JULY 2026 PROFESSIONAL EXAMINATIONS
STRATEGIC CASE STUDY (PAPER 3.4)
CHIEF EXAMINER'S REPORT, QUESTIONS AND MARKING SCHEME

EXAMINER'S GENERAL COMMENTS AND STANDARD OF THE PAPER

The paper was of a good standard. All the questions were within the scope of the syllabus and the learning material published by the Institute. The case study centred on Destiny Group, a Ghanaian owned conglomerate with expertise in a host of services including transportation and logistics, namely, shipping, freight forwarding (land, sea and air), customs clearance, cargo handling, transportation of people and haulage of goods.

The questions related to factors in the external environment and their impact on Destiny Group, importance of corporate social responsibility, benefits of environmental management accounting, significance of adopting ISO 31000 and determination of growth strategies for Destiny Group. Other areas examined were financial ratios, ethical problems faced by accountants and how the principles of corporate governance could be applied to strengthen board effectiveness.

PERFORMANCE OF CANDIDATES

There was a marked improvement in the overall performance of the candidates compared to the previous sitting.

NOTABLE STRENGTHS & WEAKNESSES OF CANDIDATES

Strengths

Most of the candidates attempted all the five questions. They performed well in questions 1, 4 and 5.

Weaknesses

Some of the candidates performed poorly because their responses to questions revealed that they did not prepare well for the examination. In a few cases, the candidates demonstrated weakness in the general knowledge in accounting, finance and management. The problem of most of the candidates was their inability to use facts from the case to support or justify their answers. They responded to the questions as if they were answering essay questions.

DESTINY GROUP

INTRODUCTION

Destiny Group is a Ghanaian owned conglomerate with expertise in a host of services including transportation and logistics, namely, shipping, freight forwarding (land, sea and air), customs clearance, cargo handling, transportation of people and haulage of goods. The headquarters of the company is in Kumasi, Ghana. It has presence in Egypt and Morocco. From a humble beginning as a freight forwarding company in the year 1999, the scope of products and activities of the Group have grown to include the provision of agile security solutions to individuals and organization, port handling, fixed based operations, real estate, construction, civil engineering, agriculture and salt production. Destiny Group have a workforce of highly motivated individuals who are inspired to work through training and continuous improvement to exceed the expectations of the company's numerous clients. The company takes sustainability very seriously, and are currently in the process of becoming ISO certified. The company is also passionate about giving back to the communities where it operates.

The shipping unit of the company is the first and only Freight Forwarding Company to obtain the Air Carrier License in handling-chartered cargo flights in Ghana and currently has the General Sales Agent (GSA) partnership agreement for Global Aviation in West Africa.

Vision

To be the best in Africa in intra-African trade.

Mission

To seamlessly connect Ghana and the world by providing integrated shipping, freight forwarding, customs clearance and port handling services that are reliable and efficient.

CORE BUSINESS AND SERVICES

The Destiny Group operates primarily in the transportation and logistics sector, with three main divisions:

Destiny Shipping Company - This division handles freight forwarding for land, sea and air transport.

Destiny Aviation - Provides air freight services, including chartered cargo flights and private jet services. It is the first freight forwarding company in Ghana to obtain an Air Carrier License for chartered cargo flights and secured a license to operate a private jet section at Kotoka International Airport (KIA) in 2019.

Destiny Logistics - Offers warehousing (bonded and non-bonded), cargo handling, removal services, courier and haulage services, heavy-duty transport, and project cargo movement.

Destiny Group partnered with the Ghana Ports and Harbours Authority (GPHA) to develop the ElectroChem Terminal, Port of Ada on the Volta River. This new marine facility will streamline the export of salt, reduce logistical bottlenecks, lower costs, and boost job creation and economic growth in the Ada enclave

DESTINY GROUP BOARD OF DIRECTORS

Jane Asante, Non-Executive Chair

Jane Asante had a long and successful career as a politician, including spending four years as a Deputy Minister for Roads and Highway. She has now retired from politics. In addition to her position on Destiny Group's board, she is a visiting professor of economics at a prestigious university in Ghana. Jane joined Destiny Group's Board in 2021.

Henry Koomson, Chief Executive Officer (CEO)

Henry Koomson has a degree in accounting. He was an accountant with a major accounting firm before joining Destiny Group as a senior manager in the company's accounts department. He was appointed as Chief Executive Officer in 2021.

John Amartey, Chief Operating Officer (COO)

John Amartey holds a heavy goods vehicle license. He worked in a food warehouse after leaving school, during which time he learned to operate forklifts. He went on to learn how to drive articulated trucks. He joined Destiny Group in 2012 as a trainee warehouse manager. He completed an MBA degree, after which he was promoted to various management roles within the company. John joined Destiny Group's Board in 2020.

Bernard Adjei, Chief Finance Officer (CFO)

Bernard Adjei is a qualified accountant. He spent much of his career working for a leading supermarket company, during which time he completed his professional training and worked his way up to a senior management role in the finance function. He joined Destiny Group in 2014 as Chief Accountant and was promoted to CFO in 2019.

Frank Danso, Chief Information Officer (CIO)

Frank Danso studied data science at the university. After graduating, he worked in logistics management with a various manufacturing companies. He joined Destiny Group in 2017 as a senior IT manager. He was promoted to his present position on the Board in 2021.

Maxwell Turkson, Director, Human Resources (DHR)

Maxwell Turkson has significant experience in human resource management at a senior level. He was HR Director at a major telecommunication company before joining Destiny Group's Board in 2020.

Professor Janet Mensah, Senior Independent Director

Professor Mensah had a successful career in academia and later as a professor of management science at Capital City University. She joined Destiny Group's Board as an independent director in 2019, combining that with convening the Management Committee of Capital City Hospital. She was appointed Destiny Group's Senior Independent Director in 2021.

Gloria Addo, Independent Non-Executive Director

Gloria Addo has an engineering background. She spent most of her career working for a leading vehicle manufacturer and later as Director of Innovation. She retired from full-time employment in 2018. Since then, she has combined his role on Destiny Group's Board with convening a professional engineering body's outreach programme to encourage school pupils to consider a career in engineering.

Gilbert Annan, Independent Non-Executive Director
Gilbert Annan worked for Ministry of Roads and Highways for most part of his career. He had reached a senior position by the time of his retirement. He was involved in drafting legislation on a variety of issues, including revisions to motorway speed limits and updating the tests required for driving licenses. Gilbert joined Destiny Group's Board when he retired from public service in 2021.

BUSINESS GROWTH
Destiny Group is now one of the largest 3rd PLP logistics providers in Ghana. It provides intermodal logistics management services to many large organizations including:

Inventory management	Destiny Group provides IT-based services to manage customers' inventory and enhance efficient transport: • Planning and optimization of uplifts and dispatches • Data capture and analysis • Optimization of vehicle utilization • Modelling and decision making with respect to inventory holding Clients provide Destiny Group with access to relevant data held on their enterprise resource planning (ERP) systems. Destiny Group uses a warehouse management system (WMS) to track inventory levels and movements of goods. Destiny Group can manage elements of a client's supply chain. Clients may issue instructions relating to the movement of goods, or they may ask Destiny Group to monitor and manage inventory at different locations. For example, a supermarket client might pay Destiny Group to replenish shops using goods held under Destiny Group's management and at Destiny Group's discretion, provided the shops do not run out of products and have space for the incoming deliveries.
Shared user storage and handling	Destiny Group has 45 warehouses spread across Ghana. These are used to store and dispatch goods. Clients are charged on the basis of the storage space occupied and the length of occupancy, with additional charges for inventory handling. Inventory handling includes checking incoming goods, putting them into storage and collecting them and processing them for dispatch. The warehouses have areas set aside for the storage and handling of different types of goods, including temperature and humidity-controlled areas for storing food and secure areas for the storage of high-value items.
Outsourced warehouse management	Destiny Group operates 100 warehouses belonging to clients, providing both labour and all aspects of inventory handling.

Shared usage transport	Destiny Group owns 400 articulated tractor units and 600 trailers. All are available for shared usage. That enables goods to be carried as part loads, which reduces transportation costs. It also makes it possible for trucks to backhaul loads on the return journey, again offsetting running costs for clients. Shared usage reduces the number of vehicles on the roads, making this a more sustainable means of operation. The company's trailer fleet includes 500 tankers that can carry liquids or powder. 400 of those are available for the carriage of fuel and chemicals. The remainder are for the carriage of foods, including milk and vegetable oils. The company has a further 900 smaller vehicles, including rigid trucks and vans, to offer a flexible and efficient service.

CORPORATE SOCIAL RESPONSIBILITY

The Destiny Group is deeply involved in Corporate Social Responsibility through a charity foundation. The foundation funds educational infrastructure projects, entrepreneurship challenges by offering substantial funding and mentoring support, and other philanthropic efforts aimed at youth development and community upliftment. For example, the foundation has built multiple school blocks in the Northern Region of Ghana and supports vulnerable children.

THE LOGISTICS BUSINESS

Logistics is a broad term that encompasses the process of managing the flow of goods, ensuring that they reach their intended destination on time. Logistics includes the planning, implementation and control required to ensure the safe and efficient management of that flow as well as the physical transportation of materials and products. Most logistics systems involve the following:

- Inbound logistics focus on the procurement of goods:
  - receiving and checking goods (which may take the form of parts, materials and/or finished products)
  - storing goods (if necessary)
  - updating inventory records

- Internal logistics involves handling goods within the entity, excluding inbound and outbound logistics:
  - managing goods
  - maintaining inventory records

- Outbound logistics involves processes associated with the movement of goods to customers:
  - warehouse picking
  - packing
  - dispatch
  - recording

Outbound logistics also includes reverse logistics whereby goods move from a customer to the entity. That may be due to the return of defective goods or the recycling of products or packaging.

