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**Strategic Business Leader
(SBL)**

**Platinum Revision Basing on Recent Past Exam Answers
(DEMO)**

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Case 1 PVS (June24) Answers

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Steve's Answer in Class

- Q1 – Joint venture, Franchise, Technology Impacts.
- Q2 – CSR strategy, Project manager.
- Q3 – Internal Control weaknesses.

Task 1a

Briefing notes

The briefing notes evaluates the JV and franchise ways, and with a recommendation.

Joint venture (JV)

The JV means PVS sets up a number of clinics in the B4P stores under the agreement, so that both parties can share return from it.

Sales

The JV can help increase our revenue because we are working with B4P which is the largest of Arland's two pet superstores, this means that we can save lots of marketing expenses and more customers will know our brand. 2

PVS only has 85% clinics inside town centres, this means by working with B4P, we can increase our brand awareness in the north and east of Arland to better increase our revenue from there.

Share Resources/Risks

PVS does not need to invest heavily in the facilities such as car parking, good public transport links if it works with B4P, this is because B4P has these resources already, it's like B4P sharing these resources with PVS.

Cultural clashes/Quality

PVS culture is different from the B4P (results-oriented) because PVS values first-class innovative service, however, B4P uses the low cost strategy to provide basic level of customer service only. This means that B4P's service quality may not be high, it may affect PVS's brand if we work together.

Franchise agreement

This means as a franchisor, PVS can get franchise fee from B4P upfront, and share later/subsequent returns from B4P, where B4P needs to follow prescribed standard in the franchise agreement.

Sales

PVS can share subsequent revenue from B4P each year, given B4P is the largest of Arland's two pet superstores, we could expect large revenue stream is available to PVS, under the franchise agreement because they have lots of customers, given they have been using the low cost strategy, ie low cost low price, and sales volume is huge.

Share Resources/Risks

There is an incentive for B4P to enter into the franchise agreement because pet healthcare advice is provided by specialised staff and this requires lots of training and it will be risky for B4P to provide this without appropriate training system. Therefore, by directly using PVS way for this, B4P could reduce lots of costs in establishing such a system, by simply using the franchise way.

Quality

The prescribed standard in franchise agreement may not be followed by B4P because the franchise way is more of the independent way that B4P will run the clinics under the PVS way. Because B4P uses the low cost strategy, ie low price charged to boost revenue, but if

B4P does not invest sufficiently in providing the service (it focused on external success rather than internal satisfaction), this will upset customers and hurt's PVS brand.

Conclusion:

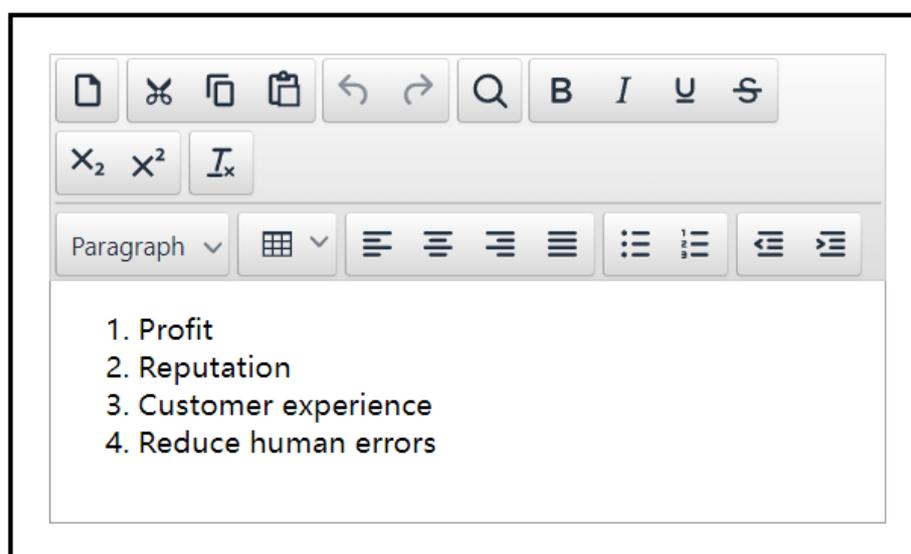
The joint venture should be considered because PVS needs to control quality tightly to ensure its premium brand.

(The franchise way should be considered because PVS can enjoy additional franchise revenue to protect itself from the falling market share)

If you have questions, please contact me.

Task 1b

Slide 1



Profit

This may become a new revenue stream for PVS because Smart collars and harnesses worn by pets capture heart rate and this is good for the pet health, ie reducing recovery time, therefore this becomes an excuse for the pet owner to buy it for the pets.

