



## Singapore CA Qualification Examination

18 June 2024

### Integrative Business Solutions

### Examination Day Documents

#### INSTRUCTIONS TO CANDIDATES:

1. The time allowed for this examination paper is **4 hours and 30 minutes**. Please note there is no separate prescribed reading time for this examination.
2. This is an open-book examination. During the examination, you are allowed to use your laptop and any calculators that comply with the ISCA's regulations. Please note that smartwatches, mobile phones, tablets, and all other electronic devices **MUST NOT** be used during the examination.
3. During the examination, videos of you and your computer screen will be recorded for the purpose of ensuring examination integrity and you have consented to these recordings.
4. This examination paper and all video recordings are the property of the Accounting and Corporate Regulatory Authority (ACRA).
5. This is a hypothetical case written exclusively for this examination. Names, characters, places and incidents used are imaginary or fictional. Any resemblance to actual events or locales or persons, living or dead, is entirely coincidental. This case is not to be cited without permission from the ACRA.

#### IMPORTANT NOTICE:

**If you are not feeling well, please do not press 'Start Assessment'. If you have started and leave during the examination, you would be deemed to have attempted the paper.**

e-Exam  
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Number

1

**\*\*VERY IMPORTANT NOTICE\*\***

1. Your question paper is attached under the "**Resources**" tab found at the bottom right of **EACH** question.
2. You may also download the question paper that allows annotation throughout your examination in Question 1 of the e-Exam portal.

**Other important information:**

3. You will be allowed to access your reference materials but **will not be allowed** to communicate with anyone either physically or through any electronic means.
4. You are **NOT ALLOWED** to access any websites during the examination.
5. You are **NOT ALLOWED** to print the question paper.
6. **Please take note that your screen will be monitored throughout the examination. If you are found to have accessed any websites, or if you cheat or attempt to cheat, you will be liable to severe disciplinary action.**

Should you encounter any issues during the examination, please call the following numbers:

+65 6028 9811

7. **You do not need to fill in an answer for this instruction question.**

## Case study report instructions

These Examination Day Documents (EDD) complete the case study scenario and set out the requirements of the report that you are required to write (**Exhibit 18**). You must combine your pre-reading and analysis of the Advance Information (AI), your other pre-examination research, and the new information in the EDD to plan the content and structure of your report, and then to write the report.

The IB Examination will be an open-book examination of **4 hours 30 minutes**. Please note that there is no separate prescribed reading time for this examination.

## Report format

Your report should follow the following format:

Requirements (see Exhibit 18)	e-Exam Question Number	Marks
<b>Requirement 1:</b> An Executive Summary	2	10
<b>Requirement 2:</b> Performance evaluation and evaluation of strategic options to merge with another airline service company	3, 4, 5, 6	40
<b>Requirement 3:</b> Implementation of a new Airport Services Operating System (ASOS) and strategy for employee recruitment and retention	7, 8, 9, 10	32
<b>Requirement 4:</b> Ethics and sustainability ESG KPI disclosures	11, 12	18

You should clearly state any assumptions that you make and include any supporting data. Please put your appendices (if any) at the end of each question part.

**Please note that only your report commentary (including the assumptions made), appendices and workings entered in Cirrus on the day of the examination will be marked.**

## Advance Information (AI) – List of Exhibits

Exhibit	Exhibit Title	Start Page
<b>Advance Information (AI)</b>		
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<b>2</b>	About Red-Dot Airport Terminal Services Limited	AI-8
<b>3</b>	Red-Dot Airport Terminal Services Limited: Board of Directors and Governance	AI-12
<b>4</b>	Red-Dot Airport Terminal Services Limited: Management accounts for the years ended 31 March 2023 and 31 March 2022	AI-14
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<b>8</b>	SWOT analysis compiled by Red-Dot Airport Terminal Services Limited Chief Strategy Officer (CSO)	AI-27
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**Note:** Unless otherwise stated, all dollar amounts (\$) are in Singapore dollars.

## Examination Day Documents (EDD) – List of Exhibits

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<b>15</b>	Email: Evaluation and implementation of new Airport Services Operating System (ASOS)	EDD-17
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**Note:** Unless otherwise stated, all dollar amounts (\$) are in Singapore dollars.

**Red-Dot Airport Terminal Services Limited: Management accounts for the year ended 31 March 2024**

**To:** The Board of Directors of Red-Dot Airport Terminal Services Limited  
**From:** Devan Raj, Chief Financial Officer (CFO)  
**Date:** 13 May 2024  
**Subject:** Red-Dot management accounts for the year ended 31 March 2024

Dear Board Members,

Please find extracts below from the summarised management accounts together with relevant operating data.

