

ACCA



Examiner reviewed content

PAPER P5

高级业绩管理

ADVANCED PERFORMANCE MANAGEMENT

BPP Learning Media 著

课 本
STUDY TEXT

FOR EXAMS IN 2012



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- We **discuss** the **best strategies** for studying for ACCA exams
- We **highlight** the **most important elements** in the syllabus and the **key skills** you will need
- We **signpost** how each chapter links to the syllabus and the study guide
- We **provide** lots of **exam focus points** demonstrating what the examiner will want you to do
- We **emphasise key points** in regular **fast forward summaries**
- We **test your knowledge** of what you've studied in **quick quizzes**
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FOR EXAMS IN 2012



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P5 高级业绩管理 课本

P5 Advanced Performance Management Studytext

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P5（课本）简介

本课本指导你如何应用以前学到的相关知识和技能，通过运用战略管理会计技巧来评估企业业绩。我们的课本设计注重大纲中最重要的方面，包括：

- 战略计划和控制
- 经济、财政和环境因素
- 业绩计量系统和设计
- 战略业绩计量
- 业绩评估和公司倒闭
- 管理会计和业绩管理的当前发展以及产生的问题

P5 课本经由考官审核，包含所有 P5 相关的必需内容。它的特色是通过大量的近期案例分析来呈现大纲的关键内容，并通过习题加深你对刚学到的知识的理解。本课程考察的是你应用知识的能力，所以这些案例和习题是非常重要的学习工具。你还能学到有关新型管理理论和技巧的最新知识，这也是本课程的特色之一。课本还通过大量考试提示来指导你的学习，帮助你专注于必需的内容。现在就看你的咯！

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FMA/F2 Management Accounting

FMA/F2 管理会计

FFA/F3 Financial Accounting

FFA/F3 财务会计

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技能课程

F4 Corporate and Business Law (ENG)

F4 公司法与商法 (英国版)

F4 Corporate and Business Law (CHN)

F4 公司法与商法 (中国版)

F5 Performance Management

F5 业绩管理

F6 Taxation (UK)

F6 税务 (英国版)

F6 Taxation (CHN)

F6 税务 (中国版)

F7 Financial Reporting (INT&UK)

F7 财务报告 (国际版和英国版)

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F8 审计与认证业务 (国际版)

F9 Financial Management

F9 财务管理

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P2 Corporate Reporting (INT&UK)

P2 公司报告 (国际版和英国版)

P3 Business Analysis

P3 商务分析

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选修课程

P4 Advanced Financial Management

P4 高级财务管理

P5 Advanced Performance Management

P5 高级业绩管理

P6 Advanced Taxation (UK)

P6 高级税务 (英国版)

P7 Advanced Audit and Assurance (INT)

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As ACCA's sole **Platinum Approved Learning Partner – content**, BPP Learning Media gives you the **unique opportunity** to use **examiner-reviewed** study materials for the 2012 exams. By incorporating the examiner's comments and suggestions regarding the depth and breadth of syllabus coverage, the BPP Learning Media Study Text provides excellent, **ACCA-approved** support for your studies.

The **PER** alert

Before you can qualify as an ACCA member, you do not only have to pass all your exams but also fulfil a three year **practical experience requirement (PER)**. To help you to recognise areas of the syllabus that you might be able to apply in the workplace to achieve different performance objectives, we have introduced the '**PER alert**' feature. You will find this feature throughout the Study Text to remind you that what you are **learning to pass** your ACCA exams is **equally useful to the fulfilment of the PER requirement**.

Tackling studying

Studying can be a daunting prospect, particularly when you have lots of other commitments. The **different features** of the text, the **purposes** of which are explained fully on the **Chapter features** page, will help you whilst studying and improve your chances of **exam success**.

Developing exam awareness

Our Texts are completely **focused** on helping you pass your exam.

Our advice on **Studying P5** outlines the **content** of the paper, the **necessary skills** the examiner expects you to demonstrate and any **brought forward knowledge** you are expected to have.

