

Production

Question: When there is a notice of strike in the management report, the strike always occurs?

Answer: Yes

Question: We believe that the only control we have is to prevent the strike from happening in the quarter after next?

Answer: Correct

Question: In the last report we had the notice of strike, but in the results, we did not find a relevant change in the absenteeism.

Answer: The change will not show up in the absenteeism but in the hours available for assembly, which will be less than they would have been if there was no strike.

Question: The premium raw materials (in percentage) this is the total value of raw materials ordered or the value of products actually produced?

Answer: The percentage of premium raw materials is applied on the number of products and not on the quantity of raw materials ordered.

Question: I have raw materials in stock, how will I know what is and what is not "extra"?

Answer: If 100% is entered in raw material of extra quality in all products, you do not need to order raw materials because all products are manufactured with raw material of extra quality, so this is never in stock because it's delivered just-in-time.

Question: If I want to subcontract components and at the same time want premium raw materials, this measure will influence both in raw material and components?

Answer: The subcontracted components will use your raw material, whether or not it's premium.

Question: The management report stated that the cost of the components, of basic raw material for the product 2 is 142 €. Since there is a need for 2 units of this raw material for the manufacture of an unit of product 2, I can infer that, without the use of extra quality raw material, I will have to pay 284€ (2 x 142 €) in components for the manufacture of one unit of product 2?

Answer: Each component consists of 1, 2 or 3 units of raw material depending on which is the desired product. Those values are only for the subcontracting of machining, so in this case you will pay only 1 component for the product, whatever the product, but it will use more or less units of raw material.

Question: The lifetime of the machines currently available in the factory is equal for all 7 machines? And it is possible to know if they were all purchased at the same time?

Answer: It is not possible to know the lifetime of the machines, or if they are all the same age.

Question: In improvements, we have inserted 1, 1, 1 and appears as "Minor" in all products.

Answer: The major improvements in the products have to be announced before they are introduced, what appears in the management report is a communication if it was achieved

some improvement, and if it was a major or minor, if it is a major improvement you will be able to introduce it by placing 1 in the decisions.

Question: We ordered 9,000 units of basic raw material and 25% of premium raw material in 3 products. However, the amount that is recorded in the "Bought Spot" is 11,317. According to our calculations, shouldn't it be 11,250 ($9,000 * 1.25$)?

Answer: The percentage of premium raw materials decided is a percentage on the quantity of products produced and not on the basic raw material ordered.

Question: When a product has a "major" improvement, this carries on to the next quarter if not introduced?

Answer: If you do not introduce immediately a major improvement, this will still be available but it will not be announced anymore. If however a new major improvement is announced, and you have not yet introduced the previous one, when introducing it, both of them will be introduced at the same time.

Question: On "Quantities to deliver to:", which we thought to be an indication of production, we note that the actual production is significantly different from that decision. Therefore, the decision on "Quantities to deliver to:" refers to what?

Answer: The "Quantities to deliver to:", is your decision for the quantity of products you want to be produced and delivered in each market.

Question: what affects the difference between the "Quantities to deliver to:" and effective production?

Answer: The value introduced exceeds your productive capacity, either because the "Theoretical hours available" for the machines or the "Hours available" for the assembly workers are not enough.

Question: Our team bought 2 machines in the last quarter, we would like to know if this quarter for which we will now take decisions, we already have the machines available for production. Answer: For example: In your report is the following: Machines:

Number decommissioned= 0

Machines in use last quarter= 7

Machines bought and installed= 2

Machines available for next quarter= 9

For this next decision you will have 9 machines available.

Question: I would like to get a clarification on the point notice of strike weeks for the next quarter ". My question is whether the value that may appear in this field is always 1, or if you can get a value higher than 1.

Answer: You can get a value higher than 1 in this field.

Question: what's the impact of a notice of strike equal to 1 (one week) in the hypothetical case of a team having 30 assembly Workers, I wonder if the number of hours lost would be equal to: $1 * 30 * 48 = 1440$ hours?

Answer: Having 30 assembly workers, 48 hours per week, 1 week of strike notice, 1440 hours lost. Your calculation is correct.

