

ACCA



Examiner reviewed content

PAPER F5

业绩管理

PERFORMANCE MANAGEMENT

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课 本

STUDY TEXT

FOR EXAMS IN 2012



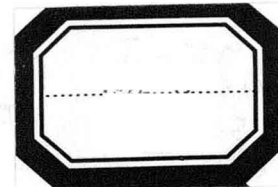
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BPP Learning Media is the **sole ACCA Platinum Approved Learning Partner** – content for the ACCA qualification. In this, **the only Paper F5 study text to be reviewed by the examiner:**

- 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
- We examine your understanding in our exam question bank
- We reference all the important topics in our full index

BPP's **i-Pass** product also supports this paper.

FOR EXAMS IN 2012



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F5（课本）简介

学完本课本后，你将能在处理定性和定量信息时引用管理会计技巧。我们的课本设计注重大纲中最重要的方面，包括：

- 专家成本和管理会计技巧
- 制定决策的技巧
- 编制预算
- 标准成本法和差异分析
- 业绩的计量和控制

F5 课本经由考官审核，囊括所有 F5 课程相关内容，特别是管理会计技巧的实际应用。该课本将会明确提及并简要复习你之前学到的诸如基本差异分析等知识，同时用大量的实例和习题帮助你掌握和理解更新更难的知识点，如学习曲线。还会识别并讲解重要术语，帮助你理解新术语，如短期主义和全面质量管理。

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基础阶段课程

Knowledge Module

知识课程

FAB/F1 Accountant in Business

FAB/F1 会计师与企业

FMA/F2 Management Accounting

FMA/F2 管理会计

FFA/F3 Financial Accounting

FFA/F3 财务会计

Skills Module

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)

F8 Audit and Assurance (INT)

F8 审计与认证业务 (国际版)

F9 Financial Management

F9 财务管理

专业阶段课程

Essentials Module

核心课程

P1 Governance, Risk and Ethics

P1 公司治理、风险管理及职业操守

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

Options Module

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)

P7 高级审计与认证业务 (国际版)

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Helping you to pass – the **ONLY F5 Study Text** reviewed by the examiner!

BPP Learning Media – the sole Platinum Approved Learning Partner - content

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.

NEW FEATURE – 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 F5** 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 page x 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 reference

Tells you 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

Tell you 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.



This is a new feature that gives you a useful indication of syllabus areas that closely relate to performance objectives in your Practical Experience Requirement (PER).



Question

Give you essential practice of techniques covered in the chapter.



Case Study

Provide 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 F5

The F5 examiner wants candidates to be able to apply management accounting techniques in business environments. The key question you need to be able to answer is 'what does it all actually mean?' Modern technology is capable of producing vast amounts of management accounting information but it has to be used to help managers to make good decisions and manage effectively. The emphasis in this paper is therefore on practical elements and application to the real world. The examiner does not want to trick you and papers will be fair.

The F5 examiner

The examiner for this paper is **Ann Irons**, who replaced Geoff Cordwell from the December 2010 sitting onwards. Ann Irons has written several articles in *Student Accountant*, including one on how to approach the paper (September 2010 issue). Make sure you read these articles to gain further insight into what the examiner is looking for.

1 What F5 is about

The aim of this syllabus is to develop knowledge and skills in the application of management accounting techniques. It covers modern techniques, decision making, budgeting and standard costing, concluding with how a business should be managed and controlled.

F5 is the middle paper in the management accounting section of the qualification structure. F2 concerns just techniques and P5 thinks strategically and considers environmental factors. F5 requires you to be able to apply techniques and think about their impact on the organisation.

2 What skills are required?

- You are expected to have a core of management accounting knowledge from Paper F2
- You will be required to carry out calculations, with **clear workings** and a logical structure
- You will be required to **interpret** data
- You will be required to **explain** management accounting techniques and **discuss** whether they are appropriate for a particular organisation
- You must be able to **apply** your skills in a practical context

3 How to improve your chances of passing

- There is no choice in this paper, all questions have to be answered. You must therefore study the **entire syllabus**, there are no short-cuts
- Practising questions under timed conditions is essential. BPP's **Practice and Revision Kit** contains 20 mark questions on all areas of the syllabus
- Questions will be based on simple scenarios and answers must be **focused** and **specific** to the organisation
- **Answer plans** will help you to focus on the requirements of the question and enable you to manage your time effectively
- **Answer all parts** of the question. Even if you cannot do all of the calculation elements, you will still be able to gain marks in the discussion parts
- Make sure your answers focus on **practical applications of management accounting**, common sense is essential!
- Keep an eye out for **articles** as the **examiner** will use **Student Accountant** to communicate with students
- Read journals etc to pick up on ways in which real organisations apply management accounting and think about your own organisation if that is relevant

4 Brought forward knowledge

You will need to have a good working knowledge of basic management accounting from Paper F2. Chapter 1 of this Study Text revises costing and brought forward knowledge is identified throughout the text. If you struggle with the examples and questions used to revise this knowledge, you must go back and revisit your previous work. The examiner will assume you know this material and it may form part of an exam question.

