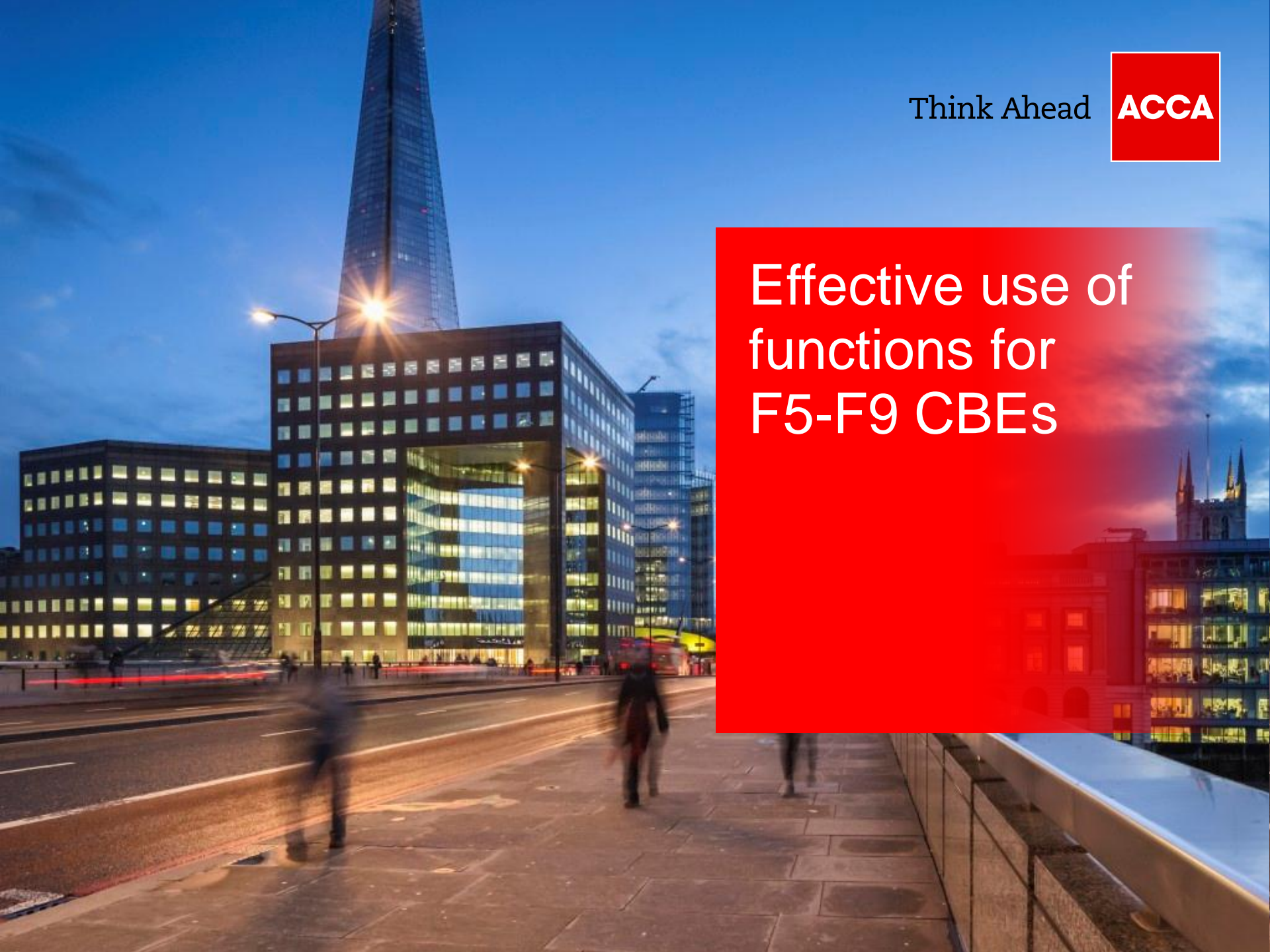


Think Ahead

ACCA

Effective use of functions for F5-F9 CBEs



On-demand and session CBEs

On-demand CBE (F1-F4)

- Can be taken at **any time**
- **Automarked** questions
- Results issued **immediately** after exam

Session CBEs (F5-F9)

- Available during the **March, June, September** and **December** exam weeks.
- A mix of **automarked** and **expert marked** questions
- Results issued at same time as paper-based results – approximately **6 weeks later**

F5-F9 session CBEs


**Key things to
remember!**

Navigator screen

A budget is a quantified plan of action for a forthcoming period. Budgets can be prepared using a variety of different approaches.

