

# Technician Role Simulator (TRS) June 2025 Examiner's report

The examining team share their observations from the marking process to highlight strengths and weaknesses in candidates' performance, and to offer constructive advice for those sitting the exam in the future.

## Contents

General Comments .....	2
Pre-seen scenario.....	3
Question One .....	3
Question Two .....	6
Question Three.....	7

## General Comments

This examiner's report should be used in conjunction with the published TRS June 2025 exam which is available on the ACCA website as part of the [TRS past exam library](#).

This report provides constructive guidance on how to answer the questions and shares observations from the marking process, highlighting the strengths and weaknesses of candidates who attempted the June 2025 exam. Future candidates can use this examiner's report as part of their exam preparation. It is recommended that future candidates attempt the [specimen](#) and [past exams](#) available on the ACCA website, and self-review their attempt using the published solution alongside this report.

The TRS exam is offered as a computer-based exam (CBE). Pre-seen information is released six weeks before the exam date and it is important that candidates familiarise themselves with the information contained in the pre-seen information and use it to identify any areas that could be asked in detail in the exam. Candidates are **not** required to research the industry or sector described in the pre-seen information, although the context is important when addressing the requirement.

The TRS exam will always contain three compulsory questions:

- Q1 will always include a financial statements preparation requirement(s).
- Q2 will always include analysis, although it may also feature in other questions.
- Q3 will always require investment appraisal.

These are core areas of the exam and you would be advised to develop your exam technique in these areas.

Ethics will also always be included in the exam and will be worth approximately 10 marks. Other common areas include:

- Technology, including big data
- Internal controls
- Impact on stakeholders, including environmental and sustainability considerations
- Costing/budgeting
- Cash management, including cash forecasts
- Legal and/or regulatory issues

Candidates typically perform very well in ethics and investment appraisal questions. The financial statements preparation question is often more challenging, with candidates frequently not working through all notes provided in the question and/or not showing their workings and therefore limiting the number of marks they gain. The examiner strongly recommends candidates practice preparing financial statements from a trial balance using a spreadsheet and clearly label and set out all workings.

It is very difficult to pass the exam if any requirements are left unanswered or are lacking sufficient detail and therefore candidates must ensure they manage their time effectively. There are two marks available for each well explained, relevant, point in narrative questions and candidates should use this as a guide when answering such questions.

Candidates are advised to provide answers that are relevant to the pre-seen information and to

the exhibits provided in the exam. Candidates will be awarded credit for relevant points that are not in the suggested solution.

## **Specific Comments**

### **Pre-seen scenario**

Candidates were provided with a pre-seen scenario relating to Dug, a vegetarian dog food producer and retailer. Dug is experiencing a drop in demand due to increasing competition in the industry and is therefore exploring new directions. Dug is aware that sustainability is important to customers and is looking into ways to become more sustainable. It is also aware of the impact of cost of living pressures on demand for its premium products and is considering a cheaper alternative.

### **Question One**

Question one contained three parts. Part (a) required candidates to prepare financial statement extracts relating to revenue, cost of sales, gross profit, administrative expenses, finance costs and tax expense (which are statement of profit or loss accounts) and property, plant and equipment and inventories balances (which are statement of financial position accounts). There were 17 marks available for preparing the financial statements extracts.

Candidates were provided with a trial balance and were required to account for information relating to:

- the revaluation of land and buildings
- purchase and depreciation of equipment
- capitalised development expenditure
- cost vs net realisable value (NRV) of inventories
- accruals and prepayments
- bank interest (finance costs)
- tax expense.

Candidates found the purchase and depreciation of equipment difficult. Candidates were expected to calculate the cost of new equipment that could be capitalised, then calculate the depreciation relating to equipment for the purposes of calculating administrative expenses. Candidates then also had to use the adjusted cost and the depreciation to calculate the carrying amount of equipment for inclusion in the property, plant and equipment balance.

The following is an example of a clear approach to these workings within the spreadsheet software:

	A	B	C	D	E
1					
2	New equipment	£			
3	Cost		40000		
4	Delivery		2000		
5	Installation		5000		
6	Total		47000		
7					
8	Depreciation				
9	Existing equipment		20175		
0	New equipment		2350		
1	Total		22525		
2					
3	Carrying amount				
4	Cost		248745		
5	Accumulated depreci		82875		
6	Carrying amount		165870		
7					

```
C10  =C6/10*6/12
```

Basic spreadsheet formulae can be used for workings. For example, the new equipment depreciation is calculated using the new equipment total (C6), divided by the 10 year useful life and pro-rated for 6 months. Markers can see the formulae you use.

Labels are provided so it is clear what each working shows.

Workings are clear and easy to follow. There is no need to spend time on formatting – you can see these workings do not use a comma to separate thousands nor have any underlines as it is not expected that a candidate would have time to do this in an exam.

Requirement 1(a)(ii) asked candidates to use the financial statement extracts to calculate the receivables collection period, which is calculated as  $\text{trade receivables} / \text{revenue} \times 365$  and the inventories holding period, which is calculated as  $\text{inventories} / \text{cost of sales} \times 365$ . A number of candidates incorrectly calculated the inventories holding period by using revenue rather than cost of sales in the denominator.

