

ACCA Performance Management (F5) Certification Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	6
Answers	9
Explanations	11
Next Steps	17

Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Don't worry about getting everything right, your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations, and take breaks to retain information better.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning.

7. Use Other Tools

Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly — adapt the tips above to fit your pace and learning style. You've got this!

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Questions

- 1. What is the main purpose of an Enterprise Resource Planning System (ERPS)?**
 - A. To integrate data across various operational levels**
 - B. To handle only account-related information**
 - C. To restrict data access to top management only**
 - D. To manage customer relationships exclusively**
- 2. What does the throughput accounting ratio (TPAR) measure?**
 - A. Cost per unit produced**
 - B. Return per factory hour over cost per factory hour**
 - C. Overall factory efficiency**
 - D. Total revenue generated**
- 3. In throughput accounting, what is considered the main variable cost in the short term?**
 - A. Raw materials purchased from external suppliers**
 - B. Direct labor costs**
 - C. Utility expenses**
 - D. Depreciation costs**
- 4. What is a feature of price discrimination?**
 - A. Setting a universal price for each customer**
 - B. Charging different prices based on market conditions**
 - C. Offering bulk discounts to all customers**
 - D. Making prices uniform across locations**
- 5. What type of planning focuses on ensuring specific day-to-day tasks are executed efficiently?**
 - A. Strategic Planning**
 - B. Operational Planning**
 - C. Tactical Planning**
 - D. Contingency Planning**

- 6. What is the primary characteristic of quota sampling?**
- A. It randomly selects individuals from the entire population**
 - B. The sample is representative based on pre-selected criteria**
 - C. It is less biased than random sampling**
 - D. It only surveys individuals who volunteer**
- 7. Why is market research important in reducing uncertainty?**
- A. It increases costs significantly**
 - B. It assesses and reduces the uncertainties**
 - C. It guarantees successful outcomes**
 - D. It replaces the need for financial analysis**
- 8. What is a key benefit of break-even analysis in decision-making?**
- A. It guarantees maximum profit for all products**
 - B. It helps in deciding which product can be continued or abandoned**
 - C. It eliminates the need for fixed costs**
 - D. It simplifies variable cost calculations**
- 9. How is contribution defined?**
- A. Sales price - Total cost**
 - B. Sales price - Fixed cost**
 - C. Sales price - Variable cost**
 - D. Sales price + Variable cost**
- 10. How is cost per factory hour determined?**
- A. Total factory cost / Total bottleneck resource time available**
 - B. Total overhead costs / Total production hours**
 - C. Fixed costs / Total units produced**
 - D. Variable costs / Total factory time**

Answers

1. A
2. B
3. A
4. B
5. B
6. B
7. B
8. B
9. C
10. A

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Explanations

1. What is the main purpose of an Enterprise Resource Planning System (ERPS)?

- A. To integrate data across various operational levels**
- B. To handle only account-related information**
- C. To restrict data access to top management only**
- D. To manage customer relationships exclusively**

The main purpose of an Enterprise Resource Planning System (ERPS) is to integrate data across various operational levels within an organization. This integration is crucial as it allows for real-time data sharing across different departments, such as finance, human resources, manufacturing, and supply chain. By unifying information into a single system, ERPS helps improve efficiency, reduces data redundancy, and enhances decision-making processes. The holistic view provided by an ERPS supports better coordination and communication among departments, leading to streamlined operations and improved productivity. This integration enables organizations to respond more effectively to market demands and operational challenges since various stakeholders have access to consistent and accurate data. In contrast, focusing solely on account-related information or restricting data access to top management would limit the effectiveness and utility of the system. Similarly, managing customer relationships exclusively would not encompass the full scope of functions an ERPS is designed to handle. The strength of an ERPS lies in its ability to serve as a comprehensive platform for managing diverse business processes, rather than confining its use to specific departments or functionalities.

2. What does the throughput accounting ratio (TPAR) measure?

- A. Cost per unit produced**
- B. Return per factory hour over cost per factory hour**
- C. Overall factory efficiency**
- D. Total revenue generated**

The throughput accounting ratio (TPAR) is specifically designed to evaluate the efficiency of a production process in terms of its profitability relative to its operational costs. It measures the return generated per factory hour in relation to the costs incurred per factory hour. This means it focuses on how much profit is produced for each hour of factory resource used, thereby providing insight into the effectiveness of resource utilization in generating profits. By assessing the return per factory hour over cost per factory hour, TPAR helps businesses optimize their processes and make informed decisions about which products or processes to prioritize for maximum profitability. This approach aligns closely with the principles of throughput accounting, which emphasizes maximizing throughput (the rate of production) while managing operating expenses and inventory. In contrast, other options such as cost per unit produced, overall factory efficiency, and total revenue generated do not capture the specific relationship between the profit generated and the costs incurred over time in the way that TPAR does. These metrics may provide valuable information but do not reflect the core focus of throughput accounting, which is rooted in combining output with cost efficiency to enhance profitability analysis.

