to mitigate them." Therefore, he would require a clear understanding of the nature of the risks and their potential impact on Fresh, before implementing your suggestions. For example, for the risk related to all retailers having access to the same folder, your response stated: "Risk: Common links provided - Retailers have a common link to a shared folder on the server which would not be in the best interest for the company. Can result in unrestricted access and confusion amongst the users." From there, your discussion moved right to the recommendation. This was not sufficient because it did not clearly explain what the implication of this risk would be to Fresh. A better response would have explained that because all retailers are given a common link to a shared folder, retailers could access each other's highly confidential information which may expose Fresh to a risk of litigation and loss of reputation. In addition, for the risk related to all retailers having access to the same folder, your response stated: "Risk: Monthly service fee - Retailers would be provided with a monthly service fee if customer feedback is reduced. Procedure: Monthly service fees should be charged based on the number of subscriptions sold not by the customer feedback. Especially due to the fact that customer satisfaction is important to Fresh and revenue streams." This was not sufficient because it did not explain what the implication of this risk would be to Fresh. A better response would have explained that because all retailers are given a common link to a shared folder, retailers could access each other's highly confidential information which may expose Fresh to a risk of litigation and loss of reputation.

You did not provide suggestions for mitigating the risks associated with the algorithm licensing agreement that were practical, effective, and linked to the risk identified.



Conclude and Advise

Although you attempted to provide mitigation strategies, your strategies were not always practical, effective, or linked to the risks identified. For example, with the fee reduction, the implication was that the lack of detail in the agreement may result in the retailers having different expectations about the size of the reduction which would lead to unhappy retailers who may choose to discontinue the service. Your recommendation mentioned: "Procedure: Monthly service fees should be charged based on the number of subscriptions sold not by the customer feedback. Especially due to the fact that customer satisfaction is important to Fresh and revenue streams." This would not address the risk and implications identified because it would not provide a recommendation to improve the licensing agreement. Instead, you could have suggested that Fresh mitigate this risk by clearly stating within the agreement the amount by which the fee will be reduced and how the reduction would be determined.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

You attempted to address the risks related to the licensing agreement. However, your analysis lacked breadth overall. Based on the information provided in the case, there were many other risks that could have been discussed. You were expected to discuss more of these in order to provide Griffin with sufficient information to understand the risks related to the licensing agreement, especially considering these were clearly indicated in Appendix III of the case. Ensure you allocate enough time to address the key requirements of the case, in order to demonstrate your understanding of the issues presented in the case. In addition, your analysis lacked depth overall as your discussions did not always sufficiently explain the implications of the risks related to the licensing agreement. It is important to consider your audience, and Griffin would require not just an identification of the risk, but also an explanation of how that risk impacts Fresh. In order to provide Griffin with explanations that would help him better understand the risks related to the licensing agreement, and to demonstrate your understanding of the strategy and governance concepts in this case, you were expected to provide a more complete discussion. Further, your recommendations were not always effective, practical or adequately explained. It is important to consider your audience, and Griffin would require clear, specific mitigation strategies for the risks that you had identified. In this case, Griffin had directly asked for “suggestions to mitigate them,” and a careful reading of the case is important so that you can ensure that your response provides the information requested. Finally, it was not always clear which risk was being addressed by each one of your mitigation strategies, as well as what the implication of each risk was. A common and effective way to address risks is to have specific sections and subheadings allocated to the risk, implication and recommendation of each point so that there is clear integration in the response, and a logical flow between the risk, implication, and recommendation.

Assessment Opportunity #4 (FIN)

The candidate analyzes the financing options and makes a recommendation.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐ Assess the Situation

You did not analyze both financing options.

☐ Assess the Situation

You did not address a sufficient number of relevant factors when analyzing the financing options.

☐ Assess the Situation

Your qualitative analysis of the financing proposals lacked depth.

☒ Analyze Major Issue(s)
- Qualitative

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Although you attempted to address some of the factors to be considered when choosing between the two financing options, your analysis did not always provide sufficient depth. For example, when addressing the timing of loan proceeds for the two financing options, you stated: "Option #1 Pros · Bank is opened to changing the timing of the funding in exchange for a slightly higher interest rate - Fresh has the option to change the timing of the payments if they can't be met and this could help them focus on other things to finance. Cons · High interest rate - The bank is charging a high interest rate in which total interest payments would be $\$500k \times 8\% = \$40k$ per year. Increasing the interest rate would make these costs even higher." This was not sufficient because it did not sufficiently explain the implications to Fresh. A better response would have explained that the \$500,000 bank loan is disbursed in eight equal quarterly instalments beginning on March 1, 2024, which does not align with the cash flow needs of the project; Fresh indicated it needed \$350,000 in 2024, but would only receive \$250,000 in 2024 under the proposed disbursement schedule. As a result, Fresh may need to find additional financing in 2024 or pay a higher interest rate in order to revise the timing of the disbursements.

Your analysis of the financing options contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

You did not provide a valid recommendation that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to discuss the financing options for the algorithm, and you provided a good discussion of some factors. However, your analysis lacked depth since you did not always adequately or accurately explain or support why your points were relevant to Fresh's financing decision. It is important to consider the users, and in this case, Griffin would require an understanding of why the factors you identified should be considered, in order to effectively weigh that information when evaluating which financing option to select.

Assessment Opportunity #5 (FR)

The candidate discusses the accounting treatment for the BestFit algorithm expenditures.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the accounting treatment for the BestFit algorithm expenditures lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion of the accounting treatment for the BestFit algorithm expenditures contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

You did not provide a valid recommendation on the accounting treatment for the BestFit algorithm expenditures that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You identified some of the accounting issues related to the algorithm expenditures, addressed the key technical criteria and standards for these issues, incorporated relevant case facts and concluded on the issue. This would provide Griffin with useful information in understanding how to account for the algorithm expenditures.

Assessment Opportunity #6 (ASSU)

The candidate provides audit procedures that the auditor will likely perform over the algorithm expenditures, revenue, and salaries and wages.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not provide a sufficient number of relevant audit procedures to be performed.

☐

Assess the Situation

Your procedures did not provide sufficient coverage of the accounts to be audited.

☐

Assess the Situation

Your audit procedures were either too general, poorly explained, impractical, or did not provide information that was useful in assessing the underlying account.

☒

Analyze Major Issue(s)
- Qualitative

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Although you attempted to provide audit procedures, they were sometimes poorly explained. For example, for salaries and wages, you correctly identified that one of the auditor's concerns would be whether the salaries and wages are recorded at the correct amount. Your response noted: "Salaries and wages Risk: There's a risk that the salaries and wages were recorded inaccurately. Account and assertion: Salaries and wages expense - accuracy Procedure: Inspect the time sheets in the different branches and compare to the each employees hours worked to ensure that the times charged were accurate." This was not sufficient because your procedure did not provide adequate detail on how to perform the procedure and was not complete because it did not tie the evidence to what was recorded in the accounting records. Instead, a valid and complete procedure to address salaries and wages expense would be to select a sample of employees from the payroll register. For salaried employees, trace the amount on the payroll register to their employment contract and agree the amount paid to the employee's gross salary per pay period. For hourly employees, trace the amount on the payroll register to their timesheet and personnel file in order to ensure they have been paid for the correct number of hours, at the correct rate.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You recognized the need to provide Griffin with procedures that the auditors are likely to perform and you provided a good discussion of some procedures. However, you did not always provide sufficient depth in your explanations of the procedures. You were expected to provide a more complete discussion by providing specific, detailed procedures to more fully explain what auditors would likely perform in an audit of Fresh. This would allow you to demonstrate a good understanding of the assurance concepts in this case.

Assessment Opportunity #7 (STRAT & GOV)

The candidate discusses the strategic fit of each CEO candidate.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☒

Assess the Situation

You did not identify a sufficient number of relevant considerations on the strategic fit of each CEO candidate.

☐

Assess the Situation

Your discussion of the considerations on the strategic fit of each CEO candidate lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion focused on non-strategic considerations.