1(b)(i) candidates were asked to explain what is meant by the terms ‘penetrating pricing’ and ‘price skimming’ in respect of the launch of a new product. Candidates were expected to be prepared to answer this question as the pre-seen information referred to determining ‘an appropriate price point’ for the product. 1(b)(ii) asked candidates to link the new receivables terms that would be granted on the launch of the new product to the trade receivables collection period calculated in 1(a)(ii) and the impact on working capital management. The links between the requirements show the case-study nature of TRS and candidates should expect to link related information. Requirement 1(b)(iii) asked candidates to calculate the standard cost, price and margin earned on the new product. Most candidates incorrectly treated the mark-up of 25% as if it were a margin and applied it to the selling price of the product. Mark-up is applied on cost, not selling price. Cost was not given and therefore candidates were expected to calculate cost as follows:

	A	B	C	D	E	F	G
<b>CORRECT APPROACH</b>					<b>INCORRECT (MOST COMMON) APPROACH</b>		
Selling price		20			Selling price	25	
Mark-up 25%		4			Mark-up 25%	5	
Cost		16			Cost	20	

The selling price of £20 was given in the question.

The selling price **includes** the mark-up and therefore the cost is calculated using the formula shown.

In requirement 1(c), candidates were faced with an ethical dilemma and were expected to explain its relevance in terms of the fundamental principles from the Code of Ethics. Candidates generally perform well in ethics questions, providing a short explanation of the principle before linking it to the scenario. Candidates should not copy paragraphs from the Code of Ethics and instead must demonstrate they understand how the relevant paragraphs from the Code of Ethics apply to the scenario.

## Question Two

There were four parts to Question two. Candidates were asked to provide their response in the form of an email. Two professional marks were available for the format and tone of the email. To gain those marks, candidates should appropriately head and introduce their email, for example:

To: Ali  
 From: Apprentice accountant  
 Re: Potential investment in ProNow

Please find below the information requested in respect of the potential investment in ProNow.

Part (a) required candidates to explain the difference between purchasing 30% and 51% of the shares in another company. Candidates did not perform well in this question and are reminded that group structures and the concept of group accounting could be asked in TRS, although candidates will not be asked to prepare consolidated financial statements.

Part (b) asked candidates to identify and explain a relevant point for including in a PESTEL analysis using the pre-seen information and information provided in an Exhibit. Candidates performed well in this question and showed they had understood the scenario.

Part (c) asked candidates to prepare a cash budget for 20X6 and to identify the quarter in which additional funding was required. Candidates generally performed well in this question and were able to use the pre-formatted budget provided in the spreadsheet. Candidates could use formula available within the software to calculate the cash inflow/outflow, for example:

	A	B	C	D	E
		Q1	Q2	Q3	Q4
3	Cash sales	218,920	231,880	235,300	242,260
4	Credit sales	0	25,000	80,000	100,000
5	Purchases	-112,760	-119,120	-123,320	-130,870
6	Wages	-42,900	-52,900	-42,900	-42,900
7	Other overheads	-37,480	-43,110	-76,180	-46,020
8	Capital expenditure	0	-250,000	0	0
9	Cash inflow/outflow	25,780	-208,250	72,900	122,470
0	Opening cash per TB	39,890	65,670	-142,580	-69,680
1	Closing cash	65,670	-142,580	-69,680	52,790

Part (d) asked candidates why the bank might be interested in Dug’s sustainability credentials. The bank had suggested that a ‘green loan’ would be available if Dug could demonstrate certain

credentials and therefore candidate answers should have mentioned this in their answer and not provided generic points about why a bank is interested in a company.

### Question Three

Question three contained two parts. Requirement 3(a)(i) asked candidates to explain appropriate methods of communicating information relating to automation to employees. Candidates were expected to note that the pre-seen information states that there was low morale amongst employees and therefore some sensitivity was needed when communicating the information. Simply sending an email without any in-person meeting or opportunity to discuss concerns would score limited marks as it did not display the judgement required.

Requirement 3(a)(ii) required candidates to recalculate cash flows, calculate the internal rate of return (IRR) and state whether the investment was acceptable. Candidates should use the pre-formatted spreadsheet when answering this question. It is important to ensure adjustments are correctly entered as positive or negative amounts. The SUM function available in the spreadsheet software could be used to calculate the net cash flows:

Year	Initial outlay £000	Service costs £000	Res. value £000	Add. Profits £000	Energy costs £000	Redundancy £000	Net cashflow £000	DF@ 10%	£000	DF @12%	£000
Y0	-80						-80	1.000	-80	1.000	-80
Y1				38	-3	-22	13	0.909	12	0.893	12
Y2		-8		46	-3		35	0.826	29	0.797	28
Y3			6	52	-3		55	0.751	41	0.712	39
									2		-1

One mark was available for clearly stating whether the investment would be acceptable based on the IRR calculated. Candidates should not overlook these ‘easy’ non-technical marks. It is important to read the requirements carefully and ensure all parts are addressed.

Requirement 3(a)(iii) asked candidates to discuss three financial and/or non-financial factors relevant in deciding whether to invest. In the June 2025 exam, candidates were not asked to focus on any particular factors, however this may feature in future exams. The following factors were valid and are likely to be relevant in future exams:

- Initial investment – candidates should consider which option required the greater outlay and link that to the scenario by identifying whether cash is/is not available and whether external financing is likely to be needed.
- Sustainability/Environmental – candidates are expected to use the scenario to identify whether one option is more in keeping with the company’s sustainability or environmental ethos.

- Reliability – candidates should discuss the reliability of the equipment based on information in the scenario relating to breakdowns, warranties etc.
- Staff – candidates should consider the impact on existing staff and whether any new expertise might be needed.

Requirement 3(b) asked candidates to prepare notes relating to threats to their ethical principles, including a statement as to how they should respond to the request to behave unethically. A number of candidates correctly identified the threats but did not include a response. It is important to carefully read the requirement and address all sub-requirements.

Overall, candidates performed well in the June 2025 TRS exam. Future candidates should use the advice in this report when preparing for their exam.