

# Performance Management

## September/December 2020 exam (20/21 Syllabus)

### Get to know your exam

*These graphical representations are intended to give an indication of past exam requirements and associated question content.*

*Please note that you will not be able to complete answers within these documents and in isolation they will not sufficiently prepare you for your exam.*

*We encourage you to visit the ACCA Practice Platform in order to attempt up to date practice exams within the computer-based exam environment.*

## Introduction screen

PM September/December 2020 exam (20/21 Syllabus)

### Introduction

These sample questions show the likely style and range of **constructed response questions** that could be asked in the live exam.

You should use these questions to become familiar with the question types and the features and functionality contained within the live exam.

The practice exam is reflective of the constructed response section of the live exam but has some differences:

- The live exam will be timed however there is no time limit in this exam.
- Once you have started this exam you are able to leave at any time by closing the browser window. When you return, anything you have entered into the response options will be saved and you can continue sitting the exam.
- In the live exam your answers to the constructed response questions will be expert-marked. At the end of this exam you should use the solution material provided to assess your performance in the constructed response questions.
- You will be able to access solution material at the end of this exam when using the Self-Marking resources which include a Marking Guide and/or Sample Answer for each question. If you wish to access these without completing the questions, click on **End Exam** on the Item Review Screen and navigate to the Marking tab on the Dashboard to Self-Mark.

Next →

## Instruction screens

PM September/December 2020 exam (20/21 Syllabus)

### Instructions (1 of 4)

The instructions displayed below are representative of those displayed in the live exam. Where there are differences between this exam and the live exam these are explained.

#### General Instructions

- In this exam, the instruction screens are not timed however in the live exam they will be available for a maximum of 10 minutes prior to the exam starting.
- In the live exam, the stated exam time will automatically start once the 10 minute period has passed (or earlier if you choose to start the exam within the 10 minute period).
- A copy of the instruction screens can be accessed at any time during the exam by selecting the Help button provided.

#### Answering and Navigating

- Please read each question carefully.
- The question number you are viewing is displayed in the top display bar. You can hide or restore this display by selecting .
- You can navigate between screens by selecting **Next →** or **← Previous**, or by clicking on a question number from the Navigator or Item Review screens.
- A warning message will display to remind you that you cannot navigate away from a question if you have not viewed all of the question content. Ensure that you use all scrollbars and/or open any on-screen exhibits before navigating from each question.
- Some questions have the scenario and answer area divided by either a horizontal or vertical splitter bar. You can move this splitter bar to see more or less of the scenario or answer area.
- Please ensure you provide an answer for all elements of each question.
- You can revisit questions and change your answers at any time during the exam.

#### Flag for Review

- If you wish to revisit/review a question later in the exam, click  **Flag for Review**
- Click the button again if you no longer wish to revisit/review the question later in the exam.

← Previous Next →

## Instruction screens (continued)

PM September/December 2020 exam (20/21 Syllabus)

### Instructions (2 of 4)

#### Help

- Click the **Help** button provided to access:
  - A copy of these exam instructions.
  - Help and guidance on constructed response questions.
  - Formulae sheets/tax tables if your exam requires these. Note that the name of the Help button will indicate if formulae sheets/tax tables are available i.e.  **Help**,  **Help/Formulae Sheet** or  **Help/Tax Tables**

#### Calculator

- You have the option to use the on-screen standard or scientific calculators by selecting  **Calculator**
- Note that in the live exam you are also permitted to use your own calculator providing it does not have the facility to store or display text.

#### Highlight and Strikethrough

- You can highlight key phrases or figures in the question scenario by selecting  **Highlight**
- You can strikethrough text in the question scenario by selecting  **Strikethrough**
- Highlighted and strikethrough text will be displayed on all questions relating to the scenario.

#### Workings/Scratch Pad

- You may use an on-screen Scratch Pad to make notes/workings by selecting  **Scratch Pad**
- The Scratch Pad retains all notes/workings entered for all questions and these are available for the duration of the exam. They will not be submitted for marking after your live exam.
- You will also be provided with paper for notes/workings for your live exam, should you prefer to use it. This will not be submitted for marking. It will be collected at the end of the exam and must not be removed from the exam room.
- Important:**
  - The notes/workings entered onto the Scratch Pad or your workings paper during the live exam will not be marked.
  - If you want the marker to see any notes/workings for questions in the constructed response section of the live exam you must show them within the answer areas.