☐

Analyze Major Issue(s)
- Qualitative

You did not provide a valid recommendation that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You did not address this assessment opportunity. The requirement was provided on the second page of the case which stated: "We are looking to hire a new CEO, and have two candidates (Appendix VI). We would like your advice on which candidate will be the best strategic fit for Fresh." In this case, it did seem that you had identified this request because you included a heading, "AO7 CEO Candidates." It was unclear whether your lack of response was due to time management issues or to a lack of technical knowledge in how to respond. If it was the former, ensure you allocate enough time to address the key requirements of the case. If it was the latter, it is essential to have a good understanding of strategy and governance concepts so that you can provide a useful analysis in response to the requests made in the case.

Overall Comments

☐ No

Was the response well organized with a logical flow?

Your response could have been better structured, which would have made it easier to follow. For example, you could have used a risk, implication, recommendation structure to ensure that you obtained sufficient depth and a more complete analysis of the risks in the draft licensing agreement.

Did the candidate understand their role?

☐ No

You did not always appear to have understood your role as an external advisor to Fresh when addressing the requests made by Griffin. For example, you did not always provide Griffin with sufficient information to respond to his requests. Specifically, you did not provide sufficient depth in your explanations and analysis of the algorithm licensing agreement risks, financing options, and audit procedures. Your overall role is to provide the user with a sufficient level of information and explanations that will give them an understanding of the issues and to clearly answer their questions. The lack of depth in these areas of your response meant that you did not fulfill your role. In addition, you did not address all of the requests made in the case, specifically regarding the CEO candidates' strategic fit. It was not clear whether you had lacked the necessary technical knowledge to respond, or did not manage your time well. Spending time reading the case, identifying all requests, and planning your response is important to enable you to cover all of the issues. The identification of the requests is a crucial first step, as omitting any of the requests eliminates an opportunity for you to demonstrate your knowledge in that competency area.

Was the response easy to read and understand?

☐ Yes

Your response was written efficiently and was easy to read and understand. You used point form, but your thoughts were complete and clear.

Did the candidate focus their response on the appropriate issues?

☐ Yes

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

You did a good job focusing your response on the significant requests and issues in this case, and your response did not contain discussions of unrelated issues.

Did the response appear balanced?

☐ Yes

Other than the assessment opportunity that was not addressed, your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the remaining assessment opportunities.

Day 3-2 Percy & Thrower Inc. (PT)

Assessment Opportunity #1 (FR)

The candidate discusses the accounting treatment for the first sale of the legal services package.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the accounting treatment for the legal services package lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

Although you attempted an analysis of the accounting treatment for PT's new legal services package, your analysis lacked depth. For example, when identifying whether there is a contract under paragraph 9 of IFRS 15, you stated: "Identify a contract exists Met - The legal service package gives customers access to all of the services indicated in the package. Therefore, when the package is purchased, customers agree to the term in which a contract exists." This was not sufficient because you did not address enough of the five sub criteria to assess whether there is a contract in place. These include criteria a) approval of the contract and committed to performing their performance obligations, b) identifying each parties rights regarding the goods and services, c) identifying the payment terms, d) determining whether the contract has commercial substance, and e) determining if it is probable the entity will collect the consideration. Case facts could have been applied to each of the various sub criteria to determine if there was a contract in place. Clearly discussing more of the sub criteria and applying case facts to them, would have provided with Kristel with a better understanding of why there was a contract in place. Just as an example, you could have explained that criteria (a) of identifying a contract relates to whether the parties have approved the contract (in writing, orally or in accordance with customary business practices) and are committed to perform their respective obligations. In this case, Rashad and Eveline did not have a written agreement, however, they agreed verbally over dinner to the contract terms. Rashad had already completed one of the agreements and was in the process of drafting another one. Eveline had also agreed to pay later this year. As a result, criteria (a) would have been met. Similarly, when discussing the satisfaction of the performance obligations for the legal services package, you discussed how revenue should be recognized over time. In your response, you stated: "Based on the analysis, the only costs to be recognized is the home purchase agreement as this was the only service that has been completed at year end. The pre-nuptial can be recognized over the three month period to finish which resulted in one month of costs (\$667) being recognized. The remaining cost for the pre-nuptial and will shall be deferred. This will negatively impact Bright's profits." While it was valid to recommend recognizing revenue over time, your analysis lacked depth because you did not integrate handbook guidance and case facts to explain why it was appropriate to recognize revenue over time. A stronger response would have explained, for example, that the performance obligation does not create an asset with an alternative use to the company. The legal work Rashad is performing is specific to Eveline and therefore, would not have an alternate use to PT. This and the additional guidance in IFRS paragraph 35 should have been explained and assessed to conclude that PT can recognize the revenue over time.

Your discussion of the accounting treatment for the legal services package contained technical errors.

☒

Analyze Major Issue(s)
- Qualitative

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

You attempted to discuss the accounting treatment for the legal services package; however, your analysis contained a technical error. For example, step 5 when assessing revenue from contracts relates to allocating the transaction price to the performance obligations. Appendix I noted that the new legal services package would be sold for \$4,500. The package includes a home purchase agreement, a prenuptial agreement and will, which have standalone prices of \$2,500, \$2,000 and \$1,500 respectively. Handbook guidance suggests that the discount provided on the package price should be allocated equally to the different components unless there is clear indication the discount relates to a specific item. In this case, there was nothing in the case to indicate the discount relates to one specific item. Therefore, the correct price allocation for the home purchase agreement was \$1,875 ($\$2,500 / \$6,000 \times \$4,500$). The allocation to pre-nuptial agreement was \$1,500 ($\$2,000 / \$6,000 \times \$4,500$) and the will was \$1,125 ($\$1,500 / \$6,000 \times \$4,500$). In your response, you started the allocations and showed the percentage to allocate but didn't actually apply these percentages to the \$4,500 to determine the revenue amounts. For example, you recognized 42% should relate to the home purchase agreement ($\$2,500 / \$6,000 = 42\%$) but didn't take your analysis any further. You actually ended up using the stand-alone prices in your discussion which was incorrect. For example, you recommended recognizing \$2,500 for the home purchase agreement when it should have been \$1,875.

You did not provide a recommendation that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to discuss the accounting treatment of the first sale of the legal services package. However, your discussion lacked depth because you did not adequately analyze the required technical criteria using the relevant case facts. In order to provide Brigit with an adequate understanding of the accounting treatment, and to demonstrate your understanding of the financial reporting concepts in this case, you were expected to provide a more complete and supported discussion. In addition, your discussion included a technical error and would not have given Brigit an accurate understanding of the accounting treatment of the legal services package. It is important to have a good technical understanding of the financial reporting concepts, as well as a clear understanding of the case facts so that you can explain these correctly to your client.

Assessment Opportunity #2 (TAX)

The candidate explains the impact on the corporate taxable income of the current investments.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not identify a sufficient number of relevant factors that would impact the corporate taxable income for the current investments.

☒

Assess the Situation

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Although you identified one of the factors that would impact corporate taxable income, you did not discuss a sufficient number of them. You identified that: the sale of the investment property would create a taxable capital gain at 50% and you attempted a discussion of the sale of shares. However, you could have also discussed how: buildings were classified as class 1 for CCA, the exclusion of land for CCA, financing costs can be deducted over five years, claiming CCA is a discretionary deduction, rental income is included in taxable income, CCA cannot be used to create a loss, any CCA claimed can result in recapture, the sale could be treated as inventory if the intention was to flip the property quickly, there were no upfront tax implications of the You-Tok share purchase, dividends would have no net impact on taxable income, dividends would create some Part IV or additional refundable tax and net capital losses can be netted against current or future taxable capital gains. While you were not expected to address all of these factors, you were expected to provide a more complete analysis in order to sufficiently demonstrate your knowledge of the taxation issues in this case and to provide Kristel with a more complete understanding of the impact of the current investments on taxable income at year end and if they were sold today.

Your explanation of the relevant factors that would impact on taxable income of the current investments lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your explanation of the relevant factors that would impact on taxable income of the current investments contained technical errors.