Each stage in the flow of goods depends upon the maintenance and communication of accurate information. Logistics requires the effective communication of information both within the entity and between the entity and its suppliers and customers.

The scale and complexity of logistics varies between entities, depending on their size and the nature of their business. For example, a manufacturer such as Asanka Motors has very different needs from a retailer such as Melcom Supermarkets.

INHOUSE OR OUTSOURCED

Logistics can be managed in-house or outsourced to a contractor. Very few large organizations manage their own logistics because it is more efficient to outsource to a specialist. It is possible to outsource some or all elements of logistics, as follows:

A first-party logistics provider (1^{st} PLP) is a business that manages its own logistics.
A second-party logistics provider (2^{nd} PLP) handles the transportation element of the flow of goods, acting on the instructions of a client. The client retains responsibility for managing its logistics.
A third-party logistics provider (3^{rd} PLP) provides a wide range of services associated with logistics, from warehousing goods to their delivery.
A fourth-party logistics provider (4^{th} PLP) extends the 3^{rd} PLP model by taking responsibility for the strategy underlying logistics. Some 4^{th} PLPs employ external 3^{rd} PLPs to provide transportation and warehousing.

Most large businesses use some variation of the 3^{rd} PLP arrangement, which potentially offers a number of advantages:

- 3^{rd} PLPs offer expertise that can improve the reliability of logistics while reducing costs.
- 3^{rd} PLPs may use their own warehouses and vehicles, in which case clients need not invest in property, plant and equipment.
- 3^{rd} PLPs can offer flexibility in the event of changing needs. Clients may be able to add or release capacity in response to changing demand.
- 3^{rd} PLPs can resolve problems affecting the flow of goods without the need to distract clients' management teams.
- 3^{rd} PLPs can take responsibility for managing legal requirements such as licenses and safety requirements.

Those advantages may not always be realized in practice. For example, there can be seasonal variations in demands for storage space, and so 3^{rd} PLPs may not always be able to offer flexibility at busy times of the year.

SHARED VS DEDICATED 3^{RD} PLP

Some clients negotiate exclusive arrangements for the use of a 3^{rd} PLP's resources. These "dedicated" arrangements grant exclusive use of specific assets belonging to the 3^{rd} PLP. That could mean that a number of vehicles will be painted in the client's colours and will be used on that client's business, or a warehouse could be set aside for the client's exclusive use.

Shared arrangements do not guarantee the exclusive use of assets. The 3rd PLP is free to, for example, use a vehicle to carry several part loads for different clients in one trip, or to carry a load for one client on the outward journey between two locations and another load for a different client on the return journey. A warehouse could also have areas set aside for different clients within the same building.

Dedicated arrangements may be more cost-effective than shared for companies that have high volumes of goods to transport in accordance with a regular schedule so that vehicles can be kept full capacity. They may also be beneficial for clients who have specialized needs such as goods that require specialized storage or transportation arrangements.

STORAGE

Logistics management usually requires warehousing or other forms of storage that permit goods to be stored safely until they are required at the next stage of their journey. The number, size and location of storage facilities must be decided. Storage sites must be large enough to provide sufficient capacity. They must also be accessible to whatever mode of transport will make deliveries or collections, whether by road, rail, sea or air. Locations can also affect transportation costs due to distances between nodes.

Storage facilities must be configured and equipped to handle the goods that will flow through them. For example, goods are often carried on wooden pallets so that they can be lifted by forklift trucks. That usually requires warehouses to have loading docks that enable forklifts to drive into cargo trailers when loading or offloading. The main storage space in the warehouse will then have to permit free and safe movement of forklifts so that pallets can be placed in storage or picked for dispatch.

Different types of racks can be installed to make the best possible use of available space, taking account of the weight of a typical pallet (for instance, pallets of electronic goods will generally be lighter than pallets of tinned foods).

Warehouses can be automated, by using conveyor belts to move goods, thereby reducing the need for manual labour. It is also possible to use robots to pick and carry goods, placing them in their assigned storage location or preparing them for dispatch. This type of automation is frequently associated with the fulfilment of online sales. Dispatches might comprise a single item or a small number of different products, picked from a large warehouse that stores many different products. Many products require specialized facilities for handling and storage. For example, liquids require tankers and storage tanks. Grain and other crops require their own equipment for collection and storage. Different types of goods can also raise safety concerns if they are flammable or toxic and must be handled with care. Or there may be hygiene issues with goods that are intended for human consumption, either as food products or ingredients.

TYPES OF TRANSPORTS

There are four forms of transport. They are road transport, sea transport, air transport and intermodal transport.

Road transport

Road transport takes a variety of forms:

Cars and vans
Cars and vans can be an efficient means of carrying small loads, particularly when making multiple deliveries over the "last mile" for an online retailer. Drivers do not need to have special licenses, and so recruitment and retention are simplified for employers. Some larger vans can accommodate a pallet and can be loaded and offloaded by forklift.

Rigid trucks
Rigid trucks consist of a chassis with a cab for the driver and a load compartment. Manufacturers usually supply these vehicles without a load compartment. Third-party suppliers can then add a load space that best meets the buyer's needs. For example, the load compartment could have flexible "curtain" sides that can be opened to make it easier to load and offload with a forklift or the load compartment might be refrigerated. Rigid trucks are available in a variety of sizes – 18-tonne trucks are a popular size because they are well suited to carrying pallets of goods.

Articulated trucks
Articulated trucks consist of a tractor unit and a trailer. The tractor unit has the driver's cab, the engine and the fuel tanks. The trailer carries the load. Tractors and trailers are designed to be interchangeable, to the extent that a trailer can be left at a destination for loading and the tractor can be hitched to another trailer for the return journey. Trailers come in a variety of different configurations, allowing buyers to specify the manner in which they will be loaded and offloaded as well as the ability to specify trailers that are suited to different types of cargo.

Drivers must have heavy goods vehicle licenses before they can drive an articulated truck, even if it is a bare tractor unit without a trailer. Some tractor units come equipped with a sleeping compartment, which enables the driver to park overnight and sleep in the cab.

Sea transport
It may be necessary to use sea freight simply because there are no alternatives when goods are to be transported to or from a distant location. For example, Jospong Limited imports large quantities of grain. That grain is transported to Tema harbour on bulk carriers. The grain is then transported by road or rail to factories where it is used to make bread and other products. Bulk carriers have open holds that can carry large quantities of goods such as grain, ore or coal. Each type of load requires specialized equipment to allow it to be loaded and offloaded quickly and efficiently. Bulk goods are often loaded into open-topped railway wagons at the dockside.

Liquids such as oil are carried on tanker ships. Liquids can be pumped from tankers into storage tanks by the dockside. Those liquids can then be pumped to smaller ships or into tankers towed by trucks or railway locomotives for onward transportation.

Container ships carry goods in shipping containers, which allow for rapid loading and offloading. Many ports have container terminals that are equipped with cranes designed to lift containers. Once offloaded, containers can be stacked ready to reload onto another ship. Containers can also be loaded onto trucks or trains. Containers are standard sizes, which makes them easy to manage. Shipping containers can also be brought to ports on railway wagons and trucks, making them a flexible means of transporting goods for export.

Articulated trucks can be carried on car ferries, which can allow for flexibility in making sea crossings that are served by ferry routes.

Most 3rd PLPs can manage the documentation associated with imports and exports by sea, in addition to making the necessary arrangements to charter ships or to organize the carriage of shipping containers by sea.

Air transport

Freight can be carried by air, either on dedicated cargo aircraft or in the holds of passenger aircraft, alongside luggage. Airfreight is generally suited to high-value goods that are small enough to be carried economically. It may also be necessary to consider airfreight for the transportation of goods that are either urgent or that are perishable. For example, fresh fruit and vegetables account for 15% of the weight of airfreight arriving in Ghana. Some varieties must be imported from countries with warmer climates and must be flown rather than shipped because they are unsuitable for freezing and would not remain edible for the duration of a sea voyage.

Cargo aircraft are configured to carry only freight. They can accommodate large items that are required urgently and so cannot be transported by overland or by ship, or large volumes of pallets, such as high value electronics that must be transported quickly and securely. It is possible to charter a cargo aircraft for a single urgent load or for regular deliveries of an item that requires the speed or security of airfreight.

It is also possible to book consignments of freight onto the cargo aircraft operated by the major courier companies. Those companies have regular flights between major transport hubs in most industrialized countries. Most airfreight is carried in the holds of passenger aircraft. Airlines do not require all their hold space for passenger luggage and can generate significant additional revenue by carrying cargo. Goods must fit onto the standard pallets used for airfreight and clear the door to the aircraft hold. All large airports are equipped to handle freight. It is possible to transfer freight between aircraft on connecting flights when there is no direct flight between a load's origin and its final destination.

It can be complicated to manage airfreight. Many 3rd PLPs work with third-party specialists to deal with clients' needs.

Intermodal transport

Intermodal transport involves the use of two or more modes in a single journey. For example, a shipping container might arrive at a port by sea, be offloaded onto a railway wagon that carries it to a terminal at which it is loaded onto an articulated truck for delivery to its final destination.

