

# **ACCA**

## **Strategic Professional**

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**Strategic Business Reporting  
(INT & UK) (SBR)**

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**EXAM KIT**

**KAPLAN**  
PUBLISHING

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Versions of some questions in this Exam Kit may also be available on the ACCA Practice Platform on the ACCA website. They are a very useful reference, in particular to attempt using ACCA's exam software. However, you should be aware that ACCA will decide when those questions will be amended for syllabus changes or replaced, so they may differ slightly from the versions in this Exam Kit.

This document references IFRS® Standards and IAS Standards®, which are authored by the International Accounting Standards Board (the Board), and published in the 2023 IFRS Standards Red Book.

## SECTION A QUESTIONS

			Page number		Past exam (Adapted)
			Question	Answer	
<b>Group financial statements</b>					
1	Kabelo		1	137	Sep/Dec 23
2	Greer		4	144	Mar/Jun 23
3	Sterling		6	151	Sep/Dec 22
4	Luna		8	160	Mar/Jun 22
5	Chuckle		10	170	Sep/Dec 21 (A)*
6	Columbia		13	181	Mar/Jun 21 (A)*
7	Sugar		17	191	Sep/Dec 20 (A)*
8	Humming		20	198	Mar 20 (A)
9	Luploid		22	206	Sep/Dec 19 (A)
10	Carbise		24	212	Mar/Jun 19
11	Moyes		26	220	Dec 18 (A)
12	Banana		28	226	Sep 18 (A)*
13	Jocatt		32	233	*
14	Zippy		35	238	*
15	Ashanti		39	244	*
16	Joey		42	250	
17	Parsley		45	255	*
18	Traveler		48	261	

## Reporting and ethical implications

19	Dario		50	269	Sep/Dec 23
20	Cutherd		52	274	Mar/Jun 23
21	Jassie		53	279	Sep/Dec 22
22	Renshu		55	283	Mar/Jun 22
23	Agency Group		56	289	Sep/Dec 21
24	Bismuth		58	294	Mar/Jun 21
25	Calibra		60	299	Sep/Dec 20
26	Bagshot		61	303	Mar 20
27	Stent		62	309	Sep/Dec 19
28	Hudson		63	314	Mar/Jun 19 (A)
29	Fiskerton		64	320	Dec 18
30	Farham		66	324	Sep 18

# PAPER SPECIFIC INFORMATION

## THE EXAM

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### FORMAT OF THE EXAM

	<i>Number of marks</i>
Section A: Two compulsory questions	50
Section B: Two compulsory questions of 25 marks each	50
	——
	100
	——
Total time allowed: 3 hours 15 minutes.	

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#### Note that:

- The first question in Section A will be worth 30 marks. It will always test group accounting and will include a pre-populated spreadsheet that contains a draft consolidated financial statement. One of the requirements will be to correct this spreadsheet for a range of issues, which will be worth between 10-14 marks. In addition to this requirement, a discussion and explanation of these numbers will be required. This question will also test other areas of the syllabus.
- The second question in Section A will be worth 20 marks. It requires consideration of (i) the reporting implications and (ii) the ethical implications of specific events in a given scenario. Two professional marks will be awarded in this question for the application of ethical principles to the scenario.
- Section B consists of two questions, which will be scenario-based and will contain both discursive and computational elements. Section B could deal with any aspect of the syllabus but will always include either a full question, or part of a question, that tests the analysis section of the syllabus. Two professional marks will be awarded in the Section B question that requires analysis.
- For the two questions with professional marks, guidance will be given within the question to specify how these professional marks will be awarded.

### PASS MARK

The pass mark for all ACCA Qualification examinations is 50%.

## Section 1

# PRACTICE QUESTIONS

### SECTION A QUESTIONS – GROUP FINANCIAL STATEMENTS

#### 1 KABELO (SEP/DEC 2023) *Walk in the footsteps of a top tutor*

##### Background

Kabelo Co is the parent company of a group whose financial year end is 31 December 20X5.

The following **exhibits** provide information relevant to the question:

- 1 Acquisition of Trudos Co – provides information regarding the acquisition of Trudos Co and other information relevant to complete the consolidated statement of cash flows.
- 2 Financial instruments – contains information about a number of financial instruments held by the Kabelo Group.
- 3 Consolidated statements – this includes the draft extracts for the consolidated statement of cash flows together with extracts from the finalised consolidated statement of financial position for the year ended 31 December 20X5 including comparative figures.

This information should be used to answer the question **requirements** within your chosen **response option(s)**.

##### 1 – Acquisition of Trudos

Kabelo Co acquired 80% of the 100,000 equity shares of Trudos Co on 30 June 20X5. The consideration consisted of a cash payment of \$5 per share acquired and an issue of one Kabelo Co \$1 equity share for every four shares acquired in Trudos Co. Kabelo Co's policy is to value non-controlling interest at fair value at the date of acquisition. The fair value of Kabelo Co's and Trudos Co's shares on 30 June 20X5 were \$13 and \$8 respectively.

The carrying amount of the net assets reported by Trudos Co on 30 June 20X5 were as follows:

	\$
Property, plant and equipment	421,000
Inventories	256,800
Trade receivables	220,300
Cash and cash equivalents	24,900
Trade payables	(175,400)
	<hr/>
	747,600
	<hr/>

The only fair value adjustment on acquisition related to plant which had a fair value of \$50,000 above its carrying amount.

The group pays tax at 30% and deferred tax was correctly accounted for within the consolidated statement of financial position. The taxation figure in the statement of profit or loss for the year ended 31 December 20X5 is \$385,600 and this figure has been included as taxation paid within the draft statement of cash flows.

The group's financial controller has accurately completed the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income but the consolidated statement of cash flow is in draft. The financial controller has not yet considered the impact of the acquisition of Trudos Co on the consolidated statement of cash flow.

The statement of cash flows figures for movements in inventories, trade receivables, trade payables and property, plant and equipment have been calculated by considering simply the differences in the year-end balances in the consolidated statement of financial position from 31 December 20X4 and 31 December 20X5.

Goodwill of Trudos Co was impaired during the year. There were no other goodwill impairments within the group.

The depreciation charge of the group for the year ended 31 December 20X5 was \$625,060.

There were no disposals of non-current assets by the group during the year although there were some additions paid for by cash.

## 2 – Financial instruments

The Kabelo Group has a number of financial instruments presented within its consolidated statement of financial position. Some group entities which had surplus cash resources had acquired debentures in other non-group entities to increase returns. Other group entities had raised finance by issuing bonds.

Kabelo Co financed the acquisition of Trudos Co by acquiring a bank loan.

Kabelo Co also had an overdrawn bank balance as at 31 December 20X5. The overdrawn bank balance fluctuates regularly from an in-funds balance to an overdrawn balance.



You are viewing a sample

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