



TEXTBOOK TESTBANKS

Solutions Manual for Managerial Accounting 1st Ugrin

SOLUTIONS MANUAL SAMPLE PREVIEW

PUBLISHER

Wiley

COPYRIGHT

2025

RESOURCE TYPE

Solutions Manual

ISBN

9781394265831

*Solutions Manual for Managerial
Accounting 1st Edition by Ugrin*

ISBN: 9781394265831

Chapter 1

Introduction to Managerial Accounting

Review Questions

1. Managerial accounting is primarily concerned with preparing data for external stakeholders. **(Learning Objective 1)**
 - a. True
 - b. **False**
2. Developing a forecast is an example of a planning function. **(Learning Objective 1)**
 - a. **True**
 - b. False
3. Implementing a program to incentivize employees is an example of a facilitating function. **(Learning Objective 1)**
 - a. **True**
 - b. False
4. Which is the best example of a controlling function? **(Learning Objective 1)**
 - a. Preparing a budget
 - b. **Comparing results with budgets**
5. Which of the following describes a managerial accountant's job? **(Learning Objective 1)**
 - a. **An internal business partner**
 - b. A trusted advisor to clients
6. Managerial accounting reports are usually audited. **(Learning Objective 2)**
 - a. True
 - b. **False**
7. Which type of accounting typically focuses on aggregating accounting events into financial statements? **(Learning Objective 2)**
 - a. **Financial**
 - b. Managerial

8. Which type of accounting is more likely to report on operational data? (**Learning Objective 2**)
- a. Financial
 - b. Managerial**
9. What mechanism is used to link business strategy and financial results? (**Learning Objective 3**)
- a. The operating budget
 - b. The balance scorecard**
10. Which balanced scorecard perspective focuses on improvement in business processes? (**Learning Objective 3**)
- a. The learning and growth perspective
 - b. The internal business perspective**
 - c. The customer value perspective
 - d. The financial performance perspective
11. A _____ is a tool that integrates all four balanced scorecard perspectives. (**Learning Objective 3**)
- a. strategy map**
 - b. key performance indicator
12. Data analytics can best be defined as (**Learning Objective 4**)
- a. the use of statistical techniques to turn data into useful information.**
 - b. the use of tools to make managerial accounting more efficient.
13. _____ involves recognizing patterns in data and using the patterns to improve the accuracy of future decisions. (**Learning Objective 4**)
- a. Artificial intelligence
 - b. Machine learning**
14. Which tasks are most likely to be automated? (**Learning Objective 4**)
- a. Recording and compiling data for reports**
 - b. Interpreting data from reports
15. New technologies will give managerial accountants more time and tools for analyzing and interpreting data and information. (**Learning Objective 4**)
- a. True**
 - b. False

Short Exercises

S:1-1 (Learning Objective 1)

Which of the following is *not* a traditional managerial accounting function?

- a. Planning for operations
- b. Instigating operations through negotiating prices**
- c. Facilitating operations through developing structures and strategies
- d. Controlling operations through preparing performance reports
- e. All of these are traditional managerial accounting functions.

S:1-2 (Learning Objective 1)

Emerson James is the corporate controller for True-Built Trailor Company in Miles City, Montana. Which of the following parts of Emerson's job would *not* be considered a planning activity?

- a. Performing a cost-benefit analysis before purchasing a new tube bending machine
- b. Analyzing labor costs from a production job in the factory**
- c. Budgeting for material purchases
- d. Developing profit targets to meet stockholder objectives
- e. All of these are planning activities.

S:1-3 (Learning Objective 1)

Which of the following communications skills are necessary to be an effective managerial accountant?

- a. An ability to articulate results
- b. An ability to explain why results happened
- c. An ability to outline the decisions that led to the results
- d. An ability to link the strategies that influenced the decisions
- e. **All of these are important communication skills.**

S:1-4 (Learning Objective 2)

Which is a primary difference between financial and managerial accounting?

- a. Financial accounting reports are primarily prepared for external users.
- b. Management accounting reports are not usually evaluated by auditors.
- c. Financial accounting reports are generally prepared at specific intervals.
- d. **All of these are true.**

S:1-5 (Learning Objective 2)

Aram Stevens owns a boutique clothing store. Which of the following metrics would help Aram operate the store effectively?

