

APM MCO BOOKLET aCOWtancy



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SWOT Analysis

Which of the following best describes a Strength in SWOT?

1. An internal capability offering competitive advantage
2. An external threat
3. A future opportunity

Which element focuses on external risks?

1. Strengths
2. Threats
3. Weaknesses

SWOT is most useful for:

1. Operational task allocation
2. Assessing strategic position
3. Calculating financial KPIs

Answers: <https://www.acowtancy.com/material/notes/answers-to-the-apm-model-handbook>



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PESTEL

Which factor relates to national laws and regulation?

1. Political
2. Legal
3. Environmental

Technological factors include:

1. Currency fluctuation
2. Automation and innovation
3. Population age

PESTEL mainly helps organisations understand:

1. Internal capability
2. Macro-environmental forces
3. Competitor strengths

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Porter's Five Forces

Buyer power increases when:

1. Switching costs are high
2. Products are differentiated
3. Buyers have many alternatives

Which force examines alternatives that meet same need?

1. Rivalry
2. Substitutes
3. New entrants

High supplier power exists when:

1. Few suppliers exist
2. Customers are fragmented
3. Industry growth is strong

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BCG Matrix

A Cash Cow is characterised by:

1. Low share, high growth
2. High share, low growth
3. High share, high growth

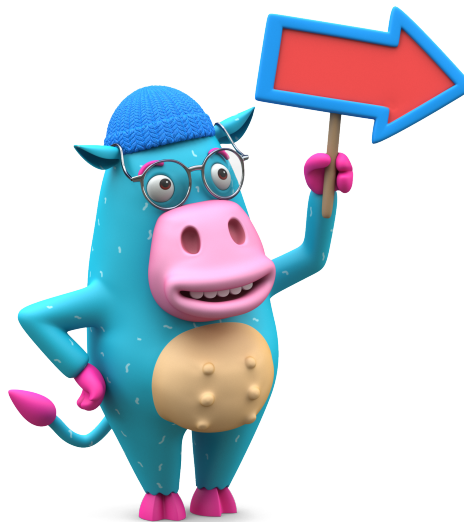
Question Marks typically require:

1. Divestment always
2. High investment decisions
3. Very low resources

Dogs typically:

1. Generate high stable profits
2. Require large investment
3. May be candidates for exit

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Balanced Scorecard

The Learning & Growth perspective focuses on:

1. Employee skills and culture
2. Customer satisfaction
3. Financial return

Which perspective tracks profit and shareholder value?

1. Internal Processes
2. Financial
3. Customer

A core purpose of BSC is:

1. Short-term cost cutting
2. Aligning strategy with KPIs
3. Replacing budgets

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Building Block Model

Which element relates to motivation?

1. Rewards
2. Standards
3. Dimensions

Standards should be:

1. Unattainable
2. Externally set only
3. Fair and controllable

Dimensions include:

1. Inventory turnover
2. Quality & Flexibility
3. Shareholder returns

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Performance Pyramid

Which sits at the top of the pyramid?

1. KPIs
2. Corporate Vision
3. Operational Targets

Operational measures include:

1. Quality & cycle time
2. Strategic market share
3. Long-term culture

Market and financial measures sit:

1. Bottom level
2. Mid-tier
3. Not included

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Kaizen

Kaizen focuses primarily on:

1. Big dramatic improvements
2. Continuous small changes
3. Outsourcing improvements

A key requirement for Kaizen is:

1. Employee involvement
2. High automation
3. External consultants only

Kaizen supports:

1. Cost reduction
2. Brand redesign
3. Capital structure changes

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TQM

TQM emphasises:

1. Defect prevention
2. Punishment for errors
3. Only financial measures

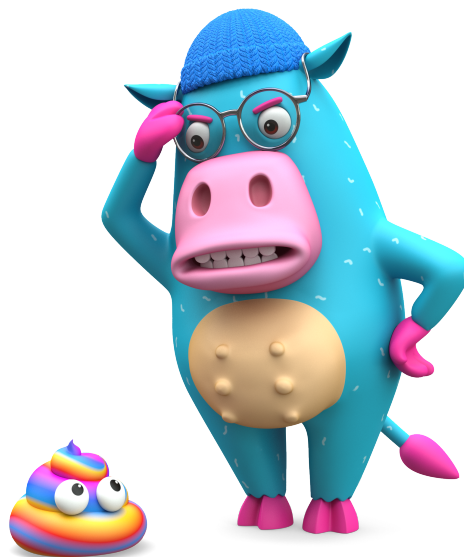
TQM is best described as:

