STRATEGIC CAPSTONE (S-CAP)

UNSEEN — MOCK EXAMINATION

Set against Lumora Energy PLC (Pre-Seen, December 2026 Sitting)

This is a practice paper prepared by your S-CAP facilitators for exam preparation purposes. It is not an official Institute examination paper, and no Institute marking scheme applies to it. All incidents, individuals, and figures described below are fictional and created for practice purposes — none of them appear in the Lumora Energy PLC pre-seen.

Instructions to candidates

1. Time allowed: Reading and planning — 20 minutes; Writing — 3 hours

2. Total: 100 marks

3. Treat this as an open-book examination, exactly as the real sitting will be conducted.

4. Answer entirely in the English language.

5. Pre-prepared material included in your answer will not be marked in the real examination — practice writing from the scenario alone.

6. Attempt all four questions. Time yourself: roughly 45 minutes per question, including structuring your board paper.

Evaluation Summary

The table below shows how each sub-task of each question covers technical and enabling (T&E) skills and power and integrity (P&I) skills, and their respective mark allocations. Manage your time for each task with this distribution in mind.

Question	Time (minutes)	Sub-tasks	T&E skills (marks)	Specific P&I skills expected	P&I skills (marks)	Total marks
Q1	45	(a)	5	Strategic ethical leadership and organizational integrity, advanced professional judgement	5	10
		(b)	10		5	15
Q1 Total marks			**15**		**10**	**25**
Q2	45	(a)	7	Strategic problem-solving skills, advanced people skills	5	12
		(b)	8		5	13
Q2 Total marks			**15**		**10**	**25**
Q3	45	(a)	10	Advanced professional judgement	5	15
		(b)	5		5	10
Q3 Total marks			**15**		**10**	**25**
Q4	45	(a)	10	Strategic problem-solving skills, strategic ethical leadership and organisational integrity	5	15
		(b)	5		5	10
Q4 Total marks			**15**		**10**	**25**
Total			**60**	**180 + 20 reading**	**40**	**100**

Strategic Capstone (S-CAP) — Unseen (Mock)

Time allowed: 3 hours

Reading and planning time: 20 minutes

Total: 100 marks

Number of questions: 4 (ALL compulsory)

Marks per question: 25 marks

You are the Group Chief Financial Officer (CFO) of Lumora Energy PLC ('Lumora' or 'the Group').

Question 01

The Board Risk and Sustainability Committee has requested an urgent board paper due to the following concerns arising from a household promotional campaign in the Galle region.The incident has raised questions about responsible marketing, third-party oversight, approval discipline, and the protection of trust in Lumora's bank-financing partnerships. The board now requires advice on both the immediate stakeholder response and the governance changes needed before any further regional promotional campaigns are allowed.

Annexure

The 'Sunbright Homes' Galle campaign incident

Lumora's Galle regional office, working with Ceylon Trust Bank (Pvt) Ltd — one of Lamora's four non-exclusive bank financing partners — launched a joint promotional campaign called 'Sunbright Homes' to boost bank-financed household installations ahead of calendar year-end, while a limited-time promotional interest rate from the bank was available.

To promote the campaign, the Galle regional sales team engaged a third-party digital marketing agency, BrightWave Creators (Pvt) Ltd, to produce a short online video. BrightWave had previously produced legitimate content featuring Yohan de Zoysa, a home-improvement content creator with a modest regional following, who had appeared in earlier Lumora campaigns with his consent.

For the Sunbright Homes video, BrightWave used an AI-generated recreation of Yohan's likeness and voice style without his direct involvement in this specific production. The final video stated a fixed, unqualified figure of 'guaranteed savings of over LKR 12,000 a month' and a payback period of 'under 4 years, guaranteed' materially different from Lumora's standard practice of presenting a range of outcomes and stated assumptions, as approved by the Technical Design Committee.

The video was approved for release by the Galle Regional Sales Manager, Chamara Wickramasinghe, who reports to the Chief Commercial Officer (CCO), through an expedited regional approval process. The campaign did not go through central marketing or compliance review, because Chamara was concerned that the bank's promotional interest-rate window would close before a normal review cycle could complete.

Following the video's release, Yohan de Zoysa posted publicly that he had not approved of this specific video or the guaranteed savings figures attributed to him. Separately, a few customers who signed up under the campaign have since received bills showing savings below the amounts 'guaranteed' in the video, partly reflecting ordinary variation in network export credits and seasonal generation. A regional consumer rights group has publicized the complaints online, and the story has been shared widely across Galle and neighboring districts. Ceylon Trust Bank has paused the joint promotional scheme pending clarification, and the Public Utilities Commission of Sri Lanka's consumer protection unit has informally requested information from Lumora.

