TT TEXTBOOK TESTBANKS

Test Bank for Cost Management 6th Hansen

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Chapter 01 - Introduction to Cost Management

1. An accounting information system collects, records, summarizes, analyzes, and manages data to transform inputs into information that is provided to users.

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
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2. The two major subsystems of the accounting information system are the financial accounting information system and the cost management accounting information system.

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
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3. The cost management information system is primarily concerned with producing outputs for external users.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1

NATIONAL STANDARDS:	United States - BUSPROG - Analytic
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4. The three broad objectives of financial accounting information systems are to provide information for costing out services and products, planning and control, and decision making.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
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5. For financial accounting, the nature of the inputs and the rules and conventions governing processes are defined by the SEC and the FASB.

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
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6. The cost management information system has two major subsystems: the cost accounting information system and the operational control information system.

a. True
b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
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7. Operational control is concerned with what activities should be performed and assessing how well they are performed.
a. True
b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
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8. The changes in the service sector add to the demand for innovative and relevant cost management information.
a. True
b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-09 - FN-Leveraging Technology

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9. The service sector of the U.S. economy has decreased in importance as traditional industries have declined in importance.
   a. True
   b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-02 - Global Business
KEYWORDS:	Bloom's - Understanding
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10. Analyzing real-time data provided by ERP enables managers to continuously improve the efficiency of organizational units and processes.
   a. True
   b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-09 - FN-Leveraging Technology United States - v1 - IMA-08 - Information Management
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11. In just-in-time (JIT) manufacturing, each operation produces only what is necessary for the succeeding operations.
   a. True
   b. False

ANSWER:	True

POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
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12. JIT is a critical part of a more comprehensive approach referred to as lean manufacturing.
    a. True
    b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
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13. The focus of lean manufacturing is to eliminate waste, which is anything that does not add value to the end user (customer).
    a. True
    b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
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14. The staff functions of a company exist to serve the line functions.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-10 - BB-Global
United States - v1 - IMA-07 - Global Business
KEYWORDS: Bloom's - Remembering
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15. Positions that have direct responsibility for the basic objectives of an organization are referred to as staff positions.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-06 - BB-Resource Management
United States - v1 - IMA-07 - Global Business
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16. The controller of a company supervises all the accounting departments.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False

LEARNING OBJECTIVES: CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-06 - BB-Resource Management
United States - v1 - IMA-07 - Global Business
KEYWORDS: Bloom's - Remembering
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17. The treasurer of a company is responsible for all taxation activities.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-06 - BB-Resource Management
United States - v1 - IMA-07 - Global Business
KEYWORDS: Bloom's - Remembering
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18. A company sets annual revenue objectives and develops strategies to achieve them. This is an example of planning..
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-08 - FN-Decision Modeling
United States - v1 - IMA-14 - Decision Analysis
KEYWORDS: Bloom's - Understanding
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19. The process of choosing among competing alternatives is called decision making.
    a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Remembering
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20. Business ethics is learning what is right or wrong in the work environment and choosing what is right.

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
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21. A company that values people more than profit is viewed as operating with integrity..

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications

KEYWORDS:	Bloom's - Understanding
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22. A code of ethics is mandated by law.
    a. True
    b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-11 - FN-Reporting United States - v1 - IMA-16 - Business Applications
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23. Mere presence of ethical codes, training programs, and reporting mechanisms certainly guarantees highly ethical behavior.
    a. True
    b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
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24. Planning is usually achieved with the use of feedback.
    a. True
    b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy

QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
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25. All firms subject to the Sarbanes-Oxley Act are exempted from disclosing whether they have established a code of ethics for senior financial officers.
   a. True
   b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
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26. Three of the major certifications available to management accountants are a Certificate in Management Accounting, a Certificate in Public Accounting, and a Certificate in Internal Auditing.
   a. True
   b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1- 3 - LO: 01.03
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
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27. For each certification, all an applicant has to do is meet specific educational and experience requirements.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1- 3 - LO: 01.03
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
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28. The examination for obtaining the Certificate in Management Accounting consists of two parts: (1) Technology and Analytics and (2) Strategic Financial Management.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1- 3 - LO: 01.03
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
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29. Only Certified Public Accountants (CPAs) are permitted (by law) to serve as external auditors.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False

LEARNING OBJECTIVES:	CMGT.HANS.26.1-5 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-07 - Global Business
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30. The Certified Internal Auditor must pass a comprehensive examination designed to ensure technical competence and have two years' work experience.

