

# ACCA SP Practice Test Questions and Answers

## 1. The TOWS matrix extends SWOT by:

- A) Adding financial analysis to the four quadrants
- B) Generating strategic options by matching internal factors (S/W) with external factors (O/T)
- C) Quantifying each SWOT element numerically
- D) Replacing qualitative analysis with scenario planning

## 2. Porter's Five Forces model assesses:

- A) The internal strengths and weaknesses of an organisation
- B) The competitive forces that determine the attractiveness and profitability of an industry
- C) The ethical framework governing professional behaviour
- D) The financial performance of competing firms

## 3. Under ISA 530, 'audit sampling' involves:

- A) Testing all items in a population above a certain threshold
- B) Applying audit procedures to less than 100% of items in a population to draw conclusions about the whole population
- C) Selecting only high-value items for testing
- D) Relying solely on analytical procedures

## 4. The Black-Scholes model is used to price:

- A) Bond yields
- B) European call and put options on non-dividend-paying stocks
- C) Forward currency contracts
- D) Interest rate swaps

**Answers: 1-B 2-B 3-B 4-B**

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