- a. Monthly gross profit percentage
- b. Annual net profit
- c. Average amount of sale per customer
- d. **All of these are important metrics.**

S:1-6 (Learning Objective 2)

Consider Aram Stevens' clothing store. Which of the following metrics would be considered managerial accounting metric over a financial accounting metric?

- a. Monthly gross profit percentage
- b. Annual net profit
- c. Average inventory turnover rate**
- d. All of these are important financial accounting metrics.

S:1-7 (Learning Objective 3)

The balanced scorecard perspective that emphasizes the use of intellectual capital is the

- a. learning and growth perspective.**
- b. internal business perspective.
- c. customer value perspective.
- d. financial perspective.

S:1-8 (Learning Objective 3)

The balanced scorecard perspective that emphasizes how well businesses meet customer requests is

- a. learning and growth perspective.
- b. internal business perspective.
- c. customer value perspective.**
- d. financial perspective.

S:1-9 (Learning Objective 3)

The balanced scorecard perspective that emphasizes the process businesses put in place to meet customer requests is the

- a. learning and growth perspective.
- b. internal business perspective.
- c. **customer value perspective.**
- d. financial perspective.

S:1-10 (Learning Objective 3)

The balanced scorecard culminates in which perspective?

- a. The learning and growth perspective
- b. The internal business perspective
- c. The customer value perspective
- d. **The financial perspective**

S:1-11 (Learning Objective 4)

Which types of technologies are likely to disrupt the managerial accounting profession in the future?

- a. Machine learning
- b. Artificial intelligence
- c. Automation
- d. **All of these technologies will disrupt the managerial accounting profession.**

S:1-12 (Learning Objective 4)

A computer program that incorporates new data to become progressively more accurate would be an example of

- a. data analytics.
- b. machine learning.**
- c. artificial intelligence.
- d. automation.

S:1-13 (Learning Objective 4)

Today's managerial accounting job includes which function(s)?

- a. Accounting
- b. Data Analysis
- c. Communication
- d. All of these are part of a managerial accountant's job.**

Exercises

E:1-14 (Learning Objective 1)

Consider the following managerial accounting activities:

- a. Preparing a financial statement
- b. Comparing budget and actual results
- c. Implementing a reward system for production employees
- d. Preparing a budget
- e. Implementing a new accounting system
- f. Evaluating bids from suppliers

Requirement

Drop the activities under the correct functional category.

Planning	Facilitating	Controlling
d. Preparing a budget	c. Implementing a Reward system for production employees e. Implementing a new accounting system f. Evaluating bids from suppliers	a. Preparing a financial statement. b. Comparing budget and actual results.

E:1-15 (Learning Objective 2)

Consider the following accounting characteristics:

- a. Provides information for external decision-makers
- b. Aggregates and communicates detailed financial, nonfinancial, operational, and other information
- c. Provides information for internal decision-makers
- d. Does not verify reports with outside parties
- e. Relies on auditors to verify reports for faithful representation
- f. Prepares unstructured reports related to operational, investing, and other ad hoc decisions
- g. Aggregates and communicates financial information related to accounting events
- h. Prepares regular financial reports, including the income statement, balance sheet, and statement of cash flows

Requirement

Drop the characteristics under the correct column to indicate if they are financial or managerial accounting characteristics.

Financial	Managerial
a. Provides information for external decision-makers	b. Aggregates and communicates detailed financial, nonfinancial, operational, and other information

e. Relies on auditors to verify reports for faithful representation g. Aggregates and communicates financial information related to accounting events h. Prepares regular financial reports, including the income statement, balance sheet, and statement of cash flows	c. Provides information for internal decision-makers d. Does not verify reports with outside parties f. Prepares unstructured reports related to operational, investing, and other ad hoc decisions
--	--

E:1-16 (Learning Objective 3)

Consider the following performance indicators:

- a. Return on investment
- b. Employee turnover rate
- c. Customer satisfaction
- d. On-time delivery
- e. Cycle time
- f. Net income
- g. Order return rates
- h. Employee ownership percentage

Requirement

Drop the performance indicators under the correct balance scorecard perspective.