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-5 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
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31. Fill in the blank in the following sentence: The information system that is primarily concerned with producing outputs for internal users using inputs and processes needed to satisfy management objectives is called ___________ information system.

ANSWER:	cost management
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
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32. Fill in the blank in the following sentence: The theory of constraints, just-in-time, and lean manufacturing can help

companies reduce lead times and inventories, and therefore reduce ________.

ANSWER:	costs
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
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33. Fill in the blank in the following sentence: T he persistent pursuit and elimination of waste, which results in a decrease of lead time is called _________.

ANSWER:	lean manufacturing
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
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34. Fill in the blank in the following sentence: A method used to continuously improve manufacturing and nonmanufacturing activities is called _________.

ANSWER:	theory of constraints
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management

	United States - v1 - IMA-11 - Strategic Planning
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35. Fill in the blank in the following sentence: A philosophy in which managers strive to create an environment that will enable organizations to produce defect-free products and services is called ___________.

ANSWER:	total quality management
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
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36. Fill in the blank in the following sentence: An action of identifying, recording, settling, extracting, reporting, and verifying past financial data or other accounting activities for settling current or prospective legal disputes is called _________.

ANSWER:	forensic accounting
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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37. Fill in the blank in the following sentence: The Standards of Ethical Conduct for Management Accountants include competence, confidentiality, integrity, resolution of ethical conflict, and _________.

ANSWER:	credibility
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion

HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Remembering
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38. Fill in the blank in the following sentence: Performing business valuations is an accounting measurement service provided by _____________.

ANSWER:	Forensic Accountants
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Remembering
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39. Fill in the blank in the following sentence: IMA’s overarching ethical principles include: Honesty, Fairness, Objectivity, and __________.

ANSWER:	Responsibility
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1- 4 - LO: 01.04
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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40. Fill in the blank in the following sentence: The purpose of the Certificate in Public Accounting is to provide evidence

of a minimal professional qualification for ______.

ANSWER:	external auditors
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Completion
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-5 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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41. In a financial accounting information system, the inputs are usually well-specified

a. financial statements.

b. analyses of data.

c. performance reports.

d. economic events.

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Understanding
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42. Which regulatory bodies define the rules and conventions for financial accounting processes?

a. Securities and Exchange Commission (SEC) and Financial Accounting Standards Board (FASB)

b. Internal Revenue Service (IRS) and Securities and Exchange Commission (SEC)

c. International Monetary Fund (IMF) and Financial Accounting Standards Board (FASB)

d. Internal Revenue Service (IRS) and World Bank

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False

LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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43. Which of the following is an example of financial accounting output?
   a. Company sales forecast
   b. Income statement
   c. Budget forecast report
   d. Inventory list

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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44. Which of the following information systems is concerned with producing outputs for external users?
   a. Forensic accounting
   b. Financial accounting
   c. Operational accounting
   d. Lean accounting

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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45. Financial accounting information is used for
    a. investment decisions.
    b. determining daily inventory levels.
    c. setting internal product prices.
    d. developing marketing campaigns.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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46. Which of the following costs is typically included in product costs for financial reporting?
    a. Employee benefits, salaries, and office rent
    b. Cost of materials, labor, and overhead
    c. Advertising expenses, campaigns, and sponsorships
    d. Research and development costs, prototype testing, and product design

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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47. Information about the expected revenues and costs for a new product could be used as an input for
    a. Activity-based costing
    b. Financial statement preparation
    c. Target costing
    d. External financial audits

ANSWER:	c
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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48. Cost management information systems provide information
    a. for preparing the planning and controlling activities undertaken by managers.
    b. to prepare statements of cash flows and balance sheets for external users.
    c. that can be used for regulatory measures.
    d. for stock analysts’ and other external users’ evaluation.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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49. For external financial reporting, the cost accounting system must assign costs to products to
    a. Determine the organization’s financial risk exposure
    b. Predict market trends and consumer preferences
    c. Value inventories and determine the cost of sales
    d. Ensure that production schedules align with consumer demand

ANSWER:	c
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1

NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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50. Using financial accounting principles to define product costs may lead to
    a. Overstatements and understatements of individual product costs
    b. More accurate financial forecasting and budgeting
    c. Increased operational efficiency and employee productivity
    d. Higher levels of customer satisfaction and retention

