Good vs Bad Feedback on a Consolidation MCQ

Contains answers. Give students the one-page student sheet, and keep these notes until they have tried the work.

WHAT IT IS FOR

Students answer one consolidation question, compare a comment that only gives the answer with one that explains the idea, and then use the idea on a new case.

HOW TO RUN IT (ABOUT 10 MINUTES, OUR ESTIMATE)

1. **Answer (2 minutes).** Students circle an answer and write why. The correct answer is **B**.
2. **Poor comment (1 minute).** Show the first comment below. Ask what the student would do differently next time. The comment tells them what the answer is, not why.
3. **Better comment (2 minutes).** Show the second comment and let students read it. Then they write the first thing they will check next time.
4. **New case (5 minutes).** Students answer the sports-club case alone. Take one or two answers aloud.

THE TWO COMMENTS TO SHOW

Poor feedback. "Incorrect. The answer is B."

Better feedback (conceptually focused). "**B.** Under IFRS 10, the trigger for consolidation is **control**, not a percentage. An investor controls an investee when it has **power** over the relevant activities, **exposure** to variable returns and the **ability to use its power** to affect those returns. Owning more than 50% is a common sign of power, but here the contractual agreement gives P Ltd power with only 40%.

If you chose **A**: 20–50% often signals significant influence (IAS 28), but significant influence is the ability to *participate* in decisions. P Ltd can *direct* them. If you chose **D**: there is no 50% rule in IFRS 10.

Check yourself: would your answer change if P Ltd owned 60% but another investor held rights to direct the relevant activities?"

WHAT TO LOOK FOR

- **Students who chose A.** They may be using the 20–50% rule of thumb for significant influence. The better comment speaks to them.
- **The sports-club case (our suggested answer).** Consolidate. This assumes three things: the board directs the activities that most affect the company's returns; the club's right to appoint most of the board is substantive; and no other party holds rights that block it. The right to appoint the board gives the club power over those activities (IFRS 10 paragraphs 10 and B15). Its 30% holding exposes it to the company's variable returns (paragraph 15), and it can use its power over the board to affect them (paragraph 17). The club controls the company and consolidates it, showing the other 70% as non-controlling interest (paragraph 22). Accept other answers that reason from power and returns rather than from the percentage. Check against the current IFRS 10 text.
- **Answers that rest on the percentage.** If the reasoning is "30% is under 50%, so no", go back to the better comment.

EVIDENCE BASIS

Editorial material. The Editorial Desk wrote this question, both comments, the sports-club case and its suggested answer as examples. The timings, steps and notes under "What to look for" are ours, not findings of Ryan et al. The question and the comments are not taken from Ryan et al. (2024), whose study was in medical education. Conceptually focused feedback is the kind Ryan et al. used. The article labels that evidence "Limited / preliminary": a within-subject experiment at one medical school.

Ryan, A. T., Judd, T., Wilson, C., Larsen, D. P., Elliott, S., Kulasegaram, K., & Swanson, D. (2024). Timing's not everything: Immediate and delayed feedback are equally beneficial for performance in formative multiple-choice testing. *Medical Education, 58*(7), 838–847.