



# A4Q Business Acumen

**MOCK EXAM**  
**Questions with Answers**

Released 2024



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**Revision History**

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<b>Sample Questions with Answers</b>
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LO1.1.1

Q1. Which of the following is a definition of business acumen?

- A. The ability to manage business change initiatives successfully
- B. The ability to identify what an organisation is able to do to enable the delivery of its services
- C. The ability to define the key areas of information required to conduct an organisation's processes
- D. The ability to apply knowledge and skill to make sense of an organisation and its context

LO1.1.2

Q2. Business acumen enables leaders to conduct their work activities effectively. Which of the following activities is **NOT** enabled by business acumen?

- A. Making insightful and effective business decisions
- B. Resolving operational issues arising from the execution of a business architecture
- C. Embedding confidence among employees regarding the direction of the organisation
- D. Ensuring that decision-making is in line with strategic and tactical concerns

LO1.1.3

Q3. The CEO of an underfloor heating company has asked a business service designer to identify some options for how the company website can be improved to make it easier for a customer to navigate and, ultimately, enhance overall customer experience. The designer has decided to apply business service design to carry out this task.

Which of the following is the initial step the business service designer should take?

- A. Add a list of issues to the product backlog for the website
- B. Apply a range of analytical frameworks and design techniques to define the options
- C. Review the volume of sales ordered via the website
- D. Analyse the long-term mission and objectives of the organisation

LO1.1.4

Q4. An organisation has decided to launch an innovative new service to local customers following a recent increase in the volume of requests that cannot be met by the current offering. Research conducted by the marketing team has identified that there are no local competitors offering this service.

Which of the following describes the competitive strategy the organisation is adopting?

- A. Differentiation focus
- B. Cost focus
- C. Differentiation
- D. Cost leadership

LO2.1.1

Q5. Which of the following describes the term 'core values' in the context of an organisation?

- A. The set of fundamental reasons for an organisation's existence
- B. The way an organisation requires its employees to behave
- C. The organisation's set of guiding principles
- D. The key factors that are unique to an organisation's products or services

LO2.1.2

Q6. A Service Design Practice holds monthly meetings for the entire team. At the latest meeting, one of the discussion topics focusses on the organisation's newly published values.

Which of the following tasks should the Head of Service Design encourage the team members to carry out?

- A. Apply the values that align with their personal world views
- B. Understand how the values can apply to their personal relationships
- C. Embed and apply the values in all aspects of their work
- D. Apply the values only when managing stakeholder relationships

LO2.1.3

Q7. FizzPop Ltd, a company that manufactures and sells sparkling fruit drinks, has come up with the following slogan for their new advertising campaign: 'Celebrate in style with healthy bubbly!'

Which of the following is this slogan an example of?

- A. A mission statement
- B. A core value
- C. A unique selling proposition
- D. A business capability

LO2.1.3

Q8. A service value proposition encompasses a number of elements.

Which **THREE** of the following are elements that would be defined within a service value proposition?

- A. Functionality
- B. Image
- C. Management
- D. Quantity
- E. Quality

LO2.2.1

Q9. A Business Capability Model categorises capabilities into three strata. Which of the following is **NOT** one of the strata?

- A. Strategic
- B. Customer facing
- C. Support
- D. Information

LO2.2.1

Q10. Which of the following is **NOT** a component that is required to enable business capability?

- A. Processes
- B. Liquidity
- C. Equipment
- D. Standards

LO2.2.1

Q11. Which of the following is the name of a business capability for a Human Resources function?

- A. Employment policies and procedures
- B. Interview candidate
- C. Recruitment management
- D. Candidate

LO2.2.2

Q12. Which of the following provides a visual representation of a set of activities conducted by an organisation that together deliver a value item to customers?

- A. Value stream model
- B. Value proposition
- C. Service system
- D. Customer journey map

LO2.2.3

Q13. Which of the following is the relationship between a value stream model and business capability model?

- A. The business capability model defines the capabilities that enable the work represented in the value stream model
- B. The value stream model defines the skills that enable the organisation to perform the business capabilities
- C. There is no relationship between a value stream model and a business capability model
- D. The business capability model supports the strategic decision-making represented within a value stream model

## LO2.3

Q14. A service designer at a small charity is working on a project to improve the key customer-facing service offered to clients. She has just defined the activities to deliver the value item and the sequence in which they are performed.

Which of the following is the next step she should carry out?

- A. Establish the detailed processes required to perform the activities
- B. Review the work of each activity to identify the required business capabilities
- C. Define how each activity has an impact on the customer
- D. Analyse how the activities align with the organisational strategy

## LO3.1.1

Q15. Which of the following is the key objective of a service system?

- A. To employ a configuration of skilled people
- B. To build relationships with other service providers
- C. To deliver defined services to customers
- D. To interact with other service systems to create mutual value

## LO3.2

Q16. A service designer at Puzzleit, a company that specialises in the production of jigsaw puzzles, has been modelling the company's ecosystem.