Intermodal transport frequently involves freight that is being carried in shipping containers. These can be stacked on the decks of container ships or loaded onto wagons on freight trains or trailers on articulated trucks. The containers can also be stacked on land for storage purposes, enabling goods to be stored without the need for warehouse space to protect them.

Shipping containers are standardized in terms of their size and the fittings that are used to secure them on a ship, train or truck. Those same fittings are also compatible with the hoists used for loading and unloading at ports and road and rail terminals. Containers can be purchased with refrigeration, air conditioning and other systems that enable them to be used to prolong the lives of perishable goods during transportation and storage.

Intermodal transportation can offer rapid and efficient movement of goods in comparison to single mode of transport. For example, it may be cheaper to use an articulated truck to transport manufactured goods from a factory to the nearest rail terminal and have them complete their journey by freight train rather than making the entire journey by road. The intermodal transport can be made more efficient by using inland ports. These are basically rail terminals that are not served by a seaport. They are usually located close to both main railway lines and motorways so that they can act as distribution centers, offering flexibility in the collection and onward movement of goods. They also have storage facilities to enable goods to be offloaded and held until they are needed.

It is often cheaper to take goods arriving by ship to an inland port for storage or distribution. Seaports usually have good rail links, but it can be expensive to store goods there because of restrictions on space. Similarly, goods can be offloaded at an inland port before taking them by rail to a seaport. Inland ports can also be used for transporting goods within the country. They can make it cost-effective to transfer goods from road to rail, even if the railway journey is relatively short.

INDUSTRY OVERVIEW

Ghana’s logistics industry is centered on Tema Port, Takoradi Port, Kotoka International Airport, inland road corridors, and regional transit trade to Burkina Faso, Mali, Niger and other landlocked markets. The sector is fragmented in freight forwarding, customs brokerage and road haulage, but more concentrated in port terminal operations and international container shipping.

Tema is the most important maritime hub. Meridian Port Services, the operator of Tema’s main container terminal, describes Tema as one of the best-performing container ports in West and Central Africa, and the Ghana Ports and Harbours Authority (GPHA) positions Ghana’s ports as a West African trade and logistics hub.

Companies and Competition by Activity

Activity	Major Companies and Institutions in Ghana	How Competition is Being Handled	Apparent Leader
Shipping / Shipping Lines	Maersk Ghana, MSC, CMA CGM Ghana, PIL, COSCO, local shipping agents and vessel agencies	Compete on sailing frequency, global network, freight rates, reliability, demurrage terms, digital booking, and inland logistics add-ons. Global lines increasingly bundle sea freight with inland transport and warehousing.	Maersk, MSC and CMA CGM Ghana are the dominant global-line competitors; no single public source confirms one Ghana market-share leader.
Freight forwarding	OMA Logistics Ghana, Jonmoore International, Air-Sea Services Ghana, Mac Logistics, Elban Logistics, Tramsco Shipping, Logic Logistics, Miracle Logistics, Swiftway Shippers, Dominant Logistics, Kanshipp and many Ghana Institute of Freight Forwarders (GIFF) members	Highly fragmented; firms compete through customs knowledge, speed, relationships at ports, tracking technology, pricing, sector specialization and end-to-end service. GIFF is the main professional association.	OMA Logistics / Jonmoore / large integrated forwarders are among the stronger visible players, but the segment has no clear public monopoly leader.
Customs clearance / customs brokerage	Licensed customs house agents, GIFF members, OMA, Tramsco, Logic Logistics, Miracle Logistics, Elban Logistics and other clearing agents around Tema, Takoradi and KIA	Competition is based on compliance record, speed of declaration, Integrated Customs Management Systems (ICUMS) proficiency, ability to reduce demurrage, documentation accuracy and importer relationships. Ghana's ICUMS platform is the core e-customs system.	No single leader; **licensed agents with strong ICUMS capability and port relationships** lead commercially.
Cargo handling / terminal operations	GPHA, Meridian Port Services, Amaris Terminal, Swissport / Aviance-type airport cargo handlers, terminal	More regulated and capital-intensive than forwarding. Competition is driven by terminal productivity, crane capacity, berth access,	**Meridian Port Services at Tema Terminal 3** is the clearest leader in container cargo handling. MPS is a GPHA/APM

Activity	Major Companies and Institutions in Ghana	How Competition is Being Handled	Apparent Leader
	operators, bonded warehouse operators	storage cost, safety and automation.	Terminals/Africa Global Logistics joint venture.
Transportation of people	Intercity STC, VIP Jeoun Transport, Metro Mass Transit, O.A. Travel & Tours, GPRTU operators, ride-hailing and private bus operators	Operators compete on fares, route coverage, comfort, safety, departure frequency, terminals, online booking and parcel services. Fare regulation and union coordination remain important.	**VIP Jeoun** is very strong in premium intercity coach travel; **Metro Mass Transit** is a major mass public transport provider; **STC** is the historic national coach brand.
Transportation / haulage of goods	Jonmoore International, Jospong logistics subsidiaries, OMA Logistics, Amaris Terminal/JSA Logistics, Ted Projects and Logistics, Hass Logistics, local truck unions and independent hauliers.	Fragmented market; players compete on fleet reliability, heavy-lift capability, regional corridor knowledge, price, insurance, tracking, mining/oil/project-cargo specialization and turnaround time.	**Jonmoore International** is one of the most visible leaders in heavy haulage and project logistics; large groups such as **Jospong** are also significant.

SWOT ANALYSIS OF GHANA'S LOGISTICS AND TRANSPORT INDUSTRY

Strengths

Ghana has a strong geographic position on the Gulf of Guinea and serves both domestic and transit trade. Tema Port's expansion and the presence of major global shipping lines strengthen Ghana's maritime connectivity.

The industry also benefits from an established ecosystem of freight forwarders, customs brokers, shipping agents, truckers, terminal operators, warehouses and transport unions. GIFF and other associations give the freight forwarding segment a professional structure.

Weaknesses

The industry is fragmented, especially in freight forwarding and haulage. Many operators compete mainly on price, which can reduce margins and encourage underinvestment in technology, fleet renewal and compliance.

Customs clearance can still be complex. Importers face duties, fees, ICUMS processes, valuation questions and multiple regulatory touchpoints, all of which can create delays and demurrage if documentation is weak.

Road transport is exposed to fuel prices, spare parts costs, road conditions, congestion and vehicle maintenance challenges. Fare disputes and transport union negotiations also affect passenger transport stability.

Opportunities
Ghana can grow as a West African logistics hub, especially for transit cargo to landlocked countries. Tema's improved container terminal, major shipping-line presence and Ghana's regional trade position support this opportunity.
Digital freight forwarding, cargo tracking, e-customs integration, warehouse management systems, cold-chain logistics, e-commerce logistics, and AfCFTA-driven regional trade are major growth areas.
The Ghana Shippers' Authority Act, 2024 expands regulation over shipping and logistics service providers, which may improve transparency and industry standards if implemented well.

Threats
The industry faces strong pressure from fuel costs, currency volatility, port charges, demurrage, vehicle maintenance costs and imported spare-parts prices. In passenger transport, fare increases can reduce demand or create public resistance.
Competition from neighbouring ports, especially in Côte d'Ivoire, Togo and Nigeria, could challenge Ghana's hub ambitions if Ghana's port costs, customs processes or inland transport costs become less competitive.
Regulatory overlap is also a risk. The expanded role of the Ghana Shippers' Authority has raised industry discussion because freight forwarding and customs brokerage are already supervised through customs-related laws and institutions.

Strategic Insight
Ghana's logistics industry is attractive but uneven. Cargo handling is led by infrastructure-heavy players like MPS; shipping is dominated by global lines; freight forwarding and customs clearance are fragmented; haulage is competitive and asset-intensive; passenger transport is led by strong route-based brands and unions.

The best-positioned companies are those moving toward integrated logistics: shipping support, freight forwarding, customs clearance, warehousing, cargo handling coordination, trucking, tracking technology and regional distribution. In practical terms, the winning model in Ghana is no longer just "clearing and forwarding"; it is end-to-end trade logistics with compliance, speed, visibility and cost control.

HOW COMPANIES ARE HANDLING COMPETITION

Companies in Ghana's logistics and transport space are responding in several ways:
Integrated service offerings: Forwarders and logistics companies are moving from single services to bundled solutions: freight forwarding, customs clearance, warehousing, cargo handling, inland transport, project cargo, and sometimes last-mile delivery. Destiny Shipping Company, for example, markets freight forwarding, customs brokerage, haulage, inland transportation, and project cargo services together.

Digitalisation and compliance: Customs clearance competition increasingly depends on how well companies use ICUMS, prepare documentation, reduce errors, and manage regulatory compliance. ICUMS processes documents and payments through a single-window system for automated customs operations.

Speed and reliability: Port operators and cargo handlers compete on vessel turnaround time, equipment availability, berth productivity, cargo visibility, and reduced dwell time. Tema's modern container terminal is a major competitive advantage for Ghana's hub ambitions.

Fleet investment and route coverage: Haulage firms compete by investing in trucks, maintenance facilities, GPS tracking, driver training, insurance, and reliable port-to-inland delivery. Passenger transport operators compete through route expansion, bus quality, online booking, parcel services, and terminal convenience. STC markets domestic and West African passenger services, while Metro Mass remains an important state-backed mass transit operator.

Regional positioning: Ghanaian logistics operators are positioning for transit trade to Burkina Faso, Mali, Niger, Côte d'Ivoire, Togo, and other West African markets. AfCFTA and Ghana's location give the industry a strong regional growth story, provided road, rail, customs, and port bottlenecks are reduced.