3. In throughput accounting, what is considered the main variable cost in the short term?

- A. Raw materials purchased from external suppliers**
- B. Direct labor costs**
- C. Utility expenses**
- D. Depreciation costs**

In throughput accounting, the primary focus is on maximizing throughput, which is the rate at which a company generates sales revenue through its core products. The main variable cost in this context is raw materials purchased from external suppliers. This is because, in the short term, throughput accounting emphasizes the cost of producing goods directly related to the materials needed to create those goods. Raw materials are considered variable costs since their cost fluctuates with production levels. As production increases, the consumption of raw materials also rises, directly impacting the overall cost structure. In contrast, the other costs listed are typically seen as fixed or semi-variable in nature over the short term. For example, direct labor costs may include some fixed components, utility expenses can also have fixed elements, and depreciation is a non-cash, fixed cost that does not directly correlate to production levels. Therefore, raw materials are the main variable cost directly tied to the throughput of production and sales, making it the correct choice in this context.

4. What is a feature of price discrimination?

- A. Setting a universal price for each customer**
- B. Charging different prices based on market conditions**
- C. Offering bulk discounts to all customers**
- D. Making prices uniform across locations**

Price discrimination refers to the practice of charging different prices to different consumers for the same good or service, with the aim of maximizing revenue based on varying price sensitivities and market conditions. The correct choice indicates that prices can be adjusted based on specific market conditions, allowing businesses to capture consumer surplus by tailoring their pricing strategies to the willingness to pay of different customer segments. For instance, a company might charge higher prices in regions where demand exceeds supply or during peak seasons. This flexibility enables firms to optimize profits by leveraging the diverse elasticities of demand in different markets or customer groups. This strategic pricing approach typically requires a good understanding of customer behavior and market dynamics. The other options do not align with the principles of price discrimination. Setting a universal price for each customer implies uniformity, which contradicts the essence of price discrimination. Offering bulk discounts to all customers does not differentiate based on individual willingness to pay but rather incentivizes larger purchases collectively. Similarly, making prices uniform across locations would negate any opportunity to adjust prices in response to local demand variations. Thus, the focus on adapting prices based on specific market conditions makes the second option the defining feature of price discrimination.

5. What type of planning focuses on ensuring specific day-to-day tasks are executed efficiently?

- A. Strategic Planning**
- B. Operational Planning**
- C. Tactical Planning**
- D. Contingency Planning**

Operational planning is centered around the implementation and management of day-to-day activities within an organization. This type of planning emphasizes the efficiency and effectiveness of routine operations, ensuring that specific tasks are carried out smoothly and in alignment with the overall objectives of the organization. Operational planning typically translates the broader goals identified through strategic and tactical planning into actionable and specific tasks. It involves detailing processes, assigning responsibilities, and establishing timelines, which are crucial for achieving the day-to-day operational goals. This level of planning is essential for maintaining organizational effectiveness and ensuring that resources are utilized optimally for everyday functions. On the other hand, strategic planning involves long-term goals and the overarching vision of the organization, while tactical planning bridges the gap between strategy and operations by outlining specific actions needed to achieve the strategic goals. Contingency planning is focused on preparing for unexpected events and outlining processes to respond to potential crises. Each of these other types of planning has its distinct focus, but operational planning uniquely targets the efficiency of daily tasks.

6. What is the primary characteristic of quota sampling?

- A. It randomly selects individuals from the entire population**
- B. The sample is representative based on pre-selected criteria**
- C. It is less biased than random sampling**
- D. It only surveys individuals who volunteer**

Quota sampling is characterized by selecting individuals to be included in the sample based on specific pre-selected criteria aimed at ensuring that the sample reflects certain characteristics of the broader population. This method involves dividing the population into different subgroups, or quotas, based on particular traits, such as age, gender, income level, or other relevant factors. By doing so, the sample can be structured to represent these subgroups proportionately within the overall population, providing insights that can be generalized to the larger group. The emphasis on meeting the predetermined quotas means that researchers actively look for individuals that fit within specified parameters, ensuring representation of diverse characteristics found within the population. As such, this sampling method can lead to a sample that mirrors the population's composition regarding the chosen criteria, though it might not ensure randomness in the selection process. In contrast, methods such as random sampling do not use specific criteria to select participants, which can sometimes lead to biases if certain groups are unintentionally underrepresented or overrepresented. Quota sampling's predetermined nature can enhance the representativeness of the sample for specific characteristics but does not eliminate biases associated with the selection process itself.

