

## FINAL ASSESSMENT SCRIPT SUBMISSION FORM

Script marking is only available to Classroom, Live Online and Distance Learning students enrolled on appropriate Kaplan courses.

Name: .....
Address: .....
.....
.....
Kaplan Student Number: .....
Your email address:



# Paper F1/FAB Accountant in Business September and December 2015 Final Assessment

### Instructions

- Please complete your personal details above.
- All scripts should ideally be submitted to your Kaplan centre for marking via email to help speed up the marking process.  
Please scan this form and your answer script in a single PDF and email it to your Kaplan centre.
- Alternatively you may post your script to us. If so, please use the correct Royal Mail tariff (large letter).
- Classroom students may submit scripts to their local centre in person.  
You will be provided with the dated receipt below which you should retain as proof of submission.

Note: If you are a sponsored student, your result will form part of the report to your employer.

*Office use*

<b>Centre</b>		<b>Date sent to marker</b>	
<b>Date received</b>		<b>Date received from marker</b>	
<b>Marker's initials</b>		<b>Date returned to student</b>	
		<b>Student's overall mark</b>	

*Receipt – only issued if script submitted by classroom student in person to Kaplan centre:*

✂ -----

Name: ..... Received by: .....

Script: ..... Date: .....



PUBLISHING

## Marking Report

### Notice to Markers

- 1 When commenting about the script performance, please ensure on individual questions and on overall assessment your comments cover areas of examination technique including:

<ul style="list-style-type: none"><li>• Time management</li></ul>	<ul style="list-style-type: none"><li>• Handwriting</li></ul>	<ul style="list-style-type: none"><li>• Presentation and layout</li></ul>	<ul style="list-style-type: none"><li>• Use of English</li></ul>
<ul style="list-style-type: none"><li>• Points clearly and concisely made</li></ul>	<ul style="list-style-type: none"><li>• Relevance of answers to question</li></ul>	<ul style="list-style-type: none"><li>• Coverage and depth of answer</li></ul>	<ul style="list-style-type: none"><li>• Accuracy of calculations</li></ul>
<ul style="list-style-type: none"><li>• Calculations cross-referenced to workings</li></ul>	<ul style="list-style-type: none"><li>• All parts of the requirement attempted</li></ul>	<ul style="list-style-type: none"><li>• Length of answers equates to marks available</li></ul>	<ul style="list-style-type: none"><li>• Read the question carefully</li></ul>

- 2 For each question, please provide suitable constructive comments

Question Number	General Comments	Exam Technique Comments

**ACCA FINAL ASSESSMENT**

# **Accountant in Business (FAB)**

**September and December 2015**

Time allowed: 2 hours

**ALL 52 questions are compulsory and MUST be attempted.**

**Do NOT open this paper until instructed by the supervisor.**

**During reading and planning time only the question paper may be annotated. You must NOT write in your answer booklet until instructed by the supervisor.**

**This question paper must not be removed from the examination hall.**

Kaplan Publishing/Kaplan Financial

**KAPLAN**  
PUBLISHING

**Paper F1 and FAB**

© Kaplan Financial Limited, 2015

The text in this material and any others made available by any Kaplan Group company does not amount to advice on a particular matter and should not be taken as such. No reliance should be placed on the content as the basis for any investment or other decision or in connection with any advice given to third parties. Please consult your appropriate professional adviser as necessary. Kaplan Publishing Limited and all other Kaplan group companies expressly disclaim all liability to any person in respect of any losses or other claims, whether direct, indirect, incidental, consequential, or otherwise arising in relation to the use of such materials.

All rights reserved. No part of this examination may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without prior permission from Kaplan Publishing.