Exam focus points are included within the chapters to highlight when and how specific topics were examined, or how they might be examined in the future.

Using the Syllabus and Study Guide

You can find the syllabus and Study Guide on pages xi - xix of this Study Text

Testing what you can do

Testing yourself helps you develop the skills you need to pass the exam and also confirms that you can recall what you have learnt.

We include **Questions** – lots of them - both within chapters and in the **Exam Question Bank**, as well as **Quick Quizzes** at the end of each chapter to test your knowledge of the chapter content.

Chapter features

Each chapter contains a number of helpful features to guide you through each topic.

Topic list

| Topic list | Syllabus references |
|------------|---------------------|
| | |
| | |
| | |

What you will be studying in this chapter and the relevant section numbers, together the ACCA syllabus references.

Introduction

Puts the chapter content in the context of the syllabus as a whole.

Study Guide

Links the chapter content with ACCA guidance.

Exam Guide

Highlights how examinable the chapter content is likely to be and the ways in which it could be examined.

Knowledge brought forward from earlier studies

What you are assumed to know from previous studies/exams.

FAST FORWARD

Summarises the content of main chapter headings, allowing you to preview and review each section easily.

Examples

Demonstrate how to apply key knowledge and techniques.

Key terms

Definitions of important concepts that can often earn you easy marks in exams.

Exam focus points

When and how specific topics were examined, or how they may be examined in the future.

Formula to learn

Formulae that are not given in the exam but which have to be learnt.



Gives you a useful indication of syllabus areas that closely relate to performance objectives in your Practical Experience Requirement (PER).



Question

Gives you essential practice of techniques covered in the chapter.



Case Study

Real world examples of theories and techniques.

Chapter Roundup

A full list of the Fast Forwards included in the chapter, providing an easy source of review.

Quick Quiz

A quick test of your knowledge of the main topics in the chapter.

Exam Question Bank

Found at the back of the Study Text with more comprehensive chapter questions. Cross referenced for easy navigation.

Studying P5

As the name suggests, this paper examines advanced performance management topics and is particularly suited to those who are thinking about a career in management accountancy or are likely to be involved in strategic management decisions.

The P5 examiner

The examiner for this paper is **Alex Watt**. He expects you to demonstrate a **professional approach** to all questions – not just presenting information in a professional manner, but also **integrating knowledge and understanding** of topics from across the syllabus.

The examiner is keen that students demonstrate evidence of **wider reading** and the ability to incorporate aspects of **real life examples** into their answers where relevant and appropriate. Dr Watt has written several articles in *Student Accountant*, including one in the August 2010 issue, on how to approach the paper. Make sure you read this article to gain further insight into what the examiner is looking for.

1 What P5 is about

The syllabus for Paper P5 further develops key aspects and skills introduced in **Paper F5**, and it draws on aspects of the material about strategic and operational planning and performance covered in **Paper P3**, Business Analysis.

However, whereas Paper P3 only assesses principles of management accounting as part of the wider analysis of a business situation, Paper P5 could examine aspects of management accounting – such as budgeting or costing techniques – in their own right.

The stated aim of the P5 syllabus is:

'To apply relevant knowledge, skills and exercise professional judgement in selecting and applying strategic management accounting techniques in different business contexts and to contribute to the evaluation of the performance of an organisation and its strategic development.'

Read this aim carefully. You are no longer just a 'number cruncher' drawing up budgets and producing management reports. You are expected to understand the wider issues that affect organisations. These issues are often written about in newspapers and journals such as the Financial Times and the Economist. So you do need to keep up to date with your professional reading and be aware of the world around you. At this high level, you also need to see how the subjects you previously studied begin to fit together and begin to take a birds-eye view of the organisation.

Importantly, P5 will also test your ability to assess different approaches to performance management from a variety of perspectives. As well as knowing what the approaches are, you will also need to be able to compare them with one another in the context of a scenario; for example, the comparing the long-term and short-term issues affecting an organisation's performance.