7. Why is market research important in reducing uncertainty?

- A. It increases costs significantly
- B. It assesses and reduces the uncertainties**
- C. It guarantees successful outcomes
- D. It replaces the need for financial analysis

Market research is crucial in reducing uncertainty because it systematically collects, analyzes, and interprets data related to market trends, consumer behaviors, and competitive landscape. By providing insights into these areas, market research enables organizations to make informed decisions based on empirical evidence rather than assumptions or guesswork. This assessment helps in identifying potential risks and opportunities, which ultimately reduces the level of uncertainty businesses face when launching new products, entering new markets, or making strategic decisions. Through thorough market research, firms can gather feedback on customer preferences, market demand, and the performance of competitors. This information guides them in tailoring their offerings to better meet the needs of their target market, validating product concepts before launch, and developing effective marketing strategies. In summary, the strength of market research lies in its ability to provide a clearer picture of the market environment, thus diminishing the uncertainties surrounding business decisions.

8. What is a key benefit of break-even analysis in decision-making?

- A. It guarantees maximum profit for all products
- B. It helps in deciding which product can be continued or abandoned**
- C. It eliminates the need for fixed costs
- D. It simplifies variable cost calculations

Break-even analysis is a crucial tool in decision-making because it provides insight into the relationship between costs, sales volume, and profit. One of its key benefits is its ability to aid management in determining whether to continue or abandon a product line. By establishing the break-even point—the level of sales at which total revenues equal total costs—managers can assess whether a product is performing adequately. If the expected sales fall below this threshold, it may indicate that the product could be unprofitable, warranting consideration for discontinuation. This analysis enables managers to make informed decisions based on empirical data and can highlight products that may require adjustments in pricing or cost structures to become viable. It emphasizes strategic planning and resource allocation by identifying products that contribute positively to covering fixed costs and generating profits versus those that do not. In contrast, while other options suggest certain aspects of business management, they do not accurately reflect the purpose and utility of break-even analysis in decision-making. The tool does not guarantee maximum profit nor does it eliminate fixed costs, nor does it simplify variable cost calculations; instead, it provides a framework for understanding how different levels of output can impact overall profitability, helping to make strategic decisions about product lines.

9. How is contribution defined?

- A. Sales price - Total cost
- B. Sales price - Fixed cost
- C. Sales price - Variable cost**
- D. Sales price + Variable cost

Contribution is defined as the amount remaining from sales revenue after variable costs have been deducted. This means that contribution can be calculated by subtracting variable costs from sales price. The result is used to cover fixed costs and contribute to profit. In a typical analysis, understanding contribution is crucial because it helps businesses identify how much revenue from sales can be allocated towards covering the fixed costs. After all fixed costs are paid, the remaining contribution is the profit. Therefore, the correct understanding of contribution takes into account only the variable costs, which are directly affected by the levels of production and sales. The other options misrepresent the calculation. For instance, subtracting total costs, which include both fixed and variable costs, would not isolate the contribution. Similarly, subtracting fixed costs or adding variable costs to sales price does not align with the standard contribution margin definition, as they do not accurately reflect the relationship needed to assess the profitability of sales.

10. How is cost per factory hour determined?

- A. Total factory cost / Total bottleneck resource time available**
- B. Total overhead costs / Total production hours
- C. Fixed costs / Total units produced
- D. Variable costs / Total factory time

The determination of cost per factory hour is achieved by dividing the total factory cost by the total time available for the bottleneck resource. This approach focuses on the capacity constraints present in the production process, allowing for a more precise analysis of costs relative to the most limiting factor in operations. When you consider the total factory costs, this includes not just variable costs but also fixed overheads associated with running the factory. By dividing these total costs by the time available for the bottleneck resource, which is typically the constraining factor in production, you get a cost per hour figure that is reflective of both the expenses incurred and the available productive capacity. This method permits an effective understanding of how costs behave in relation to production constraints, enabling better planning and management of resources. In contrast, other methods of calculating costs, such as dividing overhead costs by total production hours or fixed costs by units produced, do not account for the specific impact of bottleneck resources on overall cost efficiency. Each of these alternatives may provide useful information, but they miss the critical aspect of understanding how capacity constraints influence cost dynamics in the factory setting.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://acca-performancemanagement-f5.examzify.com>

We wish you the very best on your exam journey. You've got this!