---

**SECTION A – OBJECTIVE TEST QUESTIONS****ANSWER ALL 46 QUESTIONS****(30 × 2 MARKS, 16 × 1 MARKS)**

- 1 A supermarket is planning to expand into online shopping and wishes to set up a new corporate division to help oversee the process. Which level of strategic planning will this most closely relate to?**
- A Strategic
  - B Tactical
  - C Functional
- (1 mark)**
- 2 Which of the following is a potential problem with the entrepreneurial structure?**
- A Lack of control over workers
  - B Inability to cope with diversification
  - C Slow decision making
  - D 'Empire building' by key staff members
- (2 marks)**
- 3 Research has indicated that workers in country A display characteristics such as toughness and the desire for material wealth and possessions, while workers in country B value personal relationships, belonging and the quality of life.**
- According to Hofstede's theory, these distinctions relate to which cultural dimension?**
- A Masculinity vs femininity
  - B Individualism vs collectivism
  - C Uncertainty avoidance
  - D Power Distance
- (2 marks)**
- 4 In most countries, what is the usual purpose of codes of practice on corporate governance?**
- A To establish legally binding requirements to which all companies must adhere
  - B To set down detailed rules to regulate the ways in which companies must operate
  - C To provide guidance on the standards of best practice that companies should adopt
- (1 mark)**
- 5 Which of the following roles would be most likely to be undertaken by the marketing department of an organisation?**
- A Identification of customer needs
  - B Creation of financial controls
  - C Development of new products
- (1 mark)**

- 6 National Postal Services (NPS) is a recently privatised mail delivery business within Country X. Due to a difficult economic climate the central government has recently taken the step of selling the business to private investors. However, these investors feel that NPS is highly inefficient and are proposing significant job losses.

The directors of NPS have met with the staff union representatives to discuss the process of selecting staff for redundancies. They are aware that the government is likely to take an interest in any job cuts, given the difficult economic climate.

**The directors, union representative and government are all stakeholders of NPS. Which of the following gives the correct classification of the 3 groups (in that order)?**

- A Internal, external, external
- B Connected, internal, internal
- C Internal, internal, external
- D Internal, connected, external **(2 marks)**

- 7 Homeowners believe that the value of their houses will rise and employees feel certain that their level of pay should increase every year. This effect contributes significantly to a country's rate of inflation.

**Which cause of inflation is described above?**

- A Demand-pull inflation
- B Cost-push inflation
- C Monetary inflation
- D Expectations effect **(2 marks)**

- 8 RFM is a large trading company. John is the manager responsible for human resources as well as legal and compliance functions. Jenny is responsible for after sales care and is responsible for ensuring that customers who have purchased goods from RFM are fully satisfied. James deals with suppliers and negotiates on the price and quality of inventory. He is also responsible for identifying the most appropriate suppliers of plant and machinery for the factory. Jill is the information technology manager and is responsible for all information systems within the company.

**According to Porter's value chain, which of the managers is involved in a primary activity as opposed to a support activity?**

- A John
- B Jenny
- C James
- D Jill **(2 marks)**

- 9 Which type of unemployment arises from aggregate demand in the economy being too small to create employment opportunities for those able to and willing to work?**
- A Frictional
  - B Structural
  - C Cyclical
  - D Seasonal
- (2 marks)**
- 10 D is considering reducing the number of design staff in its factories in country G, as it has located another company, H, which will undertake all of D's design work for an extremely low price.**
- What is this change in organisational structure an example of?**
- A Delayering
  - B Downsizing
  - C Outsourcing
- (1 mark)**
- 11 Typical health and safety legislation requires all employers to train all staff regarding their health and safety and provide regular update training on at least an annual basis.**
- Is this statement TRUE or FALSE?**
- A True
  - B False
- (1 mark)**
- 12 Which of the following factors will tend to increase competitive rivalry within an industry?**
- 1 High fixed costs.
  - 2 Differentiated products.
  - 3 Slow market growth.
  - 4 Competitors all of a similar size.
- A 1 and 2
  - B 1 only
  - C 1, 3 and 4
  - D 2, 3 and 4
- (2 marks)**

- 13** Data security is concerned with keeping data safe from various hazards that could destroy or compromise it. These include \_\_\_\_\_ risks, such as fire or flood, as well as \_\_\_\_\_ risks, such as virus infection and fraud.