FUTURE OUTLOOK

The outlook is positive but competitive. Ghana's logistics sector should benefit from rising container traffic, Tema Port's strong position, AfCFTA trade, e-commerce growth, mining and oilfield logistics, and increasing demand for professional supply-chain services. The 2024 container-volume rebound to about 1.7 million TEUs or Twenty Foot Equivalent Unit, indicates that port activity is recovering strongly and that Ghana remains an important West African gateway.

The strongest growth opportunities are likely to be in integrated logistics, not standalone clearing or trucking. Customers increasingly want one provider to manage shipping, customs clearance, warehousing, inland haulage, tracking, and delivery. This favours companies that can invest in technology, compliance, fleet capacity, and regional partnerships.

However, Ghana must address port access congestion, road quality, high logistics costs, customs-system reliability, and weak rail connectivity. Analysts and industry commentators continue to emphasise dedicated road and rail corridors linking ports to inland markets as a way to reduce transit times and logistics costs.

For passenger transport, the future will likely involve a gradual shift toward formalised, safer, more technology-enabled transport: online ticketing, fleet renewal, better terminal management, route data, safety enforcement, and potential reforms of informal transport unions. But trotros and private minibuses will remain important because they are flexible, affordable, and deeply embedded in Ghana's mobility system.

Overall conclusion: Ghana's shipping, clearing, freight forwarding, cargo handling, transport, and haulage industry is moving from a fragmented, relationship-driven market toward a more digital, compliance-heavy, integrated logistics industry. The winners will be companies that combine customs expertise, reliable fleet operations, technology, safety, warehousing, and regional corridor reach.

FINANCIALS

Destiny Group

Consolidated Statement of Financial Performance for the Year Ended 31 December

	2024	2023
	GH¢' million	**GH¢' million**
Revenue	9,945	9,050
Operating costs	(9,250)	(8,505)
Operating profit	**695**	**545**
Finance costs	(70)	(65)
Profit before tax	**625**	**480**
Tax expense	(75)	(60)
Profit for the year	**550**	**420**

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024

	Share Capital	Retained Earnings	Total
	GH¢' million	**GH¢' million**	**GH¢' million**
Opening balance	500	1,550	2,050
Profit for year		550	550
Dividend paid		(460)	(460)
Closing balance	**500**	**1,640**	**2,140**

Consolidated Statement of Financial Position as at 31 December

	2024	**2023**
Assets	**GH¢' million**	**GH¢' million**
Non-current assets		
Property, plant and equipment	2,650	2,555
Goodwill	455	455
	3,105	**3,010**
Current assets		
Inventory	15	10
Trade receivables	1,450	1,285
Bank	160	140
	1,625	**1,435**
Total assets	**4,730**	**4,445**
Equity		
Share capital	500	500
Retained earnings	1,640	1,550
	2,140	**2,050**
Liabilities		
Non-current liabilities		
Borrowings	1,400	1,300
Current liabilities		
Trade payables	1,120	1,030
Tax liability	70	65
Total current liabilities	**1,190**	**1,095**
Total equity and liabilities	**4,730**	**4,445**

ADDITIONAL INFORMATION

Extract from competitor's financial statements

Destiny Group is owned by Mr. Franklin Zumah and his wife, Zealot Zumah. They have equal shareholding. They have strategically distanced themselves from serving on the Board in a company that is seeking to grow further across Africa under African Continental Free Trade Area (AfCFTA) opportunities.

Peace Group is one of the biggest competitors in the logistics industry and provides similar range of services provided by Destiny Group, including a full intermodal service. Below are the financial statements of Peace Group. The Board must put in place strategies to sustain competitive advantage over rival firms.

Peace Group

Consolidated Statement of Profit or Loss for the year ended 31 December 2024

	2024	**2023**
	GH¢' million	**GH¢' million**
Revenue	11,735	10,770
Operating costs	(10,640)	(9,695)
Operating profit	1,095	1,075
Finance costs	(60)	(60)
Profit before tax	1,035	1,015
Tax expense	(125)	(120)
Profit for the year	**910**	**895**

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Share Capital	**Retained Earnings**	**Total**
	GH¢' million	**GH¢' million**	**GH¢' million**
Opening balance	1,500	525	2,025
Profit for year		910	910
Dividend paid	-	(775)	(775)
Closing balance	**1,500**	**660**	**2,160**

Consolidated Statement of Financial Position as at 31 December 2024

	2024 GH¢' m	2023 GH¢' m
Assets		
Non-current assets		
Property, plant and equipment	2,960	2,850
Goodwill	500	500
Total non-current assets	**3,460**	**3,350**
Current assets		
Inventory	20	15
Trade receivables	1,645	1,400
Bank	180	160
Total current assets	**1,845**	**1,575**
Total assets	**5,305**	**4,925**
Equity		
Share capital	1,500	1,500
Retained earnings	660	525
Total Equity	**2,160**	**2,025**
Liabilities		
Non-current liabilities		
Borrowings	1,500	1,500
Total non-current liabilities	**1,500**	**1,500**
Current liabilities		
Trade payables	1,525	1,290
Tax liability	120	110
Total current liabilities	**1,645**	**1,400**
Total equity and liabilities	**5,305**	**4,925**

QUESTION ONE

a) Destiny operates in a volatile economic environment with exchange rate fluctuations, regulatory uncertainties, and political risks.

Required:
Using the **PESTLE** factors, explain the external environment of Destiny Group that impact on its operations and how the entity could become an environmental leader by implementing sustainable logistics practices. Additionally, explain **FOUR** limitations of the **PESTLE** analysis. **(10 marks)**

b) Destiny Foundation funds schools and youth entrepreneurship. However, the Senior Independent Director wants assurance on its long-term competitiveness impact.

Required:
Write a memo to the Senior Independent Director explaining **FOUR** importance of **Corporate Social Responsibility (CSR)** initiatives to Destiny Group's reputation and long-term competitiveness. **(4 marks)**

c) Destiny Group could benefit from Environmental Management Accounting (EMA). It provides managers with financial and non-financial information to support their environmental management decision-making. EMA complements other 'conventional' management accounting methods, and does not replace them.

Required:
Explain **SIX** main applications of EMA relevant to Destiny Group. **(6 marks)**

(Total: 20 marks)

QUESTION TWO

a) Destiny Group has grown rapidly into multiple sectors including shipping, aviation, logistics, real estate and agriculture. Despite this diversification, the current organizational structure remains centralised with the CEO and a few directors making most decisions. Regional managers and unit heads sometimes feel disconnected from headquarters, causing coordination challenges in logistics and port operations.

Required:
Using ***Mintzberg's Five Building Blocks***, analyse and explain the organizational configuration of Destiny Group and its suitability for logistics operations. **(10 marks)**

b) With operations in shipping, aviation, logistics and construction, Destiny Group faces environmental, operational and IT risks. The Board is considering adopting ISO 31000.

Required:
Explain the ***significance*** of adopting **ISO 31000** risk management framework for Destiny Group, given its exposure to operational, environmental and IT risks.
(5 marks)

c) Using ***Lewin's Three-Stage Change Model***, suggest how Destiny Group can implement cultural change to strengthen sustainability and ISO certification goals.

(5 marks)

(Total: 20 marks)

QUESTION THREE

a) Destiny has presence in Egypt and Morocco but is seeking to grow further across Africa under African Continental Free Trade Area (AfCFTA) opportunities.

Required:
Using ***Ansoff's Growth Matrix***, recommend possible growth strategies Destiny Group could pursue beyond Ghana and West Africa. **(10 marks)**

b) Destiny Group operates in a very competitive business environment. Peace Group is one of the biggest competitors in the logistics industry and provides similar range of services provided by Destiny Group, including a full intermodal service.

Required:

i) Using ***Porter's Generic Strategies for Competitive Advantage***, advise Destiny Group on **TWO** ways the company could create and offer value proposition to clients to sustain competitive advantage over its rivals. **(4 marks)**

ii) From the solution in *(i)* above, explain the link between value proposition and cost leadership strategy and differentiation strategy and briefly describe how Destiny group could apply these strategies to sustain competitive advantage over its rivals. **(6 marks)**

(Total: 20 marks)

QUESTION FOUR

a) Destiny Group and Peace Group published their 2024 financial statements. The Board requires a comparative analysis to inform strategy.

Required:

i) Calculate the following ratios for both Destiny group and Peace Group for the year ended 31 December 2024.

- Net profit margin
- Current ratio
- Quick ratio
- Asset turnover
- Debt-to-assets ratio
- Debt-to-equity ratio
- Gearing ratio

(7 marks)

ii) As a Junior Accountant, write a detailed report to Management, explaining the financial performance of the two companies. Compare the performance of both companies and give recommendations to Destiny Group. **(8 marks)**

Identify and explain **THREE** ethical problems an Accountant could encounter in implementing a financial strategy and propose appropriate resolutions. **(5 marks)**

(Total: 20 marks)

QUESTION FIVE

a) Destiny Group's governance framework involves a mix of executive and independent directors. The Board Chair wants to strengthen oversight and effectiveness.

Required:
Assess **TWO** OECD principles of corporate governance and explain how Destiny Group could apply them to strengthen board effectiveness. **(8 marks)**

b) Destiny Group is a well-governed company. The Board is composed of professionals of diverse skills, experience and background. It is their responsibility to act in the best interests of the shareholders and other stakeholders (such as employees) and in accordance with the law. In doing so, the board should apply a number of broad concepts. Failure to apply these concepts in practice is likely to mean bad governance, or acting in their self-interest.

