# DIPLOMA IN CORPORATE FINANCE
## SPECIMEN PAPER

## CORPORATE FINANCE STRATEGY & ADVICE
### MARK SCHEME

The following information is provided solely for the guidance of candidates.

<table>
<thead>
<tr>
<th>Question</th>
<th>Marks</th>
<th>Total Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15</td>
<td>25</td>
</tr>
</tbody>
</table>

1. For financial analysis and identification of trends
   The analysis should include discussion of:
   - Profitability
   - Liquidity
   - Gearing
   - Asset turnover
   - Shareholders returns

   For a supported conclusion
   - 10 marks

2. For the summary
   - This should include:
     - Shareholders after the capital raising
     - Control issues

   For supported conclusion
   - This should include:
     - Discussion of cash requirements
     - Working capital
<table>
<thead>
<tr>
<th>Expansion</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reorganisation costs</td>
<td></td>
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</tbody>
</table>

3 For advantages and disadvantages 5

For the SWOT analysis 15
Typically this will include:

**Strengths:**
- Customer focused
- Diversity of products
- Marketing Strategy
- Size

**Opportunities:**
- Expansion
- E-trading
- New stores
- Health and fitness trend

**Weaknesses:**
- No manufacturing
- UK based
- Weak financial position
- Shareholder relations

**Threats:**
- Economic conditions
- Competition
- Regulatory

For a supported conclusion 5

4 Marks will only be awarded for any realistic suggestions 10

5 For identifying concert parties and Rule 9 implications 10

For mention of seeking a waiver of Rule 9 obligations 5

| Total Marks | 100 |