**The correct words to fill the gaps, in the order they appear above are:**

- A physical, human
  - B natural, artificial
  - C natural, human
  - D physical, online
- (2 marks)**

- 14** Which of the following are typical responsibilities of the financial accountant in a large organisation?

- 1 Inventory valuation.
- 2 Sales invoicing.
- 3 Project appraisal.
- 4 Payroll.

- A 1 and 2
  - B 2 and 4
  - C 1 and 4
  - D 3 and 4
- (2 marks)**

- 15** John has started a job as an accountant at a long-established firm of accountants. In his first month he identified a number of new systems that could be put in place to improve efficiency. In response he was told by his manager that it was not his job to suggest improvements – just to prepare the accounts he was given.

**Which of Handy's cultural types is this most consistent with?**

- A Power
  - B Role
  - C Person
  - D Task
- (2 marks)**

- 16** Money laundering legislation only relates to the exchange of illegally obtained cash for cash that has no links to criminal activity.

**Is this statement TRUE or FALSE?**

- A True
  - B False
- (1 mark)**



**17** K is trying to find certain key figures from the financial statements of P Ltd. In particular she needs to find:

- (1) P's net profit margin
- (2) P's total current assets
- (3) P's share capital

K is unsure about whether to look at the Statement of Financial Position (SOFP) or the Income Statement (IS) for each one.

**Which of the following correctly matches the above items of information with the financial statements in which they would be found?**

	<i>1</i>	<i>2</i>	<i>3</i>	
A	SOFP	IS	IS	
B	IS	SOFP	SOFP	
C	IS	SOFP	IS	
D	SOFP	IS	SOFP	<b>(2 marks)</b>

**18** H plc has formed a temporary committee in order to investigate the possibility of expansion into a new country. Once the investigation is complete, it will be disbanded. What type of committee would this best be classified as?

- A Standing
- B Steering
- C Ad hoc **(1 mark)**

**19** Which of the following is NOT a key consideration when deciding the price of a product?

- A Cost
- B Corporate objectives
- C Channel
- D Customers **(2 marks)**

**20** From the following list, which two activities describe ways the production function co-ordinates with the accounting function?

- 1 Establishing credit terms.
  - 2 Advice on maximum price to be paid.
  - 3 Cost measurement, allocation, absorption.
  - 4 Budgeting.
- A All of them
  - B None of them
  - C 1, 2 and 3
  - D 3 and 4 **(2 marks)**

**21 Which of the following statements are correct with regards to Non-Executive Directors (NEDs)?**

- A They regularly get involved in the day-to-day running of the company
- B Past executive directors cannot become non-executive directors
- C They should not have any links to the executive directors **(1 mark)**

**22 Professional accountants must be fair and truthful in all their professional activities and should not be associated with any false, misleading or recklessly provided statements.**

**Which of the ACCA's fundamental ethical principles is this a description of?**

- A Fairness
- B Integrity
- C Professional behaviour
- D Objectivity **(2 marks)**

**23 ACCAMAP is a mnemonic for the types of internal control employed by an organisation. Which TWO of the following are types of internal control included in ACCAMAP?**

- 1 Monitoring.
  - 2 Authorisation.
  - 3 Performance.
  - 4 Physical.
- A 1 and 2
  - B 1 and 3
  - C 2 and 3
  - D 2 and 4 **(2 marks)**

**24 Which of the following types of fraud are most likely to be carried out by third parties outside a company?**

- A A skimming scheme
- B A false billing scheme
- C Payroll fraud
- D Teeming and lading **(2 marks)**

**25 Equilibrium refers to the selling price of a product where the units supplied by the market are equal to the units demanded by consumers.**