Explain **SIX** concepts of good governance that the Board should apply to build a strong relationship with the shareholders, Mr. and Mrs. Zumah. **(12 marks)**

(Total: 20 marks)

SUGGESTED SOLUTION

QUESTION ONE

a) PESTLE analysis provides a framework for Destiny Group to assess the macro-environmental factors influencing its operations. By examining these factors, the company can identify potential opportunities and threats in the dynamic logistics industry.

Political Factors
The political landscape significantly impacts the logistics sector through government policies, regulations, and trade agreements. For Destiny Group, political factors include:

Trade Policies and Tariffs: Changes in international trade policies and the imposition of tariffs can directly affect the cost and feasibility of cross-border logistics. For example, trade tensions between countries can increase costs and complicate supply chain management. Destiny Group must stay informed about trade agreements and regulatory changes in the regions it operates to mitigate these risks.

Government Regulations: The logistics industry is subject to numerous regulations, including transportation safety standards, labor laws, and customs procedures. Non-compliance can lead to hefty fines and operational disruptions. Destiny Group needs to ensure its operations adhere to all local and international regulations.

Political Stability: Operating in politically unstable regions can pose significant risks to logistics operations, including disruptions due to civil unrest or sudden policy changes. The company should conduct political risk assessments for its key markets to ensure business continuity.

Economic Factors
Economic conditions directly influence the demand for logistics services and the company’s operational costs.

Economic Growth: A strong economy typically leads to increased consumer spending and business activity, which in turn drives demand for logistics services. Conversely, an economic downturn can reduce shipping volumes and pressure profit margins.

Fuel Prices: As a logistics company, fuel is a major operating expense. Fluctuations in fuel prices can have a significant impact on profitability. Destiny Group needs to implement strategies to manage fuel costs, such as route optimization and investing in fuel-efficient vehicles.

Inflation and Interest Rates: High inflation can increase operational costs, while high interest rates can make it more expensive to secure capital for fleet expansion or technology upgrades. The company must carefully manage its financial planning to account for these economic variables.

Social Factors
Social trends and cultural shifts affect consumer behavior and the labor market, impacting the logistics sector.

Consumer Expectations: The rise of e-commerce has led to a major shift in consumer expectations, with a growing demand for faster, more transparent, and flexible delivery services. Destiny Group must invest in technology and optimize its delivery network to meet these demands.

Labour Trends: The availability of skilled drivers and warehouse workers is critical. Social factors like changing demographics and work-life balance preferences can influence the labour pool. The company needs to focus on competitive compensation and a positive work environment to attract and retain talent.

Sustainability Awareness: There's a growing societal preference for environmentally friendly practices. Consumers and businesses are increasingly choosing partners who demonstrate a commitment to sustainability. Destiny Group can leverage this by promoting its "green" initiatives.

Technological Factors
Technological advancements are a key driver of efficiency and innovation in the logistics industry.

Automation and Robotics: The adoption of automation in warehouses and the use of robotics can significantly increase efficiency, reduce errors, and lower laboUr costs. Destiny Group can gain a competitive advantage by investing in these technologies.

Route Optimization Software: Advanced software can help the company plan the most efficient delivery routes, reducing fuel consumption and delivery times. This technology is crucial for improving operational efficiency and customer satisfaction.

Real-time Tracking and IoT: Internet of Things (IoT) sensors and real-time tracking systems allow for greater visibility throughout the supply chain. This enables Destiny Group to provide accurate updates to customers and proactively manage potential disruptions.

Legal Factors
Legal factors include the regulatory framework that governs business operations and ensures compliance.

Employment Law: Laws related to minimum wage, working hours, and workplace safety directly affect the company's human resources and operational costs. Destiny Group must ensure it is fully compliant with all labour laws.

Data Protection Regulations: With the increasing use of technology, companies handle a significant amount of customer data. Regulations like GDPR require strict adherence to data privacy and security protocols, which is a critical consideration for Destiny Group.

Vehicle and Driver Licensing: The company must comply with all national and local laws related to vehicle registration, maintenance, and driver qualifications.

Environmental Factors
Environmental concerns are becoming a top priority for businesses and consumers, especially in high-impact industries like logistics.

Carbon Emissions: The logistics industry is a major contributor to greenhouse gas emissions. Regulations and public pressure are pushing companies to reduce their carbon footprint.

Waste Management: The industry generates significant waste, particularly from packaging materials. Companies are under pressure to adopt sustainable packaging and recycling programs.

Pollution: In addition to carbon emissions, logistics operations contribute to air and noise pollution in urban areas.

How Destiny Group Can Help the Environment
Destiny Group can become an environmental leader by implementing sustainable logistics practices. Here's how:

Fleet Modernization: Invest in and transition to electric or hybrid vehicles to reduce fuel consumption and carbon emissions. This not only benefits the environment but can also lead to long-term cost savings.

Route Optimization: Utilize advanced software to plan the most efficient routes, minimizing travel distance, idle time, and fuel use. This reduces emissions while also increasing operational efficiency.

Sustainable Packaging: Implement a strategy to use eco-friendly and recyclable packaging materials. Destiny Group can also encourage clients to use minimal and right-sized packaging to reduce waste.
Waste Management: Establish comprehensive recycling programs in all warehouses and facilities to properly manage waste materials generated from operations.

Limitations of PESTLE Analysis

It is a static: The analysis provides a view of the external environment at a specific point in time. However, external factors are constantly changing. A PESTLE analysis conducted today may become outdated tomorrow, especially in a fast-paced industry like logistics where technology and regulations can evolve quickly.

Lack of internal focus: PESTLE analysis focuses exclusively on the external macro-environment. It does not consider internal factors such as a company's strengths and weaknesses, which are crucial for strategic planning. To get a complete picture, PESTLE is often used in conjunction with other frameworks like SWOT analysis.

Subjectivity: The analysis relies on the interpretation and judgment of the person conducting it. The selection of which factors to include and the weight given to each can be subjective, potentially leading to a biased or incomplete assessment.

Information overload: PESTLE analysis can generate a vast amount of data. It can be challenging to prioritize which factors are most critical and to avoid getting lost in a sea of information. This can make it difficult to translate the findings into actionable strategic decisions.

It is easier to use PESTLE analysis to identify environmental influences in the past and present. It is not so easy to identify the environmental influences that will have the biggest influence in the future.

(10 marks)

b) **Memo**

To: Senior Independent Director
From: Corporate Governance Analyst
Date: 10 July 2026
Subject: Importance of CSR Initiatives

Introduction

Corporate Social Responsibility (CSR) has become a key expectation for logistics companies. CSR strengthens reputation, fosters community goodwill, and enhances long-term competitiveness.

Importance of CSR to Destiny Group

1. *Reputation:* Demonstrates commitment to ethical and sustainable practices.
2. *Community Engagement:* Education projects and youth entrepreneurship funding enhance social impact.
3. *Compliance with ESG Standards:* Aligns with global and Ghanaian sustainability frameworks.
4. *Competitive Advantage:* CSR strengthens customer loyalty and differentiates Destiny in the regional market.

Conclusion
CSR is not just philanthropy but a strategic investment. For Destiny Group, embedding CSR into its culture enhances reputation, supports AfCFTA goals, and ensures long-term competitive advantage.

(4 marks)

c) **The main applications of EMA are for:**

i) **Estimating annual environmental costs**; Destiny Group owns 400 articulated tractor units and 600 trailers. The company has a further 900 smaller vehicles, including rigid trucks and vans, to offer a flexible and efficient service. If all these fleet of trailers and tankers and vehicles use fossil fuel, then Destiny Group needs to calculate the amount of Green House Gas (GHG) emissions during their operations in the year.

ii) **Budgeting and setting targets for improvements in environmental performance**; Destiny Group could invest in clean energy alternatives by gradually replacing the trailers and tankers with energy efficient alternatives like electronic vehicles (EV).

iii) **Product pricing**; Energy transition plans could at the initial stages affect cost of operations with consequent increase in service charges.

iv) **Investment appraisal**; estimating the cost of green financing compared to regular financing could influence Destiny Group's pursuance of environmentally friendly strategies.

v) **Identifying opportunities for cost savings**; Destiny Group should position itself to move toward integrated logistics: That is end-to-end trade logistics with compliance, speed, visibility and cost control.

vi) **Estimating savings from environmental projects**; As part of its environmental report, Destiny Group must estimate, year on year the savings made from pursuing environmentally friendly strategies.

(6 relevant points @ 1 mark each = 6 marks)

(Total: 20 marks)

EXAMINER'S COMMENTS
This question was in three parts. Candidates did well in the first and second parts of the question. The areas where the candidates could not provide good answers include limitations of PESTLE analysis and application of environment management accounting by Destiny Group.

QUESTION TWO

a) **Introduction**

Henry Mintzberg developed a theory of organizational structure which identifies five basic building blocks that define how organizations are configured and managed. These are the Strategic Apex, Middle Line, Operating Core, Technostructure, and Support Staff. Understanding these elements helps organizations like Destiny Group - a diversified logistics company - to design a structure that supports efficiency, accountability, and sustainable growth. The suitability of this configuration for logistics operations is crucial because logistics is an industry that depends heavily on coordination, standardization, and responsiveness to customer needs.

1) **Strategic Apex**

Definition: The Strategic Apex refers to the top-level management of the organization, usually comprising the board of directors, chief executive officer (CEO), and other executive leaders who define strategy and ensure the organization meets its goals.