Reputation

PVS reputation can improve because of the better, quicker and accurate treatment by these devices. This is because inaccurate treatment will lead to huge financial loss suffered by PVS. This also meets with (is consistent to) our values, ie innovative service by understanding the pet problems.

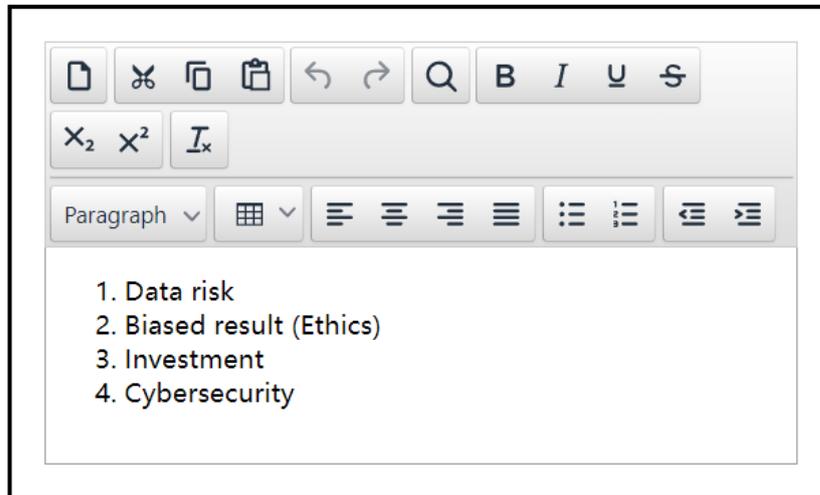
Customer experience

The customer service will improve because of the cloud based software used by clients because online booking will save them lots of time by not going to clinics on their own. Clients can keep track of the progress for the bookings via follow-ups and reminders more easily.

Reduce human errors

Instead of creating the bones by humans, with 3D printing technology, this reduces human errors and therefore, saving PVS huge costs to redevelop the bones if they are not in good quality standard.

Slide 2



Data risk

There is risk that data may be hacked by someone else, so that PVS can subject to fines by Data Protection Regulation. Data could be like heartrates, pet health condition, communication with clients including their credit card details, patient records, and captures and stores diagnostic images.

Biased result

AI technology may give subjective or wrong result rather than the correct one some times, therefore, reducing the chances that result can be trusted by managers. 100% relying on AI is not good, therefore AI technology can only assist with the analysis of laboratory results.

Investment

Significant investment needs to be made regarding devices, and the cloud based software, ie servers and hardwares, and even training our staff.

Cybersecurity

Information may subject to cybersecurity risk, ie hacked by someone without PVS's approval, ie patient records, and captures and stores diagnostic images which are so sensitive and valued by clients. This means that clients may not trust PVS again if these are leaked, ie reputation will suffer.

Task 2a

Briefing notes

This briefing note assesses how a corporate social responsibility strategy could impact on each of PVS's key stakeholders and, where appropriate, how this would enable growth in market share.

Staff health and wellbeing

Impact on stakeholder

Being socially responsible, ie paying staff on time and on a competitive basis, this would reduce staff turnover, per the research about 35%. This means PVS could save costs in recruiting extra staff and saving time to train staff.

Impact on market share

Being socially responsible, ie by increasing productivity by 13% per the research, staff would be more engaging with the clients, therefore service quality will increase, human errors decrease, and so, PVS's revenue may increase.

Consumers

Impact on stakeholder

Being socially responsible, ie supporting local animal charities, this can increase the customer number, and per the research about 70%. This helps our brand because we may differentiate ourselves from other competitors.

Impact on market share

If PVS is not being socially and environmentally responsible, many customers (like 70% from the research) may not choose the company for its service. Revenue will fall significantly hurting shareholders interest.

Chartered College of Vet Professionals (CCVP)

Impact on stakeholder

Being socially and environmentally responsible, it's likely that PVS may hold the higher level from the Standards for Pets Programme (SPP). This is important to differentiate ourselves because only 5% competitors hold the Higher level.

Impact on market share

Being socially and environmentally responsible, revenue of PVS is likely to increase because it will be seen as a trustable business with accreditation awarded by CCVP, and this is in line with our value, maintaining quality and showing care to our clients.

Shareholders

Impact on stakeholder

Although PVS is not shared among institutional investors, each director owns 11.11% shares, the CSR focus would be the long term focus. This means that there is a conflict of

interest between the long term and short term focus, shareholders may approve the CSR plan if they are more of a long term focus on PVS.

Impact on market share

Being socially and environmentally responsible, PVS may potentially grow at a larger scale, shareholders may be more willing to invest, therefore, revenue would potentially increase.

I trust you will find the above notes useful.

Task 2b

Email

To HR director

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The rest of the content is in the official package.