Performance Management

September/December 2020 exam (20/21 Syllabus)

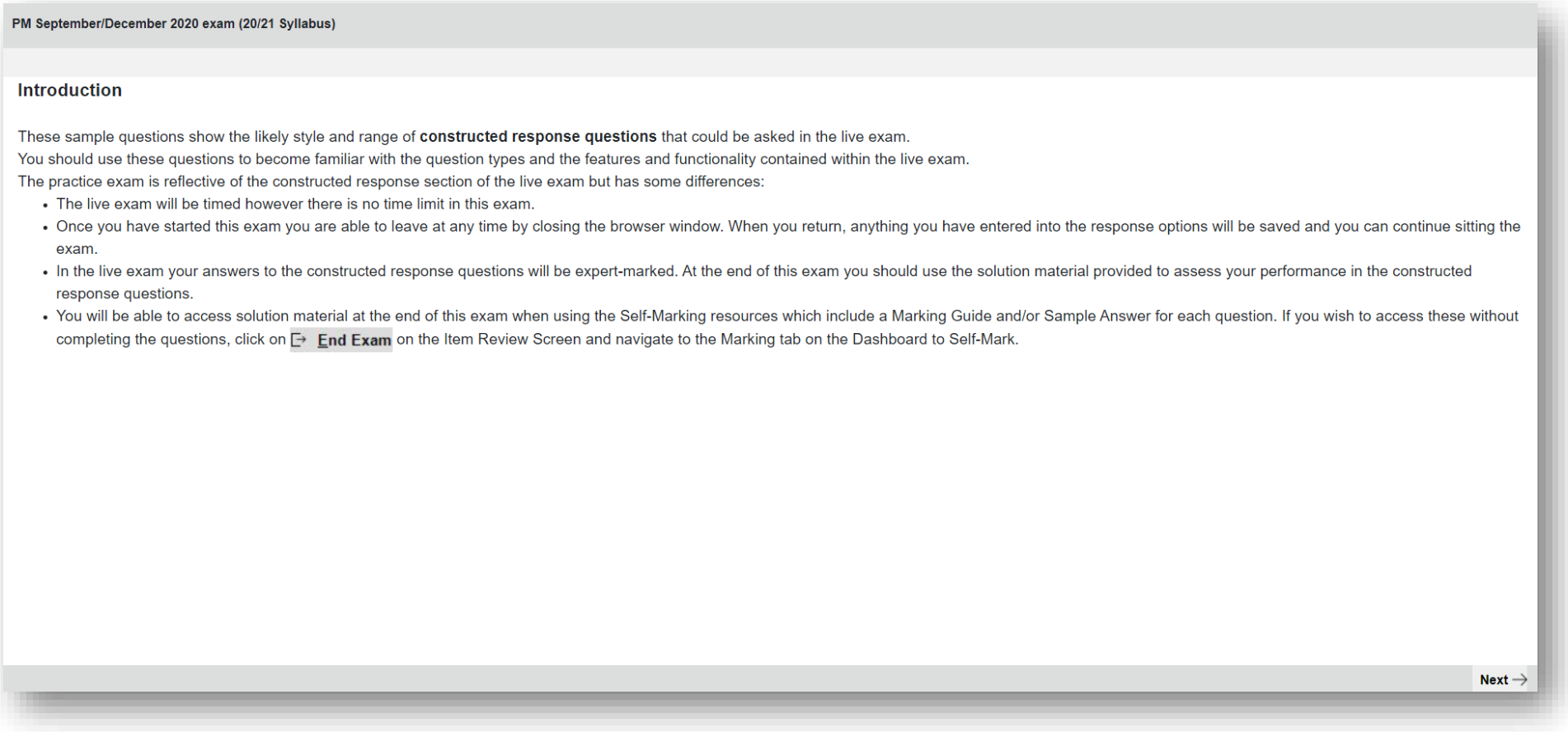
Get to know your exam

These graphical representations are intended to give an indication of past exam requirements and associated question content.

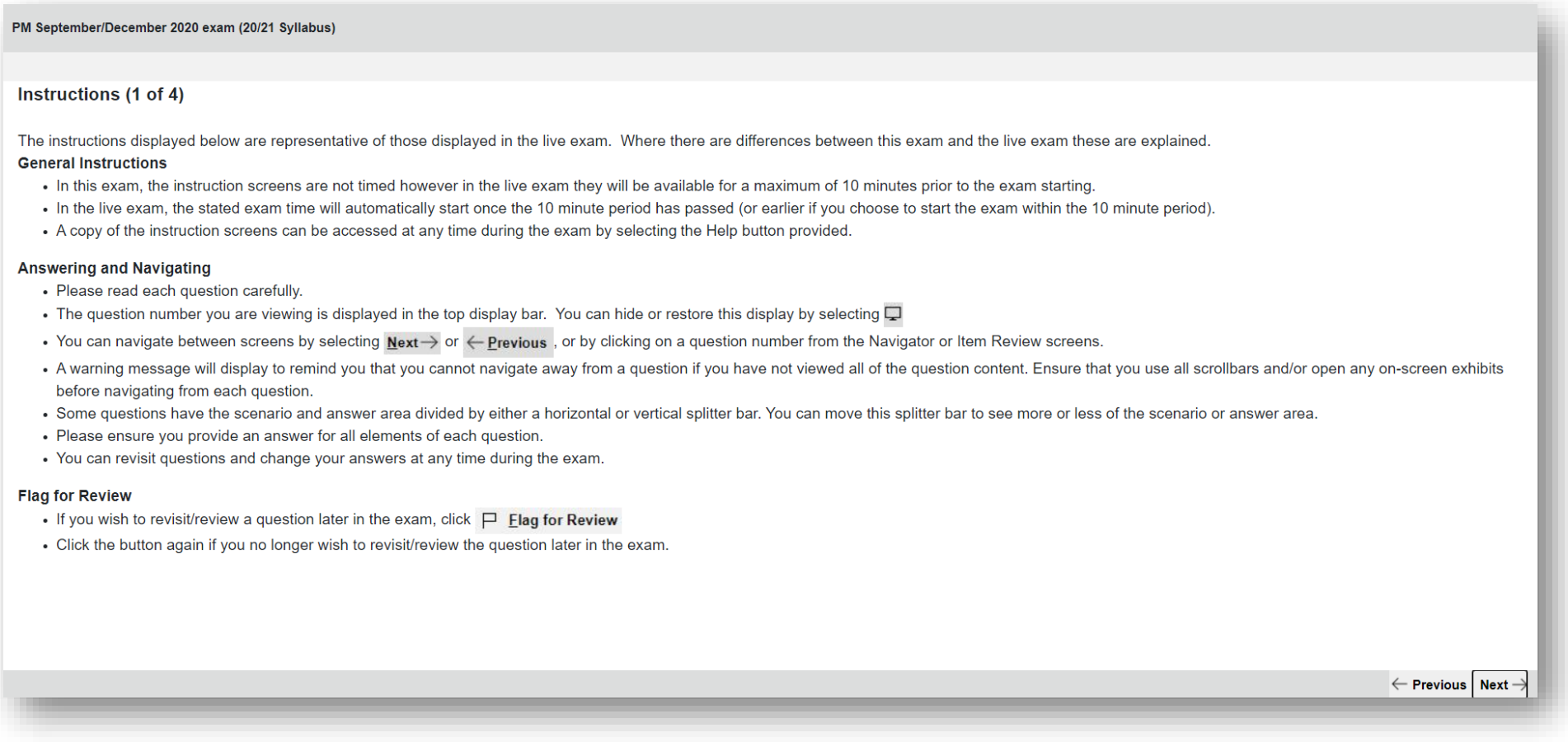
Please note that you will not be able to complete answers within these documents and in isolation they will not sufficiently prepare you for your exam.

