

ACCA MOCK

Business and Technology

**September 2024 to
August 2025**

Time allowed: 2 hours

**ALL 52 questions in sections A and B are compulsory and
MUST be attempted.**

This exam contains 2 sections:

Section A:

46 questions, each worth 1 or 2 marks

76 marks in total

Section B:

6 questions, each worth 4 marks

24 marks in total

Do not open this paper until instructed by the supervisor.

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SECTION A – OBJECTIVE TEST QUESTIONS

ANSWER ALL 46 QUESTIONS

(30 × 2 marks, 16 × 1 marks)

1 Complete the following statement relating to organisational planning.

An electronics retailer has decided to hire new staff members in order to deal with an increase in demand for its products.

The level of planning that this will most closely relate to is strategic/tactical/operational/business* planning.

*delete as appropriate

(2 marks)

2 The use of cloud computing will often reduce capital costs for a business.

Is this statement TRUE or FALSE?

A True

B False

(1 mark)

3 The following are attributes of either the divisional structure or the functional structure.

Which TWO of the following are features of the DIVISIONAL structure?

A Economies of scale are encouraged

B Encourages standardisation of outputs and processes

C Adaptable if further diversification is pursued

D Senior managers are able to focus on strategic issues

(2 marks)

4 If all employees are highly skilled and motivated it could enable managers to have a wider span of control within the organisation.

Is this statement TRUE or FALSE?

A True

B False

(1 mark)

5 Complete the following statement relating to Maslow's hierarchy of needs.

At his annual appraisal, James is offered a large pay rise and a new job title.

According to Maslow, the part of James's hierarchy of needs that is most likely to be met by this offer is self-fulfilment/social/safety/ego*.

*delete as appropriate

(2 marks)

- 6 Country A is experiencing significant growth in the disposable income of its population.

Which type of inflation is this likely to cause?

- A Demand-pull
- B Imported
- C Monetary

(1 mark)

- 7 Consider the following statements:

- 1 Ariel is currently offering practical advice and support to a number of new employees. He sees his role as helping to support the learning and development of these new staff members.
- 2 Louise is currently helping one of her colleagues to deal with a problem he is having with another member of staff.
- 3 Charlie is spending a month helping a colleague to improve their machine skills within the workplace.

Are Ariel, Louise and Charlie acting as a coach, a mentor or a counsellor?

- | | Ariel | Louise | Charlie |
|---|--------------|---------------|----------------|
| A | Mentor | Coach | Counsellor |
| B | Coach | Counsellor | Mentor |
| C | Mentor | Counsellor | Coach |
| D | Counsellor | Mentor | Coach |

(2 marks)

- 8 The newly elected government of country H is debating its approach to managing the national economy.

The Finance Minister has stated that 'our economy is growing too quickly. We need to increase the level of taxation and think about reducing the money supply to try and slow the economy down.'

Which approach to national economic management is the Finance Minister suggesting?

- A The classical approach
- B The monetarist view
- C Supply-side economics
- D The Keynesian view

(2 marks)

- 9 **Accountancy is classed as a profession rather than an occupation. Which of the following is NOT a reason for this?**

- A Accountancy requires a period of training to enable the mastering of specialised skills
- B Accountants are normally highly paid
- C Accountants have to comply with a code of ethics
- D Accountants are governed by one of a number of professional associations

(2 marks)

10 Which of the following would NOT be recommended to a business to help reduce cyber risks?

- A Regular IT training for staff and implement access controls
- B Ensure all staff use the same memorable password so that people do not forget it
- C Establish and communicate IT policies and procedures **(1 mark)**

11 Adair identified three major areas that leaders need to be able to manage – task, group and individual needs.

Is this statement TRUE or FALSE?

- A True
- B False **(1 mark)**

12 Complete the following statement relating to computer systems.

Harry purchases a new computer system. It allows him to input his personal income for the year, which comes from a number of different sources, and then automatically calculates his personal tax liability.

Harry has purchased a management information/expert/decision support* system.

* delete as appropriate **(1 mark)**

13 A product has recently had its selling price raised by 5%. This has led to a 10% reduction in the number of units sold.

Which of the following statements about the product is correct?