The exam paper

Format of the paper

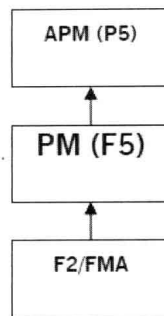
The exam is a three-hour paper containing **five** compulsory 20 mark questions. You also have 15 minutes for reading and planning.

There will be a mixture of calculations and discussion and the examiner's aim is to cover as much of the syllabus as possible.

Syllabus and Study Guide

The F5 syllabus and study guide can be found on the next page.

Syllabus



AIM

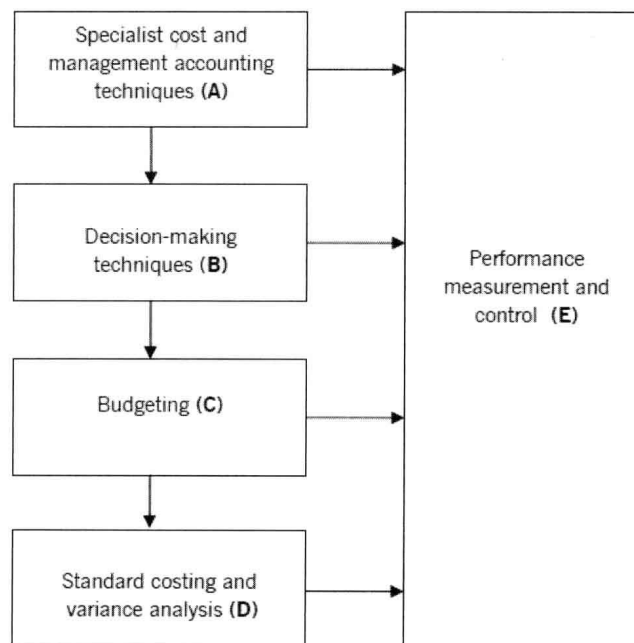
To develop knowledge and skills in the application of management accounting techniques to quantitative and qualitative information for planning, decision-making, performance evaluation, and control

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

- A** Explain and apply cost accounting techniques
- B** Select and appropriately apply decision-making techniques to facilitate business decisions and promote efficient and effective use of scarce business resources, appreciating the risks and uncertainty inherent in business and controlling those risks
- C** Identify and apply appropriate budgeting techniques and methods for planning and control
- D** Use standard costing systems to measure and control business performance and to identify remedial action
- E** Assess the performance of a business from both a financial and non-financial viewpoint, appreciating the problems of controlling divisionalised businesses and the importance of allowing for external aspects

MAIN CAPABILITIES

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper F5, *Performance Management*, builds on the knowledge gained in Paper F2, *Management Accounting*. It also prepares candidates for more specialist capabilities which are covered in P5 *Advanced Performance Management*.

The syllabus begins by introducing more specialised management accounting topics. There is some knowledge assumed from Paper F2 – primarily overhead treatments. The objective here is to ensure candidates have a broader background in management accounting techniques.

The syllabus then considers decision-making. Candidates need to appreciate the problems surrounding scarce resource, pricing and make-or-buy decisions, and how this relates to the assessment of performance. Risk and uncertainty are a factor of real-life decisions and candidates need to understand risk and be able to apply some basic methods to help resolve the risks inherent in decision-making.

Budgeting is an important aspect of many accountants' lives. The syllabus explores different budgeting techniques and the problems inherent in them. The behavioural aspects of budgeting are important for accountants to understand, and the syllabus includes consideration of the way individuals react to a budget.

Standard costing and variances are then built on. All the variances examined in Paper F2 are examinable here. The new topics are mix and yield variances, and planning and operational variances. Again, the link is made to performance management. It is important for accountants to be able to interpret the numbers that they calculate and ask what they mean in the context of performance.

The syllabus concludes with performance measurement and control. This is a major area of the syllabus. Accountants need to understand how a business should be managed and controlled. They should appreciate the importance of both financial and non-financial performance measures in management. Accountants should also appreciate the difficulties in assessing performance in divisionalised businesses and the problems caused

by failing to consider external influences on performance. This section leads directly to Paper P5.