Question: When a major improvement is introduced the product components available for assembly become obsolete and are going for scrap or it doesn't happen?

Answer: The components are not affected by the improvements, and they do not become obsolete, only the products in inventory.

Question: In the last decision our team decided it would ask for 95 hours for the maintenance of the machines, however in the management report of this quarter comes as a total of 669 hours. I would like to understand why this value is expressed in the management report?

Answer: The maintenance hours you decide are per machine and not for the total.

Finance

Question: If in the next decision we decide to take all the money in term deposits, such decision will happen immediately or will we have to wait until the quarter after next?

Answer: according to the manual: " Such deposits will be taken from, or credited to, your bank account at the beginning of next quarter. If you want to reduce (or cancel) the term deposit, you must enter a negative amount.

Question: The value of support given to distributors, this total is divided by the number of distributors or is it for each Distributor?

Answer: In the decisions the value is for each agent/distributor.

Question: In table 24 is referred to that advertising costs are 100% paid in the quarter after next. However, in the management report for decisions made for 2011, Q2 the sum is € 333,000 in advertising. This sum should only be reflected in the management report 2011 ,Q3, but is immediately reflected in the 2011,Q2 report. Why?

Answer: The value is assessed for that quarter as a cost of that quarter, despite only being paid for in the following quarter.

Question: In the history management report for Q2/2011, the wage rate (€ .c) is 10.00. How to read this value? 10 € per hour or € 0.10 per hour?

Answer: in the history, and in this case, the value of the wage rate is 10.00 € (10 €), but in the decisions should fill in cents, that is, if want to keep the value you should insert 1000 cents.

Question: Where can I find the prices of factory extension?

Answer: You can find this information on sheet 4 of the management report of the last quarter.

Question: Buying of machines, these only come in the quarter after next? And how are the payments of machines?

Answer: As stated in the manual: "The machine supplier checks your ability to pay from your credit-worthiness, which may be reduced by the cost of any building work (see above). If your credit-worthiness is at least equal to the total price of the machines you want, the supplier will accept your order, together with your payment of the purchase price. If your credit-worthiness is insufficient, then the supplier will only take orders for that number of machines which your credit-worthiness covers (which may be none).

Machines that you buy next quarter are delivered and installed at the end of next quarter.

They become available for use in the quarter after next.

" if you decide now on the first decision to buy a machine for example, you will pay the total amount of the machine and it will be available for the second decision.

Question: Which costs are associated with the issue/repurchase of shares?

Answer: According to the manual: "The company is financed by shareholders' capital, consisting of shares with a nominal value of €1 (euro) each, to the amount shown on the company's balance sheet.

The company's shares are quoted on the Stock Exchange, and the latest share prices for all companies are quoted each quarter in your management report. Many different factors determine your [share price](#).

You can [decide](#) to:

- issue more shares
- or repurchase (and cancel) shares from the market

In either case, the transaction takes place at the start of next quarter, but the number of shares issued (or repurchased) in any one year cannot be more than 10% of the issued capital at the start of the year.

There may be other restrictions that apply to share issues and repurchases. For example, share issues and repurchases are not allowed if the share price is below par value (€1). "

You would like to also see: <http://www.sdg.pt/docs/Manuais/EN2013/content/most.htm#sp>
you can see information in cash flow: **Shares issued**: funds received from issuing new shares (number x price).

Share repurchases: payments made for any repurchases of the company's shares.

Question: according to the manual, the raw material inventory should be evaluated based on:
" 90% of the lowest of the spot, 3-month and 6-month prices quoted last quarter (converted into euros),

times the number of units in stock and on order". However, the value shown in the balance sheet (cell sheet R16 "Financial Statements Management report) is not based on a minimum of

3 prices announced in the last quarter, but at a minimum of 3 prices announced in the quarter. In other words, we cannot estimate this value because, contrary to what appears in the manual, the value of the annual report is based on prices that are only known a posteriori.

Answer: the value of the raw material inventory is correct. Once you receive the management report, this will become the last quarter, and the assessment is made based on the values of this report. It is not possible to calculate before receiving the report the value of the inventory, you will only have information of value of the raw material, after receiving the report. You can only make an estimate based on the values of the previous report.