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Understanding
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51. The operational control information system is a part of which broader system?
    a. The cost management information system
    b. The financial forecasting system
    c. The tax accounting information system
    d. The external auditing system

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Understanding
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52. The operational control information system is primarily designed to provide
    a. Projections for future investment decisions
    b. Accurate and timely feedback on performance of managers
    c. Customer satisfaction surveys for market research
    d. Historical data analysis for external reporting

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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53. Cost management is concerned with producing outputs for
    a. internal managers.
    b. creditors.
    c. investors.
    d. regulatory authorities.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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54. The type of management that broadens the focus of accounting because it is concerned with factors that drive costs, such as cycle time and process productivity, is called
    a. cost accounting.
    b. cost management.
    c. financial management.
    d. financial accounting.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-10 - BB-Global
United States - v1 - IMA-07 - Global Business
KEYWORDS: Bloom's - Remembering
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55. What type of software is activity-based costing (ABC) software classified as?
a. Online analytic software
b. Manual accounting software
c. Offline transaction software
d. Payroll processing software

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1- 2 - LO: 2
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-10 - BB-Global
United States - v1 - IMA-08 - Information Management
KEYWORDS: Bloom's - Understanding
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56. Which of the following costing activities is associated with the financial accounting system and preparing information for external users?
a. determining the cost of a department
b. determining the cost of goods sold for financial statements
c. preparing financial budgets
d. determining the cost of a customer

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-1 - LO: 1

NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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57. Why are cost and managerial accountants important to data security teams?
    a. They identify threats and shore up defenses
    b. They write cybersecurity software programs
    c. They conduct regular system security audits
    d. They replace IT professionals in managing firewalls

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1- 2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Understanding
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58. Which of the following information systems provides information that helps managers engage in a program of continuous improvement of all aspects of their businesses?
    a. Financial accounting information system
    b. Operational control information system
    c. Cost management information system
    d. Value chain information system

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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59. Which of the following activities is associated with the financial accounting information system?
    a. reporting on the cost of quality
    b. reporting to the SEC
    c. forecasting future product costs
    d. analyzing production efficiency

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-11 - FN-Reporting
United States - v1 - IMA-08 - Information Management
KEYWORDS: Bloom's - Understanding
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60. Which of the following is a cost management subsystem designed to assign costs to individual products and services and other objects, as specified by management?
    a. Financial accounting information system
    b. Operational control system
    c. Cost accounting information system
    d. Forensic accounting

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-10 - BB-Global
United States - v1 - IMA-08 - Information Management
KEYWORDS: Bloom's - Remembering
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61. Which of the following statements is TRUE?
    a. The service sector comprises approximately three quarters of the U.S. economy and employment.
    b. The service sector comprises approximately 20 percent of the U.S. economy and employment.
    c. Traditional smokestack industries have increased in importance in recent years.

d. The service sector has decreased in importance in recent years.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-02 - Global Business
KEYWORDS:	Bloom's - Analyzing
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62. Which data analytics process involves identifying, transforming, and querying the data necessary for financial analysis that often spans multiple data sets and information systems?

a. Forecasting

b. Extraction

c. Governance

d. Visualization

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Technology
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-04 - BB-Leveraging Technology United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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63. Factors that have led to a global market for manufacturing and service firms are

a. improved transportation and communications systems.

b. improved telemarketing and communications.

c. improved telemarketing and transportation systems.

d. improved electronic commerce and telemarketing.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False

LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-02 - Global Business
KEYWORDS:	Bloom's - Understanding
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64. Which of the following cost management tools supports the firm's concentration on the delivery of value to the customer?
    a. Service industry growth
    b. Global competition
    c. Preparing an earnings report for the SEC
    d. Value chain analysis

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-11 - Strategic Planning
KEYWORDS:	Bloom's - Understanding
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65. Which of the following systems is an integrated system capable of providing access to real-time data from the various functional areas of a company?
    a. Financial management information
    b. Enterprise resource planning
    c. Lean accounting management
    d. Operational control information

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Technology
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-09 - FN-Leveraging Technology United States - v1 - IMA-08 - Information Management

KEYWORDS:	Bloom's - Remembering
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66. Which of the following advances in information technology includes the analysis of large data sets and data visualization?
   a. Decision support systems
   b. Integrated cost management
   c. Data analytics
   d. Online inventory system

