Better Business Cases Practitioner Exam

APMG-International Better-Business-Cases-Practitioner

Version Demo

Total Demo Questions: 12

Total Premium Questions: 122

Buy Premium PDF

https://passqueen.com

support@passqueen.com

Topic Break Down

Topic	No. of Questions
Topic 1, The Strategic Case	35
Topic 2, The Economic Case	26
Topic 3, The Commercial Case	10
Topic 4, The Financial Case	20
Topic 5, The Management Case	29
Topic 6, Mix Questions	2
Total	122

QUESTION NO: 1

Answer the following question about the Programme Business Case.

The following questions include only true statements, but only 2 statements are

appropriate entries for that heading in the Strategic Case section.

Remember to select 2 answers to each question.

Which 2 statements should be recorded under the Organization overview heading?

A. The Consortium has been formed to plan the transformation of education and learning for 14-19- year-olds throughout the Western Area.

B. Formal meetings have been held over the past nine months to establish the goals to be achieved.

C. Pittville is the commercial, retail and cultural centre of Topland, with a population of circa 22,000.

D. There are problems accessing learning in some parts of the region.

E. There is a shortage of higher education establishments in the region.

ANSWER: A C

Explanation:

The Organization overview should establish the identity, purpose, and operating context of the organisation or partnership sponsoring the programme. “The Consortium has been formed to plan the transformation of education and learning for 14-19- year-olds throughout the Western Area” is appropriate because it identifies the relevant body, its reason for being, and the broad area in which it operates. This gives the reader essential context before the case sets out its strategic objectives, needs, and preferred way forward.

“Pittville is the commercial, retail and cultural centre of Topland, with a population of circa 22,000” is also appropriate because an organisational overview can describe the local setting and population context relevant to the programme sponsor and service environment. Such contextual information helps define the setting in which the consortium operates and the communities affected by its plans.

The Strategic Case is intended to explain the strategic context and rationale for intervention, with the organisational background forming an early foundation for the subsequent discussion of business need, objectives, and existing arrangements. The UK Government’s business-case guidance describes the Strategic Case as the part that establishes the case for change and its fit with the organisation’s context and objectives. See The Green Book and APMG Better Business Cases.

QUESTION NO: 2

The Benefits Realization Framework section states:

1. It was identified in the OBC that existing schools and universities play a major role in the success or otherwise of the Pittville

project. A strategy for Learning Provider engagement is to be prepared.

2. A senior manager within the Local Education Authority is ultimately responsible for benefits realization.

Which 2 statements apply to these entries?

A. Amend entry 1, because the strategy for the realization of benefits should be confirmed within the OBC.

B. Delete entry 1, because schools and universities will be responsible for the delivery of the benefits.

C. No change to entry 1, because the strategy for the realization of benefits should be revisited and re-affirmed within the FBC.

D. Amend entry 2, because the project manager is responsible for benefits realization.

E. No change to entry 2, because this is appropriate to this section.

ANSWER: A E

Explanation:

“Amend entry 1, because the strategy for the realization of benefits should be confirmed within the OBC” is correct because the Outline Business Case is the point at which the preferred way forward is sufficiently developed to establish and confirm how intended benefits will be achieved, measured, owned and managed. Since learning providers have been identified as material stakeholders in achieving the Pittville project’s benefits, the engagement approach is an essential element of the benefits-realisation strategy. Describing that strategy merely as still “to be prepared” does not demonstrate the necessary OBC-level confirmation of the approach.

“No change to entry 2, because this is appropriate to this section” is also correct. A Benefits Realization Framework should establish clear senior accountability for the realization of benefits. Assigning ultimate responsibility to a senior manager in the Local Education Authority provides an accountable business-level owner with the authority to sustain benefit delivery beyond the project’s implementation period. This reflects the Five Case Model’s emphasis on active benefit ownership and management rather than treating benefits as a purely project-management activity. The approach is consistent with the UK Government’s Green Book and APMG’s overview of Better Business Cases.

QUESTION NO: 3

Using the Scenario, answer the following questions about the Financial Appraisal of the option to build a new campus on

the site of the Old Fire Station Headquarters.