☒

Analyze Major Issue(s)
- Qualitative

You attempted to explain the impact on taxable income of the current investments, but your analysis contained technical errors. For example, when discussing the investment property, you stated: "The impact that the investment property would have on the corporate taxable income is that the value of the land and building would increase which means that depreciation on the building would increase which can be deducted against your income for tax purposes." This discussion was not correct because depreciation is the accounting expense and would not be deducted for tax purposes. Depreciation would be actually get added back and the related CCA would be deducted. A stronger response would have recognized and explained that the buildings under investment property were eligible for CCA in Class 1 at a rate of 4% of 6% (depending on when the buildings were first used). In this case, the property cost \$2M and the case facts indicate that the buildings represent 70%, therefore buildings represent \$1.4 (\$2M x 70%). CCA in year 1 would be \$126,000 (\$1.4M x 150% x 6%). Additionally, when discussing the sale of the You-Tok shares you stated: "If the shares are sold, this would result in a active business income loss of \$5,000 [(\$20 - 15) x 1000] which can be reported against any net gains that arise in the company." This was incorrect because you did not recognize that only 50% of the loss is included and it is not considered an active business income loss. As 1,000 shares were originally purchased at \$20 and could be sold for \$15, PT would have a capital loss of \$5,000 (1000 shares x \$5) which would result in a net capital loss of \$2,500 (\$5,000 x 50%). You should also note it also incorrect to not it can be applied against any net gains. A stronger response would have clearly indicated that capital losses can be carried back three years or forward indefinitely and only applied against capital gains. You could have also noted that the losses can be applied to the current year capital gains.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

You attempted to explain the impact of the current investments on PT's taxable income and you provided one good discussion. However, your discussion lacked breadth as it did not address a sufficient number of relevant factors that would impact PT's taxable income related to the investments. There were many factors relevant to the two investments that could have been discussed in your analysis. In addition, your discussion contained technical errors and therefore did not provide Kristel with accurate information regarding the impact the current investments would have on taxable income. It is important to have a good technical understanding of the taxation concepts, as well as a clear understanding of the case facts, so that you can provide the user with accurate information.

Assessment Opportunity #3 (FR)

The candidate discusses the accounting treatment for the real estate investment.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion of the accounting treatment for the real estate investment lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your discussion of the accounting treatment for the real estate investment contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

You did not provide a recommendation that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You provided a reasonable discussion of the accounting treatment for PT's real estate investment. This analysis would have provided Brigit with a good understanding of how to record the investment property.

Assessment Opportunity #4 (ASSU)

The candidate discusses the control weaknesses identified within the investment process, and provides recommendations.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not identify a sufficient number of control weaknesses within the investment process at PT.

☐

Assess the Situation

Your discussion of the implications of the control weaknesses lacked depth or were not relevant to the underlying weakness.

☒

Analyze Major Issue(s)
- Qualitative

You addressed the control weaknesses in PT's investment process, but you did not always adequately explain the implication of the weakness you identified. Kristel stated: "Brigit has also expressed frustration with the investment process, so can you discuss the control weaknesses you identify, and recommend improvements (Appendix III)?" Therefore, they would require an understanding of the weakness and its potential impact on PT, before implementing your suggested improvements. For example, for the control weakness regarding segregation of duties, the weakness was that Rashad had access to both online banking and the accounting system. In your analysis you stated: "W - Both Rashad and Brigit have access to the accounting system. I - Rashad having access means that he could manipulate the financial information in the accounting system in which results can be fictional R - Rashad shouldn't have any access to the accounting system being that he provides the broker information. Another accounting clerk separate from his duties should have access and Brigit should always review all the investments being processed." This discussion was not sufficient because you did not link the segregation of duties issue to both the accounting system and the bank access. As such your weakness as described was also not relevant. A stronger discussion would have recognized and explained that the weakness related to having access to both the accounting and the bank. A valid implication of this weakness would explain that it provides an opportunity to issue funds and record the related transaction which are incompatible functions. This could result in unauthorized transactions and/or inaccurate financial records. Examples of valid recommendations to address this weakness include limiting Rashad's access to the accounting system or the banking system. Another valid recommendation is ensuring all bank transfers require two authorizations.

Your recommendations of the improvements that should be in place were not always practical, effective, or linked to the control weaknesses identified.

☐

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You recognized the need to discuss the control weaknesses in PT's investment process and you provided some good discussions. However, your analysis lacked depth overall as your discussions did not always adequately explain the actual underlying weakness or its implication in the correct context. You were expected to provide a more complete and accurate discussion to provide Kristel with explanations that would help her better understand the weaknesses, and to demonstrate your understanding of the assurance concepts in this case.

Assessment Opportunity #5 (FIN)

The candidate assesses whether the potential investments meet PT's objectives.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not discuss a sufficient number of considerations when analyzing the investment options.

☒

Assess the Situation

Although you attempted to assess whether the potential investments met PT's objectives, you did not discuss a sufficient number of considerations related to these investments. Rashad has three different investment ideas: Costume Cryptocurrency, an equity investment in Virtual Vagabond or a loan to a consulting company owned by this friend. PT has three different objectives they would like their investments to meet which include being of low to moderate risk, a rate of return of 6% and aligning with their strategy to optimize performances through the use of technologies, and promote and enable flexible work arrangements. This provided several potential discussion areas. You only discussed the risk and alignment with PT's strategy of the Virtual Vagabond option. See the next section for more details on your discussions related to the other two investment options. You could have also discussed the rate of return of Virtual Vagabond and you could have explicitly discussed all three objectives for both Costume Cryptocurrency and the loan to consulting company. (See the next section for more details on your discussions related to the other two investment options.) Greater coverage was expected in order to provide Kristel with a better assessment of the three investment options and if they met their objectives.

Your analysis of the investment options did not consider PT's objectives.

☒

Analyze Major Issue(s)
- Integrate Situation

Although you attempted to discuss Rashad's three new investment ideas, your analysis did not clearly consider PT's objectives. Kristel stated: "We want our new investments to be of low-to-moderate risk, meet our expected rate of return, and support initiatives that align with our strategy. Our strategy is to optimize performances through the use of technologies, and promote and enable flexible work arrangements. Could you assess whether each of Rashad's ideas meet our objectives?" You were expected to assess whether the investment in Costume Cryptocurrency, Virtual Vagabond and the loan to the consulting company aligned with each of these three objectives. In your analysis you did not always consider PT's objectives because you touched on some of the relevant points but it was not always clear what objective if any you were discussing. For example, you stated: "The crypto currency market is volatile and it is not easy to predict because the market is open all day and everyday. It's difficult to track when an investment is going to appreciate due to the volatility of the market." You also stated: "Loan to consulting company (friend) A due diligence process will need to be done prior to if this deal was accepted. The interest payments at the end of the term loan are not favourable the there will need to be loan repayments." In doing so, you did not answer Kristel's request to assess if they met PT's objectives. Explicitly discussing how each investment option aligns with their objectives was required to provide Kristel with a better assessment of the three investment options.

Your qualitative analysis of the investing options lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your analysis of the investment options contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to assess whether the potential investments met PT's objectives and you provided some good discussions. However, you did not discuss a sufficient number of relevant considerations when analyzing the various investments. You were expected to discuss more of these considerations in order to provide Kristel with sufficient information to understand whether the various investment opportunities met their objectives or not. In addition, you did not always clearly consider PT's objectives in your analysis which contributed to the lack of breadth of the relevant issues.

Assessment Opportunity #6 (FIN)

The candidate prepares a business valuation of Westley.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not include a sufficient number of normalizing adjustments in your calculation of EBITDA.

☐

Assess the Situation

Your explanations of the normalizing adjustments in determining EBITDA lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

Your business valuation contained technical errors.

☐

Analyze Major Issue(s)
- Quantitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You prepared a valuation of Westley as requested by Kristel. You also appropriately explained your reasoning for any normalizing adjustments when necessary. Your analysis would have provided Kristel with an accurate understanding of a reasonable price to pay for Westley.

Overall Comments

Yes

Was the response well organized with a logical flow?

Your response was well organized and easy to follow. You used headings and separated your discussions by assessment opportunity, which was a logical way to respond to this case.

Did the candidate understand their role?

