

# Accountant CIMA-OCS

## Operational Case Study Exam

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## Question: 1

- References from current customers (also online reviews)
- Permission to requested reference from bank.
- Credit terms offered.
- Check financial statements if available online.
- Visit site to check for any alarming signs such as low stocks, demotivated staff, working conditions, general state of PPE.

- A. Types of control systems
- B. Direct marketing and examples.
- C. Market research
- D. Supplier sourcing factors

**Answer: D**

## Question: 2

Easy for managers to understand and operate.

Conflicts are avoided as departments are treated and managed consistently.

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There is no incentive to reduce costs. Managers may use all their budget limit not to reduce budget for the following period.

Unnecessary expenses and slack built into the budget are carried forward.

Fails to take into account changing circumstances.

- A. Types of control systems
- B. Incremental Budgeting advantages and disadvantages
- C. Zbb advantages and disadvantages
- D. Direct marketing and examples.

**Answer: B**

## Question: 3

An associate is a company in which a business owns a significant portion. A significant portion would be between 20-50%.

Control is not exercised but the investor is considered to have significant influence.

Statements should not be consolidated, instead the investment is shown as "investment in associate" under non-current assets.

- A. When can Intangible Assets be recognised in the Financial Statements?
- B. What is the marketing mix? Include service industry and examples of each.
- C. What is an associate? Is control exercised? Should statements be consolidated?
- D. What is a Government Grants. When may it be recognised?

**Answer: B**

### Question: 4

NCI stands for non-controlling Interest and it represents the stake of the subsidiary that Gymfit does not own. It need to be recognised on the financial statements because we control 100% of the subsidiary although we do not own 100%.

NCI can be determined by using the:

- Fair value method which is the amount for which the shares could be exchanged.
  - Proportion of net assets which calculates NCI based on the percentage of the subsidiaries equity.
- NCI will be adjusted with its portion of the profit or loss or any adjustment to goodwill.

- A. ZBB advantages and disadvantages
- B. What is NCI and how is it treated?
- C. What is the marketing mix? Include service industry and examples of each.
- D. What is a Government Grants. When may it be recognised?

**Answer: B**

### Question: 5

Improve participation through quality circles. Bottom-up approaches

Appropriate working environment: rest brakes, water to drink, appropriate tools and health and safety.

Offer training, role enrichment, development

Personal recognition: employee of the month / year. Most positive feedback from customers. Staff who offer solutions to problems.

- A. Weakness of Sensitivity Analysis
- B. What is an intangible asset?
- C. How can staff be motivated?
- D. ZBB advantages and disadvantages

**Answer: C**

### Question: 6

Assistance provided by the government to an entity with the view of providing a benefit to society or to incentive business investment in PPE.

Only recognised when there is reasonable assurance that the grant's conditions will be complied with and that the grant will be received.

- A. What is CSR (Corporate Social Responsibility)?
- B. What is a Government Grants. When may it be recognised?
- C. What is Business Process Reengineering (BRP)? How is it applied?
- D. What is an associate? Is control exercised? Should statements be consolidated?

**Answer: B**

### Question: 7

Conformance:

Prevention are costs incurred to prevent and avoid quality issues.

Appraisal are costs incurred to monitor and measure quality.

Non-conformance:

Internal failure are costs incurred to remedy defects before they reach the customer.

External failure are costs incurred to remedy defects discovered by the customer.

- A. The 4 categories of Quality Cost
- B. Methods of external finance And Description.
- C. The 0 categories of Quality Cost
- D. The 3 categories of Quality Cost

**Answer: A**

### Question: 8

Integrity: being honest and truthful.

Objectivity: not allowing bias, conflict of interest or the influence of other people.

Professional competence and due care: commitment to my level of professional knowledge and skill

Confidentiality: not disclose professional information unless you have specific permission or a legal or professional duty to do so

Professional Behaviour: to comply with relevant laws and regulations.

Acronym: PIPOC

- A. Benefits of Corporate Governance.
- B. Hertzberg Motivational Theory

- C. Direct Marketing and Examples.
- D. CIMA Code of Ethics

**Answer: D**

### Question: 9

- Increase reputation and recognition
- Attract investors
- Improved consumer trust
- Increased employee loyalty
- Better community relation
- Environmental sustainability

- A. Supplier Sourcing Factors
- B. Advantages of CSR
- C. Advantages and Disadvantages
- D. What are budgets?

**Answer: B**

### Question: 10

Unsolicited contact a business makes with existing or potential customers in order to market itself. Physical mail, e-mail, sms, telemarketing, leaflet drop.

It is by far one of the most effective forms of marketing. It is possible to experiment with minor campaigns before investing full scale.

- A. Incremental budgeting advantages and disadvantages
- B. Direct Marketing and examples.
- C. Market research
- D. Supplier sourcing factors

**Answer: B**

### Question: 11

Positive is when action is prompted to reinforce a deviation from the plan. Such as sales increasing more than expected.

Negative is when action is prompted to return the process to its original planned course. Such as expenses higher than expected.

- A. What are the limitations of Decision Trees?
- B. What are the four dimensions of CSR? Ranking and reason.
- C. What are Decision Trees?
- D. What are the two types of feedback?

**Answer: D**

### Question: 12

A decision support tool that illustrates a decision through visual representation.  
Shows easily understandable probabilities.  
Size of the investment.  
Squares represent a decision.  
Circles represent a probability.

- A. What are Decision Trees?
- B. What is a relevant costs?
- C. What are the two types of feedback?
- D. What is an intangible asset?

**Answer: A**

### Question: 13

Quantifying information about potential sales based on statistical research.  
Many management decisions are made under conditions of uncertainty or risk.

- A. What is CSR (Corporate Social Responsibility)?
- B. What are the two types of feedback?
- C. What is marketing research?
- D. What is an intangible asset?

**Answer: C**

### Question: 14

A creative campaign that encourages customers to spread word-of-mouth. Commonly online campaigns.  
Great reach potential, low cost, helps build brand awareness.  
Facebook post sharing, liked youtube videos, special appearances at local gyms.

- A. Incremental budgeting advantages and disadvantages
- B. Viral marketing, benefits, examples.

- C. Market research
- D. Direct marketing and examples.

**Answer: B**

### Question: 15

Maximax - Used by optimist decision makers. Option chosen will be the one that provides the best from the best possible alternative of each option, regardless of the risk. The maximum out of all the maximum payoffs.

Maximin - Used by pessimist decision makers. Option chosen will be the one that provides the best out of the worst alternatives for each option. The maximum of the minimum payoff.

Minimax Regret - Is neutral and will choose the option with the lowest maximum regret.

PS: It is usually applied to payoff tables. If dealing with costs maximax will be the opportunity with lowest cost and so on...

- A. How may government grants be recognised in the financial statements?
- B. What is the marketing mix? Include service industry and examples of each.
- C. Application of each CSR dimension to Gymfit?
- D. Decision criteria applied under conditions of uncertainty?

**Answer: D**

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