**Is this statement TRUE or FALSE?**

- A True
- B False **(1 mark)**

- 26 Which of the following statements correctly describe the purposes of internal control?**
- 1 To ensure the orderly and efficient conduct of the business.
  - 2 To ensure that assets are safeguarded.
  - 3 To ensure the timely preparation of reliable financial information.
  - 4 To ensure high value, one off transactions are correctly recorded.
- A 1 and 2  
B 1, 2 and 3  
C 1 and 4  
D 4 only **(2 marks)**
- 27 Lack of control over which of the following activities can lead to the fraudulent practice of teeming and lading?**
- A Non-current asset register  
B Budgetary system  
C Inventory management  
D Sales ledger and receipts **(2 marks)**
- 28 K works for JHH – a large company. JHH’s managers have made it clear to K that they expect to her to do her job exactly as she is told, following set procedures which were laid down years ago. Any deviation from these procedures may lead to disciplinary proceedings against her.**
- According to Mintzberg’s structural configurations model, which of the following best matches the organisational structure of JHH?**
- A Machine bureaucracy  
B Professional bureaucracy  
C Adhocracy **(1 marks)**
- 29 Which type of audit is concerned with the evaluation and testing of the internal controls within an organisation?**
- A Systems  
B Management  
C Transactions **(1 mark)**
- 30 Which of the following describes the ‘impoverished’ style of management identified by Blake and Mouton’s managerial grid?**
- A High degree of concern for both people and the task  
B High concern for people and a low concern for the task  
C Low concern for people and a high concern for the task  
D Low concern for people and low concern for the task **(2 marks)**

- 31** According to Belbin, the success of a group can depend on the balance of individual skills and personality types.

**Which of the following statements are characteristics of the 'shaper'?**

- A Calm, self confident and controlled – coordinating and operating through others.
- B Concerned with the relationships within the group, supportive and tends to diffuse conflict.
- C Highly-strung, outgoing and dynamic and committed to the task.
- D Orderly, conscientious, anxious and ensures that timetables are met. **(2 marks)**

- 32** In Vroom's expectancy theory of motivation a person's preference for a particular outcome is referred to as:

- A a valence
- B a hygiene factor
- C preference discrimination **(1 mark)**

- 33** Which of the following statements regarding Herzberg's two-factor theory is correct?

- A Hygiene factors tend to include factors that are intrinsic to the job itself.
- B If all necessary hygiene factors are present, it will encourage employees to work harder.
- C Motivators include increasing levels of responsibility within the organisation.
- D Pay only ever acts as a hygiene factor. **(2 marks)**

- 34** According to Douglas McGregor:

- A 'Theory X' people dislike work, need direction and avoid responsibility.
- B 'Theory Y' people dislike work, need direction and avoid responsibility.
- C Self-actualising people dislike work, need direction and avoid responsibility.
- D Hygiene factors determine whether people like work, need direction or take responsibility. **(2 marks)**

- 35** W Ltd is planning on widening the span of control of its managers. Which of the following would make this difficult for W to accomplish successfully?

- A All of W's employees are based in one location
- B W's managers are highly skilled and experienced
- C W's employees have very repetitive jobs
- D Many of W's employees have recently joined the company **(2 marks)**

- 36** Peter leads an informal group of local residents who have come together to oppose council plans for developing a local park into a housing estate. Over the last year the team has worked effectively together to delay council plans. In the last month Graham has joined the group, having just moved to the area. Graham is very assertive and has been openly challenging Peter's decisions.

**Which one of Tuckman's group stages will now occur?**

- A Norming
- B Forming
- C Performing
- D Storming

**(2 marks)**

- 37** According to the Ashridge Management College, which management style involves a manager making all decisions themselves, but trying to ensure staff are still motivated enough to carry the decisions out?

- A Consults
- B Tells
- C Sells
- D Joins

**(2 marks)**

- 38** Which organisation is responsible for the production of guidance on topical issues which are not covered in existing accounting standards?

- A SAC
- B IFRIC
- C IASB

**(1 mark)**

- 39** Which of the following statements describes the correct sequence between sender and receiver within the communication cycle?

- A Encoded message, medium, decoded message
- B Medium, encoded message, decoded message
- C Decoded message, encoded message, medium
- D Medium, decoded message, encoded message

**(2 marks)**

**40 Which of the following should be the purposes of an appraisal interview?**

- 1 To discuss employee performance.
- 2 To discipline an employee.
- 3 To agree an employee's salary review.
- 4 To identify an employee's development needs.