ANSWER:	c
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Technology
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-09 - FN-Leveraging Technology United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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67. Which of the following determines how best to present complex analytical tools and organizational performance results in a manner that is transparent and understandable to investors and other key stakeholders?
   a. Extraction
   b. Forecasting
   c. Governance
   d. Visualization

ANSWER:	d
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Technology
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-09 - FN-Leveraging Technology United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Remembering
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68. A manufacturing company wants to streamline its operations by using a system that integrates real-time data across

departments, including inventory, finance, and production. Which type of software should they implement?

a. Enterprise resource planning software
b. An online analytic program
c. Computer-assisted engineering software
d. Competency framework

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Technology
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-09 - FN-Leveraging Technology United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Applying
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69. Which of the following is an advantage of analyzing big data sets using business analytics?

a. An increased current ratio
b. A reduced arbitrage fund
c. An improved quality
d. A decreased basis risk

ANSWER:	c
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Technology
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-09 - FN-Leveraging Technology United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Understanding
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70. An organization is reviewing the security and decision relevance of data used in financial estimates to ensure compliance with enterprise risk management policies. Which data analytics function does this scenario represent?

a. Governance
b. Forecasting
c. Budgeting
d. Visualization

ANSWER:	a

POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Technology
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-09 - FN-Leveraging Technology United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Applying
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71. A company is using analytical tools and data mining techniques to discover key and relevant trends, both historical and predictive in nature. Which of the following activities is the company performing?

a. Forecasting
b. Budgeting
c. Extraction
d. Governance

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Applying
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72. Which of the following manufacturing management approaches has a specific focus on allowing firms to increase quality, reduce inventories, eliminate waste, and reduce costs?

a. Operational manufacturing system
b. Online analytic programs
c. Decision support system
d. Lean manufacturing

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2

NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
KEYWORDS:	Bloom's - Remembering
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73. A finance team is projecting the amount and timing of financial and operational resources required to allow the organization to achieve its long-term strategic goals. Which of the following activities does this describe?

a. Budgeting

b. Governance

c. Forecasting

d. Extraction

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
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74. A car manufacturing company minimizes inventory costs by receiving parts only when needed for production, reducing waste and improving efficiency. This approach is a key component of:

a. supply chain management.

b. lean manufacturing.

c. just-in-time manufacturing.

d. computer-integrated manufacturing.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
KEYWORDS:	Bloom's - Applying

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75. A finance company streamlines its operations by approving loans only when customers apply and only for the requested amounts, reducing unnecessary processing and costs. This demand-driven approach is referred to as:

a. supply chain management.
b. theory of constraints.
c. lean manufacturing.
d. just-in-time manufacturing.

ANSWER:	d
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
KEYWORDS:	Bloom's - Applying
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76. Which of the following emerging trends in cost accounting deals with managers striving to create an environment that will enable workers to manufacture defect-free products?

a. Advances in information technology
b. Time as a competitive element
c. Global competition
d. Total quality management

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
KEYWORDS:	Bloom's - Understanding
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77. Competitive advantage is established by having

a. more customer product options available to consumers than competitors.

b. better quality product offerings that attract more buyers than competitors.
c. a customer orientation providing greater customer value for less cost than competitors.
d. greater internal operational efficiencies that enhance profitability over competitors.

ANSWER:	c
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-12 - Strategic Marketing
KEYWORDS:	Bloom's - Understanding
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78. Total quality management emphasizes
a. lower procurement cost.
b. periodical improvement.
c. defect-free products and services.
d. acceptable quality attitudes.

ANSWER:	c
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-11 - Strategic Planning
KEYWORDS:	Bloom's - Understanding
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79. Which of the following best describes business sustainability?
a. It is defined as a company’s ability to create value over the long term by measuring performance, managing risks, and communicating effectively to stakeholders.
b. It is defined as development that is designed to assign costs to individual products and services and other objects as specified by management.
c. It is defined as development that is designed to provide accurate and timely feedback concerning the performance of managers and others relative to their planning and control of activities.
d. It is defined as development that is primarily concerned with producing outputs for internal users using inputs and processes needed to satisfy management objectives.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
KEYWORDS:	Bloom's - Analyzing
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80. Staff positions are positions that are

a. directly involved in both financial and nonfinancial measures of efficiency of an organization.