Snapshot of the syllabus. The syllabus expects you to understand how organisations set their strategy and the external influences that affect strategic plans and operational outcomes. You are expected to evaluate different systems of performance management and apply strategic performance measurement techniques in evaluating and improving performance. You are expected to advise on strategic performance evaluation and the possibility of corporate failure. Finally you are expected to be aware of the current developments in management accounting and performance management as these affect organisations.

There are **six parts to the syllabus** and we outline these below.

- (a) **Use strategic planning and control models to plan and monitor organisational performance**
- (b) **Assess and identify relevant macro economic, fiscal and market factors and key external influences on organisational performance**
- (c) **Identify and evaluate the design features of effective performance management information and monitoring systems**
- (d) **Apply appropriate strategic performance measurement techniques in evaluating and improving organisational performance**
- (e) **Advise clients and senior management on strategic business performance evaluation and on recognising vulnerability to corporate failure**
- (f) **Identify and assess the impact of current developments in management accounting and performance management on measuring, evaluating and improving organisational performance**

We expect most of these capabilities (if not all) to be tested to some extent in every P5 exam.

2 What skills are required?

Refer to the syllabus outline in part 1 above. Look at the action verbs identified there. You are expected to be able to **identify** and **assess**, **advise** and **evaluate**, **apply**, **plan** and **monitor**.

These are the skills that you are expected to demonstrate in the exam. You have moved beyond merely demonstrating your knowledge of a model or technique. For example, the examiner expects you to know

financial ratios already. He is looking at evidence of being able to apply this knowledge and come to intelligent conclusions that you can communicate effectively.

The questions set in P5 exams will be based around **case study scenarios** which describe an organisation, its objectives and its business environment. You will need to relate your answers specifically to the scenario given in the question, and not simply describe models or theories.

The paper has a large **written element**, with well over half the marks in P5 being earned for written answers (discussion, analysis, evaluation) rather than calculations.

We have summarised here the skills you are expected to demonstrate in P5.

- (a) **Core knowledge.** The contents of Paper F5 *Performance Management*
- (b) **Numerical skills.** Those skills demonstrated in Paper F5. You don't learn any new mathematical techniques in this paper but you are expected to remember those you learnt previously.
- (c) **Written skills** These are key skills on this paper. You will be expected to write reports and notes explaining issues you encounter.
- (d) **Analysis and interpretation** of question data or calculations. The examiner has stressed that candidates will be expected to analyse (not merely calculate) numerical data given in a scenario.
- (e) **Wider business awareness** or application of skills in a practical context

3 How to improve your chances of passing

The previous examiner provided feedback in his examiner's reports. This advice is helpful in guiding you on general exam technique as much as applying specifically to this type of written paper. Amongst the specific advice he has given is that listed below.

- (a) To **read questions very carefully** and answer the question asked.
- (b) **Look at the mark allocation** to help you manage your time allocation and plan your answer.
- (c) **To keep workings separate from a main statement** e.g. an operating statement.
- (d) In **discursive questions** make sure you **make each separate comment** clearly identifiable.

We recommend you read the article 'Updated examiner's approach to Paper P5' published in February 2011 and available on ACCA's website. This illustrates how some of the skills required to pass P5 have been tested in recent exam sittings, and provides some useful hints about how to approach the paper.

Importantly, the examiner's article also stresses that P5 is a paper about performance **management**, not simply about performance **measurement**. Whilst it is important for organisations to measure how well they are performing, this performance measurement takes place within the wider context of strategic planning and control, and is subject to both internal and external factors which can affect performance. In Paper P5 you need to be aware of this context and its impact on performance, not simply how an organisation can measure performance.

4 Brought forward knowledge

You will be expected to build on the skills and knowledge you acquired when you studied Paper F5. That paper introduces topics such as **budgeting** and **pricing** that continue into the higher level syllabus. Paper F5 also covers **cost and management accounting techniques** including activity-based costing that you will encounter in this paper. You will also be expected to draw on your knowledge of **performance measurement and control techniques** that were introduced in the earlier paper.