We encourage you to visit the ACCA Practice Platform in order to attempt up to date practice exams within the computer-based exam environment.

Introduction screen



Instruction screens



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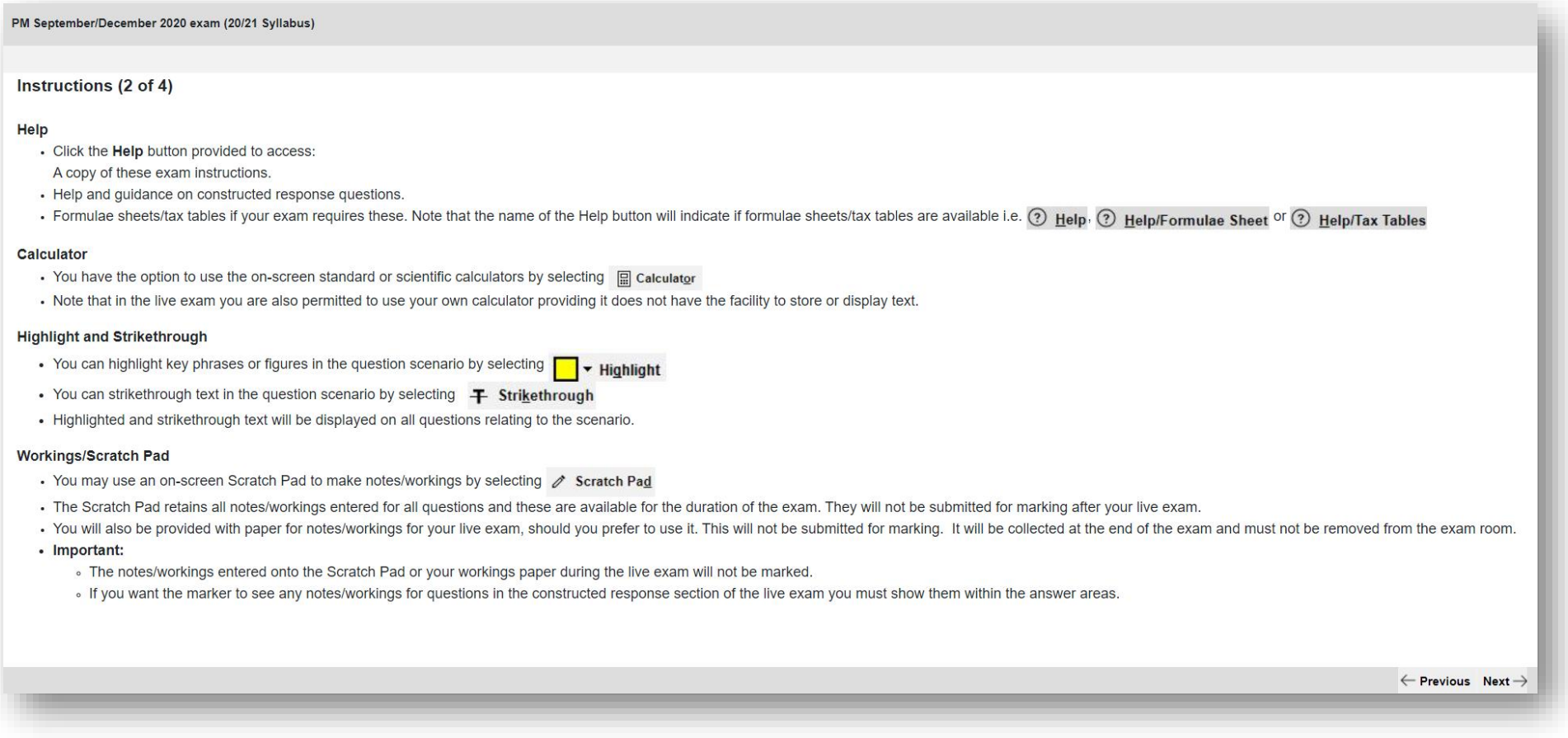