1. Department-level responsibility
2. Organisation-wide philosophy
3. Supplier-only process

TQM improves:

1. Short-term profits only
2. Customer satisfaction and quality
3. Tax savings

Answers: <https://www.acowtancy.com/material/notes/answers-to-the-apm-model-handbook>



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Six Sigma

DMAIC starts with:

1. Improve
2. Define
3. Analyse

Six Sigma's aim is:

1. More inventory
2. Higher variation
3. Reduced defects

Six Sigma requires:

1. Strong data systems
2. High advertising budgets
3. Customer loyalty

Answers: <https://www.acowtancy.com/material/notes/answers-to-the-apm-model-handbook>



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JIT

JIT reduces:

1. Delivery reliability
2. Inventory levels
3. Supplier relationships

A major risk with JIT is:

1. Excess stock
2. Supply chain disruption
3. Too much warehouse space

JIT supports:

1. Lean efficiency
2. High stock holding
3. Slow processes

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Activity-Based Management

ABM uses information from:

1. Budgeting
2. Activity-Based Costing
3. Variance Analysis

ABM identifies:

1. Value-added and non-value-added activities
2. Only financial KPIs
3. External pricing policies

ABM helps improve:

1. Product cost accuracy
2. Share price only
3. Tax rates

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Value-Based Management

VBM focuses on:

1. Short-term profit
2. Long-term value creation
3. Cost minimisation only

Common VBM measure:

1. Gross margin
2. EVA
3. Accumulated depreciation

VBM aims to avoid:

1. Strategic alignment
2. Short-termism
3. Shareholder engagement

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ROI / RI / EVA

ROI can cause:

1. Accepting all projects
2. Rejecting good projects
3. Always correct decisions

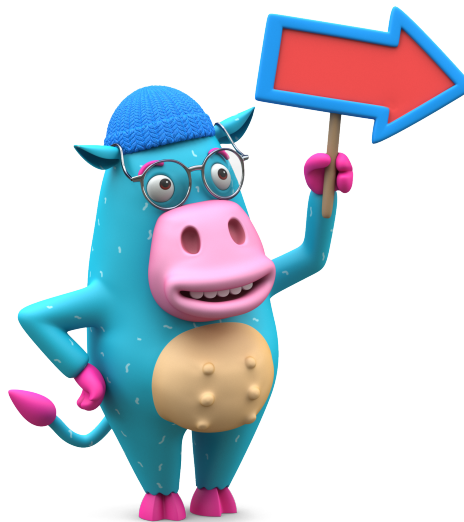
RI includes:

1. Cost of capital charge
2. Market share analysis
3. Brand value

EVA adjusts:

1. Accounting profit
2. Dividends payable
3. Sales forecasts

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Transfer Pricing Models

Market-based TP uses:

1. Full cost
2. External prices
3. Negotiated margins

Cost-based TP may use:

1. Marginal or full cost
2. Only market share
3. Unrelated revenues

International TP issues include:

1. Tax compliance
2. Brand awareness
3. Customer surveys

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Public Sector Models

Economy refers to:

1. Achieving outcomes
2. Minimising cost
3. Maximum output

Effectiveness measures:

1. Achievement of objectives
2. Input levels
3. Cash balances

Benchmarking in public sector helps:

1. Increase secrecy
2. Compare service quality
3. Reduce transparency

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Behavioural Models

Budget-constrained style may cause:

1. Manipulation
2. High innovation
3. Strong employee wellbeing

Goal congruence means:

1. Employees act in line with organisational aims
2. Employees set their own goals
3. No targets exist

Poor KPI design leads to:

1. Improved performance
2. Dysfunctional behaviour
3. Perfect accuracy

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