b. supportive in nature and have only indirect responsibility for an organization's basic objectives.

c. supportive in nature and indirectly assess the overall cost impact of product designs over a product's life cycle.

d. directly responsible for carrying out the basic objectives of an organization.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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81. The internal auditor performs a

a. line function.

b. staff function.

c. production function.

d. marketing function.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3

NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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82. Which of the following is an example of a staff position in an organization?
    a. Plant manager
    b. Accountant
    c. Vice president of marketing
    d. Vice president of manufacturing

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
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83. Which of the following positions would most likely to hold a line position?
    a. Personnel department manager
    b. Production supervisor
    c. Treasurer
    d. Cost accounting department manager

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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84. Which of the following supervises all accounting department ?
    a. Sales vice president
    b. Controller
    c. Production supervisor
    d. Treasurer

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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85. A company that produces and sells laser printers has a vice president of manufacturing who is directly responsible for production activities. What type of position does this role represent?
    a. Staff position
    b. Line position
    c. Support position
    d. Advisory position

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Applying
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86. Which of the following positions would most likely be a staff manager?
    a. Machining foreman
    b. Assembly foreman
    c. Production supervisor
    d. Controller

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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87. Which of the following would be considered a line function?
    a. Production employee
    b. Housekeeping and maintenance employee
    c. Public relations employee
    d. Administrative services employee

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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88. In a company that produces and sells laser printers, which of the following individuals holds a staff position?
    a. Factory manager
    b. Vice president of marketing
    c. Vice president of finance
    d. Assemblers

ANSWER:	c
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3

NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
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89. An external auditor is most likely to be a:
    a. Certified Public Accountant.
    b. controller.
    c. Chartered Accountant.
    d. treasurer.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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90. The chief accounting officer of an organization is the
    a. vice president of finance.
    b. internal auditor.
    c. treasurer.
    d. controller.

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
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91. Which of the following is the officer responsible for money management and serves chiefly as the custodian of the organization's funds?
    a. Certified Public Accountant
    b. controller
    c. Chartered Accountant
    d. Treasurer

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
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92. Which of the following duties is usually assigned to the controller?
    a. Overseeing the finance functions of the company
    b. Managing investor relations of the company
    c. Raising capital for the company
    d. Performing both internal and external accounting requirements

ANSWER:	d
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
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93. The setting of objectives and the identification of methods to achieve those objectives is called
    a. planning.
    b. controlling.
    c. performance evaluation.
    d. decision making.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
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94. Analyzing cost overruns to determine their cause is an example of
   a. planning.
   b. control.
   c. decision making.
   d. activity-based costing.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
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95. Monitoring the number of defects produced is an example of the management function of
   a. planning.
   b. control.
   c. decision making.
   d. treasury monitoring.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3

NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
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96. Accounting reports that provide feedback by comparing planned (budgeted) data with actual data are called
   a. performance reports.
   b. favorable reports.
   c. auditing reports.
   d. improvement reports.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
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97. Setting the company's profit targets for the upcoming year is an example of the management function of
   a. planning.
   b. control.
   c. variance analysis.
   d. internal auditing.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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98. Developing a company strategy for responding to anticipated new markets is an example of
    a. planning.
    b. c ontrolling.
    c. evaluating performance.
    d. organizing.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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99. The planning process includes
    a. using feedback to evaluate the steps taken.
    b. identifying means of achieving the objectives.
    c. taking corrective action as needed.
    d. monitoring a plan's implementation.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
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100. Investigating production variances and adjusting the production process to take corrective action is an example of
    a. planning.
    b. control.
    c. internal auditing.
    d. both planning and internal auditing.

ANSWER:	b

POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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101. In a performance report, the
  a. differences between actual costs and allowed costs are always undesirable.
  b. expenditures of less than allowed amounts are undesirable.
  c. expenditures of more than allowed amounts are not permitted to occur.
  d. expenditures of less than allowed amounts are desirable.

ANSWER:	d
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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102. Evaluating the performance of a segment of the company is an example of
  a. planning.
  b. control.
  c. internal auditing.
  d. continuous improvement.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic

STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
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103. The formulation of a program for the accomplishment of a specific purpose is referred to as
   a. controlling.
   b. motivating.
   c. organizing.
   d. planning.