Question: If the investment on R&D is reduced to zero that has implications on our result? Or can we do it?

Answer: this is a strategic issue which we cannot answer. We can only say that the company does not end on the last decision, despite not having more decisions, any drastic changes always have implications in the result.

Question: we are having a value of interest paid without having any kind of financing. Can explain to us the 10967€ under the interest paid?

Answer: In this case, as every decision is for a full quarter, this interest paid means is that at some point during the quarter your company had to resort to financing, but at the end of the quarter was already paid for, so you paid interest for financing during the quarter, but the value in bank overdraft is 0.

Question: We found the inability to increase prices above 999 euros, which undermined the strategy that we had initially aligned. Once in the authentic market does not exist this limitation, we wonder why is this limitation on the Simulator and why it is not mentioned in the manual?

Answer: this limitation is mentioned in the table of limits that can be found here: <http://www.sdg.pt/docs/Manuais/EN2013/content/dtable.htm>

Question: in the last management report received, we found ourselves with an star next to the value determined for management budget. Once again, I found no explanation for this in the manual. What does it mean?

Answer: As stated in the manual: " Any increase in your management budget will be implemented at the beginning of next quarter, but a decrease requires one quarter's advance notice and is limited to 10% in any one quarter."

Question: Regarding the repurchase of shares, the decision is made based on the value of € 1, i.e. in the decision we will have to identify "400,000" to buy 10% of the share capital (4,000,000)?

Answer: The decision to issue or repurchase shares is in thousands of units, that is, if you want to repurchase 400,000 units you will have to put -400 in the decisions, if you want to issue 400,000, you have to insert 400.

Não compreendemos a razão de ter sido cobrado a totalidade de custo de mão de obra especializada relativa aos sábados (cerca de 50 m€). Nem sequer utilizámos (14662 h) as horas totais disponíveis do horário semanal (15120 h). Considerando a formação (504 h) e o absentismo (142 h) apenas foi necessário utilizar 188 horas de sábados (1 único dia foi suficiente).

Mesmo que tivéssemos utilizado algumas, poucas, horas de sábado isso não pode implicar o pagamento da totalidade de horas para todos os funcionários e todos os sábados, pelo que deverá ter ocorrido algum lapso.

Question: we don't understand the reason we have been charged the entire cost of assembly workers wages on Saturday (about 50 m €). We didn't even use (14662 h) total hours available (15120 h). Considering the training (504 h) and absenteeism (142 h) it was only necessary to use 188 hours on Saturday (1 single day was enough). Even if we had used some hours on Saturday, this cannot imply the payment for hours for all assembly workers on every Saturday, so there must have been some mistake. Answer: the explanation for the above payment of hours used by assembly workers, is, as stated in the manual: **Assembly wages:** the number of skilled hours used last quarter on basic working, Saturday overtime working and Sunday overtime working, all multiplied by the basic skilled wage rate, or increments of it, as appropriate. If this total, converted into the average wage per worker, per week worked, is less than a similar figure for unskilled workers, the unskilled rate of average weekly earnings is used instead, multiplied by the total number of weeks worked.

Question: issue/repurchase of shares: is in positive and Negative values?

Answer: Correct

Question: The value to input is the number of shares to be issued/repurchase?

Answer: is the number of shares, in thousands of shares, input 40, will be issued 40,000 shares.

Question: In the case of the emission the value per share to be considered is nominal?

Answer: the value to consider is the share price of the last quarter.

Question: In case of repurchase the value to consider is the quote at the time?

Answer: the value to consider is the share price of the last quarter.

Question: If I want to increase the share Capital in 400000€, should I put in 400?

Answer: Correct

Question: what happens to dividends paid in Quarters that are not Q1 or Q3; Answer: The dividends can be paid in all quarters.

Question: " Good dividend payments" is the regularity of the payment every quarter or only once a year? Answer: "Good dividend payments" is regularity in this case, but this is your strategic decision to which we cannot answer.