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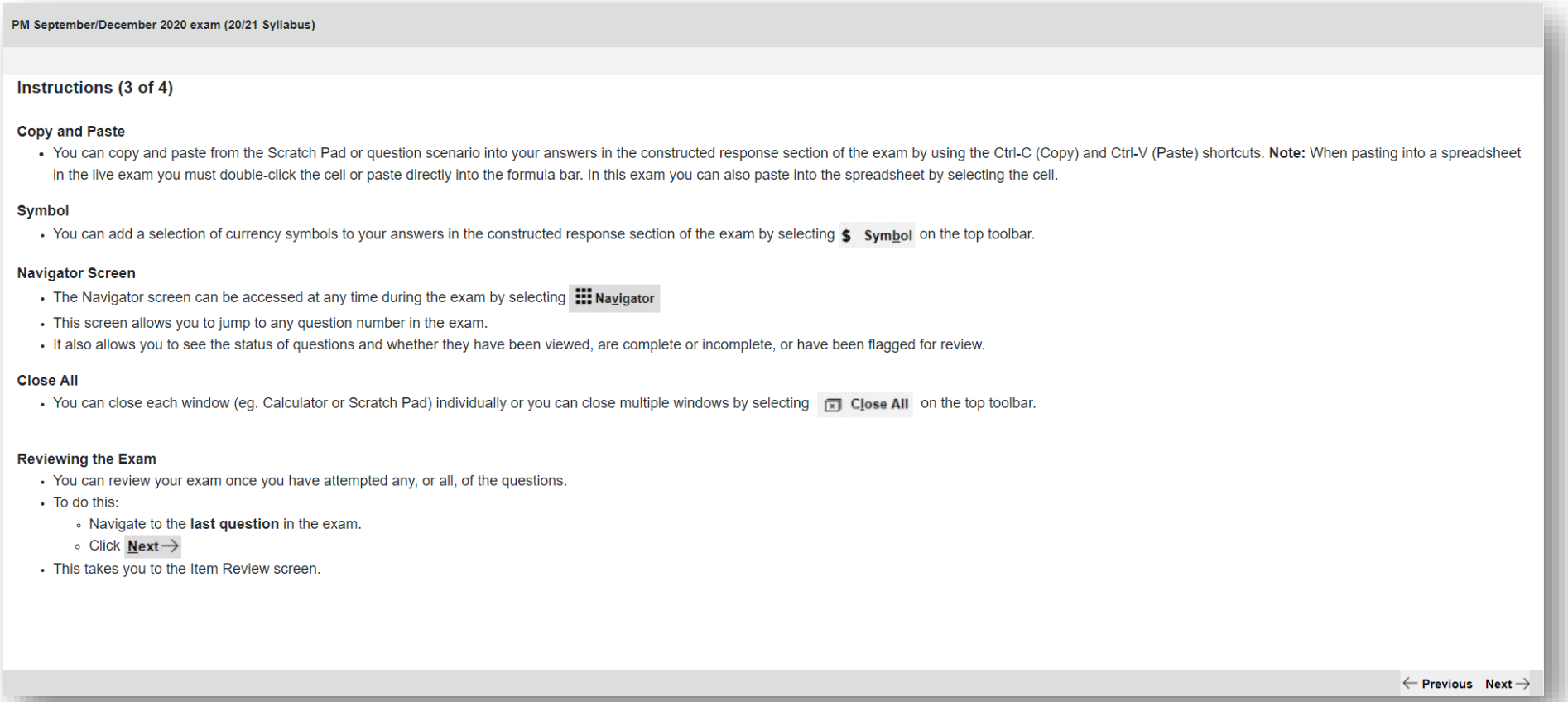