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Remembering
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104. The manager has to decide what tasks are needed and how they should be accomplished. This statement describes
   a. the organization chart.
   b. planning.
   c. organizing.
   d. controlling.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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105. Increasing overall efficiency by reducing waste, improving quality, and reducing costs is called
   a. planning.
   b. controlling.
   c. decision making.
   d. continuous improvement.

ANSWER:	d
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Remembering
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106. Inspecting units produced to determine if they meet specifications is an example of
   a. planning.
   b. control.
   c. decision making.
   d. costing.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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107. A company is considering launching a new product line. The manager analyzes multiple alternatives, such as different pricing strategies, production methods, and target markets. Before selecting the best option, the manager gathers data on costs, customer demand, and competitor pricing to make an informed choice. This process is known as:
   a. Planning
   b. Decision Making
   c. Controlling
   d. Continuous improvement

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Applying
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108. Which of the following describes the managerial activity of comparing actual results with budgeted results?

a. Control

b. Continuous improvement

c. Planning

d. Decision making

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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109. Managers are considering outsourcing subcomponents of production. Data are collected about the costs of making the subcomponent. Different bids are sought for the purchase of the subcomponents. Which of the following managerial activities is applicable in this situation?

a. control

b. continuous improvement

c. planning

d. decision making

ANSWER:	d
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False

LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Applying
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110. In a company, engineers have redesigned production processes lowering production costs, shortening production cycle time, reducing waste, and improving quality. Which of the following types of managerial activity applies to this situation?

a. controlling
b. continuous improvement
c. planning
d. decision making

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Applying
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111. As a manager for a construction company, determining the bid your company should submit on a construction contract is an example of

a. planning.
b. controlling.
c. decision making.
d. eliminating constraints.

ANSWER:	c
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling

	United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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112. Setting the selling price of a company's product is an example of
   a. planning.
   b. controlling.
   c. decision making.
   d. costing the product.

ANSWER:	c
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Understanding
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113. Which of the following statements is TRUE?
   a. Firms that emphasize ethics outperform firms that don't emphasize ethics.
   b. Those corporations that mention ethics in their management reports have lower than average performance.
   c. Companies with a strong code of ethics and sense of integrity and honor will have trouble competing over the long run.
   d. Revenue and spending targets must be based (as closely as possible) on estimated operating conditions.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Analyzing
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114. Which of the following includes concern for the well-being of others, respect for others, trustworthiness, honesty,

fairness, doing good, and preventing harm?

a. Business ethics
b. Theory of constraints
c. Business sustainability
d. Principles of personal ethical behavior

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Remembering
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115. Which of the following are Standards of Ethical Conduct for Management Accountants?

a. perseverance and creativity, responsibility, profitability
b. determination and respect for others, competitive, and observance
c. discipline, confidence, competitiveness, and observance
d. competence, confidentiality, integrity, resolution of ethical conflict, and credibility

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Remembering
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116. Extending the close of the fiscal year beyond December 31 so that some sales of next year are included in the current year would be a violation of which of the following Standards of Ethical Conduct for Management Accountants?

a. competence
b. confidentiality
c. conformance
d. credibility

ANSWER:	a

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS: United States - BUSPROG - Ethics
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-01 - BB-Industry
United States - v1 - IMA-16 - Business Applications
KEYWORDS: Bloom's - Applying
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117. When a management accountant attends training seminars on new FASB rules, which of the following parts of the IMA code of ethics is being observed?
a. competence
b. confidentiality
c. integrity
d. credibility

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS: United States - BUSPROG - Ethics
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-01 - BB-Industry
United States - v1 - IMA-16 - Business Applications
KEYWORDS: Bloom's - Understanding
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118. What mechanism do companies use to allow employees to report ethical violations?
a. Anonymous social media accounts
b. Ethics training programs
c. Whistle-blower hotlines
d. Employee opinion surveys ?