Match each

Navigator - click on a question to go to it

Question #	Status	Flagged - Review
Section A		
Question 1	Incomplete	
Question 2	Incomplete	
Question 3	Incomplete	
Question 4	Incomplete	

Close

Always extends the budget one year into the future



Flexible budgeting

Scrollbar

A budget is a quantified plan of action for a forthcoming period. Budgets can be prepared using a variety of different approaches.

Match each of the following statements to the correct budgeting process.

Unseen Content



You have not yet viewed the entire screen. Please use all scrollbars and/or open any on-screen exhibits before trying again.

OK

Focuses employees on avoiding wasteful expenditure		Activity-based budgeting
Focuses on controlling the causes of costs		Rolling budgeting
Always extends the budget one year into the future		Flexible budgeting

Splitter bar

The following scenario relates to four requirements.

Carad Co is an electronics company which makes two types of television - plasma screen TVs and LCD TVs. It operates within a highly competitive market and is constantly under pressure to reduce prices. Carad Co operates a standard costing system and performs a detailed variance analysis of both products on a monthly basis. Extracts from the management information for the month of November are shown below:

		Note
Total number of units made and sold	1,400	1
Material price variance	\$28,000 A	2
Total labour variance	\$6,050 A	3

Notes

(1) The budgeted total sales volume for TVs was 1,180 units, consisting of an equal mix of plasma screen TVs and LCD screen TVs. Actual sales volume was 750 plasma TVs and 650 LCD TVs. Standard sales prices are \$350 per unit for the plasma TVs and \$300 per unit for the LCD TVs. The actual sales prices achieved during November were \$330 per unit for plasma TV and \$290 per unit for LCD TVs. The standard contributions for plasma TVs and LCD TVs are \$100 and \$180 per unit respectively.

(a) Calculate the following for the month of November, showing all workings clearly:

- (i) The sales price variance and sales volume contribution variance; (4 marks)
- (ii) The material price planning variance and material price operational variance; (2 marks)
- (iii) The labour rate variance and the labour efficiency variance. (5 marks)



Edit Format

100%

11 B I U A

A1

	A	B	C	D	E	F	G	H	I
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2									

Splitter bar

The Hi Life Co makes sofas. It has recently received a request from a customer to provide a one-off order of sofas, in excess of normal budgeted production. The order would need to be completed within two weeks.

The following cost estimate has already been prepared:

		\$
Direct materials:		
Fabric	200 m ² at \$17 per m ²	3,400
Wood	50 m ² at \$8.20 per m ²	410
Direct labour:		



The fabric is regularly used by Hi Life Co. There are currently 300 m² in inventory, which cost \$17 per m². The current purchase price of the fabric is \$17.50 per m².

The wood is regularly used by Hi Life Co and usually costs \$8.20 per m². However, the company's current supplier's earliest delivery time for the wood is in three weeks' time. An alternative supplier could deliver immediately but they would charge \$8.50 per m². Hi Life Co already has 500 m² in inventory but 480 m² of this is needed to complete other existing orders in the next two weeks. The remaining 20 m² is not going to be needed until four weeks' time.

What is the cost of the fabric and the wood which should be included in the quotation (to the nearest whole \$)?