The exam paper

Format of the paper

Paper P5 is examined in a three-hour paper consisting of **two** sections. You will be given 15 minutes reading time before the three hours begins, to read the questions and begin planning your answers.

Section A

Section A will contain **two compulsory questions** comprising between 50 and 70 marks in total. Each question will comprise between 25 and 40 marks. The question will usually assess and link a range of subject areas across the syllabus and will require students to demonstrate high-level capabilities to evaluate, relate and apply the information in the case study to the requirements.

Section B

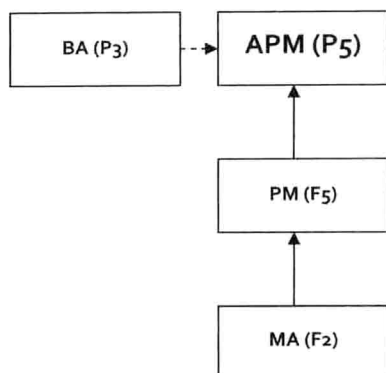
You need to answer **two questions in Section B, from a choice of three**, comprising between 15 and 20 marks each. Section B questions are more likely to assess a range of discrete subject areas from the main syllabus section headings. They may require evaluation and synthesis of information contained within short scenarios and application of this information to the question requirements.

A small number of **professional marks** will be available. The examiner has emphasised that in order to gain the marks available, students must write in the specified format (such as a report or memo). Reports must have terms of reference, conclusion, appendices and appropriate headings. Make sure you are familiar with how different types of documents are constructed to improve your chances of gaining maximum professional marks.

Syllabus and Study Guide

The P5 syllabus and study guide can be found below.

Syllabus



AIM

To apply relevant knowledge, skills and exercise professional judgement in selecting and applying strategic management accounting techniques in different business contexts and to contribute to the evaluation of the performance of an organisation and its strategic development.

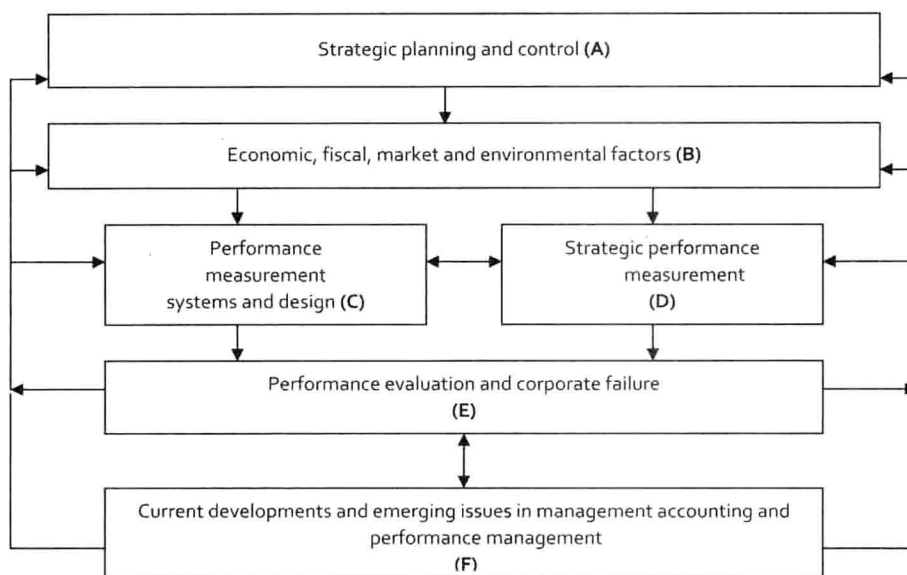
MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

On successful completion of this paper, candidates should be able to:

- A Use strategic planning and control models to plan and monitor organisational performance
- B Assess and identify relevant macro economic, fiscal and market factors and key external influences on organisational performance
- C Identify and evaluate the design features of effective performance management information and monitoring systems
- D Apply appropriate strategic performance measurement techniques in evaluating and improving organisational performance
- E Advise clients and senior management on strategic business performance evaluation and on recognising vulnerability to corporate failure
- F Identify and assess the impact of current developments in management accounting and performance management on measuring, evaluating and improving organisational performance

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The Advanced Performance Management syllabus further develops key aspects introduced in Paper F5, *Performance Management*, at the skills level and draws on aspects of the material covered from a more strategic and operational planning perspective in Paper P3, *Business Analysis*.

