

# **ACCA**

## **Strategic Professional**

---

### **Strategic Business Leader (SBL)**

---

### **EXAM KIT**

### **British Library Cataloguing-in-Publication Data**

A catalogue record for this book is available from the British Library.

Published by:

Kaplan Publishing UK  
Unit 2 The Business Centre  
Molly Millar's Lane  
Wokingham  
Berkshire  
RG41 2QZ

ISBN: 978-1-78740-115-0

© Kaplan Financial Limited, 2019

### **Printed and bound in Great Britain**

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.

### ***Acknowledgements***

These materials are reviewed by the ACCA examining team. The objective of the review is to ensure that the material properly covers the syllabus and study guide outcomes, used by the examining team in setting the exams, in the appropriate breadth and depth. The review does not ensure that every eventuality, combination or application of examinable topics is addressed by the ACCA Approved Content. Nor does the review comprise a detailed technical check of the content as the Approved Content Provider has its own quality assurance processes in place in this respect.

The past ACCA examination questions are the copyright of the Association of Chartered Certified Accountants. The original answers to the questions from June 1994 onwards were produced by the examiners themselves and have been adapted by Kaplan Publishing.

We are grateful to the Chartered Institute of Management Accountants and the Institute of Chartered Accountants in England and Wales for permission to reproduce past examination questions. The answers have been prepared by Kaplan Publishing.

# CONTENTS

	<i>Page</i>
Index to questions and answers	P.5
Paper specific information	P.11
Exam technique	P.13
Kaplan's recommended revision approach	P.15
Kaplan's detailed revision plan	P.19

## Section

1	Technical practice questions	1
2	Case study questions	119
3	Answers to technical practice questions	211
4	Answers to case study questions	433
5	Specimen 1 exam questions	551
6	Specimen 1 exam answers	565
7	Specimen 2 exam questions	583
8	Specimen 2 exam answers	597

### Key features in this edition

In addition to providing a wide ranging bank of adapted real past exam questions and new case studies, we have also included in this edition:

- Paper specific information and advice on exam technique.
- Our recommended approach to make your revision for this particular subject as effective as possible.  
This includes step by step guidance on how best to use our Kaplan material (Study text, pocket notes and exam kit) at this stage in your studies.
- Enhanced tutorial answers packed with specific key answer tips, technical tutorial notes and exam technique tips from our experienced tutors.
- Complementary online resources including full tutor debriefs and question assistance to point you in the right direction when you get stuck.

# INDEX TO QUESTIONS AND ANSWERS

## INTRODUCTION

The SBL exam is a 4-hour integrated case study with a single compulsory section with a range of tasks and requirements related to one scenario. The aim of the exam is to demonstrate and test organisational leadership and senior consultancy or advisory capabilities and relevant professional skills, through the context of a 'real world' scenario. The basic structure of each exam will require the candidate to take the role of an organisational leader or as a consultant or adviser to senior management.

The exam thus requires candidates to demonstrate both technical ability but also a range of professional skills demanded by effective leaders in advising or supporting senior management in directing organisations.

This examination kit contains both full exam-style case studies and shorter questions focussed on individual syllabus areas.

## KEY TO THE INDEX

### PAPER ENHANCEMENTS

We have added the following enhancements to the answers in this exam kit:



#### **Key answer tips**

Most answers include key answer tips to help your understanding of each question.



#### **Tutorial note**

Most answers include more tutorial notes to explain some of the technical points in detail.



#### **Tutor top tips**

For selected questions, we 'walk through the answer' giving guidance on how to approach the questions with helpful 'tips from a top tutor', together with technical tutor notes.

These answers are indicated with the 'footsteps' icon in the index.

## ONLINE ENHANCEMENTS



### *Question debrief*

For selected questions, we recommend that they are to be completed in full exam conditions (i.e. properly timed in a closed book environment).

In addition to the examiner's technical answer, enhanced with key answer tips and tutorial notes in this exam kit, online you can find an answer debrief by a top tutor that:

- works through the question in full
- points out how to approach the question
- how to ensure that the easy marks are obtained as quickly as possible, and
- emphasises how to tackle exam questions and exam technique.
- These questions are indicated with the 'clock' icon in the index.



### *Online question assistance*

Have you ever looked at a question and not known where to start, or got stuck part way through?

For selected questions, we have produced 'Online question assistance' offering different levels of guidance, such as:

- ensuring that you understand the question requirements fully, highlighting key terms and the meaning of the verbs used
- how to read the question proactively, with knowledge of the requirements, to identify the topic areas covered
- assessing the detail content of the question body, pointing out key information and explaining why it is important
- help in devising a plan of attack.

With this assistance, you should then be able to attempt your answer confident that you know what is expected of you.

These questions are indicated with the 'signpost' icon in the index.