← Previous Next →

## Instruction screens (continued)

PM September/December 2020 exam (20/21 Syllabus)

### Instructions (3 of 4)

#### Copy and Paste

- You can copy and paste from the Scratch Pad or question scenario into your answers in the constructed response section of the exam by using the Ctrl-C (Copy) and Ctrl-V (Paste) shortcuts. **Note:** When pasting into a spreadsheet in the live exam you must double-click the cell or paste directly into the formula bar. In this exam you can also paste into the spreadsheet by selecting the cell.

#### Symbol

- You can add a selection of currency symbols to your answers in the constructed response section of the exam by selecting **\$ Symbol** on the top toolbar.

#### Navigator Screen

- The Navigator screen can be accessed at any time during the exam by selecting **Navigator**
- This screen allows you to jump to any question number in the exam.
- It also allows you to see the status of questions and whether they have been viewed, are complete or incomplete, or have been flagged for review.

#### Close All

- You can close each window (eg. Calculator or Scratch Pad) individually or you can close multiple windows by selecting **Close All** on the top toolbar.

#### Reviewing the Exam

- You can review your exam once you have attempted any, or all, of the questions.
- To do this:
  - Navigate to the **last question** in the exam.
  - Click **Next →**
- This takes you to the Item Review screen.

← Previous Next →

## Instruction screens (continued)

PM September/December 2020 exam (20/21 Syllabus)

**Instructions (4 of 4)**

**Item Review Screen**

- This screen gives you an opportunity to see the flag and completion status of all questions before you exit the exam.
- You can select individual questions you wish to revisit, or quickly access groups of questions from the Item Review screen.
- During the item review period Navigator is not available however you can navigate to questions by selecting **Next →**, **← Previous** or **→ Review Screen**
- When reviewing questions you can change your answer and click **→ Review Screen** to view any updated status on the Item Review screen.

**Ending the Exam**

- Once you have completed your item review and wish to finally end the exam click **→ End Exam**
- Once you end the exam, you cannot revisit any questions.

Select **Next** to move to the Exam Summary screen.

← Previous **Next** →

## Exam summary screen

PM September/December 2020 exam (20/21 Syllabus)

### Exam Summary

**Time allowed:** This sample exam is not timed.

- You will be presented with **two constructed response questions**, each containing a scenario which relates to one or more requirement(s). The requirements may be split over multiple question screens.
- Each constructed response question is worth **20 marks** in total.
- **40 marks** in total.
- All questions are compulsory.

**Important:** In your live exam you must:

1. Enter your answer for each question in the response area provided for that question. Any answers entered into a response area provided for a different question will not be marked.
2. Show all notes/workings that you want the marker to see within the response area provided for the question. Remember, any notes/workings made on the Scratch Pad or on your workings paper will not be marked.

Select **Next** to start your exam.

← Previous **Next** →

# Sample exam questions

## Scenario 1

PM September/December 2020 exam (20/21 Syllabus)

Symbol  Highlight  Strikethrough  Calculator  Scratch Pad

The following scenario relates to five requirements.

Health Nuts is a fitness centre, offering 'pay as you go' gym facilities. It has a fully fitted gym with the capacity to accommodate 200 users at one time. It also has 100 car parking spaces and an onsite café, both of which are only for customers using the gym. The fitness centre has shower facilities for customers and Health Nuts provides all customers with a clean towel to use on entry. It is open 360 days a year, from 7.00am until 9.00pm.

Customers pay \$8.40 for access to the gym for one hour plus unlimited time in the café. If customers want to use the car park, they have to pay an additional \$1 per visit and 80% of visiting customers use the car park. Health Nuts has been monitoring the number of customers attending throughout each day for the month of June, which was considered to be an average month, and for which Health Nuts was open for 30 days. It has determined that the average number of customers per day is 330 with 40 of these customers attending during the time of 9.00am to 5.00pm.

The total costs of the fitness centre for June, **excluding the café**, have also been recorded and analysed as follows:

Fixed costs per month	\$48,000
Variable cost per customer	\$1.20

On average, half of the customers also used the café in June, with an average spend per customer of \$2.20. Of this spend, 60% related to drinks, which have a profit margin of 60%, and the remainder related to food items, which have a profit margin of 40%. The specific fixed costs associated with running the café are \$3,600 for the month.

### Crèche proposal

After reviewing all of the above information, the manager of Health Nuts has put together a proposal to close the café at the fitness centre and convert it into a crèche for children. This would mean that parents could leave their children in the crèche whilst they use the fitness centre between the hours of 9.00am and 5.00pm **only**. The charge for the crèche would be \$4 per child, per hour.