- A 1 and 3
- B 1 and 4
- C 3 and 4
- D 1 and 2

**(2 marks)**

**41 Which of the following statements regarding conflict are correct?**

- 1 Vertical conflict occurs between individuals at the same level of an organisation.
- 2 Suppression is often only a short-term solution to conflict.
- 3 Conflict reduction involves trying to find the root cause of the conflict and solving it.
- 4 Conflict refers to any personal divergence of interests between groups or individuals.

- A 1 and 3
- B 2 and 4
- C 3 and 4
- D 1 and 4

**(2 marks)**

**42 A large supermarket is looking to recruit a new butcher for its meat counter. In relation to employee selection, which type of testing is most appropriate for assessing the depth of knowledge of candidate and the candidates' ability to apply that knowledge?**

- A Intelligence testing
- B Competence testing
- C Psychometric testing

**(1 mark)**

**43 Which pattern of communication is usually the quickest way to send a message?**

- A Wheel
- B Circle
- C All channel
- D Chain

**(2 marks)**

- 44** A company has advertised for new staff and stipulated that staff have to wear a supplied uniform and may not wear any headwear.

**Which of the following is the legal term for this unlawful practice?**

- A Direct discrimination
- B Indirect discrimination
- C Implied discrimination

**(1 mark)**

- 45** Dave has the responsibility to work with selected employees in his organisation. His objective is to help staff over specific problems such as bereavement, substance abuse and stress. Dave has no involvement in the technical content of employees' work.

**Which of the following roles does Dave fulfil?**

- A Counsellor
- B Mentor
- C Instructor

**(1 mark)**

- 46** **Experiential learning (Kolb) theory suggests that learning is a continuous cycle with four stages, all of which have to be completed for new knowledge to be fully acquired. What are the four stages?**

- A Experience, reflection, abstract observation and active conceptualisation.
- B Experience, active experimentation, abstract conceptualisation, observation and reflection.
- C Education, active experimentation, abstract conceptualisation, observation and reflection.
- D Education, experimentation, observation, reflection.

**(2 marks)**

## SECTION B – MULTI-TASK QUESTIONS

### ANSWER ALL 6 QUESTIONS

- 1 (a) Porter suggested that there are several possible strategies that an organisation may adopt:

- A Cost leadership
- B Differentiation
- C Stuck in the middle
- D Focus

YY plc has four divisions, each of whom operates in different markets. YY's managers have asked for an analysis of the strategies adopted by each of these divisions to help them analyse divisional performance.

**Required:**

**Identify which strategy each of the following divisions has adopted by selecting A, B, C or D:**

- (i) **Division 1 manufactures and sells furniture. It has recently invested in an automated assembly line which has allowed the division to reduce the number of staff it employs, driving down its overheads. This has enabled the division to reduce its selling prices, undercutting its rivals.**
- (ii) **Division 2 is a retailer of homewares. This is an extremely competitive market, so the division has decided to sell a range of products which is tailored to customers who work from home. This is a relatively small but profitable area of the market, which Division 2 now dominates.**
- (iii) **Division 3 is a manufacturer of small electrical items, such as toasters and kettles. It has developed an innovative energy saving system for these devices that means they use far less power than those made by its rivals. This has allowed the division to charge a premium for its products.**
- (iv) **Division 4 sells magazines and books. Its product range and cost base is similar to that offered by its rivals, meaning that it charges approximately the same price for its goods as them. The division has been struggling to attract customers and has seen its profits fall in the last year.**

**Note: The total marks will be split evenly between each part. (2 marks)**

- (b) Division 4 operates in country H, which is experiencing a major recession. The Government of country H is unsure how to deal with this, but is aware that there are three main approaches that it could take:

- A Demand side
- B Classical
- C Supply side



The following sentences contain gaps which specify one of the three terms above.

The Finance Minister of country H has suggested that the Government does nothing to attempt to handle the economic crisis. He has argued that 'under the \_1\_ theory of economics, the country will naturally reach its ideal equilibrium point and we should not interfere with this process.