Fabric \$

Item Review Screen

F5 Performance Management - Specimen Exam

Item Review Screen Explained

Item Review Screen

Exam Section	
Section A	
Question 1	Incorrect
Question 2	Incorrect
Question 3	Incorrect
Question 4	Incorrect
Question 5	Incorrect
Question 6	Incorrect
Question 7	Unseen
Question 8	Unseen
Question 9	Unseen
Question 10	Unseen
Question 11	Unseen
Question 12	Unseen
Question 13	Unseen
Question 14	Unseen
Question 15	Unseen
Section B	Unseen

End Review Review All Review Incorrect Review Flagged

Scratch pad

F5 Performance Management - Specimen Exam

1 of 34

Explain Answer Calculator Scratch Pad

Flag for Review

Scratch Pad

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Help/Formulae Sheet Review Screen

Next

Calculator

F5 Performance Management - Specimen Exam

[Explain Answer](#)
[Calculator](#)
[Scratch Pad](#)

A company manufactures two products, C and D, for which the following information is available:

	Product C	Product D	Total
Budgeted production (units)	1,000	4,000	5,000
Labour hours per unit / in total	8	10	48,000
Number of production runs required	13	15	28
Number of inspections during production	5	3	8

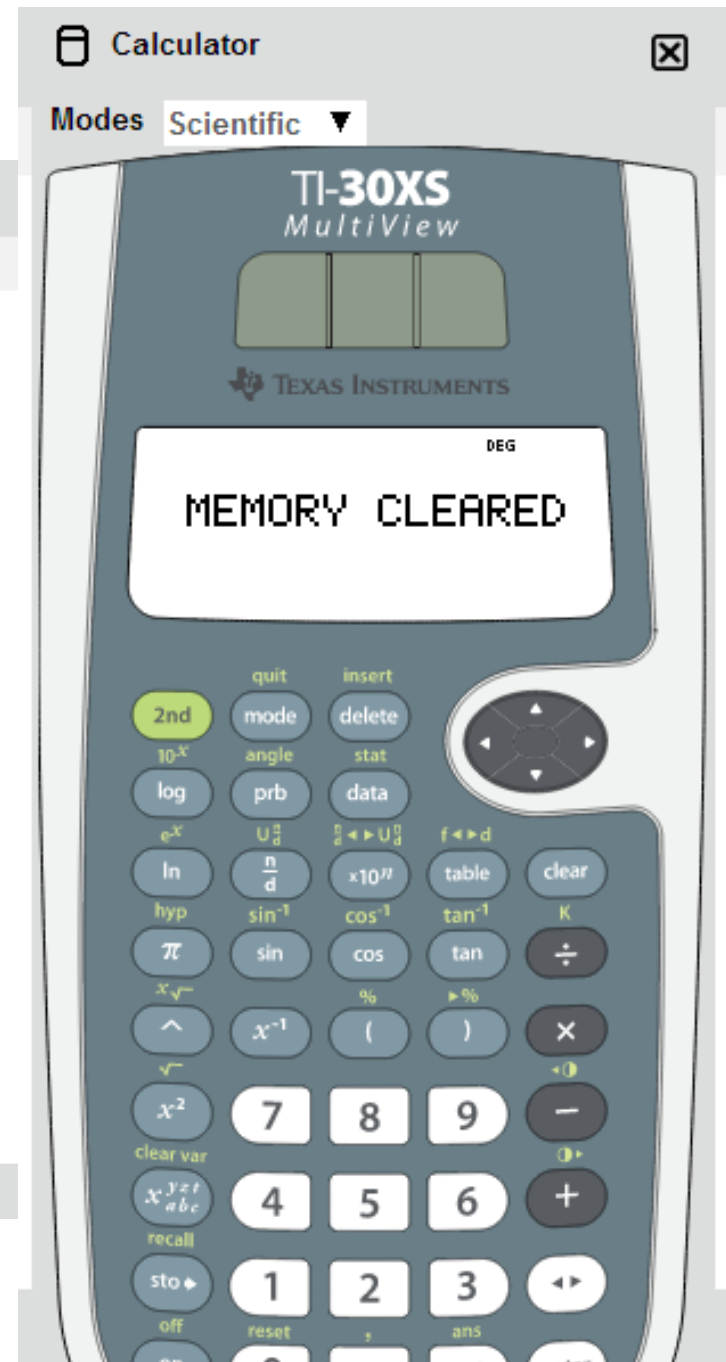
Total production set up costs	\$140,000
Total inspection costs	\$80,000
Other overhead costs	\$96,000

Other overhead costs are absorbed on a labour hour basis.

Using activity-based costing, what is the budgeted overhead cost per unit of product D?