No

You did not always appear to have understood your role when addressing the requests made in the case. For example, you did not always provide sufficient information when responding to Kristel's requests. Specifically, you did not provide sufficient depth when discussing how to record the sale of the legal services package and discussing the weaknesses in the investment process. Your overall role is to provide the users with a sufficient level of information and explanations that will give them a good understanding of the issues and to clearly answer their questions. The lack of depth in these areas of your response meant that you did not completely fulfill your role.

Was the response easy to read and understand?

Yes

Your response was written efficiently and was easy to read and understand for the most part with some minor typos throughout. Your exhibits were well done and easy to follow with an exhibit number, purpose and conclusion. You also made good use of notes in your exhibits to reference the explanations for your adjustments. This was very helpful in understanding your calculations.

Did the candidate focus their response on the appropriate issues?

Yes

You did a good job focusing your response on the significant requests and issues in this case, and your response did not contain discussions of unrelated issues.

Did the response appear balanced?

Yes

Your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities.

Day 3-3 Prairies Wheel Company (Prairies)

Assessment Opportunity #1 (MA)

The candidate analyzes the expansion opportunities and provides a recommendation.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not attempt a quantitative analysis of the expansion opportunities that considered the constrained labour hours.

☐

Assess the Situation

You did not include a sufficient number of elements in your quantitative analysis.

☐

Assess the Situation

You did not consider the impact of the constrained labour hours in your quantitative analysis.

☒

Assess the Situation

Although you attempted to provide a quantitative analysis of the expansion opportunities, you did not consider the impact of Prairies' labour resource constraint in your calculation. Appendix I of the case indicated that "Prairies [had] up to 800 additional labour hours available per month." The maximum monthly production was either 160 Cit-E-Bikes (800 available hours / 5 required hours) or 266 SnoTrax units (800 available hours / 3 required hours), and it was not possible to satisfy the total demand for both products with the 800 available hours. Therefore, it was necessary to determine which product would be the most profitable use of the constrained resource. You were expected to consider this constraint in your calculation, either by calculating which option had the highest contribution margin per labour hour, or by determining which option would have the highest profit using the maximum production capacity. Ensure that you read the case carefully so that you do not miss any important information to consider in your analysis.

Your quantitative analysis of the expansion opportunities contained technical errors.

☒

Analyze Major Issue(s)
- Quantitative

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Although you attempted to provide a quantitative analysis of the expansion opportunities, your calculation contained technical errors and would not have given Marta useful information to evaluate the two options. For example, you appeared to misunderstand the correct analysis to perform, as the purpose of your exhibit was: "Purpose - To determine if Prairies should manufacture or sell the products," and you had two columns indicating "Make" and "Buy." Under both columns, you included revenue and COGS for both SnoTrax and the Cit-E-Bike, along with several other costs. It was unclear what you were attempting to do with your analysis, as this was not a decision to make or buy a product. Instead, it was a decision to decide between two different manufacturing options (SnoTrax or the Cit-E-Bike) using the constrained labour hours. A more accurate calculation would have either calculated which option had the highest contribution margin per labour hour, or determined which option would have the highest profit using the maximum production capacity. Ensure that you read the case carefully, so you understand what you are being asked to evaluate.

You did not attempt a qualitative analysis relating to the expansion opportunities.

☐

Assess the Situation

Your discussion of the qualitative factors to consider in assessing the two expansion opportunities lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

You attempted to provide a qualitative analysis but given that you misunderstood what the decision was about, your discussion was not relevant. For example, you noted: "Qualitative Make · Pro: Prairies would be able to control the amount of items to produce being that they have the capacity of taking on 800 additional labour hours in which demand can be supplied. · Con: Prairies manufacturing does not align with Tulip's mission, vision and objectives of having sustainability and not having employees working too many hours. Buy · Pro: This option would align with Prairies and TULIP's goal of increasing profits. · Pros: This option aligns with Tulips mission vision and objectives of the company being environmentally sustainable. · Con: Shipping costs may increase depending on the amount of products created which will decrease incremental income." This was not a make vs. buy decision. Instead, it was a decision to decide between two different manufacturing options (SnoTrax or the Cit-E-Bike.) Appendix I of the case contained detailed notes relating to the product offering opportunities, which highlighted many qualitative differences between the two options, such as the implications of the parts location, the specialized labour technician, and the assumptions surrounding demand.

You did not provide a valid recommendation on which expansion opportunity would be the best, that was consistent with your analysis.

☐

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, you attempted to respond to Marta's request to analyze the expansion opportunities for Prairies. However, on an overall basis, you appeared to misunderstand the request for this assessment opportunity, as you incorrectly focused on the decision to make or buy a product, instead of providing an analysis of which option would be the best. The requirement was provided on the first page of the case, which stated: "Prairies has not been operating at full capacity, and we have opportunities to expand our product offerings (Appendix I). Please analyze the opportunities and recommend one." Given that you misunderstood the request, your quantitative analysis was technically incorrect and did not properly consider the labour constraint. Further, while you did attempt a qualitative analysis, none of your points were relevant. It is important to have a good technical understanding of the management accounting concepts so you can provide a useful response to your user. Finally, ensure you read the case carefully and take a moment to consider the case facts and what you are being asked to do, so you can plan your analysis accordingly.

Assessment Opportunity #2 (STRAT & GOV)

The candidate discusses the strategic fit of Prairies' business practices, and the way it currently manages its operations, with Tulip's vision, mission, and objective statements.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not identify a sufficient number of areas that were aligned or misaligned with Tulip's vision, mission, and objectives.

☐

Assess the Situation

Your discussion of the areas that were aligned or misaligned with Tulip's mission, vision, and objectives lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

Although you attempted to discuss the strategic fit of Prairies' business practices, and the way it currently manages its operations, you did not always provide sufficient depth in your analysis. To provide a complete discussion, it was necessary to identify a specific theme from Tulip's vision, mission, and objective statements, and apply case facts to provide a supported conclusion as to whether Prairies was currently aligned or misaligned. For example, in your discussion of innovation, you noted: "Innovate through efficiency: There has been no indication of Prairies investing in research and development and adopting cutting-edge technologies. This doesn't align with Prairies operations and goals of increasing profits." This was not sufficient because you did not adequately apply case facts in your discussion, as the case facts would suggest Prairies in alignment in this area. To achieve more depth in your discussion of this point, you should have explained that a Prairies employee had the idea for SnoTrax and the company has paid \$50,000 of design and prototyping costs for this product, which is an innovative idea. Thus, Prairies currently appears to be in alignment with Tulip's strategy to provide innovative cycling technology by investing in research and development.

You did not provide any recommendations of what might need to change at Prairies to improve alignment with Tulip's mission, vision, and objectives.

☐

Conclude and Advise

You attempted to provide improvements of what might need to change at Prairies to improve alignment with Tulip's mission, vision, and objectives, but your recommendations lacked depth or were not practical.

☒

Conclude and Advise

While you attempted to provide an overall conclusion, you did not provide any specific suggestions to improve the underlying elements of Tulip's mission, vision, or objective statement that were misaligned. You noted: "Conclusion: Based on the analysis above, I would recommend that Prairies make changes to their operations and how the employees operate at work to be more aligned with Tulip's mission, vision and corporate values." For example, you had noted: "Expand to new countries: This doesn't align because Prairies focuses its sales only in Canada which resulted in them being high in the market. This doesn't align with Prairies operations." A more specific recommendation to improve in this area would have been to explain to the employees the benefits of a wider reach, such as the opportunity to work in different countries, and to learn how work practices and technology in other countries could benefit Prairies. This may motivate Prairies' employees to start focusing on markets other than Alberta, and eventually to expand into other countries.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, you attempted to respond to Marta's request to analyze the strategic fit of Prairies' business practices with Tulip's vision, mission, and objective statements. However, your analysis lacked depth as your discussions did not always adequately explain, using case facts, why how Prairies was currently aligned with Tulip's mission, vision, and objective statements. You were expected to provide a more complete discussion to demonstrate your understanding of the underlying strategy and governance concepts in this case. In addition, while you did provide an overall recommendation, it was not specific enough. It was important to provide Marta with clear and realistic recommendations, given the nature and size of the business, to help her understand how to change Prairies to be more aligned with Tulip's vision, mission, and objectives.