- A It has a price elasticity of demand of 0.5
- B It is unit elastic
- C It is likely to be classed as a necessity by customers
- D It may have a large number of substitutes **(2 marks)**

14 Which TWO of the following statements about internal audit are correct?

Statement	Correct	Incorrect
It is a legal requirement for all companies.		
Its role is to assess whether an organisation has sound internal controls.		
Internal auditors determine the scope of their own work.		
It makes recommendations to managers on internal control and governance.		

(2 marks)

- 15** Julie is in charge of two members of staff, Ava and Michael, who are constantly in conflict with each other over the use of the department's single delivery van. Julie knows that she will not be given sufficient funding to purchase additional vehicles. Ava and Michael will both need access to the van for the foreseeable future and Julie is concerned that the current conflict is undermining their ability to work well together.

Which approach to conflict management would be most appropriate for Julie to use to deal with this conflict?

- A Suppression
- B Denial
- C Resolution
- D Reduction

(2 marks)

- 16** Complete the following statement relating to ethical threats.

Emma, an accountant, is preparing the accounts for GHF Co, one of her clients. Last year she convinced several investors to put large amounts of money into GHF, but Emma has now discovered that the company has seriously underperformed during the last financial year.

Emma is exposed to a familiarity/self-interest/advocacy* threat.

* delete as appropriate

(1 mark)

- 17** S Co is a large conglomerate company that operates in a large number of different markets in country V. It is currently investigating the possibility of entering a new market – paint manufacturing.

However, the CEO of S Co is concerned about the proposals. There are currently a number of large paint manufacturers already in the market. Raw materials required for paint manufacturing are plentiful, but paint sales have been falling in country V in recent years, as wallpaper and other forms of wall-covering are becoming more fashionable. In addition, he/she worries that the set-up costs of the new division will be very high.

Which of the following is NOT one of Porter's five forces that the CEO of S Co is concerned about?

- A Barriers to entry
- B Substitutes
- C Power of customers
- D Power of suppliers

(2 marks)

- 18** Mia is part of a team working in company T. She tends to encourage communication between the other members of the group as well as trying to build friendships and relationships between them.

Which of Belbin's group roles is Mia filling?

- A Plant
- B Resource-investigator
- C Team worker
- D Shaper

(2 marks)

- 19 When managing your time, which of the following would make a job a high priority?**
- A Urgency only
 - B Importance only
 - C Both importance and urgency
- (1 mark)**
- 20** A team has recently been formed within a business. The members of the team are currently agreeing how the group will be run and how decisions will be made. According to Tuckman's model, the team has reached the storming stage.
- Is this statement TRUE or FALSE?**
- A True
 - B False
- (1 mark)**
- 21** G Co is planning on building a factory in a residential area. It is aware that local residents will suffer from reduced living conditions, environmental damage and a fall in property prices due to the factory. However, G feels that building the factory should still proceed as it will be profitable for a large number of shareholders and will provide a significant number of jobs (though not to local residents), as well as a boost to the wider economy.
- Which approach to ethics is being demonstrated by G?**
- A Egoist
 - B Utilitarian
 - C Pluralist
 - D Absolutist
- (2 marks)**
- 22 Complete the following statement relating to unemployment.**
- Country Z is currently experiencing a period of economic contraction, or a 'bust' period. This is likely to create frictional/cyclical/structural/real wage* unemployment.
- * delete as appropriate
- (2 marks)**
- 23 Which of the following is a definition of a blockchain?**
- A A technology that allows people who do not know each other to trust a shared record of events
 - B A centralised, undistributed and private digital ledger that is used to record transactions
 - C A sequence of transactions facilitated by the internet
 - D A supply chain management system used to improve efficiency
- (2 marks)**

24 Which TWO of the following are common types of internal control activities within an organisation?

- A Monitoring of controls
 - B Authorisation and approval
 - C Control environment
 - D Physical or logical
- (2 marks)**

25 Which of the following is NOT part of the '4P's' of the marketing mix?

- A Product
 - B People
 - C Place
- (1 mark)**

26 'Teeming and lading' is a fraudulent investment offer that involves paying abnormally high returns to initial investors out of the new money paid in by subsequent investors.

Is this statement TRUE or FALSE?

- A True
 - B False
- (1 mark)**

27 In the context of corporate social responsibility (CSR) which TWO of the following may sustainability involve?

- A Using local suppliers
 - B Maintaining long-term relationships with suppliers
 - C Minimising energy consumption
 - D Ethical employment practices
- (2 marks)**

28 A Co is considering improving its impact on the environment by adopting a sustainable approach to business.

Which THREE of the following statements are correct with regards to A's decision?