All of the subject areas covered in this syllabus could be examined in either a public sector or private sector context.

DETAILED SYLLABUS

A Specialist cost and management accounting techniques

1. Activity-based costing
2. Target costing
3. Life-cycle costing
4. Throughput accounting
5. Environmental accounting

B Decision-making techniques

1. Relevant cost analysis
2. Cost volume analysis
3. Limiting factors
4. Pricing decisions
5. Make-or-buy and other short-term decisions
6. Dealing with risk and uncertainty in decision-making

C Budgeting

1. Objectives
2. Budgetary systems
3. Types of budget
4. Quantitative analysis in budgeting
5. Behavioural aspects of budgeting

D Standard costing and variances analysis

1. Budgeting and standard costing
2. Basic variances and operating statements
3. Mix and yield variances
4. Planning and operational variances
5. Behavioural aspects of standard costing

E Performance measurement and control

1. The scope of performance measurement
2. Divisional performance and transfer pricing
3. Performance analysis in not-for-profit organisations and the public sector
4. External considerations and behavioural aspects

APPROACH TO EXAMINING THE SYLLABUS

Paper F5, *Performance Management*, seeks to examine candidates' understanding of how to manage the performance of a business.

The paper builds on the knowledge acquired in Paper F2, *Management Accounting*, and prepares those candidates who choose to study Paper P5, *Advanced Performance Management*, at the Professional level

The syllabus is assessed by a three-hour paper-based examination.

The examination will contain five compulsory 20-mark questions. There will be calculation and discursive elements to the paper with the balance being broadly in line with the pilot paper. The pilot paper contains questions from four of the five syllabus sections. Generally, the paper will seek to draw questions from as many of the syllabus sections as possible.

Study Guide

A SPECIALIST COST AND MANAGEMENT ACCOUNTING TECHNIQUES

1. Activity based costing

- a) Identify appropriate cost drivers under ABC.^[1]
- b) Calculate costs per driver and per unit using ABC.^[2]
- c) Compare ABC and traditional methods of overhead absorption based on production units, labour hours or machine hours.^[2]

2. Target costing

- a) Derive a target cost in manufacturing and service industries.^[2]
- b) Explain the difficulties of using target costing in service industries.^[2]
- c) Suggest how a target cost gap might be closed.^[2]

3. Life-cycle costing

- a) Identify the costs involved at different stages of the life-cycle.^[2]
- b) Derive a life cycle cost in manufacturing and service industries.^[2]
- c) Identify the benefits of life cycle costing.^[2]

4. Throughput accounting

- a) Calculate and interpret a throughput accounting ratio (TPAR).^[2]
- b) Suggest how a TPAR could be improved.^[2]
- c) Apply throughput accounting to a multi-product decision-making problem.^[2]

5. Environmental accounting

- a) Discuss the issues business face in the management of environmental costs.^[1]

- b) Describe the different methods a business may use to account for its environmental costs.^[1]

B DECISION-MAKING TECHNIQUES

1. Relevant cost analysis

- a) Explain the concept of relevant costing.^[2]
- b) Identify and calculate relevant costs for a specific decision situations from given data.^[2]
- c) Explain and apply the concept of opportunity costs.^[2]

2. Cost volume profit analysis

- a) Explain the nature of CVP analysis.^[2]
- b) Calculate and interpret break even point and margin of safety.^[2]
- c) Calculate the contribution to sales ratio, in single and multi-product situations, and demonstrate an understanding of its use.^[2]
- d) Calculate target profit or revenue in single and multi-product situations, and demonstrate an understanding of its use.^[2]
- e) Prepare break even charts and profit volume charts and interpret the information contained within each, including multi-product situations.^[2]
- f) Discuss the limitations of CVP analysis for planning and decision making.^[2]

3. Limiting factors

- a) Identify limiting factors in a scarce resource situation and select an appropriate technique.^[2]
- b) Determine the optimal production plan where an organisation is restricted by a single limiting factor, including within the context of "make" or "buy" decisions.^[2]
- c) Formulate and solve multiple scarce resource problem both graphically and using simultaneous equations as appropriate.^[2]

- d) Explain and calculate shadow prices (dual prices) and discuss their implications on decision-making and performance management.^[2]
- e) Calculate slack and explain the implications of the existence of slack for decision-making and performance management.^[2]
(Excluding simplex and sensitivity to changes in objective functions)