Assessment Opportunity #3 (MA)

The candidate explains whether Tulip's compensation plan will be effective in incentivizing Prairies' employees, and provides recommendations for improvement.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

You did not attempt to discuss a sufficient number of features in the compensation plan.

☒

Assess the Situation

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Although you attempted to discuss the compensation plan features, you did not address a sufficient number of them in your response. Appendix IV of the case provided information relating to Tulip's compensation plan. In your response, you only addressed the objectives to expand to new countries and foster green business practices. However, you could have also discussed the objectives to innovate through efficiency and increase overall profitability, the \$100 bike to work incentive, the \$2,000 health and wellness reimbursement, and the below-market salary. While you were not expected to discuss all of these features, it was important to identify and address a reasonable number of them to provide Marta with a more complete analysis.

You did not always discuss the compensation plan features from the correct perspective.

☐

Assess the Situation

Your discussion of the compensation plan features lacked depth.

☐

Analyze Major Issue(s)
- Qualitative

You did not provide any recommendations to improve the compensation plan.

☐

Conclude and Advise

You attempted to provide improvements to the compensation plan, but your recommendations lacked depth or were not practical.

☒

Conclude and Advise

While you attempted to provide suggestions of how to improve the compensation plan, some of your recommendations were not well explained. For example, you noted: "Target measure: 20% reduction in carbon footprint: Incentivizing to employees: Due to the fact that Prairies employees still drive to work, they are not performing abilities to help reduce carbon footprint win which the 30% of bonus for this is not fair. Recommendation: These practices should be communicated, but bonuses shall not be measured based on this. A more reliable measure would be to provide rewards to each employee that do these practices instead of their bonus." This was not sufficient because it was unclear what you were recommending (i.e., to provide rewards instead of a bonus). It would appear that this change would still have the underlying issue of being disincentivizing to the employees. Instead, a more reasonable recommendation would have been to offer alternative incentives, such as a carpooling incentive for the winter, to pay for bus passes, or to offer free or discounted bikes. This would make this incentive more regionally appropriate and would promote inclusivity, while still achieving the same goals.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, you attempted to respond to Marta's request to analyze the compensation plan. However, based on the information provided in the case, there were many other compensation plan features that could have been discussed. You were expected to discuss more of these to provide Marta with a more supported and complete analysis. Ensure you allocate enough time to address the key requirements of the case. In addition, while you did provide recommendations on how to improve the compensation plan, some of your suggestions were not reasonably explained. It was important to provide Marta with clear and realistic recommendations, as she was looking for your guidance in this area.

Assessment Opportunity #4 (TAX)

The candidate provides an overview of the Canadian GST/HST system, and provides information on GST/HST and income tax compliance.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion did not provide sufficient coverage of the areas to be discussed.

☐

Assess the Situation

Your discussion of the Canadian GST/HST system, and GST/HST and income tax compliance lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

You attempted to discuss the taxation issues, but your analysis lacked depth. Given that Marta was new to Canada and did not understand the Canadian taxation system, it was necessary to provide her with a more complete response. For example, when you discussed the GST/HST filing frequency rule, you noted: "If you have sales over \$1.5 million a year you will need to report GST/HST of 5% on these revenues per quarter [...] Your GST/HST returns need to be filed three months after year end being that you have sales of \$4.35 million." This was not sufficient because your explanation of the underlying technical rule was incomplete. To achieve more depth, you should have explained that businesses that make more than \$1.5 million and less than \$6 million in annual revenue must file and pay GST/HST quarterly. You appeared to be concluding that Prairies was a quarterly filer by saying it needed to file 3 months after year-end, but it was unclear if you were discussing the filing frequency or the filing deadline rules.

Your discussion of the Canadian GST/HST system, and GST/HST and income tax compliance contained technical errors.

☒

Analyze Major Issue(s)
- Qualitative

You attempted to discuss the taxation issues, but your analysis contained technical errors. For example, when you discussed the GST/HST filing and payment deadlines, you noted: "Your GST/HST returns need to be filed three months after year end being that you have sales of \$4.35 million [...] You will need to pay these taxes one month after filing." This was not accurate because you indicated that the return was due three months after the reporting period of December 31, instead of one month after the reporting period. In addition, you indicated that the payment was due one month after the filing deadline, instead of one month after the reporting period. Instead, a more technically accurate discussion would have explained that since Prairies' last filing was done for the period ending on September 30, 2023, the next quarterly filing would have needed to be filed and paid one month after the December 31, 2023, reporting period. Thus, the next GST/HST filing and payment deadline was January 31, 2024. You also noted: "Given that your filing was done on Septemeber 30th, 2023, you wouldn't be liable for a penalty or interest," which was technically incorrect. Given it was now February 8th, the filing and payment of the December 31, 2023 return is late. In addition, when you discussed the GST/HST late filing consequences, you noted: "Any late filings will result in a penalty of 5% on your income and for every month late will be required to pay interest of 4%." This was not accurate because you did not accurately explain how the interest and penalty would be calculated. Instead, you should have explained that the penalty for late filing of a GST/HST return is 1% of the amount owing plus 0.25% x the number of complete months that the return is late. In addition, interest would be charged at the prescribed rate.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, you attempted to respond to Marta's questions relating to the taxation issues. However, your discussion lacked depth. You were expected to provide a more complete discussion to ensure Marta would adequately understand the Canadian taxation system and to demonstrate your understanding of the underlying taxation concepts in this case. In addition, your discussion contained technical errors. It is important to have a good understanding of the relevant taxation concepts, as well as the case facts, to provide the user with accurate information.

Assessment Opportunity #5 (ASSU)

The candidate discusses the components of an audit plan.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

☐

Assess the Situation

Your discussion did not provide sufficient coverage of the areas to be discussed.

☒

Assess the Situation

While you identified the need to help Marta understand the auditors' audit plan components, you did not provide sufficient coverage of the topics that she requested explanations on. She had directly asked you on the second page of the case to provide her with a report that "includes an assessment of the risks of material misstatement at the overall financial statement level, an explanation of what the auditor's materiality assessment will likely be, and a discussion of the expected audit approach." In your response, you did not attempt to address the audit approach. It was important to provide better coverage over the different requests in the case to provide Marta with a more complete response. In this case, it seemed that you had identified the need to discuss this area of the audit plan, because your overall heading was: "AO5 RMM, Materiality and Approach." It was unclear whether your incomplete analysis was because of a lack of technical knowledge of the related assurance concepts, or if you ran out of time.

Your discussion of the components of an audit plan lacked depth.

☒

Analyze Major Issue(s)
- Qualitative

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

You attempted to discuss the components of the audit plan, but your analysis lacked depth. For example, you did not always adequately explain how the case facts provided increased the risk of error in the financial statements. For instance, when discussing the risk relating to the accounting department, you said: “Errors in accounting - There were errors found in the accounting which resulted in manual entries being made.” This discussion was not sufficient as it was simply a restatement of case facts, with no explanation of how this would increase the risk of further errors in the financial statements. A stronger discussion of this risk would have explained that since the accounting department is always in a rush to make correcting journal entries at the end of each month, this is indicative of a weak control environment, increasing the risk of further errors. In addition, in your discussion of materiality, you said: “Materiality is usually based on users needs. In this case, the users are: Tulip and investors of Prairies and they would be focused on income before taxes.” This was not sufficient because you did not explain why income before tax was selected as the basis for materiality. A more in-depth discussion would have incorporated case facts and discussed the user-specific needs such as the bank’s use of the financial statements to assess Prairies’ cash flow and its ability to repay its loan, or Tulip’s shareholders’ use of the financial statements to evaluate the company’s performance and future profitability. In this case, the auditor would likely use net income before tax, as it acts as a proxy to evaluate performance and future cash flows and would suit the users’ needs. In addition, you noted: “Materiality should be based at 5% of income before tax which is 391,500 x 5%.” This was not sufficient as your discussion of the percentage to use in the materiality calculation was too generic and was not supported by case facts. A more in-depth discussion would have explained that the percentage should be based on user sensitivity to error. Given that the users in this case did not appear to be particularly sensitive to error, a moderate percentage should be selected. Since you selected income before tax as your basis, you could have explained to Marta that a typical range using this benchmark is 3%-7%, and thus a moderate level of 5% appears appropriate for Prairies.