- 1 It may help to reduce the organisation's operating costs
 - 2 It could lead to an improved relationship with shareholders and other stakeholders
 - 3 It may improve employee motivation
 - 4 It would be expected to reduce the administrative burden on management
- A 1, 2 and 3 only
 - B 1, 3 and 4 only
 - C 2, 3 and 4 only
 - D 1, 2 and 4 only
- (2 marks)**

- 29 Which of the following statements identifies three broad prerequisites for fraud?**
- A Collusion, opportunity, motivation
 - B Dishonesty, opportunity, motivation
 - C Opportunity, collusion, dishonesty
 - D Dishonesty, collusion, motivation **(2 marks)**
- 30 Which of the following statements is correct regarding non-executive directors?**
- A They should make up at least half of the board of directors in larger companies.
 - B They help the executive directors with the daily running of the company.
 - C They may be friends or relatives of the executive directors, as this helps their working relationship.
 - D Once appointed, they should continue to act as non-executives for as long as possible as this will ensure they are knowledgeable and experienced. **(2 marks)**
- 31 Which of the following functions is most likely to be undertaken in a treasury department?**
- A Preparation of cash flow statements
 - B Foreign currency management
 - C Product pricing decisions
 - D Key factor analysis **(2 marks)**
- 32 Company G is considering raising finance to invest in new premises. It believes that it should raise debt finance by way of a bank loan.**
- Which of the following statements are correct regarding debt and equity finance?**
- A Interest payments tend to be cheaper than dividends.
 - B Interest payments can be suspended in the future if H is unable to afford them.
 - C Dividends are an allowable deduction against H's profits.
 - D H will likely need to provide asset security to investors whether it chooses to raise debt or equity finance. **(2 marks)**
- 33 Machines working and reacting like human beings describes which of the following?**
- A Robotics
 - B Voice recognition
 - C Artificial intelligence
 - D The 4th industrial revolution **(2 marks)**

34 In order to deal with complex problems, which of the following methods of communication is most likely to be effective?

- A Wheel
- B Circle
- C All-channel

(1 mark)

35 Noah started a new electronics business many years ago. His business now employs several dozen staff members. Noah is the sole owner and makes all of the key decisions within the organisation.

According to Handy, which cultural type exists in Noah's business?

- A Person
- B Task
- C Power
- D Role

(2 marks)

36 Naboo Co is a large company based in country B. It offers its workers a range of flexible benefits, such as additional holiday time and family health insurance. Its employees are well motivated – even though they are not highly paid.

According to Hofstede, this would indicate that B's country is:

- A Individualistic
- B Feminine
- C Masculine
- D Confucian

(2 marks)

37 If an employee does what a manager asks of them because they wish to imitate or become like their manager, what sort of power does their manager hold over them?

- A Referent
- B Legitimate
- C Expert
- D Coercive

(2 marks)

38 Which of the following is NOT a component of internal control?

- A The control environment
- B Risk assessment processes
- C Preventative actions

(1 mark)

- 39** Charlotte has recently produced a press release for her company in which she has used a number of figures in a misleading way.

Which of the following IFAC fundamental ethical principles has Charlotte breached?

- A Objectivity
 - B Confidentiality
 - C Integrity
 - D Professional competence and due care
- (2 marks)**

- 40** JM Co is a medium-sized clothing retail chain that has recently undertaken a stakeholder analysis exercise using Mendelow's matrix. JM feels that the national government currently has little interest in the company, though the directors feel that it would have significant power should it choose to intervene in the company's affairs.

What strategy would Mendelow's matrix suggest JM takes with regards to the national government?

- A Key players
 - B Minimal effort
 - C Keep satisfied
 - D Keep informed
- (2 marks)**

- 41** An ACCA qualified accountant is asked by his/her immediate superior to undertake an activity he/she feels is unethical.

Place the following actions in the correct order in which they should be taken.

- Contact the ACCA
 - Report to a senior manager in charge of ethics
 - Resign from the post
- (2 marks)**

- 42** **Which of the following is NOT a common feature of committees?**

- A Decisions tend to be made rapidly
 - B Decisions may be compromises rather than the optimal solution
 - C Some members of the committee may dominate proceedings
- (1 mark)**

- 43** Human resource management is a primary activity within Porter's value chain.

