

ACCA

Applied Skills

Financial Management (FM)

EXAM KIT

KAPLAN
PUBLISHING

CONTENTS

	<i>Page</i>
Index to questions and answers	P.5
Analysis of past exams	P.9
Exam Technique	P.11
Exam-specific information	P.13
Kaplan's recommended revision approach	P.16
The Kaplan Financial Management revision plan	P.18
Mathematical tables and formulae sheet	P.24

Section

1	Objective Test Questions – Section A	1
2	Objective Test Case Study Questions – Section B	59
3	Constructed Response (Long) Practice Questions – Section C	121
4	Answers to Objective Test Questions – Section A	167
5	Answers to Objective Test Case Study Questions – Section B	211
6	Answers to Constructed Response (Long) Practice Questions – Section C	261
7	Specimen Exam Questions	493
8	Answers to Specimen Exam Questions	511

Page number
Question Answer

SECTION A-TYPE QUESTIONS 1–220

Financial Management Function 1–22	1	167
Financial Management Environment 23–54	6	169
Working Capital Management 55–88	14	174
Investment Appraisal 89–118	23	182
Business Finance and Cost of Capital 119–157	32	189
Business Valuations 158–188	41	197
Risk Management 189–220	50	203

 Questions with online debriefs in section A are Qs 20, 21, 25, 33, 47


SECTION B-TYPE QUESTIONS 221–264

Financial Management Function and Environment 221–222	59	211
Working Capital Management 223–228	63	213
Investment Appraisal 229–235	71	220
Business Finance and Cost of Capital 236–243	81	228
Business Valuations 244–254	91	236
Risk Management 255–264	107	248


 Questions with online debriefs in section B are Qs 250, 262

SECTION C-TYPE QUESTIONS

WORKING CAPITAL MANAGEMENT – EXAM STYLE QUESTIONS

265	FLG Co	121	261	June 08	
266	KXP Co	122	264	Dec 12	
267	HGR Co	123	269	June 09	
268	Anjo	124	274	–	
269	WQZ Co	126	275	Dec 10	
270	Flit Co	127	280	Dec 14	
271	Oscar Co	128	285	Sep/Dec 18	
272	Dusty Co	129	290	Sep/Dec 19	
273	Pumice Co		130	295	Mar/Jul 20
274	Kandy Co	131	301	Sep/Dec 21	
275	Purdy Co	132	307	Sep/Dec 22	

INVESTMENT APPRAISAL – EXAM STYLE QUESTIONS

276	Warden Co	133	313	Dec 11	
277	Duo Co		133	317	Dec 07
278	OKM Co	134	322	June 10	
279	Hraxin Co	135	326	Jun 15	
280	Hebac Co	136	330	Sep 16	
281	Vyxyn Co	137	333	Mar/Jun 17	

EXAM-SPECIFIC INFORMATION

THE EXAM

FORMAT OF THE EXAM

The exam will be in **THREE sections**, and will be a mix of narrative and computational answers. All questions are compulsory.

		<i>Number of marks</i>
Section A:	Fifteen objective test questions of 2 marks each	30
Section B:	Three objective test case studies – five questions per case study of 2 marks each	30
Section C:	Two constructed response (long) questions, mainly from the syllabus areas of working capital management, investment appraisal and business finance:	
	Question 1	20
	Question 2	20
		—————
		100
		—————

Total time allowed: 3 hours (plus 10 minutes to read the exam instructions).

Note that:

- the Financial Management exam will have both a discursive and computational element. The objective test questions and the objective test case study questions will therefore include a mix of calculation-based and explanation-based questions.
- there is likely to be a discussion element included in the constructed response questions in Section C.

PASS MARK

The pass mark for all ACCA Qualification examination exams is 50%.

Section 1

OBJECTIVE TEST QUESTIONS – SECTION A

Each question is worth two marks.

FINANCIAL MANAGEMENT FUNCTION

1 In relation to the financial management of a company, which of the following provides the best definition of a firm's primary financial objective?

- A To achieve long-term growth in earnings
- B To maximise the level of annual dividends
- C To maximise the wealth of its ordinary shareholders
- D To maximise the level of annual profits

2 Indicate, by clicking in the relevant boxes, whether the following objectives are financial or non-financial objectives of a company.

Objective	Financial	Non-financial
Maximisation of market share		
Earnings growth		
Sales revenue growth		
Achieving a target level of customer satisfaction		
Achieving a target level of return on capital employed		

3 Which THREE of the following are the main types of decision facing the financial manager in a company?

- A Income decision
- B Investment decision
- C Dividend decision
- D Financing decision
- E Appraisal decision
- F Budget decision

4 Which TWO of the following are examples of financial objectives that a company might choose to pursue?

- A Dealing honestly and fairly with customers on all occasions
- B Provision of good working conditions and industrial relations
- C Earning above a particular level of return on capital employed
- D Producing environmentally friendly products
- E Restricting the level of gearing to below a specified target level

5 Value for money is an important objective for not-for-profit organisations.

Which of the following actions is consistent with increasing value for money?

- A Using a cheaper source of goods and thereby decreasing the quality of not-for-profit organisation services
- B Searching for ways to diversify the finances of the not-for-profit organisation
- C Decreasing waste in the provision of a service by the not-for-profit organisation
- D Focusing on meeting the financial objectives of the not-for-profit organization

6 Which of the following is LEAST likely to fall within financial management?

- A The dividend payment to shareholders is increased
- B Funds are raised to finance an investment project
- C Surplus assets are sold off
- D A report is produced comparing actual results to budget

7 Indicate, by clicking in the relevant boxes, whether the following statements are true or false.

Statement	True	False
Financial management is concerned with the long-term raising of finance and the allocation and control of resources		
Management accounting is concerned with providing information for the more day-to-day functions of control and decision-making		
Financial accounting is concerned with providing information about the historical results of past plans and decisions		



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