Online question enhancements and answer debriefs will be available on MyKaplan

[www.mykaplan.co.uk](http://www.mykaplan.co.uk)

## TECHNICAL PRACTICE QUESTIONS

		<i>Page number</i>	
		<i>Question</i>	<i>Answer</i>

### A: LEADERSHIP

1	Academic Recycling Company (ARC)	1	211
2	iCompute	3	213
3	The National Museum (NM)	4	215
4	Pharma	9	222
5	John Mathers	10	224
6	Happy and Healthy	11	226
7	AEI	12	228
8	MRA	13	230

### B: GOVERNANCE

9	Rosh and Company	14	233
10	Rowlands & Medeleev (R&M)	15	236
11	Science First	16	238
12	Rosey and Atkins (R&A)	19	242
13	ZPT	19	243
14	Oland	21	246
15	Lum Co	22	248
16	Oskal Petroleum	23	251
17	JGP Chemicals Ltd	24	254
18	Chemco	25	256
19	KK	27	260
20	'Help-with-life' (HWL)	28	262
21	Vestel	28	264
22	Tomato Bank	29	266
23	ABC Co	30	268

# PAPER SPECIFIC INFORMATION

## THE EXAM

---

### FORMAT OF THE EXAM

	<i>Number of marks</i>
<b>A range of compulsory questions</b>	100

Total time allowed: 4 hours.

---

Note that:

- The examination is based on an integrated case study containing a number of assignments which will vary at each examination.
- These assignments or tasks may require you to take on different roles, depending on the situation. The number of marks allocated to all these assignments or the sub-parts of these will add up to 100 in total.
- Within the total marks available, there are 20 Professional Skills marks. Usually each task will contain some professional skills marks which may vary by examination, depending on the requirements.
- All tasks must be completed.
- The examination is of 4 hours duration, but this includes **Reading, Planning and Reflection time (RPRT)**. This time can be used flexibly at any time during the exam.

### PASS MARK

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

## DETAILED SYLLABUS

The detailed syllabus and study guide written by the ACCA can be found at:

[www.accaglobal.com/students/](http://www.accaglobal.com/students/)

## PROFESSIONAL SKILLS

Within the total marks available, there are 20 marks relating to five professional skills:

<b>COMMUNICATION</b>	To express yourself clearly and convincingly through the appropriate medium while being sensitive to the needs of the intended audience.
<b>COMMERCIAL ACUMEN</b>	To show awareness of the wider business and external factors affecting business, using commercially sound judgement and insight to resolve issues and exploit opportunities.
<b>ANALYSIS</b>	To thoroughly investigate and research information from a variety of sources and logically process it with a view to considering it for recommending appropriate action.
<b>SCEPTICISM</b>	To probe deeply into underlying reasons for issues and problems, to question facts, opinions and assertions and to challenge information presented or decisions made.
<b>EVALUATION</b>	To carefully assess situations, proposals and arguments in a balanced way, using professional and ethical judgement to predict future outcomes and consequences as a basis for sound decision-making

Question tasks will detail which skills are being tested in which requirements. Advice on how to earn professional skills marks is given in the next section on exam technique.



# EXAM TECHNIQUE

The SBL exam is different from any other exams that you have sat before and good exam technique is vital for success.

- **Time management** is critical
  - You will have four hours (240 minutes) to read and analyse the case study and requirements, plan your approach to answering each of the tasks, and produce full answers to them all.
  - The examiners' recommended approach is that you allocate **40 minutes to RPRT** – reading and annotating the case, leaving **200** minutes for planning and writing up your answers.
  - Given the 20 professional marks are earned how you write your answers (rather than writing anything extra), this means 200 minutes for 80 technical marks, or 2.5 minutes per technical mark.
- Using the **reading time (RPRT)** effectively
  - Your objective here is to read and understand the scenario and requirements fully within 40 minutes.
  - Start by reading the requirements, so that when you read through 12 or more pages of exhibits, you can evaluate the information and link all pieces of relevant information to the requirements. As you do this, start thinking about the implications of what you are reading, and mentally compile a big picture of the organisation and the issues it is currently facing.
  - The exam you will be sitting is (currently) paper-based so you should highlight and annotate those areas of text that you consider to be useful to answering the questions, linking them to the different requirements.
  - Weaker candidates annotate far too much, so try to be selective and prioritise issues as you go along.
- **Planning** answers – start by analysing the **requirement** itself:
  - What role are you adopting?
  - Who is the report for and what do they want?
  - What verbs have been used to express the requirement?
  - Are there any limitations of scope highlighted?
  - Are there any key issues mentioned that need addressing?
  - Are any calculations, ratios or other quantitative analysis required?
  - Does the question lend itself to the use of a specific theoretical model?
  - Which professional skill is being explicitly tested?

- Writing up a plan:
  - Set up key headings – these should now be obvious from the wording of the requirement and the choice of model (if any).
  - Fill in key issues under the headings, firstly from what you remember and then by looking again at your annotations on the exam paper.