Which of the following would **NOT** form part of their analysis and modelling?

- A. Identifying and linking the different service systems required to deliver the jigsaw puzzles
- B. Reviewing the work conducted by each service system within the Puzzleit ecosystem to identify any inherent strengths or weaknesses
- C. Updating the strategic aims and goals that the Puzzleit ecosystem must support
- D. Reviewing the relationships between the service systems and Puzzleit

## LO3.2

Q17. Which of the following is the activity conducted during service ecosystem analysis where the 'rules of the game' are defined?

- A. Reviewing the service offering provided by each service system
- B. Reviewing the technology used by the service systems
- C. Reviewing the relationships between service systems
- D. Reviewing the resources provided by each service system

## LO3.3

Q18. NewLearn Ltd is a training company specialising in IT learning for young adults.

Which **TWO** of the following entities aligned with NewLearn Ltd would be described as an external service system?

- A. Education regulator
- B. Examining body
- C. Procurement function
- D. Legal department

## LO3.4.1

Q19. Liam is a business analyst working on a project to develop a new application for a software company. He is not clear who needs to validate and confirm the high-level requirements.

Which of the following techniques should Liam use to ensure he approaches the right person?

- A. CATWOE
- B. Ecosystem model
- C. Stakeholder wheel
- D. RACI matrix

## LO3.4.2

Q20. An organisation offers a range of products that it sells to a defined customer group. The customers within this group all have similar needs. Other customer groups exist by they have different needs so are not targeted by the organisation. The Sales Director for the organisation refers to the targeted group using a relevant term.

Which of the following is the term used to refer to a targeted customer group?

- A. Service recipients
- B. Service system
- C. Customer service entity
- D. Market segment

## LO3.4.3

Q21. Which of the following describes the focus of service promotion?

- A. Increasing the awareness and engagement with a service provided by an organisation
- B. Contacting existing customers with information about purchased services
- C. Using digital technology to advertise specific products to a set of customers
- D. Requesting feedback from customers about the quality of their service experience

## LO3.4.5

Q22. A service designer is analysing the digital marketing processes applied within an organisation. He has identified that data is not being used in an ethical manner and may be contravening Government regulations. As a result, he is conducting further investigations.

Which of the following ecosystem management areas of concern is the service designer exploring?

- A. Market segmentation
- B. Compliance obligations
- C. Stakeholder relationship management
- D. Supplier procurement

## LO4.1.1

Q23. The Financial Controller of a hot water bottle company has just announced to the Board that once the costs incurred when producing the bottles have been deducted from the sales income, they have made £1.7 million in the past year.

Which of the following is the Financial Controller reporting?

- A. The revenue
- B. The benefits
- C. The profit
- D. The costs

## LO4.1.3

Q24. Which of the following is NOT detailed in an income statement?

- A. Revenue
- B. Gross profit
- C. Cost of sales
- D. Current assets

## LO4.1.4

Q25. Which of the following is shown as a current liability on a Statement of Financial Position?

- A. Creditors
- B. IT equipment
- C. Debtors
- D. Goodwill

## LO4.2.1

Q26. Which of the following is the rationale for creating a business case?

- A. To define an outline implementation plan
- B. To provide justification for undertaking a project
- C. To specify the requirements for an option
- D. To clarify the organisation's service proposition

## LO4.3.2

Q27. The Discounted Cash Flow (DCF) technique calculates a Net Present Value (NPV) as a means of assessing a proposed investment.

Which of the following statements is correct about the NPV?

- A. The NPV takes into account the time value of money
- B. A proposed investment is only worthwhile if the NPV is positive.
- C. The NPV makes an allowance for the depreciation of assets.
- D. The investment with the highest NPV is always the most profitable investment.

## LO4.4.1

Q28. Which of the following correctly defines the term 'fixed costs'?

- A. The costs that are set in the annual budget and may not be varied during the financial year.
- B. The costs that do not vary when the volume of goods or services produced changes.
- C. The costs that may be excluded from departmental budgets because they relate to central support services
- D. Costs that change in line with increases or decreases in the volume of services or products delivered.

## LO4.4.1

Q29. Which of the following is an example of a variable cost in a clothes manufacturing process?

- A. The rent paid for the clothing factory building
- B. The amount of the monthly payroll
- C. The price charged to purchase fabric
- D. The depreciation in the valuation of sewing equipment

## LO4.4.1

Q30. A company has been set up to make recyclable boxes. The marketing director has decided to use an absorption costing approach to determine the cost of making each box. He is collecting the information that is required for this calculation.

Which of the following sets of information does the marketing director need to apply an absorption costing approach?

- A. The variable and fixed costs required to produce the boxes, and the price per box.
- B. The variable and fixed costs required to produce the boxes.
- C. The fixed costs required to produce the boxes.
- D. The variable costs required to produce the boxes and the price per box.