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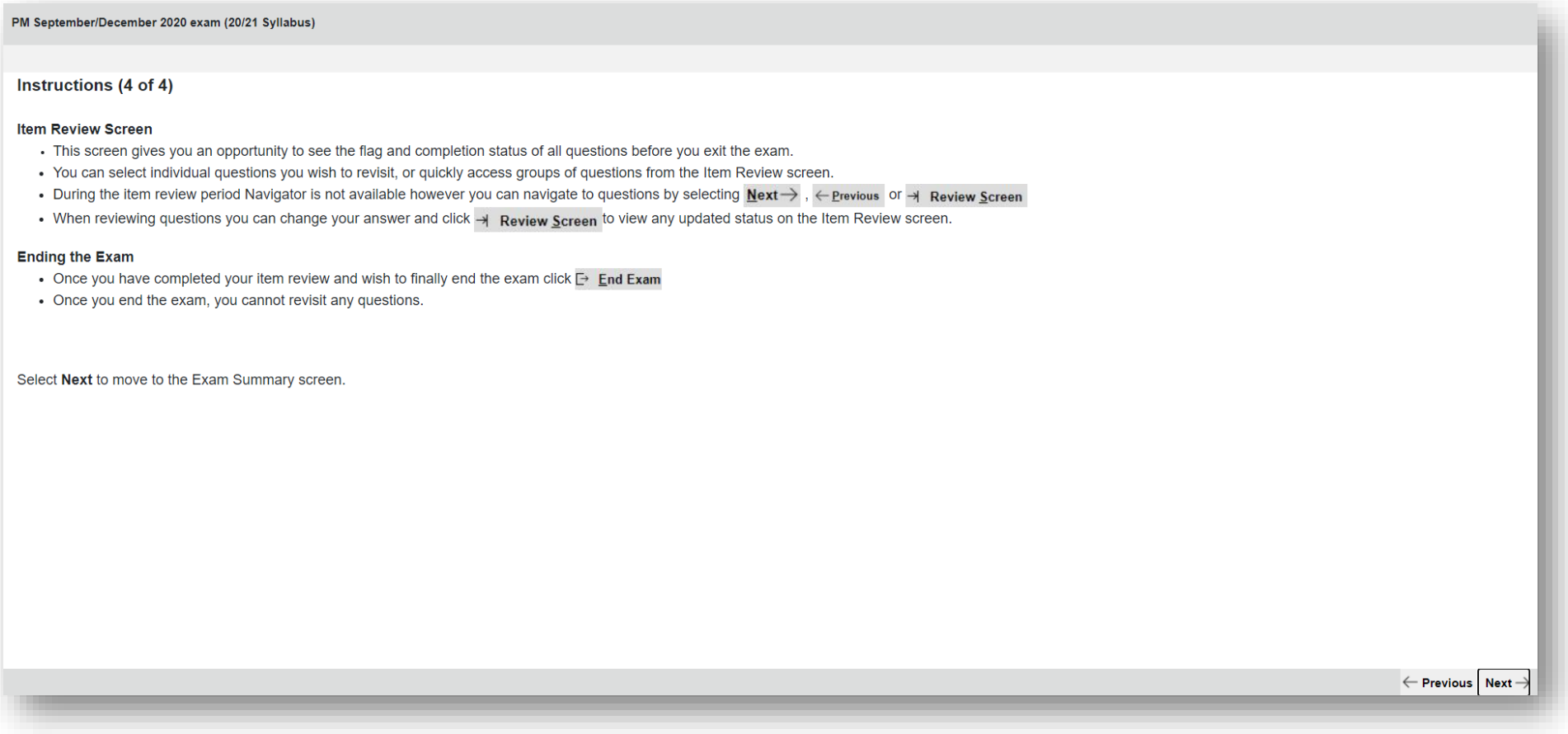
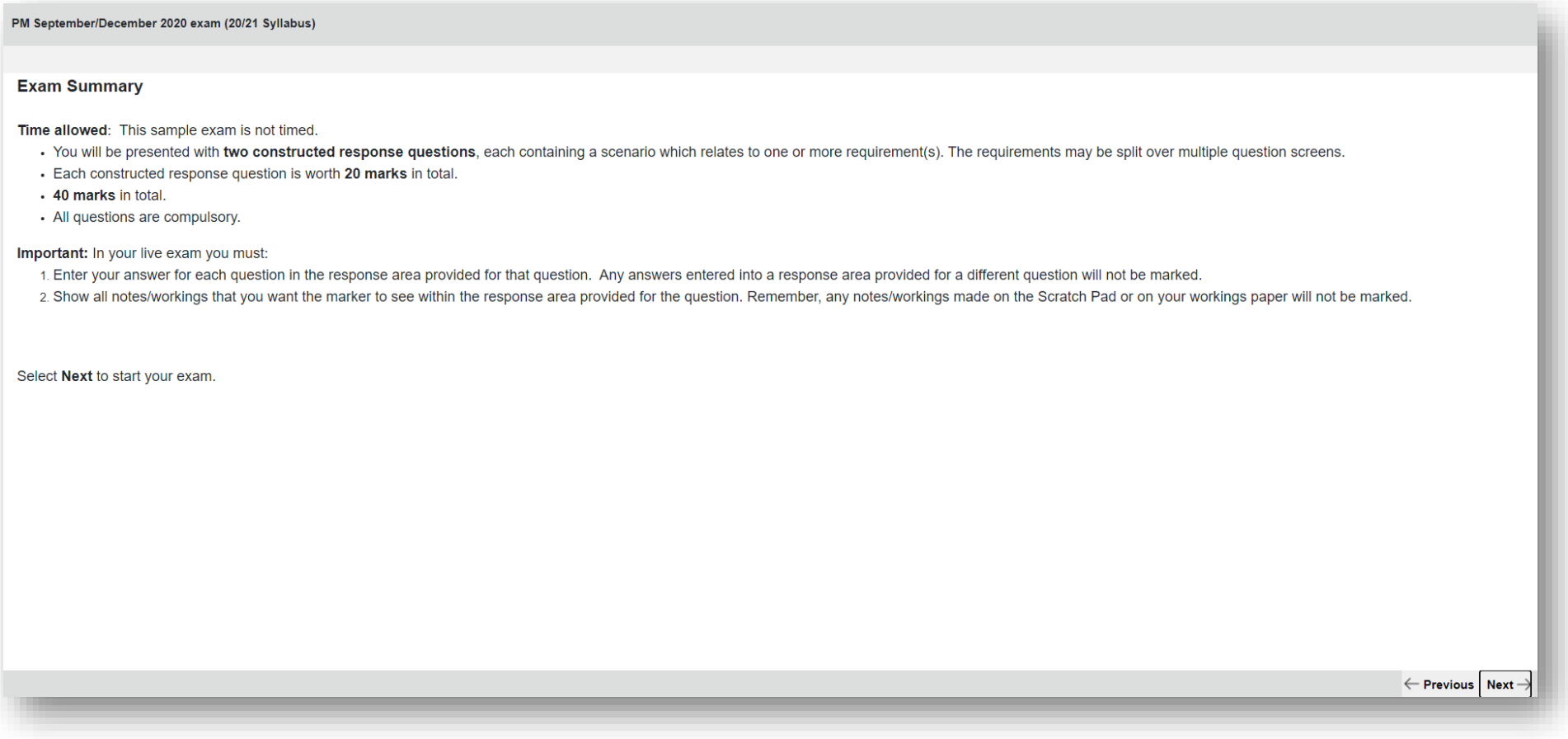
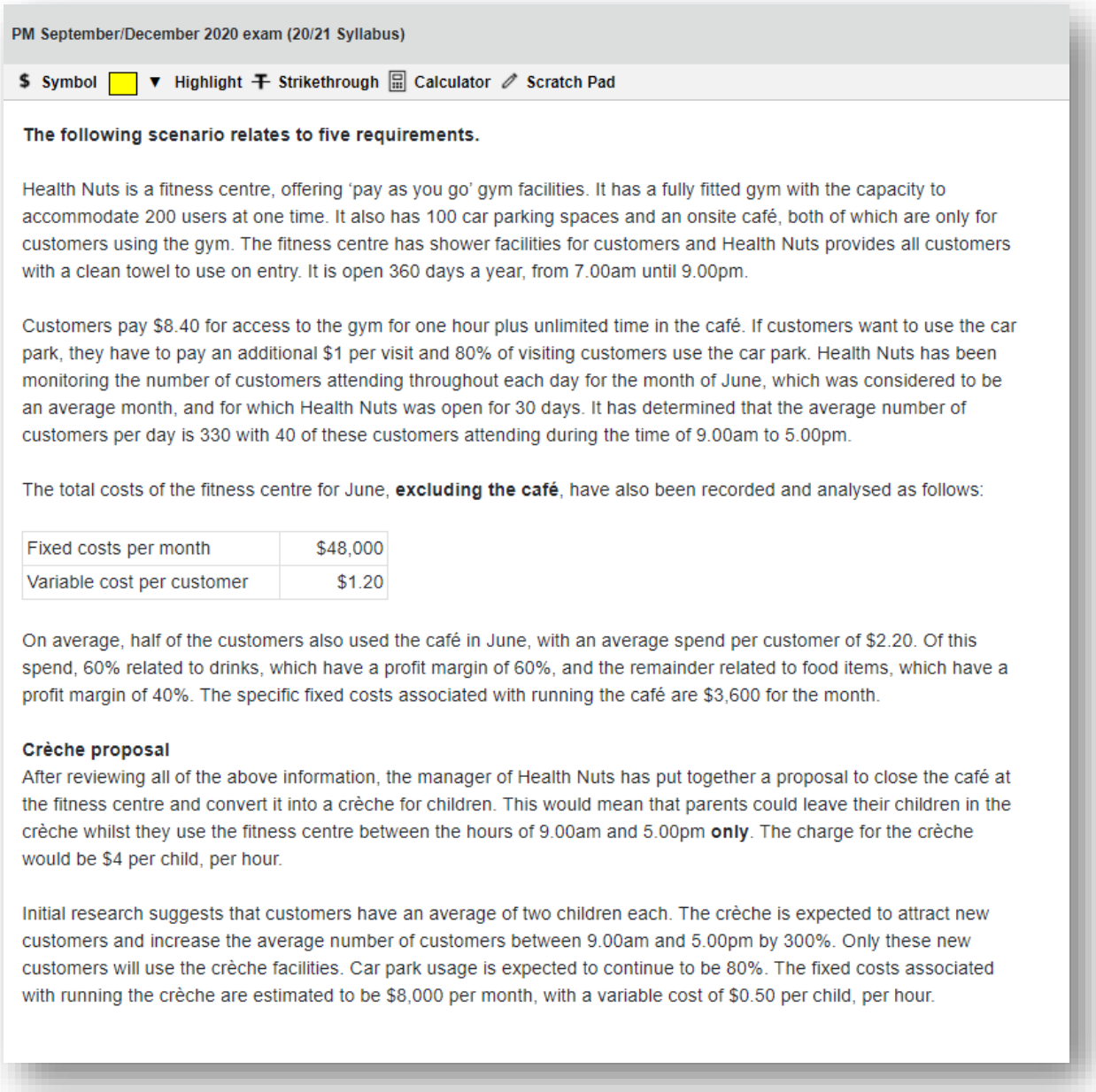


Exam summary screen



Sample exam questions

Scenario 1



PM September/December 2020 exam (20/21 Syllabus)

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The following scenario relates to five requirements.