Initial research suggests that customers have an average of two children each. The crèche is expected to attract new customers and increase the average number of customers between 9.00am and 5.00pm by 300%. Only these new customers will use the crèche facilities. Car park usage is expected to continue to be 80%. The fixed costs associated with running the crèche are estimated to be \$8,000 per month, with a variable cost of \$0.50 per child, per hour.

## Scenario 1: requirements

(a) Calculate both the number of customers Health Nuts needs to break even and the margin of safety as a percentage for the month of June for:

(i) The gym; and

(3 marks)

(ii) The café.

(2 marks)

(b) Explain what each of your calculations in (a) tells Health Nuts about the performance of the gym and the café.

(3 marks)

Edit Format

11 **B** *I* U A .00 % 1/2

A1

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2													
3													
4													
5													

(c) Calculate the budgeted total weighted average contribution/sales (C/S) ratio and the budgeted profit per month for Health Nuts if it closes the café and opens a crèche instead.

(6 marks)

Edit Format

11 **B** *I* U A .00 % 1/2

A1

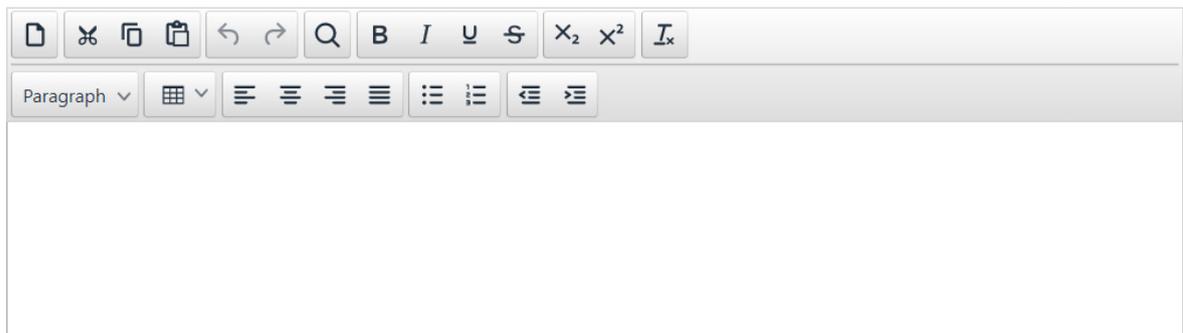
	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2													
3													
4													
5													
6													
7													

## Scenario 1: requirements (continued)

(d) Advise Health Nuts, considering both financial and non-financial factors, whether it should replace the café with a crèche and whether the calculations in part (c) provide enough information to make such a decision.

(6 marks)

(20 marks)



A rich text editor interface with a toolbar and a text area. The toolbar includes icons for undo, redo, search, bold, italic, underline, strikethrough, subscript, and superscript. Below the toolbar are dropdown menus for paragraph style and table grid, followed by alignment and list options. The text area is currently empty.

## Scenario 2

PM September/December 2020 exam (20/21 Syllabus)

 Symbol 
  Highlight 
  Strikethrough 
  Calculator 
  Scratch Pad

The following scenario relates to three requirements.

All schools in the country of Ducland are funded by the state and are accountable to the Department of Education (DoE) which oversees educational standards and monitors performance of the schools.

The DoE's objectives, which are also the objectives for all the schools in Ducland, are to:

1. Strive for continuous improvement in performance standards
2. Provide a supportive learning environment, which encourages a high standard of pupil achievement
3. Ensure pupils are prepared for adult life and have the skills and character necessary to contribute to society and the economy
4. Provide all children with access to high quality education, regardless of their location or background

Summary performance data for each school is accessible via the DoE's website. Parents in Ducland have the right to choose which school their child should attend and many parents use the performance data to help with their selection.

Inspectors from the DoE visit each school in Ducland at the end of every five years. The DoE believes that to gain a better insight into the quality of the teaching and learning environment, inspectors should attend a selection of lessons and speak to some of the pupils.