Question: In the manual says the issue of shares is to the share price in the last quarter, that means that if we want to increase the share capital in 400000€, we need to put a value of $400000 / (\text{share price of the previous Quarter})$ and not the nominal value 400.

Answer: the value of the shares issued is calculated by the share price, but only increases the share capital nominal value, so you have to put the number of shares you want to issue in Thousands.

Question: In table 24 of the manual: All materials and components ordered next quarter will be paid 50% next quarter and 50% in the quarter after next. The second payment will not be affected by any change in the exchange rate in the meanwhile. > in our last report we were

surprised with the total debt of the order of components (1300 PROD3 components the 10% extra raw material in between the 270€-220€ 292,500€ debited immediately in the round) ... having unforeseen negative/impact the result.

Answer: the value that appears in components is the full amount, but you only pay 50% of this value, the remaining 50% will be shown in " **Trade payables** ".

Question: Why was assigned a funding that we do not ask nor even seen any value that shows the need for this funding.

Answer: The item "Bank Overdraft", in other words, means that you can spend more than you have in the bank within the limits defined in **Overdraft limit next quarter** . In your case, the total you have in "cash and cash equivalents", corresponds only to the money you have in "term deposits", which means that your bank account is 0, hence having to resort to Bank overdraft. This decision is not taken by you, is the simulator that automatically does this if you need it.

Question: the price is € 163,2 per share (as management report) or € 1,632 (as Results page)?

Answer: In the management report is expressed in cents and results page is expressed in euro.

Question: In any 5 management reports, the net assets is equal to the total equity, which does not make much sense when the current liabilities is not zero and is stated in the balance sheet.

Answer: according to the IFRS rules, and applied in the management report of the Simulator, in the balance sheet, the net assets must be equal to the Total equity. Any current liabilities are deducted from the Total assets in such a way as to give the net assets. In other words, what belongs to your company is equal to what belongs to the shareholders.

Question: In the decision sheet, on the wage rate, I could not input the decimals, I want to put €10.00 and was 1050. Didn't accept nor point or comma.

Answer: it's the correct value because the wage rate in the decision sheet is expressed in cents, so if you want to put €10.50, you must input 1050.

Question: How should we make the decision for Term Loans? Should we insert it systematically in all quarters with the same amount (since according to the manual a loan cannot be paid for during the competition)? Or we can give indication of term loan only once?

Answer: Just need to put once, if inputted in all quarters it will increase the loan in each quarter.

Human Resources

Question: on the sheet "Resources and Products" we have 2 agents to the EU and NAFTA when we specified 3.

Answer: You don't always manage to get all agents and distributors you want to because you are in direct competition for them with other companies.

Question: The agents and distributors that we require are available right away in the next quarter or the only in the quarter after next?

Answer: The agents and distributors, you require, take a quarter to become available. Only in the quarter after next they will be available

Question: One thing that we do not understand, in "Your decisions", are the stars in the agents and distributors and also in finance (shares to issue/repurchase).

Answer: The star points out something that you decided but was not accepted in its total by the Simulator, i.e. in the case of agents and distributors you tried to have 3, but only managed to get 2, in the case of shares tried to issue/repurchase more than succeeded.

Question: in the table 16 of the manual, we do not notice if the shift premium is assigned to assembly workers as well as the machinists.

Answer: The shift premium is paid only to machinists, because the assembly workers only work 1 shift.

Question: on the same table referred (table 16), we do not understand if the 576 total hours of work (420 + 84 (Sat) +72 (Sun)) are independent from the number of shifts.

Answer:

Table 16:

Table 16 Maximum hours per quarter for each production worker plus shift pay premiums				
shift level	Hours per worker at basic rate	Hours per worker at Saturday rate (basic + 50%)	Hours per worker at Sunday rate (basic + 100%)	Shift Premium
1. One	420	+ 84	+ 72	0
2. Two	420	+ 42	+ 72	1/3
3. Three	420	+ 42	+ 72	2/3

If you are working 2 or 3 shifts, you should calculate the hours per quarter as 420 + 42 + 72, this is only for the shifts of the machines since the assembly workers work only 1 shift and the calculation is always 420 + 84 + 72.