Required:

Prepare a board paper that includes the following:

(a) Advice on how Lumora should manage the key stakeholders affected by this incident, in order to protect trust and preserve its household bank-financing partnership model.

(10 marks)

(b) Evaluation of the respective responsibilities of the Technical Design Committee, the Board Risk and Sustainability Committee, the Audit Committee, and the CCO in relation to preventing incidents of this nature, and advice on how Lumora should promote a more ethical, disciplined marketing culture across its regional sales network.

(15 marks)

Question 02

LumoraView and data warehouse integration pilot

As part of its broader digital strategy, Lumora has committed to building a group-wide data warehouse to combine project, financial, customer, and monitoring information. As an early step, the Group launched a pilot three months ago at the Kandy regional office, integrating LumoraView fault and performance data directly with the finance and customer relationship systems.

Under the pilot, Kandy-based service technicians were expected to log fault visits, callout outcomes, and system performance observations directly into the integrated platform in real time, replacing the previous paper-based and spreadsheet logging. The intention was to give the finance team more reliable data for warranty provisioning, and to give the sustainability team a stronger evidence base for avoided emissions reporting. If successful, management intends to extend the integration to other regional offices.

However, implementation concerns have emerged, and the Board wants to review the issues arising from the pilot before deciding whether a wider rollout should proceed.

Annexure

Pilot review incident

At a recent pilot review meeting, the COO discovered that the Kandy service team and the finance/digital team were working from two different versions of the monthly fault and service log. The finance/digital team had been maintaining its own manual reconciliation to meet monthly reporting deadlines, because entries from some service technicians were incomplete or submitted late.

This workaround had developed gradually during the pilot. Ruwan Senanayake, the Kandy Regional Service Manager, argued that technicians should remain focused on completing site visits and meeting callout-time targets, and that central finance/digital staff were better placed to clean up and organise the data until technicians became more familiar with the new system. As a result, some data-entry and first-level quality-check responsibilities that were meant to sit with the service team drifted informally to the finance/digital team.

Two junior digital data officers recruited specifically to support the Kandy pilot left within their first two months of employment. Exit discussions suggested they had been given menial tasks unrelated to their role, felt their contribution was not understood or valued by regional technical staff, and saw limited progression within the regional office structure.

The CFO acknowledged that the finance/digital team had raised these concerns informally with Ruwan several weeks earlier, but had not escalated the matter.

The Board is concerned that these issues do not relate only to systems or process design, but also to how the pilot has been supported within the Kandy regional office — in particular, the role played by Ruwan in relation to the difficulties that have arisen, through his limited support for the intended model and the way responsibilities were allowed to drift — especially given that both the group-wide data warehouse rollout and the reliability of Lumora's avoided-emissions reporting depend on this kind of data being captured consistently.

Required:

Prepare a paper that includes the following:

(a) Advice on the key points to be included in a note to the Kandy Regional Service Manager, explaining how this digital integration pilot helps Lumora achieve its broader business and reporting objectives, using the Kandy pilot as the example.

(12 marks)

(b) Evaluation of how the behaviour of the Kandy regional service leadership has undermined an inclusive, digitally capable culture within Lumora, and recommendations of measurable objectives that should be achieved within the next three months to demonstrate improved support, development, and retention of digitally capable staff.

(13 marks)

(Total: 25 marks)

Question 03

Battery storage expansion — financing decision

The Board has previously discussed a two-year battery storage expansion programme costing up to LKR 650 million, covering a technical and testing center, specialist staff training, additional inventory, and expansion of the service team. The CEO favours completing the full programme within two years; the COO and CFO have previously favoured a more gradual, phased approach, given uncertainty over the size and profitability of the battery market.

The decision has become more sensitive because of shareholder tension: certain domestic institutional shareholders are likely to resist any funding approach that materially reduces dividends or increases financial risk, while the South Asia Climate Transition Fund has informally signalled that further delay in a credible storage and sustainability commitment would weaken its confidence in the Group's long-term strategic direction.

Annexure

Treasury note on funding options

The programme is expected to cost LKR 650 million and be completed over 2 years. Once stabilised, management expects the programme to generate annual operating savings and margin uplift of approximately LKR 95 million, although the uplift is expected to be lower in the first year while new systems and staff are embedded. Treasury has identified two possible funding options if the programme is approved.

Area	Option 1 — Green / sustainability-linked loan
Loan coverage	75% of project cost
Internal funding	25% of project cost
Term	6 years with an 18-month grace period for repayment
Interest rate	9.75% p.a. if sustainability targets are met, else +200 basis point penalty for any year a target is missed
Other implications	No formal dividend restriction, but quarterly ESG covenant reporting is required. The lender has noted that fire-safety and recycling-pathway data must be supported by clear baselines and a documented audit trail before external assurance can be given without qualification.