Application to Destiny Group: At Destiny Group, the apex is led by the Board of Directors, including a CEO and a Non-Executive Chair. This group provides strategic direction, such as pursuing partnerships (e.g., the ElectroChem Terminal project) and aligning with Ghana's logistics ambitions under the African Continental Free Trade Area (AfCFTA).

Evaluation: A strong strategic apex is essential for Destiny Group to align its vision with national and regional logistics priorities. However, a potential weakness is that without effective delegation, decision-making may become centralized and slow.

2) **Operating Core**

Definition: The operating core includes the employees and processes directly responsible for producing goods or delivering services.

Application to Destiny Group: This consists of freight forwarding teams, drivers, warehouse staff, cargo handlers, and aviation ground staff. These individuals execute the company's logistics activities such as customs clearance, warehousing, and haulage.

Evaluation: For logistics, the operating core is the lifeblood of operations. Destiny Group's success depends on how well-trained and motivated its staff are. If the operating core lacks skills or faces safety risks, service delivery suffers.

3) **Middle Line**

Definition: The middle line connects the strategic apex with the operating core through managers and supervisors.

Application to Destiny Group: Middle-line staff include warehouse managers, fleet supervisors, and regional logistics coordinators who ensure that strategic policies are implemented on the ground.

Evaluation: The middle line is crucial in logistics because it ensures timely communication between management and staff. Weaknesses in this area could lead to breakdowns in service delivery or delays in cargo processing.

4) **Technostructure**
Definition: The technostructure refers to the analysts, IT teams, and specialists who design processes, standardize operations, and monitor compliance.
Application to Destiny Group: This includes IT departments, data analytics teams, and compliance officers who implement tracking systems, ISO certification, and route optimization software.
Evaluation: A strong technostructure is essential for a logistics company operating in a competitive environment. For Destiny Group, improving this function would ensure compliance with international logistics standards, sustainability metrics, and Ghana's digitalization drive.

5) **Support Staff**
Definition: Support staff provide ancillary services that enable the organization to function but are not directly linked to core operations.
Application to Destiny Group: This includes Human Resources (HR), finance, legal services, administration, and corporate social responsibility (CSR) departments.
Evaluation: In logistics, support staff ensure smooth HR policies, fair remuneration (as per Ghana's Code of Best Practices), and stakeholder engagement. Their contribution indirectly enhances efficiency and employee motivation.

Overall Suitability for Logistics Operations

Destiny Group's configuration resembles a Divisionalised Form, where each division (shipping, aviation, logistics) operates semi-autonomously but under central strategic control. This is suitable for a diversified logistics business, but the weakness lies in weak coordination across sectors. For logistics, an integrated and flexible structure is vital to respond to customer demands, regulatory requirements, and sustainability goals.

Conclusion

Mintzberg's five building blocks provide a useful lens for analyzing Destiny Group's organizational configuration. The company has a strong apex and a large operating core, but weaknesses in coordination across divisions and reliance on the technostructure could hinder efficiency. To be more effective, Destiny Group should strengthen communication between the apex, middle line, and operating staff while investing more in IT-driven logistics solutions. This would align the organization with best practice in governance and make its structure more suitable for the complexities of the logistics sector.

(2 marks each for each building block = 10 marks)

b) **Introduction**
Risk management is critical for logistics companies due to the scale and diversity of risks they face. The ISO 31000 framework provides internationally recognized principles and guidelines for risk management. For Destiny Group, adopting ISO 31000 would help manage operational risks (accidents, breakdowns), environmental risks (emissions, regulatory compliance), and IT risks (cybersecurity, system failures).

ISO 31000 Framework
The framework consists of:
Principles – Risk management must be integrated into governance, structured, and continuously improved.
Framework – Embedding risk culture, leadership responsibility, and alignment with corporate objectives.
Process – Systematic steps: risk identification, assessment, treatment, monitoring, and communication.

Application to Destiny Group
Operational Risks: Adoption of ISO 31000 will allow Destiny Group to formally identify risks such as driver fatigue, warehousing accidents, and delays in cargo handling. Controls (training, monitoring, safety audits) can be standardized.
Environmental Risks: Ghana is increasing its climate regulations under AfCFTA. ISO 31000 ensures risks such as fossil fuel dependency and emissions are factored into long-term planning.
IT Risks: As logistics digitizes, cyber-attacks and system failures pose threats. The framework provides structured approaches to cybersecurity and data protection.

Conclusion
Adopting ISO 31000 provides Destiny Group with a structured, internationally recognized system to manage its diverse risks. This is essential for building resilience, ensuring compliance, and aligning with emphasis on corporate governance and sustainability.

(5 marks)

c) **Introduction**
Kurt Lewin's model outlines how organizations can successfully implement change through three stages: Unfreeze, Change, and Refreeze. For Destiny Group, this is essential in embedding sustainability and meeting international ISO standards (ISO 14001 for environment, ISO 31000 for risk).

Stage 1: Unfreeze
The process of 'unfreezing' is persuading employees that change is necessary. Individuals will not want to change anything if they think that the current situation is acceptable. Employees should therefore be encouraged to recognize what is wrong with the current system or current situation and management should encourage employees to feel dissatisfaction.

This stage involves creating awareness of the need for change. At Destiny Group, management must communicate the importance of adopting digital platforms and automation. Resistance is reduced when staff understand why change is necessary. Training sessions, general meetings, and open communication are required to prepare employees for transformation.

Stage 2: Change
The changes should then be made. To introduce change successfully, the support for change must be strong enough to overcome the opposition. This is consistent with Lewin's force field analysis. Management should be given sufficient resources to implement the changes. (Having sufficient resources to make a change can be a driving force for change.)

The change stage involves implementing new systems and practices. For Destiny Group, this includes introducing digital freight systems, automated tracking, and compliance processes. Staff must be trained and supported throughout implementation. Clear leadership and monitoring are necessary. Weak change processes risk confusion and low adoption.

Stage 3: Refreeze
Kurt Lewin argued that even if change is implemented, there is a risk that before long, employees will go back to their old ways of doing things, and the benefits of the change might be lost. It is therefore essential that once change has happened, employees should be encouraged to carry on with the new way of doing things.
One way of doing this might be to reward employees for performance based on the desired behaviour and results.

At this stage, new systems and practices are embedded into the organization. Destiny must ensure changes become part of the culture through policies, incentives, and ongoing monitoring. Reinforcement ensures staff maintain new practices. Weak refreezing risks a return to old habits. Consistent leadership support is vital.

Evaluation: Lewin’s model highlights strengths such as simplicity and structured stages. However, challenges include time consumption and staff resistance. Destiny must plan carefully to address these risks. Leadership, communication, and support are critical to success in change management.
Application to Destiny Group: By using Lewin’s model, Destiny ensures smooth adoption of IT systems, warehouse automation, and compliance processes. This reduces resistance and improves efficiency. Change initiatives such as sustainability policies and innovation projects benefit from structured management.

Conclusion
By following Lewin’s model, Destiny Group can shift from traditional logistics practices to a sustainable, ISO-compliant organization. This ensures long-term

competitiveness, stakeholder trust, and alignment with Ghana's net-zero ambitions.

(5 marks)

(Total: 20 marks)

EXAMINER'S COMMENTS

The question had three parts. The first part required the candidates to use Mintzberg's Five Building Blocks, to analyse and explain the organizational configuration of Destiny Group and its suitability for logistics operations. In the second part, the candidates were required to explain the significance of adopting ISO 31000 risk management framework for Destiny Group, given its exposure to operational, environmental and IT risks. The third part required the candidates to use Lewin's Three-Stage Change Model to suggest how Destiny Group could implement cultural change to strengthen sustainability and ISO certification goals.

Most of the candidates did well in the first and third parts of the question. They were able to identify Mintzberg's Five Building Blocks as it applied to Destiny Group and its suitability for logistics operations. They were also able to explain the third part of the question which dealt with Lewin's Three-Stage Change Model. Most of the candidates could not answer the second part of the question which dealt with the significance of Destiny Group adopting ISO 31000.

QUESTION THREE

a) **Introduction**

Ansoff's Growth Matrix outlines four strategies: Market Penetration, Market Development, Product Development, and Diversification. For Destiny Group, this tool helps identify pathways for regional and international growth.

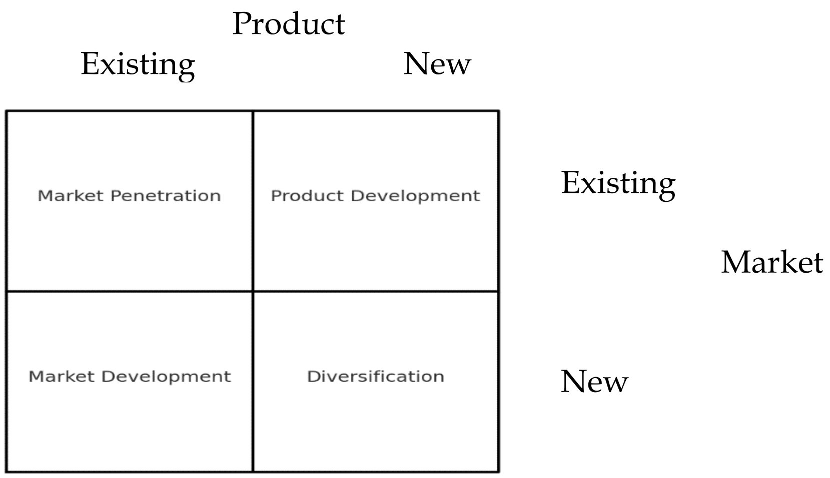
Strategies

Market Penetration (Existing Markets, Existing Products)
Increase logistics market share in Ghana by offering competitive pricing and reliable services.
Improve marketing campaigns to attract SMEs participating in AfCFTA trade.