**Required:**

**(i) Select the term that appropriately fills gap 1 above; i.e. select A, B, C or D.**

The Prime Minister of country H feels that the \_2\_ theory of economics is more appropriate in country H and has recommended that the Government needed to lower taxes in an attempt to stimulate the economy.

**Required:**

**(ii) Select the term that appropriately fills gap 2 above; i.e. select A, B, C or D.**

**Note: The total marks will be split evenly between each part. (2 marks)**

**(Total: 4 marks)**

- 2 (a)** Ethical dilemmas can be dealt with in a number of different ways, depending on the approach to ethics which is taken by the individual. There are a number of possible approaches, including:

- A Egoism
- B Utilitarianism
- C Pluralism
- D Absolutism

**Required:**

**Classify the following statements as relating to either A (egoism), B (utilitarianism), C (relativism), or D (absolutism):**

- (i) Regardless of the consequences, theft is always wrong.**
- (ii) Theft is acceptable if the thief needs what they are stealing.**
- (iii) Theft is acceptable if it doesn't seriously compromise the interests of the victim, but benefits the thief and his or her family.**
- (iv) Theft is acceptable as long as it benefits more people than it harms.**

**Note: The total marks will be split evenly between each part. (2 marks)**

(b) There are a number of ethical threats that can be faced by a professional accountant when they undertake their work.

- A Dishonesty
- B Advocacy
- C Familiarity
- D Incompetence
- E Intimidation
- F Disrespect
- G Doubt
- H Self-interest

**Required:**

**Identify which four of the above factors are standard threats to professional behaviour by selecting FOUR of the letters from A–H. (2 marks)**

**(Total: 4 marks)**

**3** (a) Y is a private limited company which is considering converting itself to a public limited company. One of Y's directors has become concerned about the corporate governance requirements that Y will face if it becomes a public company.

Consider the following statements relating to corporate governance:

- A It is designed to reduce the agency problem within companies.
- B Non-executive directors' key roles include strategy, performance, risk and people.
- C The audit committee is responsible for ensuring that the board's composition is balanced.
- D At least half of the board should be made up of independent non-executive directors.
- E All companies are legally required to follow good corporate governance principles.
- F Non-executive directors participate in the day-to-day running of the company.
- G The remuneration committee should be created to ensure that no director should be responsible for setting their own pay and conditions.
- H The audit committee are responsible for liaising with external auditors. Internal auditors report directly to the board of directors.

**Required:**

**Identify which of the above statements are correct by selecting FOUR of the letters from A-H. (2 marks)**

- (b) Y’s directors are also concerned about how they appear to their customers and investors. They are aware of a number of key concepts, including:
- A Ethics
  - B Sustainability
  - C Public oversight
  - D Corporate social responsibility

The following sentences contain gaps which are missing one of these four terms.

Y is aware that it needs to monitor \_1\_, which will involve ensuring that it does not compromise the needs of all its stakeholders, rather than just its shareholders. An important element of this will be Y’s attempts to improve its \_2\_ by making sure that its use of resources, such as raw materials, does not compromise the needs of future generations.

**Required:**

- (i) Select the concept that best fills gap 1 above; i.e. select A, B, C or D.
- (ii) Select the concept that best fills gap 2 above; i.e. select A, B, C or D.

**Note: The total marks will be split evenly between each part. (2 marks)**

**(Total: 4 marks)**

- 4 Mendelow’s matrix is a popular model for analysing an organisation’s stakeholders. It is reproduced below.

		Power	
		<i>Low</i>	<i>High</i>
Interest	Low	<b>A</b>	<b>B</b>
	High	<b>C</b>	<b>D</b>

TTL is a small business that runs a chain of coffee shops in country C. It currently only sells hot and cold drinks in its shops, but is planning to start offering food items, such as sandwiches and cakes. TTL’s managers have identified a number of stakeholders involved in this decision and wish to place them on the matrix shown above.