4. Pricing decisions

- a) Explain the factors that influence the pricing of a product or service.^[2]
- b) Explain the price elasticity of demand.^[1]
- c) Derive and manipulate a straight line demand equation. Derive an equation for the total cost function (including volume-based discounts).^[2]
- d) Calculate the optimum selling price and quantity for an organisation, equating marginal cost and marginal revenue.^[2]
- e) Evaluate a decision to increase production and sales levels, considering incremental costs, incremental revenues and other factors.^[2]
- f) Determine prices and output levels for profit maximisation using the demand based approach to pricing (both tabular and algebraic methods).^[1]
- g) Explain different price strategies, including:^[2]
 - i) All forms of cost-plus
 - ii) Skimming
 - iii) Penetration
 - iv) Complementary product
 - v) Product-line
 - vi) Volume discounting
 - vii) Discrimination
 - viii) Relevant cost
- h) Calculate a price from a given strategy using cost-plus and relevant cost.^[2]

5. Make-or-buy and other short-term decisions

- a) Explain the issues surrounding make vs. buy and outsourcing decisions.^[2]

- b) Calculate and compare make" costs with "buy-in" costs.^[2]
- c) Compare in-house costs and outsource costs of completing tasks and consider other issues surrounding this decision.^[2]
- d) Apply relevant costing principles in situations involving shut down, one-off contracts and the further processing of joint products.^[2]

6. Dealing with risk and uncertainty in decision-making

- a) Suggest research techniques to reduce uncertainty e.g. Focus groups, market research.^[2]
- b) Explain the use of simulation, expected values and sensitivity.^[1]
- c) Apply expected values and sensitivity to decision-making problems.^[2]
- d) Apply the techniques of maximax, maximin, and minimax regret to decision-making problems including the production of profit tables.^[2]
- e) Draw a decision tree and use it to solve a multi-stage decision problem
- f) Calculate the value of perfect and imperfect information.

C BUDGETING

1. Objectives

- a) Outline the objectives of a budgetary control system.^[2]
- b) Explain how corporate and divisional objectives may differ and can be reconciled.^[2]
- c) Identify and resolve conflicting objectives and explain implications.^[2]

2. Budgetary systems

- a) Explain how budgetary systems fit within the performance hierarchy.^[2]

- b) Select and explain appropriate budgetary systems for an organisation, including top-down, bottom-up, rolling, zero-base, activity-base, incremental and feed-forward control.^[2]
- c) Describe the information used in budget systems and the sources of the information needed.^[2]
- d) Explain the difficulties of changing a budgetary system.^[2]
- e) Explain how budget systems can deal with uncertainty in the environment.^[2]

3. Types of Budget

- a) Indicate the usefulness and problems with different budget types (zero-base, activity-based, incremental, master, functional and flexible).^[2]
- b) Explain the difficulties of changing the type of budget used.^[2]

4. Quantitative analysis in budgeting

- a) Analyse fixed and variable cost elements from total cost data using high/low and regression methods.^[2]
- b) Explain the use of forecasting techniques, including time series, simple average growth models and estimates based on judgement and experience. Predict a future value from provided time series analysis data using both additive and proportional data.^[2]
- c) Estimate the learning effect and apply the learning curve to a budgetary problem, including calculations on steady states.^[2]
- d) Discuss the reservations with the learning curve.^[2]
- e) Apply expected values and explain the problems and benefits.^[2]
- f) Explain the benefits and dangers inherent in using spreadsheets in budgeting.^[1]

5. Behavioural aspects of budgeting

- a) Identify the factors which influence behaviour.^[2]
- b) Discuss the issues surrounding setting the difficulty level for a budget.^[2]
- c) Explain the benefits and difficulties of the participation of employees in the negotiation of targets.^[2]

D STANDARD COSTING AND VARIANCES ANALYSIS

1. Budgeting and standard costing

- a) Explain the use of standard costs.^[2]
- b) Outline the methods used to derive standard costs and discuss the different types of cost possible.^[2]
- c) Explain the importance of flexing budgets in performance management.^[2]
- d) Prepare budgets and standards that allow for waste and idle time.^[2]
- e) Explain and apply the principle of controllability in the performance management system.^[2]
- f) Prepare a flexed budget and comment on its usefulness.^[2]

2. Basic variances and operating statements

- a) Calculate, identify the cause of and interpret basic variances:^[1]
 - i) Sales price and volume
 - ii) Materials total, price and usage
 - iii) Labour total, rate and efficiency
 - iv) Variable overhead total, expenditure and efficiency
 - v) Fixed overhead total, expenditure and, where appropriate, volume, capacity and efficiency.
- b) Explain the effect on labour variances where the learning curve has been used in the budget process.^[2]