Decide whether the action taken represents an appropriate application of the Five Case Model for this project and select the response

that supports your decision.

The cost of inflation is estimated to be 2% per annum.

Should the project manager use this information when preparing the Financial Appraisal for this scheme?

A. No, because the Financial Appraisal should include constant or real prices.

B. No, because the Financial Appraisal should exclude the cost of general inflation and depreciation.

C. Yes, because the Financial Appraisal should include the cost of inflation.

D. Yes, because inflation will reduce the cost of the scheme over time.

ANSWER: C

Explanation:

Yes, because the Financial Appraisal should include the cost of inflation. Financial appraisal in the Five Case Model is concerned with affordability: whether the organisation can fund the preferred option over its whole life within its expected budgets. This requires cash-flow forecasts to be prepared on a nominal, or “out-turn”, price basis. Consequently, forecast expenditure and income in future years should reflect general inflation, using the applicable inflation assumption—in this case, 2% per annum—alongside any relevant sector-specific price effects. Including inflation enables the project manager to show the actual anticipated amounts that will need to be budgeted and paid in each period, rather than only their equivalent value in today’s prices. This supports a credible assessment of funding requirements, budget cover, and the timing of financial pressures for the new campus scheme. The economic appraisal may use real prices and discounting to assess value for money, but the financial case has the distinct purpose of demonstrating affordability in nominal cash terms. HM Treasury’s Green Book distinguishes between real-price appraisal and nominal-price financial accounting, while the Better Business Cases approach applies this distinction through its Economic and Financial Cases. See HM Treasury, The Green Book and the Green Book guidance.

QUESTION NO: 4

Answer the following questions about the content of the Commercial Case and the Financial Case for the Pittville project.

Which detail should be explained in the Commercial Case?

A. How charges for the preferred service provider's offer have been modelled, including the resultant benefits.

B. Capital and revenue implications of the resultant deal, including any costs falling to the organization.

C. Net effect on the organization's charges (prices), if any.

D. Service streams and outputs being contracted for.

ANSWER: D

Explanation:

Service streams and outputs being contracted for. is correct because the Commercial Case establishes whether the preferred option can be procured successfully and whether a viable, value-for-money deal can be structured with the market. A central part of this is defining the required service: what services will be supplied, the outputs to be delivered, expected performance, responsibilities, and the contractual basis on which delivery will be managed. Clear definition of service streams and outputs enables the organisation to select an appropriate procurement strategy, specify requirements to potential providers, allocate risk sensibly, and develop contractual arrangements that support delivery of the intended benefits. The Better Business Cases five-case model describes the Commercial Case as the dimension concerned with commercial viability and procurement of the proposed solution. HM Treasury’s Green Book business-case guidance similarly identifies the Commercial Case as covering the procurement and commercial arrangements needed to deliver the option. These requirements make the specification of the services and outputs being purchased an essential Commercial Case detail. See the HM Treasury Green Book and the APMG Better Business Cases overview.

QUESTION NO: 5

Two of the options in the OBC have been revised, as shown in the table above.

Should Option B be ranked as the preferred option?

A. No, because the benefits are greater for Option A.

B. No, because the public sector test discount rate has been applied.

C. Yes, because option B has positive liquidity.

D. Yes, because Option B has the higher NPSV.

ANSWER: D

Explanation:

Yes, because Option B has the higher NPSV. In the Economic Case of an Outline Business Case, options are compared on the basis of their overall social value, using cost-benefit analysis. Net Present Social Value (NPSV) expresses the present value of an option’s discounted benefits less its discounted costs, including relevant non-market social and environmental effects where these can be robustly valued. The preferred option is normally the option with the highest positive NPSV, provided it remains viable, affordable, and deliverable and there are no material unquantified factors that change the conclusion. Following the stated revisions, Option B’s higher NPSV therefore provides the appropriate basis for ranking it above Option A in the economic appraisal. This reflects the Better Business Cases approach, which applies HM Treasury’s Green Book methodology to identify the option that optimises public value rather than relying on benefits, cash liquidity, or discounting in isolation. Further guidance is available in the HM Treasury Green Book and from APMG International Better Business Cases.