For each stakeholder shown below, identify where they would be placed on Mendelow’s matrix by selecting a letter from A to D.

**Required:**

- (i) **TTL’s staff. They will require training in food preparation and hygiene to ensure they can comply with health and safety legislation. The employee union (which represents about 85% of TTL’s staff) has expressed concerns that it will increase staff workloads to an unacceptable level. (Select A–D)**
- (ii) **The Government of country C. The Government has set a number of health and safety laws in place that apply to all businesses in the country that prepare or serve food. The Government inspects all such businesses on an annual basis and can close down any shops which it finds breaching these rules. (Select A–D)**

- (iii) **Individual customers.** TTL has around 15,000 regular customers to its stores. Each spends a similar amount of money. TTL has no major corporate clients. TTL's surveys have suggested that customers currently have significant levels of enthusiasm for the idea of the company serving food. (Select A–D)
- (iv) **Suppliers.** TTL will be buying its sandwiches and cakes from around fifteen different suppliers. Each of these suppliers are large, multinational companies. TTL will form a very small percentage of its suppliers' total revenue. (Select A–D)

**Note:** The total marks will be split evenly between each part.

**(Total: 4 marks)**

- 5 (a) QY is an animal welfare charity which operates a number of small shops. These shops sell animal themed toys and other products. The products are purchased new and sold at a profit which is then used to support QY's charitable activities.

QY has a number of key information systems that it uses to control its activities. As these systems are crucial to QY, it wishes to ensure there are sufficient controls over their use.

QY has identified that there are two types of controls for IT systems:

- A General
- B Application

**Required:**

**Identify type of control is being described below by writing A or B.**

- (i) **Disaster recovery systems, such as off-site backups**
- (ii) **Physical controls, such as locking the computers away**
- (iii) **Logical access controls, such as passwords**
- (iv) **Completeness checks to ensure all data has been entered**

**Note:** The total marks will be split evenly between each part. **(2 marks)**

- (b) There are a number of different types of systems that can be used by an organisation to help it meet its information needs. These include:

- A Decision support systems (DSS)
- B Transaction processing systems (TPS)
- C Expert systems (ES)
- D Management information systems (MIS)

The following sentences contain gaps relating to the relevant type of information system from the list above.

QY has designed a new \_1\_ which allows staff to scan the barcodes on each product sold. This information is stored by the system, which prepares summary reports at the end of each day or week which show how much of each product has been sold.

**Required:**

- (i) **Select the system that appropriately fills gap 1 above; i.e. select A, B, C or D.**

QY also operates a \_2\_ which uses information from the internal sales systems, as well as information from outside the company (such as market research) to help QY's managers decide which products to stock in its stores.

**Required:**

**(ii) Select the system that appropriately fills gap 2 above; i.e. select A, B, C or D.**

**Note: The total marks will be split evenly between each part. (2 marks)**

**(Total: 4 marks)**

- 6 (a)** FAF is considering the launch of a major new product. However, it is aware that it needs to raise a significant amount of money for this strategy.

It has identified two possible sources of finance:

- A Debt – via a bank loan
- B Equity – via an issue of shares to the public

**Required:**

**Identify which of the following relate to the debt or equity finance options above by selecting A or B.**

- (i) There would be no change in the ownership of the company**
- (ii) FAF would have to be a public limited company to raise finance in this way**
- (iii) At least part of the repayments made to the finance provider would be allowable for tax**
- (iv) Overall this is likely to be the cheaper of the two sources of finance**

**Note: The total marks will be split evenly between each part. (2 marks)**

- (b)** FAF is also considering the creation of a treasury function, but is unsure of the role that this would play in the organisation.

- A Preparation of FAF's key financial statements
- B Product pricing decisions
- C Working capital management
- D Foreign currency and exchange rate management
- E Preparation of FAF's internal budgets
- F Taxation
- G Recording and analysis of FAF's financial transactions
- H Financing decisions

**Required:**

**Identify which of the above statements are correct by selecting FOUR of the letters from A–H. (2 marks)**

**(Total: 4 marks)**