**Red-Dot Statement of Profit or Loss  
for the year ended 31 March**

	<b>2024</b>	<b>2023</b>
	<b>S\$'m</b>	<b>S\$'m</b>
<b>Revenue (Notes 1, 2)</b>	<b>1,762.0</b>	<b>1,428.4</b>
Employee and related costs	(622.9)	(508.3)
Depreciation and amortisation	(192.6)	(171.0)
Property and related costs	(172.2)	(146.7)
Consumables	(186.0)	(153.0)
Delivery and logistics	(195.9)	(153.5)
IT and other operating costs	(199.9)	(157.3)
<b>Total costs</b>	<b>(1,569.5)</b>	<b>(1,289.8)</b>
<b>Operating profit (Notes 2, 3)</b>	<b>192.5</b>	<b>138.6</b>
Finance costs (Note 4)	(50.0)	(62.5)
<b>Profit before tax</b>	<b>142.5</b>	<b>76.1</b>
Tax	(24.2)	(12.9)
<b>Profit after tax</b>	<b>118.3</b>	<b>63.2</b>
Dividend	(29.6)	(15.8)
<b>Retained profit</b>	<b>88.7</b>	<b>47.4</b>

**Red-Dot Statement of Financial Position  
for the year ended 31 March**

	<b>2024</b>	<b>2023</b>
	<b>S\$'m</b>	<b>S\$'m</b>
<b>Non-current assets</b>	<b>2,124.8</b>	<b>2,091.2</b>
Inventories	42.6	38.3
Trade and other receivables	614.0	496.0
Cash and cash equivalents	83.5	350.8
<b>Current assets</b>	<b>740.1</b>	<b>885.1</b>
<b>Total assets</b>	<b>2,864.9</b>	<b>2,976.3</b>
<b>Equity</b>		
Share capital	500.0	500.0
Revenue reserve	1,405.7	1,317.0
<b>Total Equity</b>	<b>1,905.7</b>	<b>1,817.0</b>
<b>Liabilities</b>		
Trade and other payables	209.2	159.3
Loans and borrowings ( <b>Note 4</b> )	250.0	250.0
<b>Current liabilities</b>	<b>459.2</b>	<b>409.3</b>
Loans and borrowings ( <b>Note 4</b> )	500.0	750.0
<b>Total liabilities</b>	<b>959.2</b>	<b>1,159.3</b>
<b>Total Equity and Liabilities</b>	<b>2,864.9</b>	<b>2,976.3</b>

**Notes to the management accounts**

**Note 1: Revenue recognition**

Revenue is recognised when airline services are provided to the customer. Payments due from customers are based on the agreed billing terms.

**Note 2: Segmental analysis of revenue and operating profit**

	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>RGS</b>	<b>RCS</b>	<b>RFS</b>	<b>RGS</b>	<b>RCS</b>	<b>RFS</b>
	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>
<b>Revenue</b>	<b>668.6</b>	<b>409.9</b>	<b>683.5</b>	<b>530.1</b>	<b>308.5</b>	<b>589.8</b>
Employee and related costs <sup>1</sup>	(409.3)	(105.2)	(108.4)	(319.6)	(92.9)	(95.8)
Depreciation and amortisation <sup>1</sup>	(52.8)	(25.1)	(114.7)	(50.1)	(24.7)	(96.2)
Property and related costs <sup>1</sup>	(47.1)	(24.9)	(100.2)	(43.3)	(23.3)	(80.1)
Consumables	(5.1)	(3.4)	(177.5)	(4.7)	(3.2)	(145.1)
Delivery and logistics	(8.4)	(136.2)	(51.3)	(7.7)	(100.6)	(45.2)
IT and other operating costs <sup>1</sup>	(78.4)	(72.4)	(49.1)	(68.4)	(47.0)	(41.9)
<b>Total costs</b>	<b>(601.1)</b>	<b>(367.2)</b>	<b>(601.2)</b>	<b>(493.8)</b>	<b>(291.7)</b>	<b>(504.3)</b>
<b>Operating profit</b>	<b>67.5</b>	<b>42.7</b>	<b>82.3</b>	<b>36.3</b>	<b>16.8</b>	<b>85.5</b>

<sup>1</sup> Includes allocated central corporate overheads as well division specific costs.