Your discussion of the components of an audit plan contained technical errors.

☐

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, you attempted to provide Marta with a response to answer her questions relating to the auditors’ audit plan. However, you did not address all parts of Marta’s request, as you omitted a discussion of the audit approach in your response. Ensure that you read the case carefully and highlight the requirements, so you can fully respond to the user’s request. In addition, you did not provide enough depth in your discussion of the overall financial statement level risks and materiality assessment. It was important to provide Marta with complete explanations so she could fully understand the audit plan components, and to demonstrate your understanding of the assurance concepts in this case.

Overall Comments

☐

Yes

Was the response well organized with a logical flow?

Your response was well organized and easy to follow. You structured your response using headings and subheadings, which served to organize your response and clearly indicate what you were addressing. You also separated your discussions by assessment opportunity, which was a logical way to respond to this case.

Did the candidate understand their role?

☐

No

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

You did not always appear to have a complete understanding of your role as Prairies Wheel Company's new controller. For example, you misunderstood the request and your overall role in analyzing the product expansion opportunities, as you incorrectly provided a make vs. buy analysis. In addition, you did not always address all parts of Marta's requests, as you did not discuss all the audit plan components that were requested by Marta. Ensure that that you read the case carefully and highlight key information so that you have a good understanding of your role and what you are being asked to do. Finally, you did not always provide Marta, the user, with sufficient information to respond to her requests. Specifically, you did not provide sufficient depth in your analysis of the expansion opportunities, strategic fit of Prairies' business practices with Tulip, compensation plan, GST & HST system and compliance, and the audit plan components. Your overall role is to provide the user with a sufficient level of information and explanations that will give them an understanding of the issues and allow them to make informed decisions. The lack of depth in these areas of your response meant that you did not entirely fulfill your role.

Was the response easy to read and understand?

Yes

You applied an effective writing style, as you used a mix of point form and complete paragraphs, which allowed you to be concise where appropriate, while still providing thoughts that were complete and clear.

Did the candidate focus their response on the appropriate issues?

Yes

Your response focused on the significant requests and issues in this case and did not contain unrelated or irrelevant discussions.

Did the response appear balanced?

Yes

Your response was reasonably well balanced, and you seemed to have allocated an appropriate amount of time to each assessment opportunity.

Section B: Assessment By Competency Area

Section B: Assessment By Competency Area

The weaknesses the reviewers identified for each simulation have been re-sorted and presented here, by competency area, with the depth areas (Financial Reporting and Management Accounting) shown before the breadth areas (Audit and Assurance, Taxation, Strategy and Governance, and Finance). Within each competency area, the weaknesses are listed by enabling skill. The detailed reviewer comments have not been repeated in Section B. Please refer to Section A to see the detailed comments.

Taxation

Day 3-2 Percy & Thrower Inc. (PT)

Assessment Opportunity #2 (TAX)

You did not identify a sufficient number of relevant factors that would impact the corporate taxable income for the current investments.



Assess the Situation

Your explanation of the relevant factors that would impact on taxable income of the current investments contained technical errors.



Analyze Major Issue (s) - Qualitative

Day 3-3 Prairies Wheel Company (Prairies)

Assessment Opportunity #4 (TAX)

Your discussion of the Canadian GST/HST system, and GST/HST and income tax compliance lacked depth.



Analyze Major Issue (s) - Qualitative

Your discussion of the Canadian GST/HST system, and GST/HST and income tax compliance contained technical errors.



Analyze Major Issue (s) - Qualitative

Financial Reporting

Day 3-2 Percy & Thrower Inc. (PT)

Assessment Opportunity #1 (FR)

Your discussion of the accounting treatment for the legal services package lacked depth.



Analyze Major Issue (s) - Qualitative

Your discussion of the accounting treatment for the legal services package contained technical errors.



Analyze Major Issue (s) - Qualitative

Day 2 Inspired Books Ltd. (IBL)

Assessment Opportunity #1 (FR)

Your discussion of the financial reporting for the acquisition of Bookmarks lacked depth.



Analyze Major Issue (s) - Qualitative

Assessment Opportunity #2 (FR)

Your discussion of the financial reporting for the lease contained technical errors.



Analyze Major Issue (s) - Qualitative

Your discussion of the financial reporting for the lease lacked depth.



Analyze Major Issue (s) - Qualitative

Assessment Opportunity #3 (FR)

Your discussion of the financial reporting for the lawsuit contained technical errors.



Analyze Major Issue (s) - Qualitative

You did not provide a conclusion on lawsuit that was consistent with your analysis.



Conclude and Advise

Audit and Assurance

Day 3-2 Percy & Thrower Inc. (PT)

Assessment Opportunity #4 (AS)

Your discussion of the implications of the control weaknesses lacked depth or were not relevant to the underlying weakness.



Analyze Major Issue (s) - Qualitative

Day 2 Inspired Books Ltd. (IBL)

Assessment Opportunity #1 (AS)

Your discussion of the financial reporting implications of the RSU plan contained technical errors.



Analyze Major Issue (s) - Qualitative

Assessment Opportunity #3 (AS)

Your discussion of the variance analysis of the draft financial statements was not always focused on the most significant risks.



Analyze Major Issue (s) - Integrate Situation

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Assessment Opportunity #4 (AS)

Your discussion of the audit procedures for the financial reporting issues lacked depth.



Analyze Major Issue
(s) - Qualitative

Assessment Opportunity #5 (AS)

The audit procedures you provided were not always focused on testing the key payroll controls.



Analyze Major Issue
(s) - Integrate
Situation

Assessment Opportunity #7 (AS)

Your discussion of the draft Management Discussion & Analysis lacked depth.



Analyze Major Issue
(s) - Qualitative

Day 3-1 Fresh Fashion Inc. (Fresh)

Assessment Opportunity #6 (AS)

Your audit procedures were either too general, poorly explained, impractical, or did not provide information that was useful in assessing the underlying account.



Analyze Major Issue
(s) - Qualitative

Day 3-3 Prairies Wheel Company (Prairies)

Assessment Opportunity #5 (AS)

Your discussion did not provide sufficient coverage of the areas to be discussed.



Assess the Situation

Your discussion of the components of an audit plan lacked depth.



Analyze Major Issue
(s) - Qualitative

Finance

Day 3-2 Percy & Thrower Inc. (PT)

Assessment Opportunity #5 (FIN)

You did not discuss a sufficient number of considerations when analyzing the investment options.



Assess the Situation

Your analysis of the investment options did not consider PT's objectives.



Analyze Major Issue
(s) - Integrate
Situation

Day 3-1 Fresh Fashion Inc. (Fresh)

Assessment Opportunity #4 (FIN)

Your qualitative analysis of the financing proposals lacked depth.



Analyze Major Issue
(s) - Qualitative

Strategy and Governance

Day 3-1 Fresh Fashion Inc. (Fresh)

Assessment Opportunity #3 (GOV)

You did not identify a sufficient number of relevant risks associated with the algorithm licensing agreement.



Assess the Situation

Your discussion of the risks associated with the algorithm licensing agreement lacked depth.



Analyze Major Issue
(s) - Qualitative

You did not provide suggestions for mitigating the risks associated with the algorithm licensing agreement that were practical, effective, and linked to the risk identified.



Conclude and Advise

Assessment Opportunity #7 (STRAT & GOV)

The candidate discusses the strategic fit of each CEO candidate.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.



Assess the Situation

Day 3-3 Prairies Wheel Company (Prairies)

Assessment Opportunity #2 (GOV)

Your discussion of the areas that were aligned or misaligned with Tulip's mission, vision, and objectives lacked depth.



Analyze Major Issue
(s) - Qualitative

You attempted to provide improvements of what might need to change at Prairies to improve alignment with Tulip's mission, vision, and objectives, but your recommendations lacked depth or were not practical.



Conclude and Advise

Management Accounting

Day 3-1 Fresh Fashion Inc. (Fresh)

Assessment Opportunity #1 (MA)

You did not provide a quantitative analysis of how much the causes contributed to the differences between the budgeted and actual income statement figures for a sufficient number of items.