Market Development (New Markets, Existing Products)
Expand logistics services into Central and East Africa.
Establish partnerships with African regional ports and inland hubs.

Product Development (Existing Markets, New Products)
Introduce IT-enabled services such as cargo tracking apps, blockchain-enabled supply chain solutions, and AI route optimization.

Diversification (New Markets, New Products)
Explore renewable energy logistics (e.g., transporting solar and wind equipment).
Enter into value-added services like cold-chain logistics for agriculture and healthcare.



Evaluation

Market penetration provides quick wins but is limited in growth.
Market development aligns with AfCFTA opportunities.
Product development supports digital transformation.
Diversification enhances long-term resilience but carries higher risks.

Conclusion

Destiny Group should adopt a balanced growth approach: pursue market development under AfCFTA, complement it with IT-driven product innovation, and cautiously explore diversification into renewable energy logistics.

(10 marks)

b)

i) **Operational effectiveness**. This means doing the same things better than competitors, and so providing the same goods or services at a lower cost. Through lower costs, sustainable competitive advantage can be gained through lower selling prices.

Strategic positioning. Strategic positioning means doing things differently from competitors, so that the company offers something unique to customers, so that customers will be prepared to pay a higher price to acquire the unique value combination that the product or service offers.

(2 points @ 2 marks each = 4 marks)

ii) Operational effectiveness provides the basis for a cost leadership strategy and strategic positioning provides the basis for a differentiation strategy.

Cost leadership strategy: Cost leadership means being the lowest-cost producer in the market. The least cost producer is able to compete effectively on price, by offering its products at a lower price than rival products. It can sell its products more cheaply than competitors and still make a profit. Destiny Group must have excellent systems of cost control and should continually plan for further cost reductions (in order to remain the cost leader in the market). Being a large company, Destiny Group can benefit from economies of scale that smaller companies are unable to achieve.

Differentiation strategy: A differentiation strategy has been explained in relation to the strategic clock. For Porter (and for writers on marketing management) differentiation means making a product different from rival products in a way that customers can recognise. Customers might be willing to pay a higher price for the product because they value its different features. Destiny Group needs to offer products and services that are perceived as better as or more suitable than those of their competitors. To deliver better products and services usually requires investment and innovation. Destiny Group should keep costs under control and try to reduce costs, so that they can offer more value to customers and retain their competitive advantage.

(2 relevant points @ 3 marks each = 6 marks)

(Total: 20 marks)

EXAMINER'S COMMENTS

This was a two-part question. The first part required the candidates to use Ansoff's Growth Matrix to recommend possible growth strategies Destiny Group could pursue beyond Ghana and West Africa.

In the second part, the candidates were required to use Porter's Generic Strategies for Competitive Advantage and advise Destiny Group on two ways the company could create and offer value proposition to clients to sustain competitive advantage over its rivals. They were also to explain the link between value proposition and cost leadership strategy and differentiation strategy and briefly describe how Destiny group could apply these strategies to sustain competitive advantage over its rivals.

The question was popular with the candidates and most of them did well especially in the first part.

QUESTION FOUR

a)
i)

WORKINGS

Ratio	**Formulae**	**Destiny Group**	**Peace Group**
Net Profit Margin	=Net Profit/Sales	=550/9,945*100 =5.53%	=910/11,735*100 =7.75%
Current Ratio	=Current Assets/Current liabilities	=1,625/1,190 =1.37:1	=1,845/1,645 =1.12:1
Quick Ratio	=Current Assets - Inventory/Current liabilities	=1,625-15/1,190 =1.35:1	=1,845-20/1,645 =1.11:1
Asset Turnover	=Sales/Assets	=9,945/4,730 =2.10:1	=11,735/5,305 =2.21:1
Debt-to-Asset	=Debt/Assets	=1,400/4,730*100 =29.60%	=1,500/5,305*100 =28.28%
Debt-to-Equity	=Debt/Equity	=1,400/2,140*100 =65.42%	=1,500/2,160*100 =69.44%
Gearing Ratio	=Debt/Equity + Debt	=1,400/2,140+1,400 =39.55%	=1,500/2,160+1,500 =40.98%

(14 ratios x 0.5 mark = 7 marks)

ii) **Report**

To: Management of Destiny Group
From: Junior Accountant
Date: 10 July 2026
Subject: Assessment of the financial performance of Destiny Group and Peace Group

Introduction
This report presents a detailed analysis of the performance of Destiny Group in comparison with Peace Group. The analysis is based on the net profit margin, current ratio, quick ratio, asset turnover, debt-to-asset, debt-to-equity ratio, and gearing ratio for both Destiny Group and Peace Group for year ended 31st December 2024.

Profitability (Net Profit Margin): Destiny converts about 5.53% of revenue into net profit, lower than Peace's 7.75%. This suggests Peace has maintained tighter cost control and stronger pricing power in 2024 despite lower sales. Management should preserve margin discipline with fuel surcharges, index-linked contracts, and route optimization. Peace's lower margin indicates pressure from cost inflation or pricing-its focus should be on yield management, cost-to-serve analysis, and pruning unprofitable lanes.

Liquidity (Current and Quick Ratios): Destiny's current (1.37) and quick (1.35) ratios point to higher quick ratio reflect healthier liquidity. Management must accelerate collections, renegotiate supplier terms, and rationalize stock levels without harming service levels. Peace's greater than 1.0 current and higher quick ratio reflect healthier liquidity; it should maintain discipline while avoiding idle working capital that drags returns.

Efficiency (Asset Turnover): Peace's 2.21 versus Destiny's 2.10 indicates Peace generates more revenue per Ghana cedi of assets. Peace likely utilizes fleet and warehouses more intensively and maintains higher backhaul and shared-user optimization. Destiny should raise drop density, improve load factors, and expand shared-usage to lift turnover while avoiding asset overbuild.

Leverage (Debt-to-Asset / Debt-to-Equity / Gearing): Both firms are moderately levered. Destiny's ratios are slightly higher but still conservative, consistent with interest cover above 20 times. To keep flexibility, Destiny should match debt maturities to asset lives, maintain covenants headroom, and avoid short-term borrowing for long-lived assets. Peace can selectively deploy additional low-cost debt in high-ROI projects without elevating risk.

Conclusion
Both companies are doing well in terms of their profitability, liquidity, efficiency and leverage. I will advise Destiny Group to reduce unnecessary expenses; improve their services; and use technology to automate routine tasks. Destiny

Group should use profits to gradually reduce high interest debts. Destiny Group has the potential to stay in operations for a long time, and this is a good thing for the Group.

Appendix: Reference ratios (2024)

The summary of the ratios computed are as follows:

Ratio	Destiny Group	Peace Group
Net Profit Margin	5.53%	7.75%
Current Ratio	1.37	1.12
Quick Ratio	1.35	1.11
Asset Turnover	2.10	2.21
Debt-to-Asset	29.60%	28.28%
Debt-to-Equity	65.42%	69.44%
Gearing Ratio	39.55%	40.98%

(8 marks)

b)

i) **Pressure to manipulate earnings to meet strategic targets**

A financial strategy often comes with explicit targets for revenue growth, cost reduction or debt covenants. An accountant may be pressured by senior management to smooth earnings through premature revenue recognition, delaying expense accruals or unjustified changes in accounting estimates. This violates integrity and objectivity, misleads stakeholders and can constitute fraud.

Resolution

- Insist on applying the relevant accounting standards strictly and document the technical justification.
- Communicate the professional and legal consequences of misrepresentation to the requester, making clear that you cannot be associated with misleading information.
- If the pressure persists, escalate the matter via the organisation's confidential whistleblowing or ethics hotline, or resign if necessary, in line with the duty to disassociate from misleading information.

ii) **Conflict of interest in vendor or project selection**

While executing a strategy, the accountant may have an undisclosed personal or family interest in one of the bidders. Failing to disclose this erodes objectivity and professional behaviour, creating a risk that decisions are made for personal gain rather than the entity's best interest.

Resolution

- Proactively disclose any potential conflict of interest in writing to the board, audit committee or the appropriate superior before participating in the decision-making process.
- Remove yourself from any evaluation, negotiation or approval role related to that vendor or project.
- Follow the organisation's formal conflict-of-interest policy, and if no policy exists, seek guidance from an independent ethics advisor or professional body.

iii) **Concealing or downplaying strategic risks to gain approval**

To secure board or investor endorsement of a bold financial strategy, an accountant may be asked to exclude worst-case scenarios, inflate synergies or use over-optimistic assumptions in financial models. Presenting a biased or incomplete picture compromises objectivity and professional competence and due care, potentially leading to catastrophic losses.

Resolution

- Prepare a balanced business case that includes sensitivity analysis, clear disclosure of key assumptions, and a range of possible outcomes.
- Formally communicate your professional judgement that withholding material risks is misleading, and record this advice in board papers or minutes.
- If the misrepresentation is sanctioned at a higher level, refuse to sign off on the submission and follow the leaK to an appropriate authority, such as the audit committee chairman or external auditor, under protection of whistleblower provisions.

iv) **Misuse of confidential information**

During strategy implementation, the accountant may have early access to price-sensitive information. The ethical dilemma arises when they are tempted to trade on that information, tip off friends or are forced by a superior to leak details to selected investors. This breaches the duty of confidentiality and violates securities law.