Learning and Growth	Internal Business	Customer Value	Financial
h. Employee ownership percentage	b. Employee turnover rate d. On-time delivery e. Cycle time	c. Customer satisfaction g. Order return rates	a. Return on investment f. Net income

E:1-17 (Learning Objective 4)

Consider the following business tasks:

- a. Detecting potential nonpaying customers
- b. Matching invoices with purchase orders
- c. Predicting sales
- d. Interacting with customers reporting defective products
- e. Selecting samples of data to analyze

Requirement

Drop the business task with the new technology that will help make that task more efficient.

Machine Learning	Artificial Intelligence	Process Automation
a. Detecting potential nonpaying customers c. Predicting sales	d. Interacting with customers reporting defective products	b. Matching invoices with purchase orders e. Selecting samples of data to analyze

Technology, Applications, and AI

T:1-18—Use GenAI for data analysis

Managerial accountants can use large language models (LLMs), such as ChatGPT, Google Bard, or Microsoft Copilot, to do their jobs more efficiently. LLMs are a form of generative AI that can generate content based on a prompt. In this exercise, you will learn some basic prompting techniques and see how changing the prompts will provide better information.

Part 1

- Login to ChatGPT or any other LLM of your choice. You may need to create an account to use these tools. For this exercise, the free version of the tool is sufficient.
- Enter the following simple prompt.

What is the difference between managerial and financial accounting?

Questions to answer:

- Based on what you learned in the chapter, is everything correct in the response?
- What additional information should be included?

Solution:

The output from ChatGPT will change as the model evolves. Generally, the tool will answer the question correctly, but it may be missing some expected details and add others. There may be a better way to format the answer to make it more readable.

Part 2

Although the simple prompt above provided a reasonably complete response, writing better prompts will get the user better information.

Users should consider adding the following to the prompt for a better response:

- **Define the Role**—specify the role or area of expertise you want the LLM to possess.
- **Provide Context**—provide any background information
- **Clearly write the task**—give specific information on what you want ChatGPT to provide
- **Set any parameters or restrictions**—if there is specific information to include or exclude, add this to the prompt
- **Define the format**—specify any particular format you want the output, such as tabular, paragraph, or bullet points

Using the guidance above, write a more complete prompt. Consider what information the first prompt was missing and ask ChatGPT to include it in this prompt. Limit the output to 500 words.

Questions to answer:

- Did the second prompt improve the answer? What changed?

Solution:

The answers will vary depending on how the student changes the prompt. Here are some sample prompts. If you prefer, give the different prompts to various students and have them compare results.

SAMPLE PROMPT 1: You are an accounting professor, and I am a beginning accounting student. Explain to me the difference between managerial accounting and financial accounting. Include the different roles of each, the types of information they prepare, who they work with, and the tasks they perform. Keep to 500 words or less.

SAMPLE PROMPT 2: You are an accounting professor. Explain to a beginning accounting student in 500 words or less the difference between managerial and financial accounting. Include the different functions of each and the typical information they prepare.

SAMPLE PROMPT 3: You are an accounting professor. Explain to a beginning accounting student the difference between managerial and financial accounting. Include the different functions of each the typical information they prepare and any other necessary details. Put in a tabular format.

Part 3 (Optional)

Use an alternate GenAI tool to complete the same exercise. How do the results differ? Which one provided more complete answers? Which response do you prefer?

Solution: Answers will vary depending on the GenAI tool used and the prompt.

T:1-19—Use GenAI for data analysis—Solution using ChatGPT-4o

Accountants can use generative AI tools to analyze data. In this exercise, use the recent free version of ChatGPT and upload the provided file *Office_Supply_Sales_Data_2025.csv*.

Write prompts in GenAI to answer the following questions:

NOTE: The responses from ChatGPT will vary in format, but the numbers should remain consistent.

1. Which store sold the most bookshelves?

Dubuque sold the most bookshelves with 6,870 units.