Health Nuts is a fitness centre, offering 'pay as you go' gym facilities. It has a fully fitted gym with the capacity to accommodate 200 users at one time. It also has 100 car parking spaces and an onsite café, both of which are only for customers using the gym. The fitness centre has shower facilities for customers and Health Nuts provides all customers with a clean towel to use on entry. It is open 360 days a year, from 7.00am until 9.00pm.

Customers pay $8.40 for access to the gym for one hour plus unlimited time in the café. If customers want to use the car park, they have to pay an additional $1 per visit and 80% of visiting customers use the car park. Health Nuts has been monitoring the number of customers attending throughout each day for the month of June, which was considered to be an average month, and for which Health Nuts was open for 30 days. It has determined that the average number of customers per day is 330 with 40 of these customers attending during the time of 9.00am to 5.00pm.

The total costs of the fitness centre for June, **excluding the café**, have also been recorded and analysed as follows:

Fixed costs per month	$48,000
Variable cost per customer	$1.20

On average, half of the customers also used the café in June, with an average spend per customer of $2.20. Of this spend, 60% related to drinks, which have a profit margin of 60%, and the remainder related to food items, which have a profit margin of 40%. The specific fixed costs associated with running the café are $3,600 for the month.

Crèche proposal

After reviewing all of the above information, the manager of Health Nuts has put together a proposal to close the café at the fitness centre and convert it into a crèche for children. This would mean that parents could leave their children in the crèche whilst they use the fitness centre between the hours of 9.00am and 5.00pm **only**. The charge for the crèche would be $4 per child, per hour.

Initial research suggests that customers have an average of two children each. The crèche is expected to attract new customers and increase the average number of customers between 9.00am and 5.00pm by 300%. Only these new customers will use the crèche facilities. Car park usage is expected to continue to be 80%. The fixed costs associated with running the crèche are estimated to be $8,000 per month, with a variable cost of $0.50 per child, per hour.

Note: See page 14 for example view of full CBE constructed response workspace

Scenario 1: requirements

(a) Calculate both the number of customers Health Nuts needs to break even and the margin of safety as a percentage for the month of June for:

(i) The gym; and

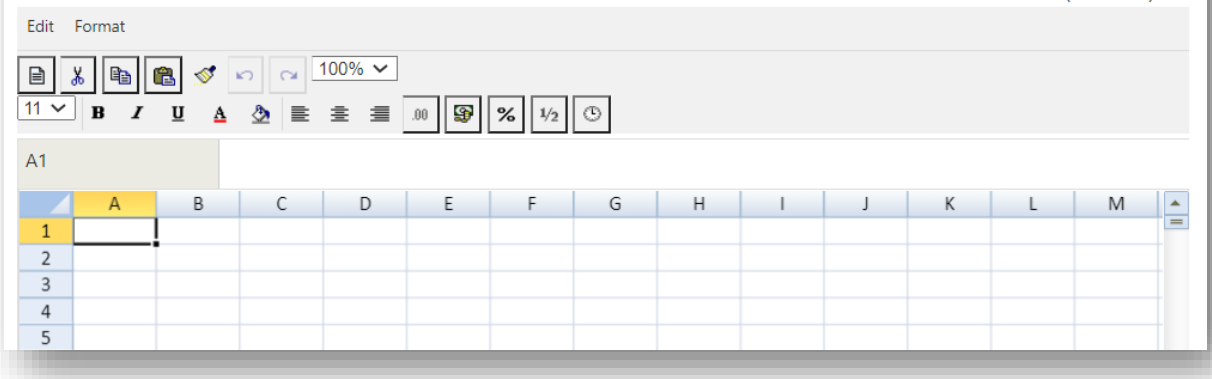
(3 marks)

(ii) The café.

(2 marks)

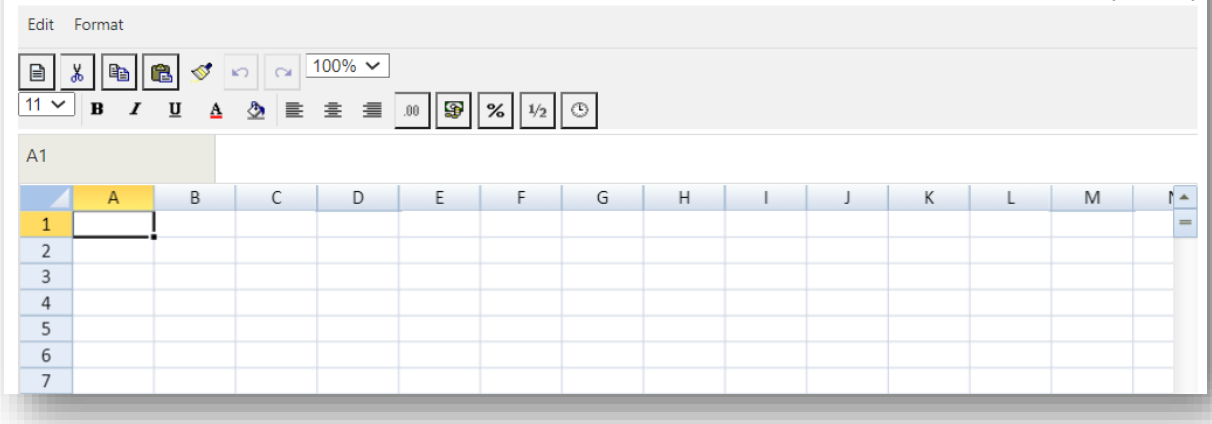
(b) Explain what each of your calculations in (a) tells Health Nuts about the performance of the gym and the café.