The syllabus introduces candidates to the strategic role of management accounting as a discipline for planning and controlling performance so that strategic objectives can be set, monitored and controlled. It also covers the impact of external factors on strategic management issues, such as macro economic, fiscal, market and environmental impacts on performance. From appreciating the strategic context of performance management and the impact of wider factors, the syllabus examines, at an operational level, the issues relating to performance measurement systems and their design.

The syllabus then moves from performance management systems and their design to the scope and application of high-level performance measurement techniques in a variety of contexts, including not-for-profit organisations and multi-national businesses. Having covered the strategic aspects of performance management and operational systems for the measurement and control of performance in a variety of contexts, candidates are then expected to synthesise this knowledge in the role of an advisor to senior management or independent clients on how to assess and control the performance of an entity, including the recognition of whether a business is facing difficulties or possibly failure.

Finally, the syllabus deals with current developments in performance management and with emerging issues as they might affect or influence the management of performance within organisations.

A. Strategic planning and control

1. Introduction to strategic management accounting
2. Performance management and control of the organisation
3. Changes in business structure and management accounting
4. Effect of Information Technology (IT) on strategic management accounting
5. Other environmental and ethical issues

B. External influences on organisational performance

1. Changing business environment
2. Impact of external factors on strategy and performance

C. Performance measurement systems and design

1. Performance management information systems
2. Sources of management information
3. Recording and processing methods
4. Management reports

D. Strategic performance measurement

1. Performance hierarchy
2. Strategic performance measures in private sector
3. Divisional performance and transfer pricing issues
4. Strategic performance measures in not-for-profit organisations
5. Non-financial performance indicators
6. The role of quality in management information and performance measurement systems

7. Performance measurement and strategic human resource management issues
 8. Performance measurement and the reward systems
 9. Other behavioural aspects of performance measurement
- E. Performance evaluation and corporate failure**
1. Alternative views of performance measurement and management
 2. Strategic performance issues in complex business structures
 3. Predicting and preventing corporate failure
- F. Current developments and emerging issues performance management**
1. Current developments in management accounting techniques
 2. Current issues and trends in performance management

APPROACH TO EXAMINING THE SYLLABUS

Paper P5 builds on paper F5, *Performance Management*, and candidates are expected to have a thorough understanding of the paper F5 syllabus. In addition, candidates will also be required to apply the principles and techniques covered in paper F2, *Management Accounting*.

Paper P5 has a link with Paper P3, *Business Analysis*, in the areas of strategic planning and control and performance measurement

EXAMINATION STRUCTURE

The examination will be a three hour paper in two sections:

Section A

Section A will comprise two compulsory questions comprising between 50 and 70 marks in total. Each question will comprise of between 25 and 40 marks.

Section B

In section B candidates will be asked to answer two from three questions comprising of between 15 and 25 marks each.

Total 100 marks

Study Guide

A STRATEGIC PLANNING AND CONTROL

1. Introduction to strategic management accounting

- a) Explain the role of strategic performance management in strategic planning and control. ^[2]
- b) Discuss the role of corporate planning in clarifying corporate objectives, making strategic decisions and checking progress towards the objectives. ^[2]
- c) Compare planning and control between the strategic and operational levels within a business entity. ^[2]
- d) Assess the use of strategic management accounting in the context of multinational companies. ^[3]
- e) Discuss the scope for potential conflict between strategic business plans and short-term localised decisions. ^[2]
- f) Evaluate how SWOT analysis may assist in the performance management process. ^[2]
- g) Evaluate the methods of benchmarking performance. ^[3]