## LO4.4.2

Q31. The accountant at a manufacturer of leather handbags in the luxury goods market, has calculated that the variable cost per handbag is £240. The sale price for each handbag is £400 and the total fixed costs amount to £60,000.

Which of the following is the volume of handbags the manufacturer must sell in order to achieve breakeven?

- A. 94
- B. 150
- C. 250
- D. 375

## LO4.5.1

Q32. In the following equation for calculating operating profit margin, which of the following does the question mark represent?

$$\text{Operating profit margin} = \frac{\text{Operating profit}}{?} \times 100$$

- A. Cost of sales
- B. Revenue
- C. Assets
- D. Debtors

## LO4.5.1

Q33. The Income Statement for an organisation states that during the specific trading period annual sales amounted to \$500,000 and the cost of sales was \$270,000. The administrative overheads over this period were \$80,000.

Which of the following is the gross (profit) margin ratio for this organisation?

- A. 30%
- B. 46%
- C. 70%
- D. 84%

## LO4.5.2

Q34. Which of the following is the method used to calculate the current ratio?

- A. Subtract the fixed costs from the sales
- B. Multiply current assets by current liabilities
- C. Divide the current assets minus stock, by the current liabilities
- D. Divide the current assets by the current liabilities

LO5.1.2

Q35. CraftyKnit is a manufacturer of woollen clothing. The company has struggled recently to cope with changes in the external business environment, particularly those related to economic and legal factors. While the company employees are keen and able to adapt to these changes, the Chief Executive Officer has declared that the company does not need to change as he believes the issues are temporary.

Which of the following is the pre-requisite for business agility that is **NOT** being achieved by CraftyKnit?

- A. Capability
- B. Customer focus
- C. Leadership
- D. Mindset

LO5.1.2

Q36. Which of the following describes the mindset required to support business agility?

- A. Employees seek out opportunities to enhance the customer experience
- B. Employees work within an organisational culture where each business function operates separately
- C. Employees work within a hierarchical organisational structure
- D. Employees conduct their role solely in line with their contractual terms of employment

LO5.2.1

Q37. Which of the following is **NOT** a question on which the three levels of learning is based?

- A. Are we doing things right?
- B. Are we doing the right things?
- C. When are we doing the right things?
- D. How do we decide what is right?

LO5.2.2

Q38. Which of the following demonstrates a fixed mindset?

- A. Preferring to avoid challenge
- B. Viewing failure as an opportunity to learn
- C. Believing that effort can enable success
- D. Striving to develop new abilities

LO5.2.3

Q39. The executive board for an established company has decided to use the latest technology innovations to reconfigure the business model in order to deliver new and enhanced services to their customers.

Which of the following innovation concepts is the executive board applying?

- A. Digitisation
- B. Digital business design
- C. Digital service transformation
- D. Digital technology

LO5.3.2

Q40. Sam is reviewing his electrical appliance manufacturer's key performance indicators (KPIs) to ensure that they are quantifiable.

Which of the following KPIs should Sam identify as requiring improvement.

- A. Increase awareness of the company brand
- B. Reduce annual customer complaints by 10%
- C. Open a showroom in this financial year
- D. Generate new product sales of £100 this quarter

Question	Learning Objective	Answer	K Level
1.	LO1.1.1	D	K1
2.	LO1.1.2	B	K2
3.	LO1.1.3	B	K3
4.	LO1.1.4	A	K3
5.	LO2.1.1	C	K2
6.	LO2.1.2	C	K3
7.	LO2.1.3	C	K3
8.	LO2.1.3	A, B, E	K2
9.	LO2.2.1	D	K2
10.	LO2.2.1	B	K2
11.	LO2.2.1	C	K2
12.	LO2.2.2	A	K3
13.	LO2.2.3	A	K2
14.	LO2.3	B	K3
15.	LO3.1.1	D	K2
16.	LO3.2	C	K2
17.	LO3.2	C	K2
18.	LO3.3	A, B	K3
19.	LO3.4.1	D	K3
20.	LO3.4.2	D	K2
21.	LO3.4.3	A	K2
22.	LO3.4.5	B	K3
23.	LO4.1.1	C	K2
24.	LO4.1.3	D	K2
25.	LO4.1.4	A	K2
26.	LO4.2.1	B	K2
27.	LO4.3.2	A	K2
28.	LO4.4.1	B	K2
29.	LO4.4.1	C	K3
30.	LO4.4.1	B	K3
31.	LO4.4.2	D	K3
32.	LO4.5.1	B	K3
33.	LO4.5.1	B	K3
34.	LO4.5.2	D	K3
35.	LO5.1.2	C	K3
36.	LO5.1.2	A	K2
37.	LO5.2.1	C	K2
38.	LO5.2.2	A	K2
39.	LO5.2.3	B	K2
40.	LO5.3.1	A	K2