Resolution

- Strictly observe the organisation's insider trading policy and closed-period rules; never discuss material non-public information outside the need-to-know circle.
- If pressured to leak information, explicitly refuse and immediately report the request to the compliance officer or legal counsel.
- Safeguard physical and digital documents with encryption and access controls, and ensure all strategic deliberations are kept within secure communication channels.

v) **Misallocating costs to obscure strategy failure**

When a strategy underperforms, management may direct the accountant to camouflage operating losses by capitalising routine expenses improperly or by shifting costs to grants, reserves or off-balance-sheet entities. This creative accounting violates integrity and the faithful representation principle, distorting the true economic performance.

Resolution

- Apply the substance-over-form principle: record expenses where they truly belong, regardless of pressure to meet internal targets.
- Politely but firmly explain the difference between legitimate accounting discretion and fraudulent misrepresentation, pointing out that such entries would not survive an audit and could expose the company and individuals to sanctions.
- Document all instructions received and your professional objection. If the unethical request is not withdrawn, escalate to the CFO, audit committee or external auditor through the designated reporting channel, invoking your professional duty to uphold the public interest.

(3 relevant ethical problems + resolution @ 1.67 marks each = 5 marks)

(Total: 20 marks)

EXAMINER'S COMMENTS

This was a two-part question. In the first part, the candidates were to compute seven ratios (Net profit margin, Current ratio, Quick ratio, Asset turnover, Debt-to-assets ratio, Debt-to-equity ratio and Gearing ratio) for both Destiny group and Peace Group for the year ended 31 December 2024. They were also required to write a detailed report to Management, explaining the financial performance of the two companies and to provide recommendations to Destiny Group.

The second part required the candidates to identify and explain three ethical problems an Accountant could encounter in implementing a financial strategy and propose appropriate resolutions.

Most of the candidates did well in the first part of the question. They were able to compute the ratios and categorise them under profitability, liquidity, efficiency and leverage. Some of them presented a good memo to present their report to Management. However, a few of the candidates demonstrated lack of knowledge of some common ratios. Some of the candidates also did not pay attention to the requirements of the question and computed ratios for both 2023 and 2024 thereby wasting their time. Some computed ratios not required by the question.

Most of the candidates did not do well in the second part of the question which dealt with ethical problems an accountant could encounter in implementing a financial strategy and proposals for appropriate resolution.

QUESTION FIVE

a)

Introduction

The OECD principles of corporate governance provide international best practices that help boards function effectively, ensure accountability, and promote transparency. Two key principles relevant to Destiny Group are: Board Responsibilities and Disclosure & Transparency.

Principle I: Ensuring the basis for an effective corporate governance framework

Effective corporate governance requires a sound legal, regulatory and institutional framework that market participants can rely on when they establish their private contractual relations. This corporate governance framework typically comprises elements of legislation, regulation, self-regulatory arrangements, voluntary commitments and business practices that are the result of country's specific circumstances, history and tradition. The desirable mix between legislation, regulation, self-regulation, voluntary standards, etc., will therefore vary from country to country. The legislative and regulatory elements of the corporate governance framework can usefully be complemented by soft law elements based on the "comply or explain" principle such as corporate governance codes in order to allow for flexibility and address specificities of individual companies." This principle is concerned with the framework for good corporate governance that is provided by the stock market and financial intermediaries, the regulation of the markets and the information that is available to investors about companies (transparency in the markets). It is useful to think about this principle in terms of countries that fail to provide transparency in markets, or stock markets that function efficiently, or markets in which the rule of law is fair and properly applied.

Principle II: The rights and equitable treatment of shareholders and key ownership functions

The corporate governance framework should protect and facilitate the exercise of shareholders' rights and ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights. Shareholders have "basic shareholder rights, including the right to information and participation through the shareholder meeting in key company decisions." There should also be disclosure of control structures, such as different voting rights. Issues relating to the rights and equitable treatment of shareholders include the use of information technology at shareholder meetings, and shareholder participation in decisions on executive remuneration. This Principle is concerned with the basic rights of shareholders, which should include the right to transfer the ownership of their shares, the right to receive regular and relevant information about the company, the right to vote at general meetings of company shareholders, the right to share in the company's profits, the right to remove directors from the board and the right to participate in decisions about executives' remuneration. These basic shareholder rights might seem 'obvious'. However, there are countries in which these rights do not properly exist, especially for foreign shareholders. For example, the laws of a country may permit a company to insist that shareholders wishing to vote at a general meeting of the company must attend the meeting and cannot be represented by a proxy. This requirement in effect would remove the right to vote of most foreign investors, who do not have the time to attend general meetings in person in countries around the world.

Principle III: Institutional investors, stock markets, and other intermediaries
"The corporate governance framework should provide sound incentives throughout the investment chain and provide for stock markets to function in a way that contributes to good corporate governance." This Principle is concerned particularly with the responsibilities of institutional investors, such as pension funds and insurance company funds, to ensure that good corporate governance practice is applied by themselves and by the companies they invest in.

Principle IV: The role of stakeholders in corporate governance
The corporate governance framework should recognise the rights of stakeholders that are established by law, or through mutual agreements. This will include, for example, employment rights and agreements negotiated for employees with trade union representatives. The competitiveness and ultimate success of a corporation is the result of teamwork that embodies contributions from a range of different resource providers including investors, employees, creditors, customers and suppliers, and other stakeholders. Corporations should recognise that the contributions of stakeholders constitute a valuable resource for building competitive and profitable companies. It is, therefore, in the long-term interest of corporations to foster wealth-creating co-operation among stakeholders."

Principle V: Disclosure and transparency
The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the [company], including the financial situation, performance, ownership and governance of the company. The disclosure of information to shareholders and investors is a critically important aspect of corporate governance.

Principle VI: The responsibilities of the board
"The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board and the board's accountability to the company and the shareholders". This Principle relates to many of the functions of the board. It includes the requirement that "board members should act on a fully informed basis, in good faith with due diligence and care, and in the best interests of the company and the shareholders". The board should also apply high ethical standards and take into account the interests of the company's stakeholders.

(2 well-explained OECD principles @ 4 marks each = 8 marks)

b)

i) **Fairness in corporate governance**: fairness refers to the principle that all shareholders should receive fair treatment from the directors. At a basic level, it means that all the equity shareholders in a company should be entitled to equal treatment, such as one vote per share at general meetings of the company and the right to the same dividend per share. The Board must therefore be fair in the treatment of the shareholders.

ii) **Transparency (openness)**: Openness or transparency means 'not hiding anything'. Intentions should be clear, and information should not be withheld from those individuals who ought to have a right to receive it. Transparency means clarity. Transparency therefore means providing information about what the company has done, what it intends to do in the future, and what risks it faces. An important aspect of good governance is therefore reporting to shareholders and other stakeholders, and providing suitable disclosures about the company's affairs. The Board must therefore be open in providing relevant information to the shareholders.

iii) **Independence**: Independence means freedom from the influence of someone else. A principle of good corporate governance is that a substantial number of the directors of a company should be independent, which means that they are able to make judgements and give opinions that are in the best interests of the company, without bias or pre-conceived ideas. The independence of the current Board of Destiny Group cannot be threatened because of its composition. The Board should therefore make decisions in the interest of the company and to the ultimate benefit of the Shareholders.

iv) **Honesty and integrity (probity)**: Honesty is an essential quality for directors and their advisers. However, in business practice honesty is not as widespread as it might be. Integrity is similar to honesty, but it also means behaving in accordance with high standards of behaviour and a strict moral or ethical code of conduct. If shareholders in a company suspect that the directors are not acting honestly or with integrity, there can be no trust, and good corporate governance is impossible. This can draw a wedge between the Board and Shareholders.

v) **Responsibility and accountability:** The directors of a company are given most of the powers for running the company. Many of these powers are delegated to executive managers, but the directors remain responsible for the way in which those powers are used. An important role of the board of directors is to monitor the decisions of executive management, and to satisfy themselves that the decisions taken by management are in the best interests of the company and its shareholders. With responsibility, there should also be accountability. In a company, the board of directors should be accountable to the shareholders. Shareholders should be able to consider reports from the directors about what they have done, and how the company has performed under their stewardship, and give their approval or show their disapproval.

vi) **Reputation**: A company might earn a good reputation with investors, employees, customers and suppliers by being 'environment friendly' or 'eco-friendly'. Reputation is also based on honesty and fair dealing, and on being a good employer. Companies with a high reputation can often choose better-quality employees, because they have more applicants to choose from. Consumers are more likely to buy goods or services from a company they respect, and that has a reputation for good quality and fair prices, and for being customer-friendly or environment-friendly. Companies that are badly governed can be at risk of losing goodwill – from investors, employees and customers.

(6 relevant points @ 2 marks each = 12 marks)

(Total: 20 marks)

EXAMINER'S COMMENTS

The question was in two parts. The first part required the candidates to assess two OECD principles of corporate governance and to explain how Destiny Group could apply them to strengthen board effectiveness.

The second part required the candidates to explain six concepts of good governance that the Board should apply to build a strong relationship with the shareholders, Mr. and Mrs. Zumah.

Most of the candidates performed well in this question. They were able to identify OECD principles of corporate governance as well as the concepts of good governance. A few of the candidates performed poorly in this question.

CONCLUSION

Overall, there was a marked improvement in the performance of the candidates.