2. Performance management and control of the organisation

- a) Evaluate the strengths and weaknesses of alternative budgeting models and compare such techniques as fixed and flexible, rolling, activity based, zero based and incremental. ^[3]
- b) Assess how budgeting may differ in not-for-profit organisations from profit-seeking organisations. ^[3]
- c) Evaluate the impact to an organisation of a move beyond budgeting ^[3]

3. Changes in business structure and management accounting

- a) Identify and discuss the particular information needs of organisations adopting a functional, divisional or network form and the implications for performance management. ^[2]
- b) Assess the influence of Business Process Re-engineering on systems development and improvements in organisational performance. ^[3]
- c) Discuss the concept of business integration and the linkage between people, operations, strategy and technology. ^[2]
- d) Analyse the role that performance management systems play in business integration using models such as the value chain and McKinsey's 7S's ^[3]
- e) Identify and discuss the required changes in management accounting systems as a consequence of empowering staff to manage sectors of a business. ^[3]

4. Effect of Information Technology (IT) on strategic management accounting

- a) Assess the changing accounting needs of modern service orientated businesses compared with the needs of traditional manufacturing industry. ^[3]
- b) Discuss how IT systems provide the opportunity for instant access to management accounting data throughout the organisation and their potential impact on business performance. ^[2]
- c) Assess how IT systems facilitate the remote input of management accounting data in an acceptable format by non-finance specialists. ^[2]
- d) Explain how information systems provide instant access to previously unavailable data that can be used for benchmarking and control purposes and help improve business performance (for example, through the use of enterprise resource planning systems and data warehouses). ^[2]
- e) Assess the need for businesses to continually refine and develop their management accounting and information systems if they are

to maintain or improve their performance in an increasingly competitive and global market.^[3]

5. Other environmental and ethical issues

- a) Discuss the ways in which stakeholder groups operate and how they effect an organisation and its strategy formulation and implementation (e.g. using Mendelow's matrix).^[2]
- b) Discuss the ethical issues that may impact on strategy formulation and business performance.^[3]
- c) Discuss the ways in which stakeholder groups may influence business performance.^[2]

B EXTERNAL INFLUENCES ON ORGANISATIONAL PERFORMANCE

1. Changing business environment

- a) Assess the continuing effectiveness of traditional management accounting techniques within a rapidly changing business environment.^[3]
- b) Assess the impact of the different risk appetites of stakeholders on performance management.^[3]
- c) Evaluate how risk and uncertainty play an important role in long term strategic planning and decision-making that relies upon forecasts of exogenous variables.^[3]
- d) Apply different risk analysis techniques in assessing business performance such as maximin, maximax, minimax regret and expected values.^[3]

2. Impact of external factors on strategy and performance

- a) Discuss the need to consider the environment in which an organisation is operating when assessing its performance using models such as PEST and Porter's 5 forces, including areas:^[2]
 - i) Political climate
 - ii) Market conditions
 - iii) Funding
- b) Assess the impact of governmental regulations and policies on performance measurement techniques used and the performance levels

achieved (for example, in the case of utility services and former state monopolies).^[3]

C PERFORMANCE MEASUREMENT SYSTEMS AND DESIGN

1. Performance management information systems

- a) Identify the accounting information requirements and describe the different types of information systems used for strategic planning, management control and operational control and decision-making.^[2]
- b) Discuss, with reference to performance management, ways in which the information requirements of a management structure are affected by the features of the structure.^[2]
- c) Evaluate the compatibility of the objectives of management accounting and management accounting information.^[3]
- d) Discuss the integration of management accounting information within an overall information system, for example the use of enterprise resource planning systems.^[2]
- e) Evaluate whether the management information systems are lean and value of the information that they provide.^[3]
- f) Define and discuss the merits of, and potential problems with, open and closed systems with regard to the needs of performance management.^[2]
- g) Highlight the ways in which contingent (internal and external) factors influence management accounting and its design and use.^[3]
- h) Evaluate how anticipated human behaviour will influence the design of a management accounting system.^[3]
- i) Assess the impact of responsibility accounting on information requirements.^[3]