- \$43.84
- \$46.25
- \$131.00

[Help/Formulae Sheet](#)
[Review Screen](#)



1 of 34
[Flag for Review](#)

[Next](#)

Highlight

Consolidated statements of financial position as at 30 September:

	20X5	20X5	20X4	20X4
	\$m	\$m	\$m	\$m
Non-current assets				
Property, plant and equipment		680		310
Intangible asset: manufacturing licence		300		100
goodwill		230		200
		1,210		610
Current assets				
Inventory	200		110	
Trade receivables	195		75	
Bank	0	395	120	305
Total assets		1,605		915
Equity and liabilities				
Equity shares of \$1 each		330		250
Other components of equity		100		0
Retained earnings		375		295
		805		545
Non-current liabilities				
5% secured loan notes	100		100	
10% secured loan notes	300	400	0	100
Current liabilities				
Bank overdraft	110		0	
Trade payables	210		160	
Current tax payable	80	400	110	270
Total equity and liabilities		1,605		915

At 1 October 20X4, the Tangier group consisted of the parent, Tangier Co, and two wholly owned subsidiaries which had been owned for many years. On 1 January 20X5, Tangier Co purchased a third 100% owned investment in a subsidiary called Raremetal Co. The consideration paid for Raremetal Co was a combination of cash and shares. The cash payment was partly funded by the issue of 10% loan notes. On 1 January 20X5, Tangier Co also won a tender for a new contract to supply aircraft engines which Tangier Co manufactures under a recently acquired long-term licence. Raremetal Co was purchased with a view to securing the supply of specialised materials used in the manufacture of these engines. The bidding process had been very competitive and Tangier Co had to increase its manufacturing capacity to fulfil

(a) Comment on how the new contract and the purchase of Raremetal Co may have affected the comparability of the consolidated financial statements of Tangier Co for the years ended 30 September 20X4 and 20X5. (5 marks)

(b) Calculate appropriate ratios and comment on Tangier Co's profitability and gearing. Your analysis should identify where the new contract and the purchase of Raremetal Co have limited the usefulness of the ratios and your analysis. (12 marks)

Note: Your ratios should be based on the consolidated financial statements provided and you should not attempt to adjust for the effects of the new contract or the consolidation. Working capital and liquidity ratios are not required.

(c) Explain what further information you might require to make your analysis more meaningful. (3 marks)

(20 marks)

Strikethrough

F7 Financial Reporting

 Explain Answer  Scratch Pad  Symbol  Highlight (J)  Strikethrough (W)  Calculator

This scenario relates to three requirements.

After preparing a draft statement of profit or loss for the year ended 30 September 20X5 and adding the current year's draft profit (before any adjustments required by notes (1) to (3) below) to retained earnings, the summarised trial balance of Kandy Co as at 30 September 20X5 is:

	\$'000	\$'000
Equity shares of \$1 each		20,000
Retained earnings as at 30 September 20X5		15,500
Proceeds of 6% loan note (note (1))		30,000
Investment properties at fair value (note (2))	20,000	
Land (\$5 million) and buildings – at cost (note (2))	35,000	
Plant and equipment – at cost (note (2))	58,500	
Accumulated depreciation at 1 October 20X4:		
buildings		20,000
plant and equipment		34,500
Current assets	68,700	

F5-F9 session CBEs

**Constructed
Response
Questions**

Word processing – Try it!!!

Constructed Response (CR) Workspace

1 of 2

Symbol Calculator Scratch Pad

Flag for Review

The question scenario will appear here.

The question requirement will appear here.

A rich text editor toolbar with the following icons: Copy, Paste, Undo, Redo, Bold (B), Italic (I), Underline (U), Strikethrough (ABC), Subscript (x₂), Superscript (x²), Link (I), Unlink (I), Paragraph (Paragraph), Table (Table), Bulleted List (List), Numbered List (List), Indent Left (Indent), and Indent Right (Indent).

Help/References Exit Workspace

Navigator Next

Word processing

1. **Tables**

- adding a table
- adding/ deleting rows and column
- merging and splitting a cell
- alignment of cells in a cell

2. Using **bullets and numbering**

3. **Increasing and decreasing indent**

4. Using **subscript and superscript formats**

Spreadsheet – Try it !!!