QUESTION NO: 6

Answer the following question about the Programme Business Case.

The following questions include only true statements, but only 2 statements are

appropriate entries for that heading in the Strategic Case section.

Remember to select 2 answers to each question.

Which 2 statements should be recorded under the Organization overview heading?

A. The Consortium has been formed to plan the transformation of education and learning for 14-19- year-olds throughout the Western Area.

B. Formal meetings have been held over the past nine months to establish the goals to be achieved.

C. Pittville is the commercial, retail and cultural centre of Topland, with a population of circa22,000.

D. There are problems accessing learning in some parts of the region.

E. There is a shortage of higher education establishments in the region.

ANSWER: A C

Explanation:

The Consortium has been formed to plan the transformation of education and learning for 14-19- year-olds throughout the Western Area.

Pittville is the commercial, retail and cultural centre of Topland, with a population of circa22,000.

These statements belong in an Organization overview because they establish the setting in which the programme is being developed. The Consortium statement identifies the sponsoring and coordinating body, its purpose, and the geographical/service scope for which it is responsible. This gives decision-makers essential context about the organisation or partnership that will lead the proposed transformation. The Pittville statement provides concise contextual information about a principal locality in the area: its role as a commercial, retail, and cultural centre and its population. Such demographic and place-based context helps readers understand the environment, communities, and area served by the programme.

In the Better Business Cases five-case model, the Strategic Case should first describe the organisational and wider strategic context before developing the case for change. An organization overview is therefore factual and descriptive: it outlines the bodies, locations, populations, and service context relevant to the proposal. This enables subsequent material on needs, objectives, and intended benefits to be interpreted against a clear baseline. The approach is consistent with the Better Business Cases framework published by APMG International and the strategic-context expectations in HM Treasury's Green Book.

QUESTION NO: 7 - (SIMULATION)

Answer the following questions about 'Ensuring Successful Delivery' for the Pittville project.

The best and final offers have been returned for the delivery of the new campus. The preferred supplier was a

construction enterprise called Piaffeco.

Column 1 contains activities taken in the Pittville project. For each entry in Column 1, select from Column 2 the Action within the

Five Case Model that should undertake this activity. Each selection from Column 2 can be used once, more than once or not at all.

ANSWER: See the explanation for the answer

Explanation:

Select the following Five Case Model actions for the Pittville activities:

Produce a contingency plan if the main teaching building is not ready before the academic year starts: *Finalize risk management arrangements and plans.*
Ensure the consolidated Pittville Project Benefits Register is reviewed regularly: *Finalize benefits realisation arrangements and plans.*
Take into account the delivery milestones agreed with Piaffeco: *Finalize project management arrangements and plans.*
Schedule a review of Piaffeco's performance in delivering the campus after implementation: *Finalize contract management arrangements and plans.*
Timetable monthly meetings between the Programme Director and Piaffeco Project Director to update and share plans for future campus use and operation: *Finalize project management arrangements and plans.*
Update the reduced likelihood of computer systems failing following Piaffeco's acquisition of a computer-systems specialist: *Finalize risk management arrangements and plans.*

Contingencies and changes to probability are managed through risk arrangements; Benefits Register monitoring belongs to benefits realisation; delivery coordination and milestones are project-management matters; and supplier performance reviews are contract-management activities.

QUESTION NO: 8 - (SIMULATION)

Using the extract below from the Capital Profile for the new campus, answer the following questions.

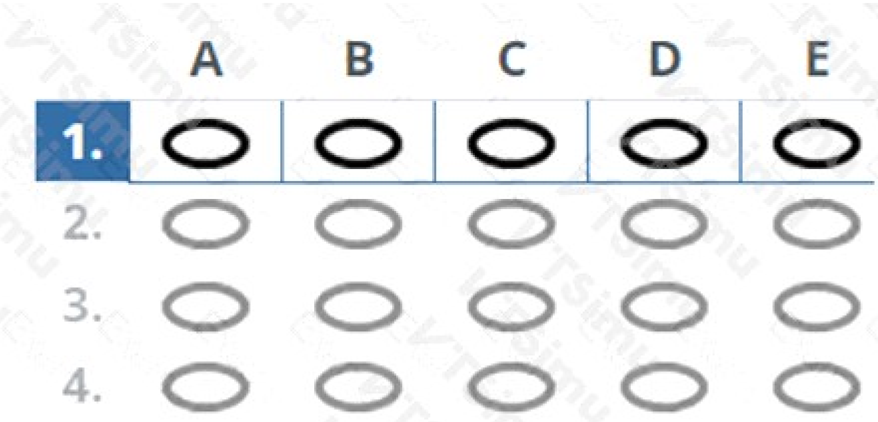
(Note. The figures entered are correct).