Assess the Situation

Your quantitative analysis of how much the causes contributed to the differences between the budgeted and actual income statement figures contained technical errors.



Analyze Major Issue (s) - Quantitative

Your qualitative analysis of the causes of the differences between the budgeted and actual income statement figures lacked depth.



Analyze Major Issue (s) - Qualitative

Day 3-3 Prairies Wheel Company (Prairies)

Assessment Opportunity #1 (MA)

You did not consider the impact of the constrained labour hours in your quantitative analysis.



Assess the Situation

Your quantitative analysis of the expansion opportunities contained technical errors.



Analyze Major Issue (s) - Quantitative

Your discussion of the qualitative factors to consider in assessing the two expansion opportunities lacked depth.



Analyze Major Issue (s) - Qualitative

Assessment Opportunity #3 (MA)

You did not attempt to discuss a sufficient number of features in the compensation plan.



Assess the Situation

You attempted to provide improvements to the compensation plan, but your recommendations lacked depth or were not practical.



Conclude and Advise

Day 2 Inspired Books Ltd. (IBL)

Assessment Opportunity #4 (MA)

Your quantitative analysis contained technical errors.



Analyze Major Issue
(s) - Quantitative

Your quantitative analysis lacked breadth.



Assess the Situation

Assessment Opportunity #5 (MA)

You did not identify a sufficient number of issues related to the company's balanced scorecard.



Assess the Situation

You did not always provide recommendations to address the issues related to the company's balanced scorecard that were effective.



Conclude and Advise

Assessment Opportunity #6 (MA)

The candidate assesses whether the café pilot was a success, and suggests improvements.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.



Assess the Situation

Section C: General Findings and CPA Enabling Skills

Section C: General Findings and CPA Enabling Skills

Did the response appear balanced?

Day 2 Inspired Books Ltd. (IBL)

Yes

The Assurance section of your response was well-balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities.

Day 2 Inspired Books Ltd. (IBL)

No

You appear to have run out of time in the Common section of your response, since you only provided headings for the last portion of your response. This prevented you from addressing all of the requirements in the case. It is important to plan your time on each case and ensure you allocate a sufficient amount of time to each of the significant issues.

Day 3-1 Fresh Fashion Inc. (Fresh)

Yes

Other than the assessment opportunity that was not addressed, your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the remaining assessment opportunities.

Day 3-2 Percy & Thrower Inc. (PT)

Yes

Your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities.

Day 3-3 Prairies Wheel Company (Prairies)

Yes

Your response was reasonably well balanced, and you seemed to have allocated an appropriate amount of time to each assessment opportunity.

Was the response easy to read and understand?

Day 2 Inspired Books Ltd. (IBL)

Yes

For the Assurance section, your response was written efficiently and was easy to read and understand. You used complete paragraphs which allowed you to provide thoughts that were complete and clear.

Day 2 Inspired Books Ltd. (IBL)

Yes

For the Common section, your response was written efficiently and was easy to read and understand. You used a combination of point form and complete paragraphs which allowed you to provide thoughts that were complete and clear.

Day 3-1 Fresh Fashion Inc. (Fresh)

Yes

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Your response was written efficiently and was easy to read and understand. You used point form, but your thoughts were complete and clear.

Day 3-2 Percy & Thrower Inc. (PT)

Yes

Your response was written efficiently and was easy to read and understand for the most part with some minor typos throughout. Your exhibits were well done and easy to follow with an exhibit number, purpose and conclusion. You also made good use of notes in your exhibits to reference the explanations for your adjustments. This was very helpful in understanding your calculations.

Day 3-3 Prairies Wheel Company (Prairies)

Yes

You applied an effective writing style, as you used a mix of point form and complete paragraphs, which allowed you to be concise where appropriate, while still providing thoughts that were complete and clear.

Overall Comments

Was the response well organized with a logical flow?

Day 2 Inspired Books Ltd. (IBL)

Yes

For the Assurance section, your response was well organized and easy to follow. You used headings appropriately and separated your discussions by each issue addressed, which was a logical way to respond to this case.

Day 2 Inspired Books Ltd. (IBL)

Yes

For the Common section, your response was well organized and easy to follow. You used headings appropriately and separated your discussions by each issue addressed, which was a logical way to respond to this simulation.

Day 3-1 Fresh Fashion Inc. (Fresh)

No

Your response could have been better structured, which would have made it easier to follow. For example, you could have used a risk, implication, recommendation structure to ensure that you obtained sufficient depth and a more complete analysis of the risks in the draft licensing agreement.

Day 3-2 Percy & Thrower Inc. (PT)

Yes

Your response was well organized and easy to follow. You used headings and separated your discussions by assessment opportunity, which was a logical way to respond to this case.

Day 3-3 Prairies Wheel Company (Prairies)

Yes

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Your response was well organized and easy to follow. You structured your response using headings and subheadings, which served to organize your response and clearly indicate what you were addressing. You also separated your discussions by assessment opportunity, which was a logical way to respond to this case.

Did the candidate understand their role?

Day 2 Inspired Books Ltd. (IBL)

No

For the Assurance section, you did not appear to have understood some of Kim's requests. For example, you said, "Effective: No - These controls are not effective because the managers could be inputting false information over the pay period to decrease costs and increase profits of each store. Auditor's responsibility: It is the auditor's responsibility to determine if these amounts are accurate by obtaining time sheets from management and comparing the allocated hours to each employee to ensure that the amounts sent for processing are accurate." This was not relevant because Kim asked you to "design procedures to establish whether IBL's payroll controls are operating effectively." In order to provide a relevant discussion, candidates were expected to provide audit procedures to test the key payroll controls, and instead you provided internal control recommendations and substantive procedures.

Day 2 Inspired Books Ltd. (IBL)

Yes

Not applicable for the Common section of the Day 2 response.

Day 3-1 Fresh Fashion Inc. (Fresh)

No

You did not always appear to have understood your role as an external advisor to Fresh when addressing the requests made by Griffin. For example, you did not always provide Griffin with sufficient information to respond to his requests. Specifically, you did not provide sufficient depth in your explanations and analysis of the algorithm licensing agreement risks, financing options, and audit procedures. Your overall role is to provide the user with a sufficient level of information and explanations that will give them an understanding of the issues and to clearly answer their questions. The lack of depth in these areas of your response meant that you did not fulfill your role. In addition, you did not address all of the requests made in the case, specifically regarding the CEO candidates' strategic fit. It was not clear whether you had lacked the necessary technical knowledge to respond, or did not manage your time well. Spending time reading the case, identifying all requests, and planning your response is important to enable you to cover all of the issues. The identification of the requests is a crucial first step, as omitting any of the requests eliminates an opportunity for you to demonstrate your knowledge in that competency area.

Day 3-2 Percy & Thrower Inc. (PT)

No

You did not always appear to have understood your role when addressing the requests made in the case. For example, you did not always provide sufficient information when responding to Kristel's requests. Specifically, you did not provide sufficient depth when discussing how to record the sale of the legal services package and discussing the weaknesses in the investment process. Your overall role is to provide the users with a sufficient level of information and explanations that will give them a good understanding of the issues and to clearly answer their questions. The lack of depth in these areas of your response meant that you did not completely fulfill your role.

Day 3-3 Prairies Wheel Company (Prairies)

No

You did not always appear to have a complete understanding of your role as Prairies Wheel Company's new controller. For example, you misunderstood the request and your overall role in analyzing the product expansion opportunities, as you incorrectly provided a make vs. buy analysis. In addition, you did not always address all parts of Marta's requests, as you did not discuss all the audit plan components that were requested by Marta. Ensure that that you read the case carefully and highlight key information so that you have a good understanding of your role and what you are being asked to do. Finally, you did not always provide Marta, the user, with sufficient information to respond to her requests. Specifically, you did not provide sufficient depth in your analysis of the expansion opportunities, strategic fit of Prairies' business practices with Tulip, compensation plan, GST & HST system and compliance, and the audit plan components. Your overall role is to provide the user with a sufficient level of information and explanations that will give them an understanding of the issues and allow them to make informed decisions. The lack of depth in these areas of your response meant that you did not entirely fulfill your role.

