

SINGAPORE CA QUALIFICATION EXAMINER'S REPORT

MODULE: Integrative Business Solutions (IB)

EXAMINATION DATE: 16 June 2025

Section 1

General comments

The case is about a Singapore based maritime company MarineHub Pte Ltd that operates under a lease agreement with the Maritime and Port Authority of Singapore for managing one of the key container terminals within the port of Singapore. This agreement grants MarineHub full operational autonomy over the terminal's day-to-day activities, including container handling, transshipment services and maintenance.

MarineHub generates revenue from two main core activities (1) Terminal Operations and Management which MarineHub charges shipping lines for loading and unloading containers at its terminal, and (2) Transshipment services where MarineHub facilitates the transfer of containers between different shipping lines or routes, ensuring efficient onward journey to minimise delays.

Candidates have to assess MarineHub's KPI and its growth strategies through both organic expansion and acquisitions both locally and regionally by acquiring or operating terminals in locations such as Indonesia, Vietnam, and the Philippines, MarineHub aims to capitalise on growing trade volumes and position itself as a regional leader in terminal operations through continuous improvement and operational excellence.

Candidates received Advance Information (AI) documents three weeks before the examination date to undertake research, analysis and preparation. The AI documents contained 41 pages and 11 exhibits, and it covered financial performance, maritime industry, organisation structure, sustainability indicators, and potential technology enhancements.

The Examination Day Documents (EDD) were given to the Candidates on the examination day itself. The EDD had 27 pages and 7 additional Exhibits. The EDD evaluated the Environmental, social and governance (ESG) performance concerns, auditors letter, as well as digital management initiatives.

Candidates were expected to combine their pre-reading and analysis of the data centre expansion, ESG and risk concerns, their other pre-examination research and the new information in the EDD to address the issues raised in the requirements and demonstrate their ability to work diligently and accurately under time pressure.

There were four broad requirements to address as stated below with the relevant marks allocation:

- Requirement 1 - An executive summary (10 Marks)
- Requirement 2 - 2025 Performance evaluation and risk management strategy (26 Marks)
- Requirement 3 - Strategic option for growth and efficiency using technology. (36 Marks)
- Requirement 4 - Internal control and sustainability review at MarineHub (28 Marks)

The structure of the AI and EDD as well as the minimum performance expected by the Examination Team from the Candidates were similar to previous IB examinations, as was the level of difficulty and the domain knowledge required.

Overall performance is good for this exam session. Similar sub-question format may have helped in compartmentalised answers. As with previous exams, Candidates performed well in computation as sufficient preparation on the AI data and on the question on financial analysis as well as risk management questions. Candidates also showed good knowledge on current trends in sustainability. However, time management remains an issue.

Section 2

Analysis of individual questions

Requirement 1

The question was generally well answered, with only a handful in this cohort not attempting the Executive Summary compared to previous exam sessions. While many Candidates appeared to have come with very similar pre-prepared summaries, this approach is not encouraged. The Advance Information is intended to help Candidates with their preparation and to secure some basic marks, but higher credit is awarded when Candidates incorporate and adapt meaningful data from the EDD to address the requirements of the question.

Among those who attempted this question, understanding of the subject was strong, and answers were well-organised. The Executive Summaries were generally well structured, with scores varying depending on whether key points were omitted or whether a succinct synopsis of the key areas was provided. Most Candidates could effectively sub-categorise the summary points for readability, with some using highlighting or bold text to emphasise key messages.

It was also noted that many Candidates indicated the addressee and signed off on the Executive Summary, which reflected good practice in producing a well-structured response.

Requirement 2

Question 2(a)

Most Candidates were familiar with financial performance analysis and could calculate key figures like revenue growth and gross profit margins. However, many missed the requirement to provide a proper conclusion. Instead of offering a concise summary with key insights and suggested actions, they often repeated earlier points. Balance sheet analysis was generally weak, with limited commentary on operating profit, gearing, and cost variances. Some Candidates also used incorrect formulas, especially for inventory turnover and gearing ratios.

Better responses were well structured and linked financial trends to business decisions, such as the impact of extended credit terms on receivables. Many Candidates used spreadsheets to support their calculations, which helped, though some included unnecessary data. To improve, Candidates should ensure they cover all key areas briefly, explain what the numbers mean, and end with a clear, forward-looking conclusion.

Candidates are reminded that while it is acceptable to use templates or formats developed during revision as a starting point, their final submission must reflect individual understanding and directly address the question requirements. Templates can be helpful for structuring responses, but they should not be used as a substitute for critical thinking or contextual analysis.

It is important to assess and adapt any pre-prepared content to suit the specific facts of the case. The Examination Team continues to place emphasis on the quality of interpretation and application. Candidates should ensure that their work demonstrates independent thought and relevance, rather than relying solely on standardised or pre-prepared materials.