- **Earning professional skills marks as you write up your answers**

To demonstrate professionalism and earn skills marks you need to do the following:

- Address the requirements as written, taking particular notice (again!) of the verbs used
- Make sure you include the most important, relevant and crucial points relating to the requirement.
- Only make relevant points and try not to include superfluous information or make unsupported points.
- Show deep/clear understanding of underlying or causal issues and integrate or link different sources of information from various parts of the scenario or different exhibits to make points
- Avoid repeating points already made.
- Show your ability to prioritise and make points in a logical and progressive way, building arguments rather than using a random or 'scattergun' approach to answering the question.
- Structure and present your answers in a professional manner through faithfully simulating the task as would be expected of the person being asked to carry it out and always have a clear stakeholder focus in mind when constructing the answer.
- Demonstrate evidence of your knowledge from previous learning or wider reading and apply this knowledge appropriately to strengthen arguments and make points more convincing.
- In addition to being clear, factual and concise, you should express yourself convincingly, persuasively and with credibility.



**Always keep your eye on the clock and do not over run on any part of any question!**

## Section 1

# TECHNICAL PRACTICE QUESTIONS

**NOTE: THE MAIN PURPOSE OF THE QUESTIONS IN THIS SECTION IS TO HELP YOU FOCUS ON SPECIFIC SYLLABUS AREAS TO ENSURE YOU HAVE THE LEVEL OF TECHNICAL ABILITY REQUIRED FOR SUCCESS. MANY OF THESE QUESTIONS ALSO HAVE PROFESSIONAL SKILLS ASPECTS AS WELL.**

### **A: LEADERSHIP**

#### **1 ACADEMIC RECYCLING COMPANY (ARC)**

Ten years ago Sully Truin formed the Academic Recycling Company (ARC) to offer a specialised waste recycling service to schools and colleges. The company has been very successful and has expanded rapidly. To cope with this expansion, Sully has implemented a tight administrative process for operating and monitoring contracts. This administrative procedure is undertaken by the Contracts Office, who track that collections have been made by the field recycling teams. Sully has sole responsibility for obtaining and establishing recycling contracts, but he leaves the day-to-day responsibility for administering and monitoring the contracts to the Contracts Office. He has closely defined what needs to be done for each contract and how this should be monitored. 'I needed to do this', he said, 'because workers in this country are naturally lazy and lack initiative. I have found that if you don't tell them exactly what to do and how to do it, then it won't get done properly.' Most of the employees working in the Contracts Office like and respect Sully for his business success and ability to take instant decisions when they refer a problem to him. Some of ARC's employees have complained about his autocratic style of leadership, but most of these have now left the company to work for other organisations.

A few months ago, ARC was acquired by an international company Scat. Scat intend to leave the management of ARC completely in Sully Truin's hands but want to integrate its activities into complementary activities carried out by the Scat group.

As part of Scat's human resource strategy every manager must attend one of Scat's internal leadership programmes. Scat's programmes actively advocate and promote a democratic style of management. Sully Truin attended once such course programme as part of the conditions for him retaining his managing directorship of ARC.

The course caused Sully to question his previous approach to leadership. It was also the first time, for three years, that Sully had been out of the office during working hours for a prolonged period of time. However, each night, while he was attending the course, he had to deal with emails from the Contracts Office listing problems with contracts and asking him what action they should take. He became exasperated by his employees' inability to take actions to resolve these issues.

He discussed this problem with the leaders of Scat's training programme. They suggested that his employees would be more effective and motivated if their jobs were enriched and that they were empowered to make decisions themselves.

On his return from the course, Sully called a staff meeting with the Contracts Office where he announced that, from now on, employees would have responsibility for taking control actions themselves, rather than referring the problem to him. Sully, in turn, was to focus on gaining more contracts and setting them up.

However, problems with the new arrangements arose very quickly. Fearful of making mistakes and unsure about what they were doing led to employees discussing issues amongst themselves at length before coming to a tentative decision. The operational (field) recycling teams were particularly critical of the new approach. One commented that 'before, we got a clear decision very quickly. Now decisions can take several days and appear to lack authority.' The new approach also caused tensions and stress within the Contracts Office and absenteeism increased.

At the next staff meeting, employees in the Contracts Office asked Sully to return to his old management style and job responsibilities. 'We prefer the old Sully Truin', they said, 'problems are again referred up to him. However, he is unhappy with this return to the previous way of working as he feels that this may upset the new company owners. He is also working long hours and is concerned about his health. On top of this, he realises that he has little time for obtaining and planning contracts and this is severely restricting the capacity of the company to expand in order to integrate activities with other parts of the Scat group.

Scat performs a 100 day review of all newly acquired businesses. This 100 day review examines the impact of the acquisition after the first 100 days of Scat ownership. A review of ARC has determined that ARC has yet to achieve integration targets that were set as objectives for the first 100 days post acquisition.

The Scat human resource director is concerned that this may be caused by a poor management style employed by Sully Truin or that perhaps Scat's own internal training programmes are not as effective as hoped. She believes that the management training course promotes the best approach to leadership, one that she herself employs across all of Scat's business units.

**Required:**

**You work as a member of the 100 day review team at Scat.**

**Prepare a brief report for the Scat HR director to explain why the change of leadership style at ARC was unsuccessful and whether this reflects a poor approach to Scat's management training programme. (15 marks)**

Professional skills marks will be awarded for demonstrating commercial acumen in demonstrating awareness of the wider external factors that may have affected the success of Sully Truin's new management style. (3 marks)

**(Total: 18 marks)**