Tonford School has recently had its inspection visit, and the school's data entry on the DoE's website has been updated following that visit. The revised entry is shown below:

Performance factor	Notes	Tonford School Actual (2017)	National target (2017)	Tonford School Actual (2012)
Exam results	1	62%	65%	64%
Pupil progress	2	0.4	0.25	0.3
Inspection grade	3, 4	Very good	Good	Good
Pupil numbers	-	662	n/a	627
Number of teaching staff	5	35	n/a	33

**Notes:**

- (1) The 'exam results' indicator shows the percentage of pupils leaving school with at least five final exams including compulsory subjects of mathematics, science and languages at Grade A-C (the top three grades).
- (2) 'Pupil progress' is an indicator of how well pupils have performed in compulsory subjects in their final exams at age 16 compared to their performance in intermediate exams at age 11. Academic grades are given numerical values, and the 'pupil progress' score is the movement in the average of pupils' grades. Scores typically range between -0.5 and +0.5.
- (3) There are six inspection grades: excellent; very good; good; average; poor and very poor.
- (4) The inspector's summary report for Tonford School concluded: "There is a very strong sense of community values and citizenship. Pupils appear to have a genuine respect for their teachers, and for one another, despite their diverse backgrounds."
- (5) The DoE recommends that the pupil/teacher ratio should be less than 22:1.

## Requirements for Scenario 2

(a) Explain the problems which not-for-profit organisations face as a result of having multiple objectives.

(4 marks)

A rich text editor interface for question (a). The toolbar includes icons for undo, redo, search, bold, italic, underline, strikethrough, subscript, and superscript. Below the toolbar are options for paragraph style, table insertion, and alignment. The main text area is currently empty.

(b) Assess Tonford School's performance against the objectives set by the DoE, using the performance data published on the DoE's website.

Note: Use the four objectives in the template provided to structure your answer.

(12 marks)

A rich text editor interface for question (b). The toolbar is identical to the one in question (a). Below the toolbar, the text area contains a template with two objectives, each followed by a blank space for assessment:

<b>Objective 1 – Strive for continuous improvement in performance standards.</b>
<b>Objective 2 – Provide a supportive learning environment, which encourages a high standard of pupil achievement.</b>

Objective 3 – Ensure pupils are prepared for adult life and have the skills and character necessary to contribute to society and the economy.

Objective 4 – Provide all children with access to high quality education, regardless of their location or background.

(c) Explain the difficulties in assessing performance of schools in Ducland due to the qualitative nature of their objectives.

(4 marks)

(20 marks)



Empty text area for writing the response.

## Example view of full CBE constructed response workspace

PM September/December 2020 exam (20/21 Syllabus) 1 of 6

Symbol Highlight Strikethrough Calculator Scratch Pad
Close All Flag for Review

**The following scenario relates to five requirements.**

Health Nuts is a fitness centre, offering 'pay as you go' gym facilities. It has a fully fitted gym with the capacity to accommodate 200 users at one time. It also has 100 car parking spaces and an onsite café, both of which are only for customers using the gym. The fitness centre has shower facilities for customers and Health Nuts provides all customers with a clean towel to use on entry. It is open 360 days a year, from 7.00am until 9.00pm.

Customers pay \$8.40 for access to the gym for one hour plus unlimited time in the café. If customers want to use the car park, they have to pay an additional \$1 per visit and 80% of visiting customers use the car park. Health Nuts has been monitoring the number of customers attending throughout each day for the month of June, which was considered to be an average month, and for which Health Nuts was open for 30 days. It has determined that the average number of customers per day is 330 with 40 of these customers attending during the time of 9.00am to 5.00pm.

The total costs of the fitness centre for June, **excluding the café**, have also been recorded and analysed as follows:

Fixed costs per month	\$48,000
Variable cost per customer	\$1.20

On average, half of the customers also used the café in June, with an average spend per customer of \$2.20. Of this spend, 60% related to drinks, which have a profit margin of 60%, and the remainder related to food items, which have a profit margin of 40%. The specific fixed costs associated with running the café are \$3,600 for the month.

**Crèche proposal**  
 After reviewing all of the above information, the manager of Health Nuts has put together a proposal to close the café at the fitness centre and convert it into a crèche for children. This would mean that parents could leave their children

**(a) Calculate both the number of customers Health Nuts needs to break even and the margin of safety as a percentage for the month of June for:**

**(i) The gym; and** (3 marks)

**(ii) The café.** (2 marks)

**(b) Explain what each of your calculations in (a) tells Health Nuts about the performance of the gym and the café.** (3 marks)

Edit Format

111 B I U A 100%

A1

	A	B	C	D	E	F	G	H	I	J	K
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											

Navigator Next →

Help/Formulae Sheet → Review Screen