(3 marks)



(c) Calculate the budgeted total weighted average contribution/sales (C/S) ratio and the budgeted profit per month for Health Nuts if it closes the café and opens a crèche instead.

(6 marks)



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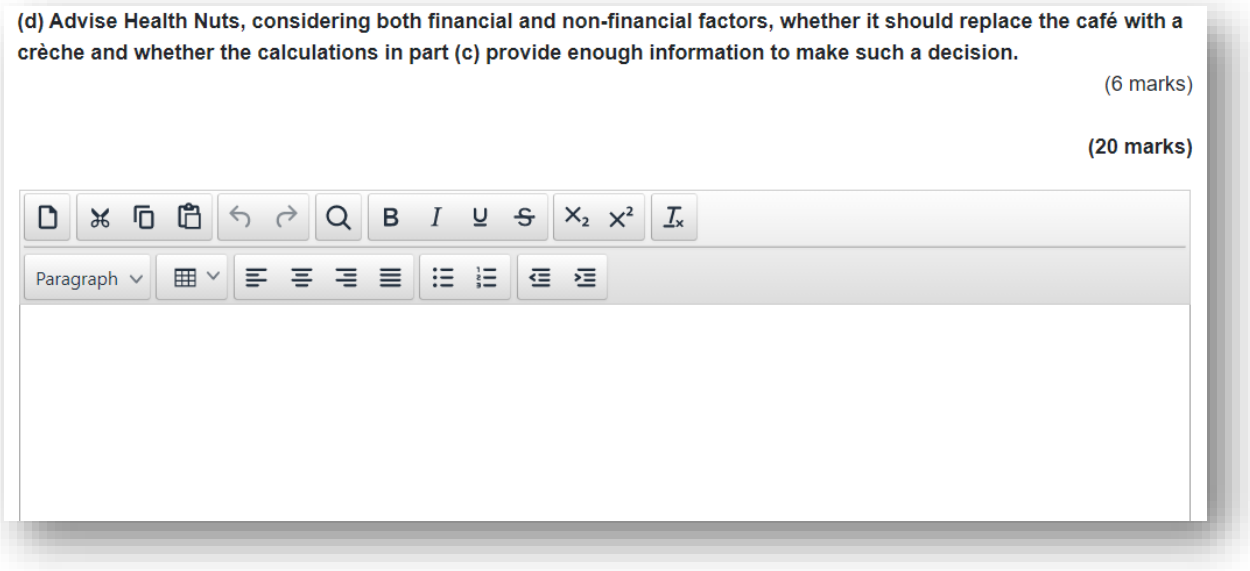
Scenario 1: requirements (continued)



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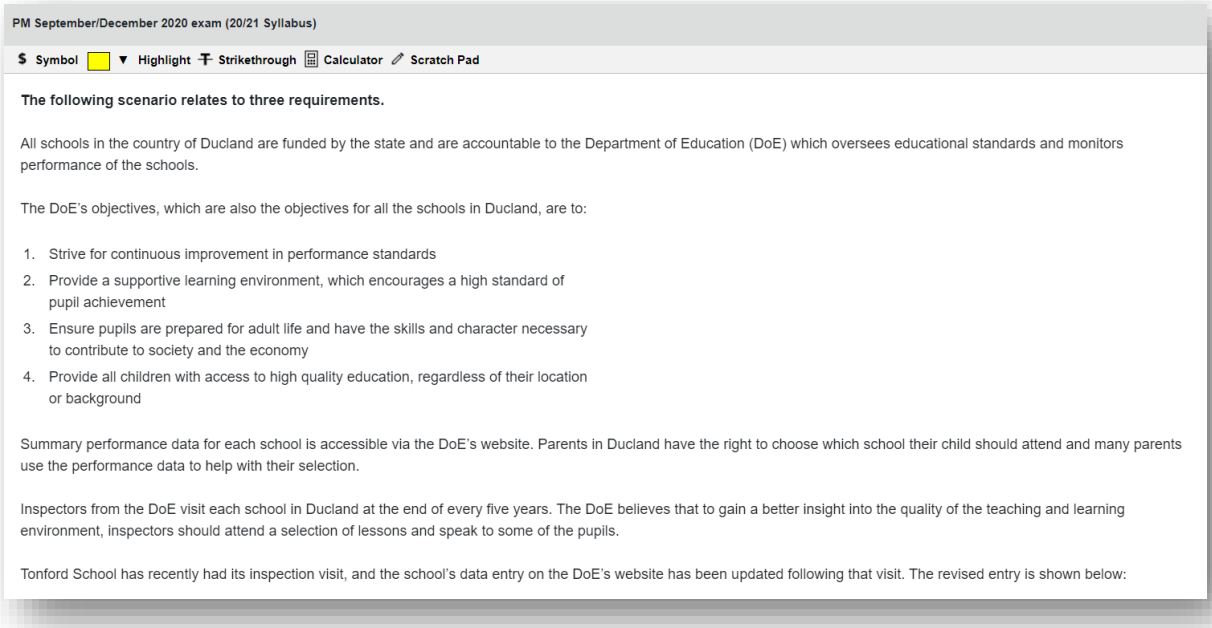
Scenario 2



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The following scenario relates to three requirements.

All schools in the country of Ducland are funded by the state and are accountable to the Department of Education (DoE) which oversees educational standards and monitors performance of the schools.

The DoE's objectives, which are also the objectives for all the schools in Ducland, are to:

1. Strive for continuous improvement in performance standards
2. Provide a supportive learning environment, which encourages a high standard of pupil achievement
3. Ensure pupils are prepared for adult life and have the skills and character necessary to contribute to society and the economy
4. Provide all children with access to high quality education, regardless of their location or background

Summary performance data for each school is accessible via the DoE's website. Parents in Ducland have the right to choose which school their child should attend and many parents use the performance data to help with their selection.

Inspectors from the DoE visit each school in Ducland at the end of every five years. The DoE believes that to gain a better insight into the quality of the teaching and learning environment, inspectors should attend a selection of lessons and speak to some of the pupils.

Tonford School has recently had its inspection visit, and the school's data entry on the DoE's website has been updated following that visit. The revised entry is shown below:

Performance factor	Notes	Tonford School Actual (2017)	National target (2017)	Tonford School Actual (2012)
Exam results	1	62%	65%	64%
Pupil progress	2	0.4	0.25	0.3
Inspection grade	3, 4	Very good	Good	Good
Pupil numbers	-	662	n/a	627
Number of teaching staff	5	35	n/a	33

Notes:

(1) The 'exam results' indicator shows the percentage of pupils leaving school with at least five final exams including compulsory subjects of mathematics, science and languages at Grade A-C (the top three grades).