Constructed Response (CR) Workspace

16 of 25

Symbol Calculator Scratch Pad

Flag for Review

The question scenario will appear here.

The question requirement will appear here.

Edit Format

100%

11 B I U A

A1

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Help/References Exit Workspace

Previous Navigator Next

Spreadsheet

General

1. Navigating through the cells using **arrow keys**
2. Selecting multiple cells using **shift and arrow keys**
3. Selecting **row and columns**
4. **Adjusting row height and column width** using mouse
5. **Reset button** – be careful in using this feature as it will delete the complete solution, and reset the answer screen

Spreadsheet

Formatting

1. **Alignment of text in cells**

- format cell option for horizontal/ vertical alignment and wrap text
- use tool bar for horizontal alignment Wrap text is an important formatting tool for column headings

2. **Formatting currency and numbers** (decimal places, percentages)

3. Writing paragraph in a cell (**cells cannot be merged**)

4. Using **symbols box** when writing any currency symbols or subscript/ superscript in the text

Spreadsheet

Editing

1. **Add a line** using cut/ paste option
2. **Delete a line** by simply deleting the cell content

Spreadsheet

Formulae

1. You must use the **= symbol** to start a formula in a cell.
2. **SUM, ROUND, AVERAGE, POWER** (^ can also be used) functions
3. **Doing calculations in a cell** (markers will see the formulae and not just the final answer)

Spreadsheet

Shortcut keys

- cut (ctrl+x)
- copy (ctrl+c)
- paste (ctrl+v)
- find (ctrl+f)
- bold (ctrl+b)
- underline (ctrl+u)
- italic (ctrl+i)

F5-F9 session CBEs

**OT and OT case
questions**

OT questions – Multiple response

Which TWO of the following statements, regarding environmental cost accounting, are true?

- The majority of environmental costs are already captured within a typical organisation's accounting system. The difficulty lies in identifying them
- Input/output analysis divides material flows within an organisation into three categories: material flows; system flows; and delivery and disposal flows
- One of the cost categories used in environmental activity-based costing is environment-driven costs which is used for costs which can be directly traced to a cost centre
- Environmental life-cycle costing enables environmental costs from the design stage of the product right through to decommissioning at the end of its life to be considered

OT questions – Multiple response

- The question will specify how many answers need to be selected, but the system won't stop students from selecting more answers than this.
- It's important to **read the question carefully** because the Navigator and Item Review screens will show these questions as complete even if you have not provided a full answer.

OT questions – Fill in the blank

The selling price of product X is set at \$550 for each unit and sales for the coming year are expected to be 800 units.

A return of 30% on the investment of \$500,000 in product X will be required in the coming year.

What is the target cost for each unit of product X (to two decimal places)?

\$

OT questions – fill in the blank

The only permitted characters

- Numbers
- One full stop as a decimal point if required
- One minus symbol at the front of the figure if the answer is negative

For example: -10234.35

No other characters, including commas, are accepted. The unit of measurement will sit outside the box.

In some cases, text may be required as the response.

OT questions – drag and drop

A budget is a quantified plan of action for a forthcoming period. Budgets can be prepared using a variety of different approaches.

Match each of the following statements to the correct budgeting process.

Statements

Builds in previous problems and inefficiencies

Recognises different cost behaviour patterns

Focuses employees on avoiding wasteful expenditure

Budgeting approach

Beyond budgeting

Incremental budgeting

Activity-based budgeting

OT question – drag and drop

- Drag and drop questions involve students dragging an answer and dropping it into place.
- Some questions could involve **matching more than one answer** to a response area and some **questions may have more answer choices than response areas**, which means not all available answer choices need to be used.