Question 2(b)

Candidates generally did well on this question. Most were able to identify five relevant risks and explain their impact clearly. However, some missed specific instructions such as ranking the risks or giving more detailed consequences beyond general terms like "major business impact". Stronger answers included examples such as reputational damage or loss of market share and followed a clear structure by pairing each risk with a matching mitigation strategy.

The question was straightforward, and most of the required information was available in the case exhibits. Candidates who organised their answers clearly, using headers or tables, were easier to follow and scored better.

To improve, Candidates should make sure they respond to all parts of the question, avoid vague descriptions, and apply the case details directly to their analysis. Time

management also helped, as well-prepared Candidates were able to complete this section effectively.

Requirement 3

Question 3(a)

All Candidates were able to address suitability and acceptability well. However, for feasibility, most focused only on the financial perspective, with only a few considering other aspects such as transition and timing.

A significant number of Candidates did not attempt the calculation requirement to support the investment appraisal. This may have been due to time management issues or an oversight of the exam question requirements.

Question 3(b)

Question was generally well answered. Most Candidates were able to identify five relevant challenges to implementing the digital freight management platform at MarineHub. Candidates who performed well addressed each challenge clearly and responded to the question as required.

Good answers were structured, concise, and paired each challenge with a practical response. The best responses used headings or a table format to present the challenge and solution side by side, making it easy to follow. These Candidates showed awareness of the business context and provided realistic suggestions tailored to MarineHub's situation.

Question 3(c)

Almost all Candidates struggled with this question, as many not attempting it. This was surprising given that the question clearly listed the four areas to be discussed: legal, financial, operational, and commercial due diligence. These were meant to guide Candidates in evaluating the proposed investment in the digital freight management platform. The lack of response suggests poor time management or a lack of familiarity with the topic, even though it is highly relevant to strategic decision-making in real business scenarios.

Question 3(d)

Question requirements were generally understood but poorly answered. This was a straightforward question, but many Candidates gave very brief answers, often just one sentence per point. While most understood the general requirement, some focused on unrelated financial impacts like gearing or profitability instead of the correct accounting treatment. A few Candidates quoted relevant accounting

standards but did not explain how they applied to the case, which limited the effectiveness of their responses.

Better answers were clear and followed a logical structure, linking the accounting concepts directly to the scenario. Candidates who explained the treatment in context and supported their points with relevant standards scored higher. To improve, Candidates should aim to provide complete and well-explained answers, even for questions with lower mark allocation, and ensure they stay focused on what the question is asking.

Requirement 4

Question 4(a)

Most Candidates understood the general importance of ESG transparency and sustainability reporting. However, many missed the key requirement to critically evaluate the proposed strategy. Instead of analysing weaknesses such as the lack of interim targets, phased implementation, or pilot testing, they repeated generic points about sustainability. This led to lost marks, especially in part (a), where critical thinking was expected but not demonstrated.

Candidates also struggled to challenge the recommendations constructively. While they could identify benefits, they did not go further to assess limitations or suggest improvements. To do better, Candidates should be trained to read questions carefully, respond directly to what is asked, and apply critical thinking when evaluating proposals. Time management and answer organisation, including the use of headings, were generally good.

Question 4(b)

Most Candidates were able to identify the benefits of cold ironing, showing a good understanding of the concept and its relevance to sustainability. They recognised its potential to reduce emissions and improve environmental performance, which aligned well with the case context. This part of the question was generally well answered, with Candidates demonstrating clear knowledge and application of the topic.

However, while the identification of benefits was strong, some Candidates missed opportunities to go deeper into the analysis. Few discussed implementation challenges or evaluated the feasibility of the recommendation in detail. To improve, Candidates should aim to not only describe the advantages but also consider practical aspects and potential limitations when recommending solutions.

Question 4(c)

Candidates generally performed well in this section. Most were able to identify five internal control weaknesses and suggest appropriate recommendations to address each one. The question was straightforward, and many Candidates used a table

format to present their answers, which made the responses clear and easy to follow. Stronger answers were concise, well structured, and showed a good understanding of control principles.

However, weaker Candidates tended to reproduce content from materials without applying it properly to the case. Their answers were often long-winded and lacked focus, making it difficult to award marks. To improve, Candidates should aim to be more direct and structured in their responses, clearly linking each weakness to a practical recommendation. Using headers or tables is encouraged, as it improves clarity and helps ensure all parts of the question are addressed.

Question 4(d)

This question part was poorly answered. Many Candidates either skipped it or gave incomplete responses, likely due to time constraints as it was the last part of the paper. Those who attempted it often confused agreed-upon procedures (AUP) with audit or assurance engagements. This shows a lack of understanding of the key differences between these types of engagements, especially in terms of scope and independence requirements. A few Candidates did show deeper insight by mentioning factors like audit fee thresholds and their impact on independence, which was credited. Overall, Candidates need more practice with AUP-related questions and should be reminded to manage their time carefully during exams. Clearer understanding of engagement types and their implications is essential for stronger performance in this area.