(2) 'Pupil progress' is an indicator of how well pupils have performed in compulsory subjects in their final exams at age 16 compared to their performance in intermediate exams at age 11.
Academic grades are given numerical values, and the 'pupil progress' score is the movement in the average of pupils' grades. Scores typically range between -0.5 and +0.5.

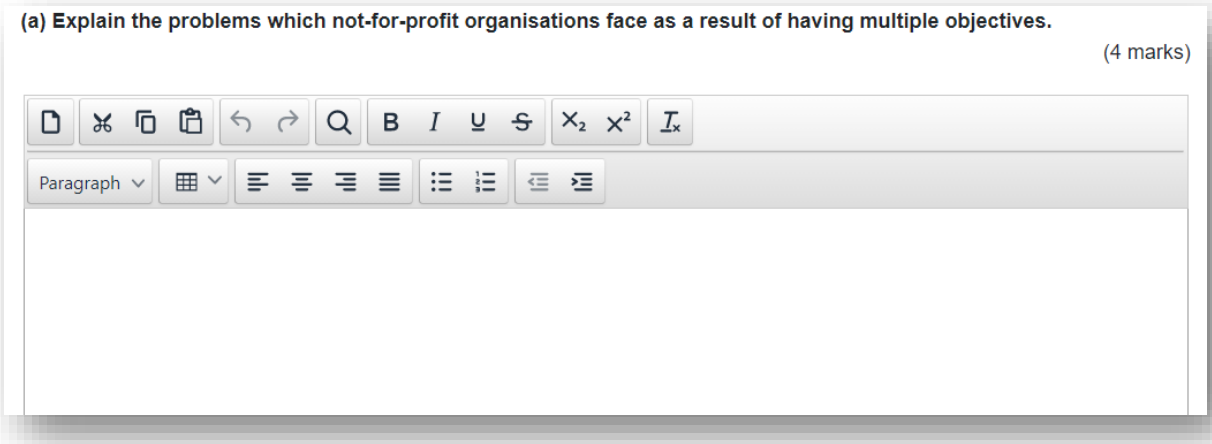
(3) There are six inspection grades: excellent; very good; good; average; poor and very poor.

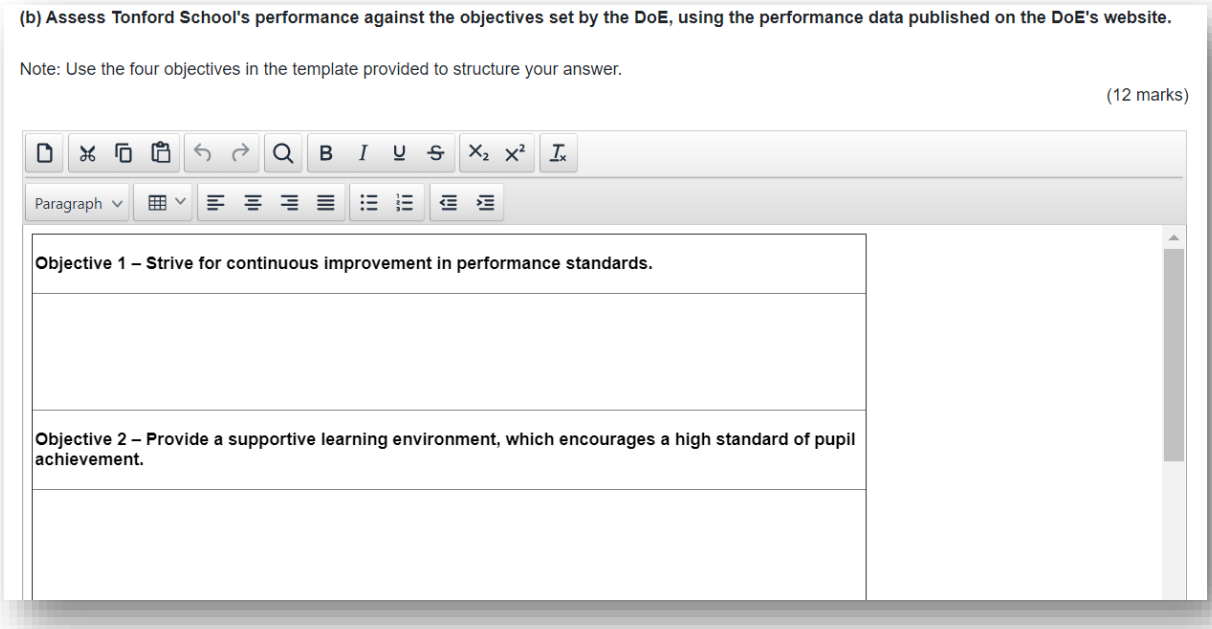
(4) The inspector's summary report for Tonford School concluded: "There is a very strong sense of community values and citizenship. Pupils appear to have a genuine respect for their teachers, and for one another, despite their diverse backgrounds."

(5) The DoE recommends that the pupil/teacher ratio should be less than 22:1.