OT questions – hot spot

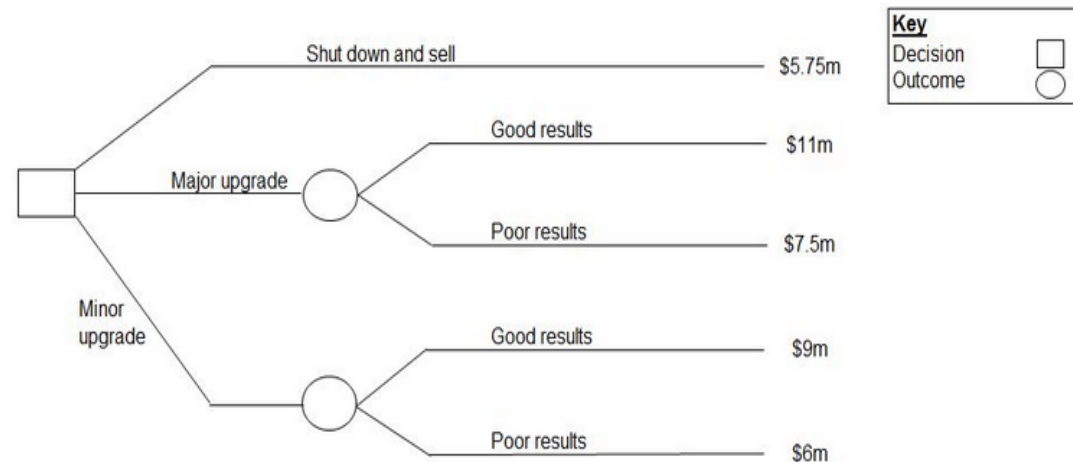
A leisure company owns a number of large health and fitness resorts, but one is suffering from declining sales and is predicted to make a loss in the next year. As a result management have identified a number of possible actions:

- (1) Shut down the resort and sell off the assets
- (2) Undertake a major upgrade to facilities costing \$4.5m
- (3) Undertake a minor upgrade to facilities costing \$2m

The upgrades are predicted to have variable results and the probability of good results after a major upgrade is 0.8, whereas the probability of good results after a minor upgrade is 0.7.

The company is risk neutral and has prepared the following decision tree.

Using the information below, identify, by clicking on the relevant branch of the decision tree, which action the company should take.



OT questions – hot spot

- For hot spot questions, students are required to select **one point** on an image as their answer. When the cursor is hovered over the image, it will display as an “X”.
- To answer, place the X on the appropriate point on the diagram. The image will have been set so that as long as **part of the X is touching the line that represents the correct answer**, it will be marked correct, but not if it is also touching another possible answer.

OT case questions

Glam Co is a hairdressing salon which provides both 'cuts' and 'treatments' to clients. All cuts and treatments at the salon are carried out by one of the salon's three senior stylists. The salon also has two salon assistants and two junior stylists.

Every client attending the salon is seen first by a salon assistant, who washes their hair, next, by a senior stylist, who cuts or treats their hair depending on which service the client wants; then finally, a junior stylist who dries their hair. The average length of time spent with each member of staff is as follows:

	Cut (Hours)	Treatment (Hours)
Assistant	0.1	0.3
Senior stylist	1.0	1.5
Junior stylist	0.6	0.5

The salon is open for eight hours each day for six days per week. It is only closed for two weeks each year. Staff salaries are \$40,000 each year for each senior stylist, \$28,000 each year for each junior stylist and \$12,000 each year for each of the assistants. The cost of cleaning products applied when washing clients' hair is \$1.50 per client. The cost of all additional products applied during a 'treatment' is \$7.40 per client. Other salon costs (excluding labour and raw materials) amount to \$106,400 each year.

Glam Co charges \$60 for each cut and \$110 for each treatment.

The senior stylists' time has been correctly identified as the bottleneck activity.

What is the annual capacity of the bottleneck activity?

- 2,400 cuts or 1,600 treatments
- 4,800 cuts or 4,800 treatments
- 7,200 cuts or 4,800 treatments
- 9,600 cuts or 9,600 treatments

OT case questions

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Glam Co charges \$60 for each cut and \$110 for each treatment.

The senior stylists' time has been correctly identified as the bottleneck activity.

The salon has calculated the cost per hour to be \$42.56.

Calculate the throughput accounting ratio (TPAR) for both services (to two decimal places).

Cuts

Treatments

OT case questions

- **no dependencies** between the individual questions
- **moveable splitter** bar enables the student to focus on either the scenario or the questions
- review **entire question and response area** to navigate to the next screen

Think Ahead