2. Summarize the sales by Product for January 2025.

The prompt may need to be revised to have ChatGPT understand January 2025. The dates in the file are the ending date for each month (e.g., 1/31/2025). The prompt will either need to be rewritten to ask for the summary for 1/31/2025 or the following prompt may be used:

Update the data by converting the date column to month. Summarize by product for January 2025.

Here is the summary of sales by product for January 2025:

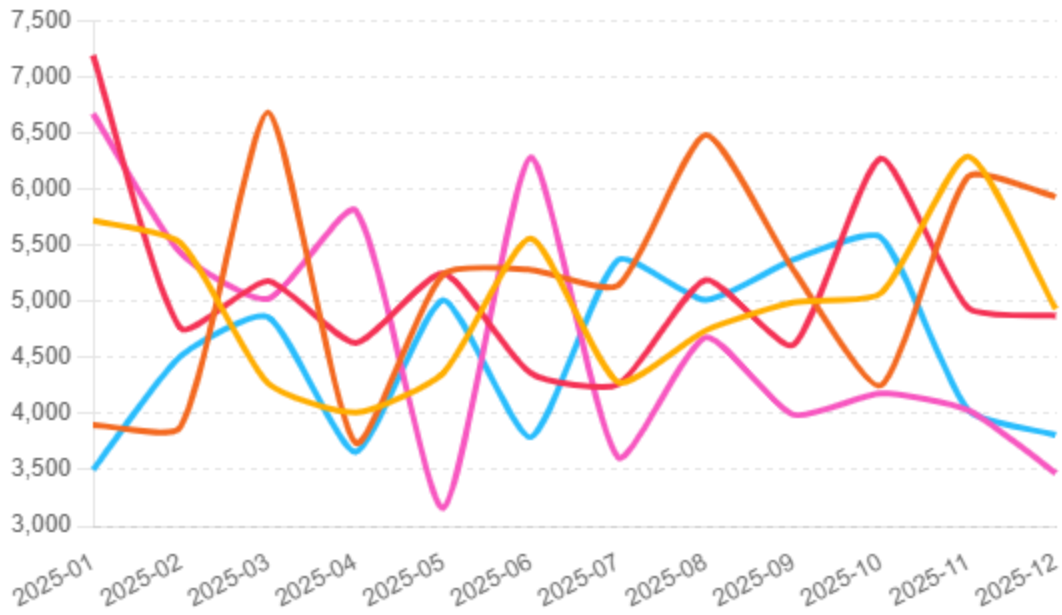
Product	Units
Bookshelf	6,670
Cabinet	3,500
Chair	3,900
Desk	5,720
Desktop	3,950
Keyboard	4,350
Laptop	5,060
Marker	5,600
Monitor	5,820
Mouse	2,550
Notebook	6,050
Paper	6,800
Pen	6,550
Stapler	5,280
Table	7,190

3. Compare January Sales with other months.

Month	Bookshelf	Cabinet	Chair	Desk	Desktop	Keyboard	Laptop	Marker	Monitor
2025-01	6670	3500	3900	5720	3950	4350	5060	5600	5820
2025-02	5430	4510	3880	5520	5360	6350	3950	5830	5470
2025-03	5020	4860	6680	4270	4200	4840	5390	5570	5820
2025-04	5810	3660	3740	4010	4180	5750	5050	5000	6150
2025-05	3160	5010	5240	4360	3530	5520	5710	4360	5310
2025-06	6280	3790	5280	5560	5510	5000	3740	5490	3970
2025-07	3610	5370	5140	4280	3750	5070	5910	5800	6010
2025-08	4680	5010	6480	4740	6360	7160	5330	5080	5590
2025-09	3990	5370	5280	4990	4430	5530	5020	4780	6140
2025-10	4180	5570	4250	5070	5370	3200	6290	4570	4550
2025-11	4030	4030	6110	6290	4510	4720	5730	5240	3450
2025-12	3470	3810	5930	4930	5090	3900	5020	5860	4780

If the GenAI tool does not give you the data formatted in the format you would like, revise the prompts or ask for it to be generated again.

4. Visualize monthly sales trends for furniture.



As the tool constantly evolves, how your results are displayed may vary. You can continue to add prompts to change the output.