

SECTION 1 a

- **Identify the training gap and the needs of the organisation**

The first thing we need to do Ben is to do an investigation of the current skill set of our retail stores employees against the standard we are aiming for within all of our 14 retail stores. This can be done by visiting some of our retail stores and ensure that their current skills are aligned to our mission statement and our current goal of achieving a million sales by 2025.

- **Define the learning outcome and objective**

As the main objective of this special training and development is to enhance the quality of our operations we need need to set up measurable targets against the standard performance we are aiming for.

- **Plan the training**

We will need to establish where the training will take place, do we do it in one single venue or across the different retail stores and what will be the cost involved and the disruption to our daily operations. When do we intend to conduct the training? Ideally this should not be done in the period of year were we have our peak sales.

- **Evaluate the training benefit > cost**

We will need to ensure that the benefit of the course is greater than the cost and it's impact on us attaining our goal of reaching a million sales by 2025.

SECTION 1 b

Benefits of a Participative Budget Process

- **Motivation** – A inclusive participative budget will motivate more junior managers as they feel that they are a part of the process and also they will have a better understanding and knowledge of their department including tacit knowledge
- **Better goal congruence** - This will also help senior managers achieve communication of the long term strategy of TreadCushy to more junior managers and staff.
- **Acceptance** – Budgets are more acceptable to junior managers if they have taken part in them

Disadvantages of a Participative Budget Process

- **Slack** – One of the drawbacks of this process however would be that this would lead to the building in of some 'fat' or slack to ensure that the budget holder is able to reach their targets. This will be more likely to happen especially if we have included a reward system for managers who reach their targets
- **short term focus** – Junior managers participating in the budget process will more likely to be concerned with the short term view and may not incorporate TreadCushy long term strategy such as the reduction of carbon emmision and sustainability for the environment.

Commented [SCS1]: You should have started the answer by providing an appropriate heading. Note that the examiner expects you to adhere to the following format with regards to headings.

- Main Headings: Bold and Underlined
- Sub headings: Bold

Commented [SCS2]: Good. You gain marks for referring to relevant information taken from the pre-seen.

Commented [SCS3]: Good! You gain marks for referring to relevant information taken from the pre-seen.

Commented [SCS4]: You have provided accurate answers. Good job! However, you have missed a single step of the training cycle. Please refer to the suggested answer.

Further, avoid using bullet points in your answer. Please refer to the OCS Familiarization Kit provided by us.

Commented [SCS5]: You should have provided a definition for participative budgeting.

- **Co-ordination** – this may make the process slower and difficult to find the time to agree and go through the budget
- **Authorisation** – This will be quicker as there will be more transparency of the whole budget to all stakeholders

SECTION 1 task c

It would be prudent to keep our 20 delivery vans as the expected associated revenue of us to continue to use them is greater than the quotes we have received to sell them to either to "ABC" or "XYZ" car dealers. We stand to gain an additional K\$250,000 or K\$300,000 respectively by not selling to "ABC" or "XYZ." so it would make sense not to sell the vehicles.

SECTION 2 task a

Purchase costs including VAT - The cost of the delivery vehicles less the VAT element would be capitalised onto our asset register as a capital item, while the VAT of 20% would be posted to the VAT control account.

Building work required to adjust parking capacity - the K\$700k cost would be capitalised under the IAS16 rules as it is directly related to the cost necessary for the vehicles to operate

Maintenance and service contract cost - These costs would not be capitalised and will be instead regarded as an expense in our profit and loss account.

Crew training cost (1) - This would be capitalised as this is part of the initial related cost to the running of these vehicles.

Essential modification costs - These costs would be included in our capital account as the work was required for the vehicles intended use in our statement of financial position or balance sheet.

Lease interest costs (3) - These costs would not be capitalised and will be instead regarded as an expense in our profit and loss account as a finance cost

SECTION 2 task b

A digital costing system would augment well with our current standard absorption system of which the key benefits would include:

- More detailed cost cards as the cost of items can be linked to real time cost information of our suppliers
- information can be obtained more quickly than the traditional costing methods of relying on old supplier invoices
- The cost of our products become more accurate hence helping us in our pricing decisions

SECTION 2 task c

Commented [SCS6]: Accurate! However, you have failed to evaluate the imposed style as well, which was a component of the requirement of the task

Further, you should have provided your answers in paragraphs. The examiner expects you to come up with a paragraph for each answer point. A typical paragraph should consist of 3 to 4 lined answers. Please refer to the suggested answer.

Commented [SCS7]: Why was this point considered as a disadvantage?

Commented [SCS8]: Accurate. However, you have not addressed all the needs of the task appropriately. It appears that you have failed to fully understand the needs of the task. Please refer to the suggested answer.

Commented [SCS9]: Inaccurate. No mention about what has been provided in the pre-seen. Please refer to the annotated pre-seen.

Commented [SCS10]: The capitalized purchase cost should be inclusive of VAT, since the company is not registered for VAT.

Commented [SCS11]: Good!

Commented [SCS12]: Accurate, yet you should justify your answer. Please refer to the suggested answer.

Commented [SCS13]: Inaccurate. Please refer to the suggested answer.

Commented [SCS14]: Good!

Commented [SCS15]: Good. You gain marks for referring to relevant information taken from the pre-seen.

Commented [SCS16]: Accurate. Yet you need to provide answers in paragraphs rather than in bullet points. Please refer to the suggested answer.

General Comments**Marks**

Section	Sub Task	Marks	
		Allocated	Gained
1	a	16.5	12
	b	16.5	13
2	a	12	7
	b	11	8
	c	11	0
3	a	16.5	14
	b	16.5	9
Total		100	63

Pass Mark: 54

PASS

Commented [SCS17]: I like your writing style. Good job! However, you need to improve the depth of your explanations. Formatting needs to improve too. Please refer to our OCS Familiarization Kit.

You need to brush up on certain syllabus areas as well. Please refer to our Revision Cards.

It appears that you have an appropriate level of knowledge about the pre-seen. Good job!

I feel that time management might be an issue and if needed, I can provide you with a time-management plan.

Final note: You need not worry too much since these minor issues can be overcome by attempting more mocks and seeking feedback.