Area	Option 2 — Ordinary secured term loan
Loan coverage	55% of project cost
Internal funding	45% of project cost
Term	4 years; repayment begins after 6 months

Area	Option 2 — Ordinary secured term loan
Interest rate	11.5% p.a. flat, no sustainability conditions
Other implications	No covenant reporting burden, although the higher internal funding requirement would increase pressure on operating cash flow, which is already negative, during peak equipment-import periods.

The green facility's sustainability targets would require Lumora to demonstrate the following:

- At least 90% of deployed battery capacity achieving certified fire-safety compliance by the end of operating year 1.
- A documented take-back and recycling pathway covering 100% of batteries installed, by the end of operating year 2.
- LumoraView monitoring coverage extended to at least 95% of new storage installations by the end of operating year 1.

Management believes fire-safety compliance data will be reasonably reliable. However, the green loan lender has noted that the recycling-pathway and monitoring-coverage targets must be supported by strong metrics, clear baselines, and a documented audit trail before external assurance can be completed without qualification.

Required:

Prepare a board paper that includes the following:

(a) Advice on whether Lumora should approve the battery storage programme now, or defer it further, considering broader business strategy, shareholder tensions, and sustainability positioning, and recommendations on how the Board should direct internal audit resources to monitor whether the programme is delivering its intended strategic benefits once implemented.

(15 marks)

(b) Evaluation of the key financial reporting, covenant, liquidity and ESG implications of each financing option, and a recommendation on which option Lumora should use if the programme is approved.

(10 marks)

(Total: 25 marks)

Question 04

Export tariff reduction, urgent pipeline response

The Public Utilities Commission of Sri Lanka (PUCSL) has confirmed that, effective 1 January 2027, the approved export tariff under the Net Accounting connection arrangement will be reduced, and EDL and LECO will apply stricter minimum daytime self-consumption thresholds before approving new household net-accounting connections. This materially affects the payback assumptions embedded in household quotations already issued, and in contracts already signed but not yet commissioned.

Management must decide within the next three weeks before the new rules take effect, how to respond for customers already in the active pipeline, since year-end order intake and bank-partner confidence are both at stake. At the first executive discussion, views diverged quickly. Some regional commercial managers pushed for honouring original quoted figures in full to protect customer trust and trade confidence. Others argued that Lumora should only honour legally signed contracts and re-quote everyone else under the new rules immediately, accepting higher cancellation risk. As the discussion progressed, it became clear that management was not applying a common risk framework to the decision, and that the debate was being

driven too heavily by fear of losing year-end volume and pressure to be seen responding quickly. The CEO has therefore asked the Board not only to decide the initial response, but also to set clear expectations for how management should behave during the response period.

Annexure

Exposed household pipeline

As at the announcement date, Lumora's household pipeline affected by the change comprises contracts signed but not yet commissioned, worth approximately LKR 380 million of future revenue at the household segment's typical 18.5% gross margin, and quotations issued but not yet signed, worth approximately LKR 210 million of potential revenue at a similar margin, expected to close within the response window.

Option 1 — Full Honour ('Customer Defence')

For the response period, Lumora would honour the originally quoted savings assumptions for all customers currently in the pipeline — both signed and quoted-but-unsigned — for 90 days, funded by a temporary internal subsidy on the affected contracts. Management estimates this would protect nearly all of the pipeline, with cancellation risk below 5%. The estimated cost to gross profit over the response period is approximately LKR 38 million – LKR 45 million. Management also notes that if competitors publicise similar guarantees, pressure may emerge to extend this treatment to other regions, which is not yet quantified.

Option 2 — Signed-Only Honour ('Contract Defence')

For the response period, Lumora would honour original assumptions only for legally signed contracts, at an estimated cost to gross profit of approximately LKR 14 million – LKR 18 million, and would immediately re-quote all pending, unsigned quotations under the new tariff and connection rules. Management estimates cancellation risk on the unsigned segment at 25% – 35%. Management also notes that weaker visibility on the household pipeline during this period could affect regional bank-partner confidence and sales team morale, with potential flow-on effects on future quarters that have not been quantified.

Required:

Prepare a board paper that includes the following:

(a) Evaluation of the two response options, with financial and non-financial analysis beyond the gross profit figures already given, and a recommendation on how the Board should proceed once the new tariff and connection rules take effect.

(15 marks)

(b) Advice on what the Board should do to ensure that management makes this and similar future regulatory-response decisions in a disciplined and risk-informed manner, rather than allowing short-term commercial pressure to drive the process.

(10 marks)

(Total: 25 marks)