$*(000)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Expenditure:						
Construction costs	300	5250	7500	4250	2700	20000
Operating costs	50	75	210	225	250	810
Total Spend	**350**	**5325**	**7710**	**4475**	**2950**	**20810**
Income:						
Loan	0	2550	7500	4250	200	14500
Capital Grants	300	2700				3000
Sale of School					2500	2500
Total Funding	300	5250	7500	4250	2700	20000
Total Surplus/Deficit	-50	-75	-210	-225	-250	-810

Lines 1 to 4 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all

Option	Assertion	Reason	
A	True	True	AND the reason explains the assertion
B	True	True	BUT the reason does not explain the assertion
C	True	False	
D	False	True	
E	False	False	

#	Assertion		Reason
1.	The operating costs should be removed from the Capital Profile.	BECAUSE	Expenditure on staff and other running costs are revenue costs rather than capital costs.
2.	The income from grants should NOT be shown on the Capital Profile.	BECAUSE	Grant funding to support running costs should be shown on an Income and Expenditure Account.
3.	There is a funding gap of $810 000.	BECAUSE	Affordability problems generally occur in the early years of a project during the construction and development phase.
4.	It is appropriate for receipts from the sale of the school to be shown as contributing funding towards the costs of construction.	BECAUSE	Land, buildings, plant and equipment should be accounted for on the balance sheet.



ANSWER: See the explanation for the answer

Explanation:

Answers:

Reasoning

QUESTION NO: 9

The following has been recorded as a dependency: 'Rationalization of the 11-16-year-old education and

training provision'.

Is this an appropriate application of the Five Case Model for this project?

A. No, because the objective is to increase the rate of participation in education and training by at least 15%.

B. No, because the Pittville project is planned to be delivered ahead of the rationalization of 11-16-year-old education and training provision.

C. Yes, because there is currently a surplus of places for this group.

D. Yes, because the physical element of the favoured option must be implemented at the earliest opportunity.

ANSWER: B

Explanation:

“No, because the Pittville project is planned to be delivered ahead of the rationalization of 11-16-year-old education and training provision.” is correct. In Better Business Cases, dependencies identify other activities, decisions, projects, or enabling conditions that must occur in a specified relationship to the proposal for it to be delivered successfully or for its intended benefits to be realized. They are used to expose interdependencies and to ensure that delivery planning is realistic, including the timing and sequencing of related initiatives.

Here, the Pittville project is scheduled for delivery before the stated rationalization activity. Therefore, rationalization of provision cannot properly be treated as a prerequisite or delivery dependency for Pittville in the way recorded. The timing demonstrates that Pittville is not reliant on that later activity to proceed. Recording dependencies accurately is important because they inform the management case, implementation plan, milestones, risk management, and governance arrangements. A supposed dependency that occurs after the project’s planned delivery would distort the project’s delivery logic and could lead decision-makers to misunderstand what must be in place before implementation.

The Five Case Model and its application to business-case development are described by APMG International’s Better Business Cases guidance and the UK government’s Green Book guidance.

QUESTION NO: 10

An Outline Business Case has reduced a long list to three short listed options. The Economic Case will now appraise the options in detail.

Which 2 actions are appropriate when completing the economic appraisal?