Is this statement TRUE or FALSE?

- A True
 - B False
- (1 mark)**

- 44** Eyal has recently been appointed as a non-executive director of GGG Co and is expected to stand for re-election on an annual basis. He retired last year from one of GGG's suppliers, HHH, and while his role meant he had little to do with GGG itself he has enjoyed extensive corporate hospitality from GGG's CEO over the last several years. He holds a hundred shares in GGG (which currently has 300,000 shares in issue).

GGG's Chairman is concerned that Eyal is not sufficiently independent to be a non-executive director, for the following reasons:

- (i) He has had past business dealings with GGG as a supplier
- (ii) He owns shares in GGG
- (iii) He has to stand for re-election on an annual basis
- (iv) He has an existing, close relationship with GGG's CEO

Which of the Chairman's concerns is/are valid regarding the appointment of Eyal?

- A (ii) and (iii) only
- B (i), (ii) and (iv) only
- C (ii) and (iv) only
- D (iv) only

(2 marks)

- 45** Omar works in the finance department as a junior accountant. He sends an email message to the Marketing Director.

Which type of communication is this an example of?

- A Vertical
- B Diagonal
- C Horizontal

(1 mark)

- 46** **Complete the following statement relating to learning.**

Hannah has recently started a new job in D Co. To help her, she is being mentored by an experienced member of staff.

Hannah is experiencing informal/tacit/formal/incidental* learning.

* delete as appropriate

(2 marks)

SECTION B – MULTI-TASK QUESTIONS

ANSWER ALL 6 QUESTIONS

- 1 (a) Honey and Mumford suggested that there are four approaches to individual learning. HT Co is training its staff on the use of a new IT system.

Identify which learning approach each of the following employees are adopting.

	Reflector	Activist	Pragmatist	Theorist
Employee 1 has decided to input some dummy data into the system so that she can try and learn how the system works. She dislikes the idea of formal training.				
Employee 2 has asked to watch an employee inputting data into the system who has already been trained in its use. She will then consider what she has learnt before attempting to use the system herself.				
Employee 3 is learning about a new system by reading the manual.				
Employee 4 wishes to have some formal training, followed by practical application.				

(0.5 marks each = 2 marks total)

- (b) There are different ways of passing on skills to employees.

Employee 1 has been offered a course which will help with time management – this will help her in her work and her personal life. This is classified as _1_.

- (i) **Select the term that appropriately fills gap 1 above.**

education/development/training*

*delete as appropriate

Employee 2 has been offered _2_ by the company as he/she has been offered a course in computer skills that will enable her to apply for promotion within the company.

- (ii) **Select the term that appropriately fills gap 2 above.**

education/development/training*

*delete as appropriate

(1 mark each = 2 marks in total)

(Total: 4 marks)

- 2 (a) Management theory includes a number of important concepts.

Classify the following as relating to either leadership, management, supervision or responsibility:

	Leadership	Management	Supervision	Responsibility
The setting of goals and inspiring subordinates to achieve them.				
The liability of a person to be called to account for his or her actions.				
Ensuring that specified tasks are performed correctly and efficiently by a certain group of workers.				
The use and co-ordination of business resources in order to achieve key objectives.				

(0.5 marks each = 2 marks total)

- (b) Fayol created a popular management theory known as 'Fayol's five functions of management'.

Which FOUR of the following factors are included in Fayol's five functions model?

- A Planning
- B Leader
- C Monitor
- D Commanding
- E Controlling
- F Liaison
- G Disseminator
- H Organising

(0.5 marks each, total = 2 marks)

(Total: 4 marks)

- 3 (a) Q Co is considering outsourcing its IT function to a third party IT company on a fixed fee basis. Q does not consider IT to be core function, as the organisation currently manufactures tables and chairs for domestic use. A junior accountant has produced a list of possible advantages of this to the company.

Which FOUR of the following factors are likely advantages of Q outsourcing its IT function?

- A It will reduce the probability of other organisations gaining access to Q's information.
- B It will reduce uncertainty relating to how much the IT function will cost Q each year.
- C The third party company may have access to IT skills that Q lacks.
- D If the third party fails to perform well, Q can easily bring the IT function back in-house.
- E The third party company may have access to more economies of scale for IT, allowing Q to save money on its IT function.
- F It will reduce Q's dependence on its suppliers.
- G Q is likely to gain competitive advantage over rivals with its IT systems.
- H It is likely to allow Q to focus its management time on core activities.