### Note 3: Operating data

	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>RGS</b>	<b>RCS</b>	<b>RFS</b>	<b>RGS</b>	<b>RCS</b>	<b>RFS</b>
<b>Operating Data:</b>						
Number of checked-in passengers (millions)	31.28	-	-	23.90	-	-
Volume of cargo transported (tons millions)	-	0.436	-	-	0.349	-
Number of meals prepared (millions)	-	-	68.35	-	-	58.60
Average number of employees	9,758	2,502	2,187	8,520	2,148	2,161

**Note 4: Loans and borrowings**

On 1 April 2017, Red-Dot commenced a 10-year 5% fixed rate loan with LionCity Bank, a Singapore-based commercial bank, for S\$2,500 million. The loan is repayable in equal annual instalments paid at each Red-Dot financial year-end. The management accounts reflect the most recent payment on 31 March 2024.

The loan is secured on Red-Dot's non-current assets up to the value of the outstanding loan in the event of default. The loan carries no other significant covenants or other conditions.

**END OF EXHIBIT 12**

**Red-Dot Airport Terminal Services Limited: Chief Operating Officer (COO) review of financial performance for the year ended 31 March 2024**

*The Chief Operating Officer (COO), Nadia Hassan, has provided the following narrative to help explain Red-Dot's financial performance for the year ended 31 March 2024.*

**Overall Red-Dot Performance**

The past year has been marked by considerable success as all three airline service divisions of Red-Dot's airline services reported double-digit year-on-year growth in services provided, significantly surpassing the industry's predicted 10% growth. Also, we have exceeded our divisional revenue growth targets of 20% for all airline services divisions except RFS. The latter has been hindered by the nature of longer-term fixed-price meal preparation contracts, preventing us from fully passing on food and other cost inflation to our customers.

The Board is pleased with our overall growth and profitability performance as we seized market opportunities during the aviation industry's recovery from COVID-19 restrictions and the hesitation of business passengers to fly.

**Red-Dot Ground Services (RGS)**

Intense competition within the ground airline service industry has posed challenges for RGS in retaining existing major airline contracts and securing new ones without compromising on pricing. However, this situation is expected to change in the medium term as some competitors may not be able to sustain low prices without facing financial strain.

Recruiting new employees at RGS has become increasingly competitive, resulting in higher new employee costs and the need to increase pay rates for existing skilled employees. These measures were necessary to retain our critical RGS workforce. Elevated employee turnover has also led to higher costs for external recruitment and new employee training.

However, these increased employee costs have been counterbalanced by positive outcomes from cost-saving initiatives implemented following a 'value-add' review across all three operating airline service divisions. This initiative has generated some cost efficiency savings, particularly in consumables, IT and other operating costs where avoidable cost budgets were identified and reduced or eliminated if determined to be 'non-value adding'.

### **Red-Dot Cargo Services (RCS)**

Conversely, due to fuel inflation, RCS has benefited from price increases within the cargo sector, impacting global logistics companies. Additionally, RCS implemented an algorithmic pricing formula that better reflects distance travelled and mode of transport, leading to higher average pricing in 2024 compared to 2023.

Much like RGS, RCS has grappled with ongoing employee recruitment and retention challenges, which sometimes constrain cargo handling capacity during the year, leading to the refusal of certain cargo assignments. The impact of global fuel price inflation has been particularly felt in the cargo and logistics industry, with RCS being no exception.

Investments in RCS's online booking and logistics software have bolstered operational capacity, streamlined customer cargo assignments, and enhanced the accuracy of the cargo pricing algorithm. These efforts have driven the average cargo rates achieved beyond inflation.

### **Red-Dot Food Solutions (RFS)**

While RFS has experienced a successful year, revenue growth has been curtailed due to the nature of fixed-price customer contracts, preventing the immediate pass-on of food price inflation until contract renewals occur.

Moreover, planned food production capacity expansion has encountered delays due to ongoing challenges in establishing a new food processing site in Thailand, which is now postponed until early 2025, at the earliest.

Employee retention and recruitment have presented significant challenges for RFS, driving up employee costs in this division. A shortage of skilled food processing labour and the opportunity for higher-paying manufacturing jobs in other industry sectors have drawn employees away from the food preparation sector, including RFS.

Property costs are higher due to lease renewals being more expensive than forecast. Also, the increase in consumables is attributable to high food cost inflation during the year. It is also noted that RFS inventory levels remain higher than necessary which must be addressed in the forthcoming year.