A. Compare the incremental costs and benefits of each option with the do-minimum option.

B. Test the effect of changing key assumptions on the appraisal results.

C. Select the option supported by the largest number of stakeholders before completing the appraisal.

D. Assess only the capital cost because operating costs are considered in the Financial Case.

E. Exclude material risks until the preferred supplier has been appointed.

ANSWER: A B

Explanation:

The Economic Case should assess the incremental costs, benefits and risks of each short listed option against the agreed do-minimum baseline. This prevents benefits that would occur without intervention from being attributed to an investment option.

Sensitivity analysis should also test the effect of changes in key assumptions, such as demand, costs, benefit values or implementation dates. It shows whether the conclusion on value for money is robust. Selecting an option solely because it is preferred by stakeholders, or assessing only its initial cost, would not provide a complete value-for-money appraisal.

QUESTION NO: 11

Answer the following question about the Outline Business Case.

The following questions include only true statements about the Pittville project.

However only one statement is an appropriate entry for that heading in the

Management Case section.

Which statement should be recorded under the Programme and Project Management heading?

A. Projected inflation will mean that costs will be 6% higher when the campus is operational.

B. Temporary accommodation will be put on the site of the Old Fire Station Headquarters at least 3 months before the development of the new campus takes place.

C. Opportunities will be created for teachers to be involved in delivering new courses.

D. The chosen service provider must have experience in the construction of publicly used buildings.

ANSWER: B

Explanation:

“Temporary accommodation will be put on the site of the Old Fire Station Headquarters at least 3 months before the development of the new campus takes place.” is the appropriate entry because it specifies a delivery activity, its location, and—most importantly—a time-bound sequencing dependency within implementation. The Programme and Project Management heading in the Management Case demonstrates that a proposal can be delivered successfully through credible governance, delivery arrangements, plans, milestones, dependencies, resources, and controls. Temporary accommodation is a practical enabling workstream: it must be available before construction or campus development can proceed, and the stated three-month lead time is therefore relevant to the project plan and critical path. Recording this information gives decision-makers confidence that the transition and construction activity have been planned as manageable, coordinated work rather than merely intended outcomes. At Outline Business Case stage, the Management Case should establish the proposed approach to managing delivery and show how key implementation actions will be organized and timed. This is consistent with the Better Business Cases five-case model, in which the Management Case addresses deliverability, and with Green Book expectations that proposals identify realistic implementation arrangements and dependencies. See APMG International’s Better Business Cases overview and HM Treasury’s Green Book guidance.

QUESTION NO: 12

Using the Scenario and the information below, answer the following questions about the creation

of the short listed options for the Pittville project.

Spending Objectives

At least 15% increase in rate of participation

A 15% increase in attainment of qualification

At least 65 education courses

Critical Success Factors

Strategic fit and business needs - fit for purpose schools and universities attractive to 16-18-year-old

learners

Potential Value For Money

Supply side capacity and capability

Potential affordability

Potential achievability

Remember to select 2 answers to each question.

Scoping Solution 1: 'Current level of participation, 55 education courses and current qualification

success rate'

Which 2 statements are correct about this entry in the Options Framework?

A. Should be carried forward to the short listed options.

B. Delivers against one or more of the critical success factors.

C. Will represent a benchmark for Value For Money throughout the appraisal process.

D. Supports one or more of the Spending Objectives.

E. Incorrectly identified as a Scoping Solution.

ANSWER: A C

Explanation:

The current-service solution is the “do nothing” or business-as-usual comparator: participation and qualification attainment remain at their present levels, and provision remains at 55 courses. It is therefore retained when developing the short list, even though it does not constitute the intended improvement. Keeping this baseline is essential because the economic case must assess the incremental costs, benefits, risks and value for money of investment options against what would happen without the proposed intervention.

Accordingly, the current-service solution will represent a benchmark for value for money throughout the appraisal process. Other shortlisted options can quantify their additional participation, qualification outcomes and course capacity relative to this clearly stated baseline. This makes the appraisal transparent and enables decision-makers to distinguish benefits genuinely created by an intervention from outcomes that would have occurred anyway. The UK Treasury’s Green Book requires appraisals to establish a clear baseline and assess options relative to it, while Better Business Cases applies this principle through the options framework and the economic case.

See HM Treasury, The Green Book: Appraisal and Evaluation in Central Government and APMG Better Business Cases.