(0.5 marks each, total = 2 marks)

- (b) Increased use of IT has enabled many companies like Q, to restructure in a number of different ways.

Q Co has decided to _1_ by getting a local third party IT company to provide a number of temporary staff to cover the development of a new system for the company.

- (i) Select the concept that best fills gap 1 above.**

downsize/delayer/ad-hoc outsource/offshore*

*delete as appropriate

Q Co's management wishes to _2_ the organisation by using IT to improve communication. They feel that this will reduce the need for several levels, who will be made redundant.

- (ii) Select the concept that best fills gap 2 above.**

downsize/delayer/ad-hoc outsource/offshore*

*delete as appropriate

(1 mark each = 2 marks in total)

(Total: 4 marks)

- 4 G Co has recently employed a new junior management accountant. The management accountant has been informed by his manager that G's working capital is made up of four parts – inventory, receivables, payables and cash. G can maintain each element at either a high or low level.

Working capital	Balance	
	High	Low
	Inventory	A
	Trade receivables	C
	Cash	E
	Trade payables	G

Identify which of the following advantages relate to having a high or low level of each part of working capital as shown in the above diagram by entering ONE of the letters A–H.

- (i) Attractive to customers as they are able to pay for their purchases later.
- (ii) Reduced risk of bad and doubtful debts.
- (iii) Suppliers may offer prompt payment discounts.
- (iv) Customers will be happy as the organisation will always be able to provide them with the goods they require. (1 mark each, total = 4 marks)

(Total: 4 marks)

- 5 (a) Below are a number of statements relating to organisational structure.

Which FOUR of the following statements are correct?

- A A virtual organisation exists where all non-core activities are outsourced to third parties.
- B A scalar chain refers to the number of levels of management within the organisation.
- C Entrepreneurial structures typically suffer from slow decision making.
- D An organisation's span of control is unaffected by the nature of the work the organisation undertakes.
- E Decentralisation tends to reduce training costs within the organisation.
- F A matrix structure may increase conflict between managers.
- G Tall organisations typically have a narrow span of control.
- H A 'shared services approach' refers to the centralisation of a previously dispersed function within the organisation.

(0.5 marks each, total = 2 marks)

- (b) Commercial organisations can be formed in a number of different ways.

Organisation F's owners are legally separate from the organisation itself. F can only raise money from its existing owners and is not allowed to be listed on the stock exchange, indicating that it is a _1_.

- (i) **Select the organisation that appropriately fills gap 1 above.**

sole trader/partnership/private limited company/public limited company*

*delete as appropriate

Organisation J is a _2_. One of J's customers was injured by a product sold by the organisation. Rather than sue organisation, the customer has sued its three owners, as they are legally indistinguishable from the organisation.

- (ii) **Select the organisation that appropriately fills gap 2 above.**

sole trader/partnership/private limited company/public limited company*

*delete as appropriate

(1 mark each = 2 marks in total)

(Total: 4 marks)

- 6** (a) B Co is considering the launch of a new computer printer and is currently planning its pricing strategy.

It has identified four different options:

- A Sell the printer for a very low price. B will then sell ink cartridges to customers at a high profit margin.
- B Sell the printer for the same price as H Co – which sells a similar printer to the one B is planning to launch.
- C Sell the printer for a high price initially. As more competitors move into the market, the printer price will be dropped.
- D Sell the printer for a mark-up on the amount B pays to manufacture each unit.

Match EACH of the above descriptions with ONE of the pricing approaches below.

- (i) **Going-rate pricing**
- (ii) **Price skimming**
- (iii) **Captive product pricing**
- (iv) **Cost-plus pricing.**

(0.5 marks each, total = 2 marks)

- (b) The Managing Director of B Co has been given a list of tasks that the company needs to undertake. However, he/she is uncertain which of the following departments each task should be assigned to:

- A Research and development
- B Marketing
- C Purchasing
- D Production

Match EACH of the following tasks with ONE of the above departments.

- (i) Development of questionnaires to gain customer feedback on existing products.
- (ii) Quality testing of all products sold by B Co.
- (iii) Design of products to deal with changing customer needs.
- (iv) Monitoring of inventory levels of raw materials within B's warehouses.

(0.5 marks each, total = 2 marks)

(Total: 4 marks)