Note: See page 14 for example view of full CBE constructed response workspace

Requirements for Scenario 2





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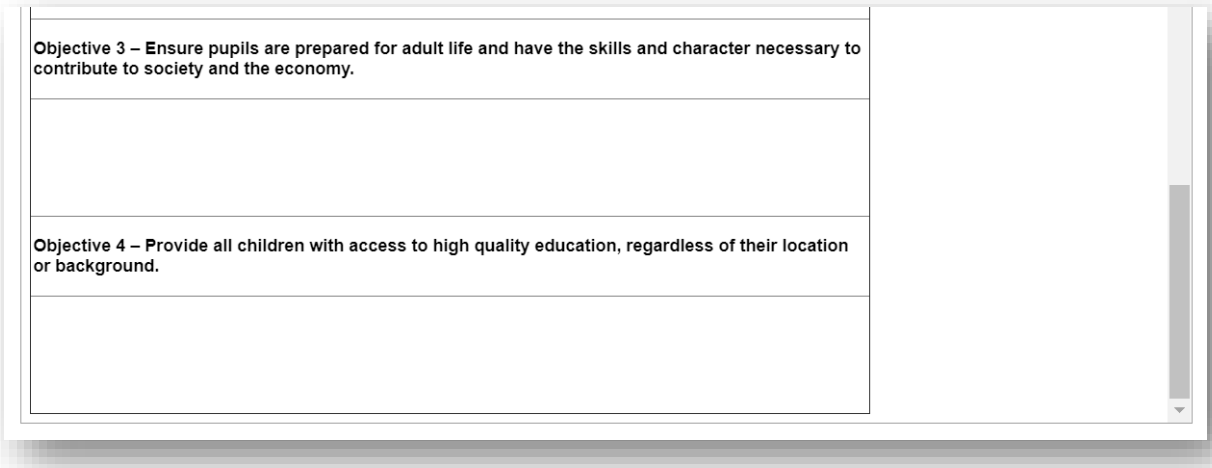
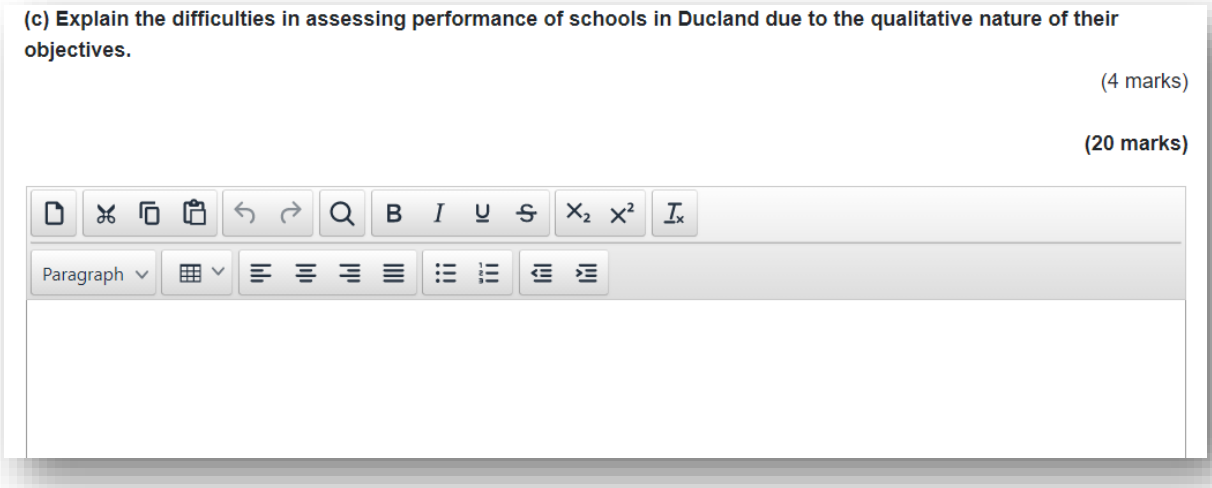


Objective 3 – Ensure pupils are prepared for adult life and have the skills and character necessary to contribute to society and the economy.
Objective 4 – Provide all children with access to high quality education, regardless of their location or background.



(c) Explain the difficulties in assessing performance of schools in Ducland due to the qualitative nature of their objectives.

(4 marks)

(20 marks)

Paragraph

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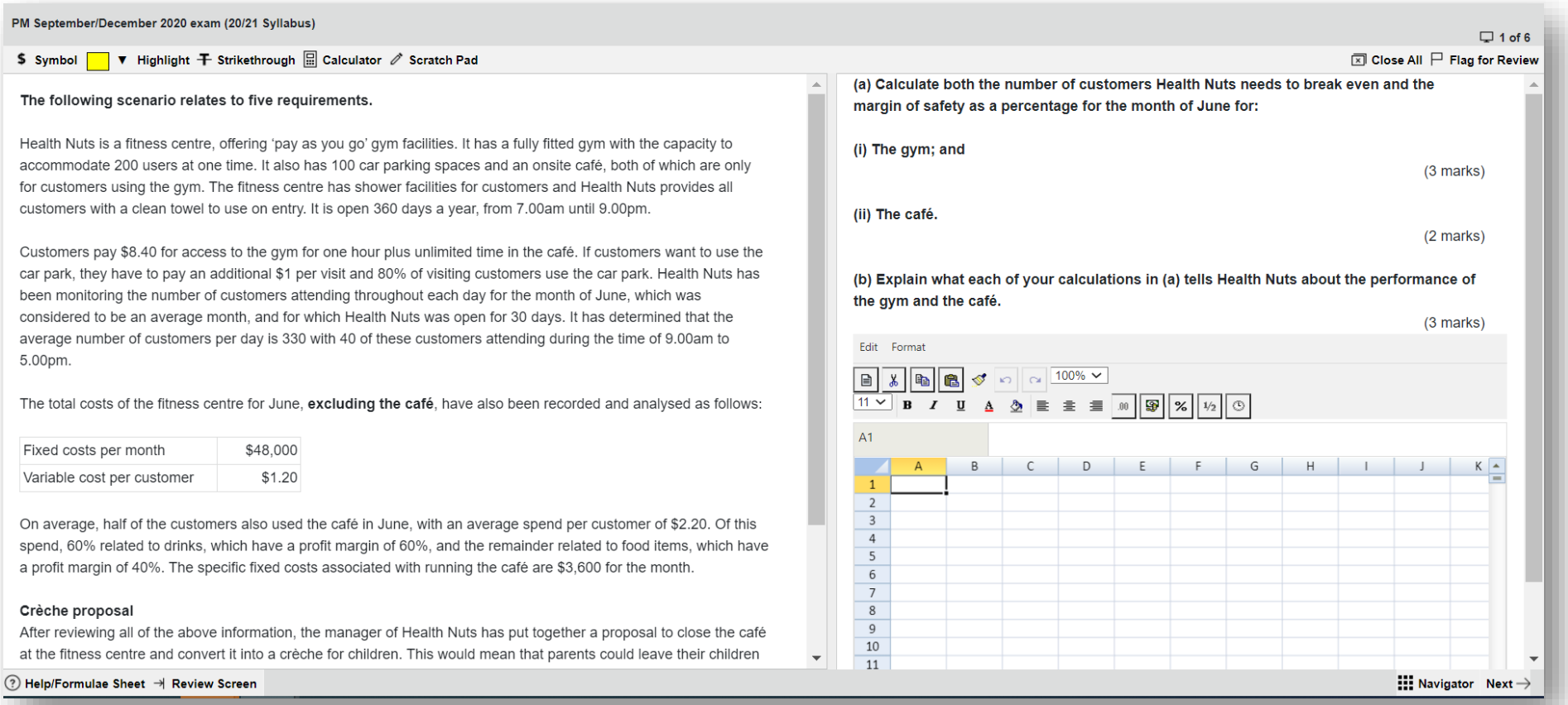
Example view of full CBE constructed response workspace