### **Working capital**

This year, Red-Dot has made greater effort to effectively manage its working capital, given the persistently high receivable days and reduced liquidity. As a result, payable days have increased to extend the credit provided by our suppliers. Receivables have remained high due to the purchasing power of large airlines which have traditionally slow payment habits.

Despite these challenges, all Red-Dot airline service divisions have performed exceptionally well and are on course to achieve their longer-term strategic growth objectives.

## Reporting to the Board

The Chief Financial Officer (CFO), Devan Raj, has requested that for any financial performance analysis of Red-Dot for the year ended 31 March 2024 versus 31 March 2023, the focus should be on the following.

- **Revenue growth (%):** Overall and for RGS, RCS and RFS divisions
- **Revenue mix (%):** Between RGS, RCS and RFS divisions
- **Operating KPIs:** (**Note:** Analysis of the operating KPI data should be used to explain changes in revenue for each Red-Dot division.)
  - **RGS:** Revenue per checked-in passenger (S\$)
  - **RCS:** Revenue per ton of cargo (S\$)
  - **RFS:** Revenue per prepared meal (S\$)
- **Significant expenses:** RGS, RCS and RFS divisions only
- **Operating profit margin (%):** Overall and for RGS, RCS and RFS divisions
- **Working capital:** Inventory days, receivable days and payable days
- **Return on capital employed (%):** (profit after tax / total assets less current liabilities)

**Note:** No other ratio analysis is expected.

**END OF EXHIBIT 13**

**Email regarding potential merger between Red-Dot and AirMain**

*Email from Maya Rao, Red-Dot's Chief Strategy Officer (CSO), to the Board of Red-Dot discussing a potential merger with AirMain, a Hong Kong-based airline service company.*

**To:** Red-Dot Board of Directors  
**From:** Maya Rao, Red-Dot Chief Strategy Officer (CSO)  
**Date:** 5 May 2024  
**Subject:** Proposed strategic initiatives for future growth at Red-Dot

Dear Board Members,

Exciting News!! Following a more recent dialogue between the CEO of Red-Dot, Leela Tan and the CEO of AirMain, Aiden Toh, Leela has agreed to consider a merger between the two companies, given their similar sizes, access to Singapore and Hong Kong markets and potential to realising operating synergies and other benefits. Leela believes a merger with AirMain is in Red-Dot's best interests for its shareholders and its strategic future.

The following information will help evaluate possible merger terms, based on relative equity values. Currently, Red-Dot shares are trading at a PE ratio of 30, while AirMain's 1,500 million publicly traded shares are currently valued at HK\$13.20 per share. The closing currency exchange rate is HK\$5.76: S\$1.

Leela believes Red-Dot's strategic advantage is due to our Singapore-based operations and this should be reflected in advantageous merger terms to the benefit of Red-Dot shareholders.

A merger between Red-Dot and AirMain would launch a new holding company, AsiaPac Ground Services (AGS), and a rebranding for the combined Red-Dot/AirMain airline services. Merging the best operational practices from both businesses would

lead to an efficient process for AGS, capitalising on shared experiences, global reach, and scale. This could result in operational efficiencies and economies of scale.

Though AirMain and Red-Dot have some overlapping services, there are distinct differences. For instance, while AirMain offers routine aircraft maintenance and refuelling services, it does not handle air cargo services and inflight catering like Red-Dot. While there might be some personnel adjustments at the top, the primary focus will be training operational staff and expanding services to new airport locations.

Leela has highlighted the urgency to act, especially if we aim to seize tender opportunities with major airlines linked to the new runway at Chek Lap Kok International Airport in Hong Kong. I understand a request for tender invitation for new airline services from a major airline is due in roughly four months.

Best wishes,  
Maya

**END OF EXHIBIT 14**



**Email: Evaluation and implementation of new Airport Services Operating System (ASOS)**

**To:** Jayden Chua, Procurement Team Leader  
**From:** Devan Raj, Chief Financial Officer (CFO)  
**Subject:** ASOS tender process  
**Date:** 5 May 2024

Dear Jayden,

The Chief Operating Officer (COO), Nadia Hassan, has prepared a briefing paper concerning the potential introduction of a new automated employee, cargo and food scheduling system to replace our current manual systems and processes. The core of the new system chosen is called GroundStart, an industry-standard suite of cloud-based applications and a centralised database. However, significant integration work that is bespoke to our other systems will be required to ensure operational stability and performance.

