

ACCA F5, Performance Management Practice & Revision Kit – Tenth edition February 2016 (for exams from September 2016) Errata sheet: September 2016

Question	Details of error and changes to be made																										
Q12	<p>The question should say:</p> <p>According to one definition of environmental management accounting (EMA), EMA involves identifying, collecting, analysing and using monetary information about environment-related costs and savings. It also includes which of the following?</p> <p>A Investment returns on environmentally friendly investment B The profitability of products, allowing for environmental costs C Impacts on the environment for which the organisation does not incur any direct cost D Physical information about the use and flows of energy, water and materials, including waste and emissions</p>																										
Q13	The correct answer is: A System costs and energy costs																										
Q28	The fourth option should start with 'ABC' not 'BC'																										
Q103	<p>The answer should say</p> <table border="1"> <thead> <tr> <th><i>Demand</i></th> <th><i>Supply</i></th> </tr> </thead> <tbody> <tr> <td>350,000</td> <td>280,000</td> </tr> <tr> <td>\$'000</td> <td>\$'000</td> </tr> <tr> <td>Good</td> <td>350</td> </tr> <tr> <td>Average</td> <td>–</td> </tr> <tr> <td>Poor</td> <td>360</td> </tr> <tr> <td>Minimax regret</td> <td>360</td> </tr> <tr> <td></td> <td>750 (W1)</td> </tr> <tr> <td></td> <td>400 (W2)</td> </tr> <tr> <td></td> <td>– (W3)</td> </tr> <tr> <td></td> <td>200,000</td> </tr> <tr> <td></td> <td>\$'000</td> </tr> <tr> <td></td> <td>750</td> </tr> </tbody> </table>	<i>Demand</i>	<i>Supply</i>	350,000	280,000	\$'000	\$'000	Good	350	Average	–	Poor	360	Minimax regret	360		750 (W1)		400 (W2)		– (W3)		200,000		\$'000		750
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Question Details of error and changes to be made

Q104

The answer should say

$$\begin{aligned}
 & \mathbf{350,000 \text{ bags}} && (0.25 \times \$1,750,000) + (0.45 \times \$1,085,000) + (0.30 \times \$325,000) = \$1,023,250 \\
 & \mathbf{280,000 \text{ bags}} && (0.7 \times \$1,400,000) + (0.3 \times \$640,000) = \$1,172,000 \\
 & \mathbf{200,000 \text{ bags}} && 1 \times \$1,000,000 = \$1,000,000
 \end{aligned}$$

Q142

The answer should say

C (Syllabus area C3(c))

Learning curves are more difficult to apply in teams with a high labour turnover, as it can affect efficiency and knowledge significantly. Learning rates are affected by time gaps between the production of additional units of a product, because acquired learning may be forgotten with the passage of time unless the work continues regularly.

Q199

The answer should say

$$\begin{aligned}
 & \text{Average time to produce first 7 batches} = 200 \times 7 - 0.1844245 = 200 \times 1/1.4317157 = 139.6925 \\
 & \text{hours} \\
 & \text{Total time for first 7 batches} = 7 \times 139.6925 = 977.85 \text{ hours} \\
 & \text{Average time to produce first 8 batches} = 200 \times 8 - 0.1844245 = 200 \times 1/1.4674115 = 136.2944 \\
 & \text{hours} \\
 & \text{Total time for first 8 batches} = 8 \times 136.2944 = 1,090.35 \text{ hours}
 \end{aligned}$$

Q276

The answer should say

The correct answers are: Before investment: \$8,600, After investment \$8,800.

	<i>Before Investment</i>	<i>After Investment</i>
	\$	\$
Divisional profit	20,000	21,400
Imputed interest (12% of \$95,000)	(11,400)	(12,600)
Imputed interest (12% of \$105,000)	<u>8,600</u>	<u>8,800</u>
Residual income		

Question	Details of error and changes to be made
Q280(d)	<p>The answer should say</p> <p>Based on the above calculation, it is clear that RI is lower with the investment. This would suggest that the company should not proceed with the investment and shows that the use of ROI as a performance measure is likely to result in the manager of Division B making a decision that is in the best interests of the company as a whole.</p>
Mock 3 Q18	Option C should be (2), (5) and (6)