Did the candidate focus their response on the appropriate issues?

Day 2 Inspired Books Ltd. (IBL)

Yes

For the Assurance section of your response, you did a good job focusing on the significant requests and issues and your response did not contain any unrelated issues.

Day 2 Inspired Books Ltd. (IBL)

No

In the Common section of your response, you spent time discussing the acquisition of Bookmarks using IAS 28 and discussing the cost and equity methods of reporting. This was not relevant as it was not requested, nor were there case facts to suggest this was a significant issue. This appears to have limited the time you had to address the other, more significant, requests and issues.

Day 3-1 Fresh Fashion Inc. (Fresh)

Yes

You did a good job focusing your response on the significant requests and issues in this case, and your response did not contain discussions of unrelated issues.

Day 3-2 Percy & Thrower Inc. (PT)

Yes

You did a good job focusing your response on the significant requests and issues in this case, and your response did not contain discussions of unrelated issues.

Day 3-3 Prairies Wheel Company (Prairies)

Yes

Your response focused on the significant requests and issues in this case and did not contain unrelated or irrelevant discussions.

CPA Enabling Skills

Assess the Situation

You did not identify a sufficient number of relevant factors that would impact the corporate taxable income for the current investments.



Day 3-2 Percy &
Thrower Inc. (PT)
AO #2
TAX

Your discussion did not provide sufficient coverage of the areas to be discussed.



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #5
AS

You did not discuss a sufficient number of considerations when analyzing the investment options.



Day 3-2 Percy &
Thrower Inc. (PT)
AO #5
FIN

You did not identify a sufficient number of relevant risks associated with the algorithm licensing agreement.



Day 3-1 Fresh
Fashion Inc. (Fresh)
AO #3
GOV

Assessment Opportunity #7 (STRAT & GOV)

The candidate discusses the strategic fit of each CEO candidate.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.



Day 3-1 Fresh
Fashion Inc. (Fresh)
AO #7
GOV

Your quantitative analysis lacked breadth.



Day 2 Inspired Books
Ltd. (IBL)
AO #4
MA

You did not identify a sufficient number of issues related to the company's balanced scorecard.



Day 2 Inspired Books
Ltd. (IBL)
AO #5
MA

Assessment Opportunity #6 (MA)

The candidate assesses whether the café pilot was a success, and suggests improvements.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.



Day 2 Inspired Books
Ltd. (IBL)
AO #6
MA

You did not provide a quantitative analysis of how much the causes contributed to the differences between the budgeted and actual income statement figures for a sufficient number of items.



Day 3-1 Fresh
Fashion Inc. (Fresh)
AO #1
MA

You did not consider the impact of the constrained labour hours in your quantitative analysis.



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #1
MA

You did not attempt to discuss a sufficient number of features in the compensation plan.



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #3
MA

Analyze Major Issue(s) - Quantitative

Your quantitative analysis contained technical errors.



Day 2 Inspired Books
Ltd. (IBL)
AO #4
MA

Your quantitative analysis of how much the causes contributed to the differences between the budgeted and actual income statement figures contained technical errors.



Day 3-1 Fresh
Fashion Inc. (Fresh)
AO #1
MA

Your quantitative analysis of the expansion opportunities contained technical errors.



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #1
MA

Analyze Major Issue(s) - Qualitative

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Your explanation of the relevant factors that would impact on taxable income of the current investments contained technical errors.



Day 3-2 Percy &
Thrower Inc. (PT)
AO #2
TAX

Your discussion of the Canadian GST/HST system, and GST/HST and income tax compliance lacked depth.



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #4
TAX

Your discussion of the Canadian GST/HST system, and GST/HST and income tax compliance contained technical errors.



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #4
TAX

Your discussion of the financial reporting for the acquisition of Bookmarks lacked depth.



Day 2 Inspired Books
Ltd. (IBL)
AO #1
FR

Your discussion of the financial reporting for the lease contained technical errors.



Day 2 Inspired Books
Ltd. (IBL)
AO #2
FR

Your discussion of the financial reporting for the lease lacked depth.



Day 2 Inspired Books
Ltd. (IBL)
AO #2
FR

Your discussion of the financial reporting for the lawsuit contained technical errors.



Day 2 Inspired Books
Ltd. (IBL)
AO #3
FR

Your discussion of the accounting treatment for the legal services package lacked depth.



Day 3-2 Percy &
Thrower Inc. (PT)
AO #1
FR

Your discussion of the accounting treatment for the legal services package contained technical errors.



Day 3-2 Percy &
Thrower Inc. (PT)
AO #1
FR

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Your discussion of the financial reporting implications of the RSU plan contained technical errors.	<input checked="" type="checkbox"/>	Day 2 Inspired Books Ltd. (IBL) AO #1 AS
Your discussion of the audit procedures for the financial reporting issues lacked depth.	<input checked="" type="checkbox"/>	Day 2 Inspired Books Ltd. (IBL) AO #4 AS
Your discussion of the draft Management Discussion & Analysis lacked depth.	<input checked="" type="checkbox"/>	Day 2 Inspired Books Ltd. (IBL) AO #7 AS
Your audit procedures were either too general, poorly explained, impractical, or did not provide information that was useful in assessing the underlying account.	<input checked="" type="checkbox"/>	Day 3-1 Fresh Fashion Inc. (Fresh) AO #6 AS
Your discussion of the implications of the control weaknesses lacked depth or were not relevant to the underlying weakness.	<input checked="" type="checkbox"/>	Day 3-2 Percy & Thrower Inc. (PT) AO #4 AS
Your discussion of the components of an audit plan lacked depth.	<input checked="" type="checkbox"/>	Day 3-3 Prairies Wheel Company (Prairies) AO #5 AS
Your qualitative analysis of the financing proposals lacked depth.	<input checked="" type="checkbox"/>	Day 3-1 Fresh Fashion Inc. (Fresh) AO #4 FIN
Your discussion of the risks associated with the algorithm licensing agreement lacked depth.	<input checked="" type="checkbox"/>	Day 3-1 Fresh Fashion Inc. (Fresh) AO #3 GOV
Your discussion of the areas that were aligned or misaligned with Tulip's mission, vision, and objectives lacked depth.	<input checked="" type="checkbox"/>	Day 3-3 Prairies Wheel Company (Prairies) AO #2 GOV

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

Your qualitative analysis of the causes of the differences between the budgeted and actual income statement figures lacked depth.



Day 3-1 Fresh
Fashion Inc. (Fresh)
AO #1
MA

Your discussion of the qualitative factors to consider in assessing the two expansion opportunities lacked depth.



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #1
MA

Analyze Major Issue(s) - Integrate Situation

Your discussion of the variance analysis of the draft financial statements was not always focused on the most significant risks.



Day 2 Inspired Books
Ltd. (IBL)
AO #3
AS

The audit procedures you provided were not always focused on testing the key payroll controls.



Day 2 Inspired Books
Ltd. (IBL)
AO #5
AS

Your analysis of the investment options did not consider PT's objectives.



Day 3-2 Percy &
Thrower Inc. (PT)
AO #5
FIN

Conclude and Advise

You did not provide a conclusion on lawsuit that was consistent with your analysis.



Day 2 Inspired Books
Ltd. (IBL)
AO #3
FR

You did not provide suggestions for mitigating the risks associated with the algorithm licensing agreement that were practical, effective, and linked to the risk identified.



Day 3-1 Fresh
Fashion Inc. (Fresh)
AO #3
GOV

You attempted to provide improvements of what might need to change at Prairies to improve alignment with Tulip's mission, vision, and objectives, but your recommendations lacked depth or were not practical.



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #2
GOV

You did not always provide recommendations to address the issues related to the company's balanced scorecard that were effective.



Day 2 Inspired Books
Ltd. (IBL)
AO #5
MA

September 2024 Common Final Examination (CFE)- Day 2 and Day 3

**You attempted to provide improvements to the compensation plan,
but your recommendations lacked depth or were not practical.**



Day 3-3 Prairies
Wheel Company
(Prairies)
AO #3
MA