**Key points to note about the new Airport Services Operating System (ASOS):**

- **Single IT Platform:** One IT platform, shared across all three Red-Dot airline service divisions, which means one centralised scheduling team can schedule employees and services for all three Red-Dot divisions. This will improve employee scheduling efficiency and employee utilisation throughout Red-Dot.
- **Cloud Based:** Maintained, secured, backed up, and hosted by the vendor.
- **Employee Smartphone App:** Employees will have a tailored view of their work allocation available in an app, automatically notifying them when their schedule is updated or changed.
- **Increased Utilisation:** In theory, utilisation could be dramatically improved given the potential for employees to work for more than one service line (skillset permitting), and for more efficient and effective last-minute scheduling. Increased training could increase the utilisation percentage from 75% to 90%.
- **New System Implementation:** One-off new system implementation costs have been estimated at S\$50 million in year 1 to deploy the new scheduling system

and mobile app. This estimated cost includes all internal IT costs and external supplier costs, training for the scheduling team employees to use the new system and other employees to use the module app and amend the wider network to accommodate the new software.

- **Employee Training:** Ongoing staff training costs will likely increase significantly as staff must be increasingly multi-skilled to work across service lines. This is anticipated to increase employee and related costs by 3% in the first year of system implementation.
- **Timescales:** Money and opportunity are leaking away from us daily without a new ASOS system. I am keen to ensure the new system is ready for use on 1 January 2025.

### **Supplier tendering process**

I would like to ensure a robust supplier tendering process. Nadia would like to discuss our plans to assess possible new system suppliers and our implementation plans at the next board meeting.

If we can improve existing employee utilisation rates, increase our flexibility to quickly manage business change and update employee, cargo and food schedules in real-time, then this would significantly reduce pressure to increase headcount and recruit. This means Red-Dot could service higher aircraft and passenger service volumes from our existing employees and facilities, improving our margins while also improving client service.

Therefore, I need your assistance to develop suitable criteria for evaluating potential suppliers for a proposed new automated employee, cargo and food scheduling system and formulating a high-level system implementation plan.

Can I suggest we meet to discuss your draft outline plans for each of the above before the next board meeting?

Thanks, Devan

**END OF EXHIBIT 15**

### Extract from Red-Dot 31 March 2024 Sustainability Report

At a recent board meeting, Red-Dot's Chair, Rohan Pillai, acknowledged that improvements need to be made to Red-Dot's environmental, social and governance (ESG) practices and disclosures in Red-Dot's Sustainability Report.

Below are all ESG Performance Metric related disclosures extracted from Red-Dot's 31 March 2024 Sustainability Report.

### Red-Dot ESG Performance Metrics

	<b>Red-Dot Sustainability Target</b>	<b>Performance Indicator</b>	<b>2024 KPI</b>
<b><i>Environmental Factors</i></b>			
<b>1. Emissions</b>	Achieve a 15% reduction in CO <sub>2</sub> emissions per ton of cargo transported by 30 June 2025.	Annual CO <sub>2</sub> emissions per ton of cargo transported	0.00035 (CO <sub>2</sub> per ton)
<b>2. Resource Efficiency</b>	Reduce water consumption in ground service operations by 10% by 2025 through water-saving technologies.	Annual Red-Dot water consumption per day	2.1% reduction
<b><i>Social Factors</i></b>			
<b>3. Employee Development</b>	Implement an annual training program for Red-Dot employees to enhance safety awareness and sustainable practices,	% of Red-Dot employees trained per annum	28.2%

	with a target of 95% participation.		
<b>4. Community Engagement</b>	Organise and engage in at least five community outreach events annually, involving ground service employees to contribute positively to local communities.	<ul style="list-style-type: none"> <li>• Number of community outreach events organised by Red-Dot (no. of events)</li> <li>• Red-Dot employee participation in community initiatives (days)</li> </ul>	<ul style="list-style-type: none"> <li>• 4 events</li> <li>• 512 days</li> </ul>
<b>Governance Factors</b>			
<b>5. Board Diversity</b>	Maintain a board of executive directors with a minimum of 40% representation of women to ensure diverse perspectives in decision-making.	Current female executive board representation %	71.4% (5 female, 2 male)

**END OF EXHIBIT 16**

**Appointment of a professional advisor to the Board of Red-Dot**

The Board of Red-Dot has engaged the services of Dragon Professional Accountants to advise on strategic, operational and financial aspects of its airline service operations.

This appointment aims to provide the Board of Red-Dot with a comprehensive and independent preliminary report to facilitate well-informed decision-making.

You are Lucas Ng, a recently qualified Singapore Chartered Accountant at Dragon Professional Accountants. You are responsible for providing the Board of Red-Dot with a report which will focus on:

- Red-Dot's recent financial performance
- Evaluation of strategic option to merge with another airline service company and consideration of taxation impacts and possible assurance requirement
- Implementation of a new Airport Services Operating System (ASOS) and strategy for employee recruitment and retention
- Ethics and sustainability

The specific requirements to be included in your report are set out in Exhibit 18.

**END OF EXHIBIT 17**

**Red-Dot Airport Terminal Services Limited: Requirements**

Your formal report should focus on Red-Dot only, and comprise the following four elements:

**e-Exam  
Question  
Number**

**Requirement 1: An Executive Summary**

**2**

- (a)** Write an executive summary to accompany your report. Your executive summary should allow Leela Tan, CEO of Red-Dot, to obtain a general understanding of what your report contains, including the key numbers. You should also include clearly stated assumptions, conclusions, and recommendations.

**Note to Candidates:** While your executive summary should not contain any material or points you have not discussed in the main body of the report, you are required to highlight any potential interactions between the individual standalone requirements below.

**(Total: 10 marks)**

**e-Exam  
Question  
Number**

**Requirement 2: Performance evaluation and evaluation of strategic options to merge with another airline service company**

- 3**      **(a)**      Evaluate the financial performance of Red-Dot for the year ended 31 March 2024 versus the year ended 31 March 2023.

**Note to Candidates:** Your performance analysis should follow the instructions provided in Exhibit 13.

**(16 marks)**

- 4**      **(b)**      Evaluate the potential merger of Red-Dot with AirMain using a suitability, acceptability and feasibility (SAF) framework and make a recommendation to the Red-Dot's Board.

**(16 marks)**

- 5**      **(c)**      Briefly explain **FOUR** potential significant taxation consequences which the Board of Red-Dot should be aware of as part of a decision to proceed with a merger with AirMain.

**(4 marks)**

- 6**      **(d)**      Advise the Red-Dot's Board on the assurance engagement in relation to a potential merger with AirMain as requested by Red-Dot's Chief Financial Officer (CFO), Devan Raj (See Exhibit 7).

**(4 marks)**

**(Total: 40 marks)**

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**Requirement 3: Implementation of a new Airport Services Operating System (ASOS) and strategy for employee recruitment and retention**

**Note to Candidates:** Ignore the potential merger with AirMain for all parts of Requirement 3.

7

(a) Evaluate the potential **PROS** and **CONS** relating to the proposed new automated employee, cargo and food scheduling system (Exhibit 15). In doing so, make a justified recommendation to the Board of Directors of Red-Dot whether it should proceed with the Chief Operating Officer's (COO) proposal.

**Note to Candidates:** Limit your answer to **THREE** pros and **THREE** cons.

**(14 marks)**

8

(b) Set out the principal financial reporting treatment for costs associated with implementing a new ASOS.

**(4 marks)**

9

(c) Advise **SIX** criteria for the Red-Dot procurement team to evaluate potential suppliers of the proposed new ASOS.

**(6 marks)**

10

(d) Explain why Red-Dot requires an employee recruitment and retention strategy **and** recommend **SIX** aspects of an employee recruitment and retention strategy which can be implemented by the Board of Red-Dot to help Red-Dot achieve its strategic growth objectives.

**(8 marks)**

**(Total: 32 marks)**



**e-Exam  
Question  
Number**

**Requirement 4: Ethics and sustainability ESG KPI disclosures**

**11**

- (a)** Evaluate the ethical issue which has arisen from the information included in Exhibit 10 and recommend a course of action to the Red-Dot's Board of Directors.

**Note to Candidates:** Apply the following framework to structure your answer:

- (1) Identify the ethical dilemma
- (2) Consider if existing safeguards or other mitigations are in place
- (3) Evaluate the ethical dilemma
- (4) Recommend a course of action; and
- (5) Justify your recommendation

**(10 marks)**

**12**

- (b)** Evaluate Red-Dot's existing ESG Performance Metrics disclosures **and** recommend **THREE** enhancements to ESG monitoring and disclosures, which will improve Red-Dot's ESG performance and compliance with SGX rules for Singapore-listed companies.

**(8 marks)**

**(Total: 18 marks)**

**END OF EXHIBIT 18**

**END OF PAPER**