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS: United States - BUSPROG - Ethics

STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Understanding
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119. The acceptance of a savings bond from a supplier as an enticement to do business with the supplier would be a violation of which of the following Standards of Ethical Conduct for Management Accountants?

a. confidentiality
b. integrity
c. reliability
d. competence

ANSWER:	b
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Applying
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120. In resolving an ethical conflict, it is inappropriate to discuss the problem with the immediate supervisor because of a violation of which of the following Standards of Ethical Conduct for Management Accountants?

a. competence
b. confidentiality
c. credibility
d. Does not violat e code of ethics

ANSWER:	d
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
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121. What is one of the five major divisions of the IMA's ethical code?
    a. Profitability
    b. Integrity
    c. Competition
    d. Negotiation

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS: United States - BUSPROG - Ethics
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-01 - BB-Industry
United States - v1 - IMA-16 - Business Applications
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122. Which of the following relates to the credibility section of the IMA code of ethics?
    a. Prepare clear and complete reports.
    b. Communicate professional limitations.
    c. Avoid actual or apparent conflicts of interest.
    d. Communicate information fairly and objectively.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS: United States - BUSPROG - Ethics
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-01 - BB-Industry
United States - v1 - IMA-16 - Business Applications
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123. Disclosing all information, unfavorable as well as favorable, that could influence an intended user's understanding of reports would relate to which of the following sections of the IMA code of ethics?
    a. competence
    b. independence
    c. integrity

d. credibility

ANSWER:	d
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Understanding
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124. Engaging in or supporting an activity that would discredit the profession would relate to which of the following parts of the IMA code of ethics?

a. competence
b. independence
c. integrity
d. credibility

ANSWER:	c
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
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125. When a management accountant ignores data in favor of unsupported opinion, this action would speak most directly to which of the following parts of the IMA code of ethics?

a. competence
b. confidentiality
c. independence
d. credibility

ANSWER:	a
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice

HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Understanding
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126. Disclosing company information (when not legally obligated to do so) would be a violation of which of the following parts of the IMA code of ethics?

a. competence
b. confidentiality
c. independence
d. credibility

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
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127. The Statement of Ethical Professional Practice of the Institute of Management Accountants addresses which of the following ?

a. profitability.
b. confidentiality.
c. strategic cost management.
d. responsibility.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry

	United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Remembering
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128. Persons in the United States who provide external auditing services are designated as

a. Certified Public Accountants.

b. Certified Financial Accountants.

c. Chartered Accountants.

d. Certified Management Accountants.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1- 3 - LO: 01.03
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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129. A financial services firm is looking to hire a professional who meets the minimum professional qualifications to conduct external audits and ensure compliance with financial regulations. The candidate must have a recognized certification that qualifies them for this role. Which of the following certifications is required?

a. CPA.

b. CMA.

c. CIA.

d. CA.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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130. Which of the following certifications requires a candidate to pass a qualifying examination in Technology and Analytics and Strategic Financial Management?

a. Certificate in Management Accounting

b. Certificate in Public Accounting

c. Certificate in Internal Auditing

d. Certificate in Financial Accounting

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1- 3 - LO: 01.03
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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131. The certification sponsored by the Institute of Management Accountants that emphasizes economics, finance, management, financial accounting and reporting, management reporting, and decision analysis is the

a. CPA.

b. CMA.

c. CIA.

d. CA.

ANSWER:	b
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	CMGT.HANS.26.1-5 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Remembering
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132. Explain the relationship between a cost management information system and a financial accounting information system.

ANSWER:	The cost management information system is primarily concerned with producing outputs for internal users using inputs and processes needed to satisfy management objectives. The cost management information system is not bound by externally imposed criteria that define inputs and processes. Instead, the criteria that govern the inputs and processes are

set by people in the company.

The financial accounting information system is primarily concerned with producing outputs for external users. It uses well-specified economic events as inputs, and its processes follow certain rules and conventions. For financial accounting, the nature of the inputs and the rules and conventions governing processes are defined by the Securities and Exchange Commission (SEC) and the Financial Accounting Standards Board (FASB). Among its outputs are financial statements such as the balance sheet, income statement, and statement of cash flows for external users (investors, creditors, government agencies, and other outside users). Financial accounting information is used for investment decisions, stewardship evaluation, activity monitoring, and regulatory measures.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-10 - BB-Global
United States - v1 - IMA-07 - Global Business
KEYWORDS: Bloom's - Understanding
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133. Describe the two major subsystems of a cost management information system and briefly summarize their importance.

ANSWER: The cost accounting information system is a cost management subsystem designed to assign costs to individual products and services and other objects as specified by management. For external financial reporting, the cost accounting system must assign costs to products in order to value inventories and determine the cost of sales.

The operational control information system is a cost management subsystem designed to provide accurate and timely feedback concerning the performance of managers and others relative to their planning and control of activities. Operational control is concerned with what activities should be performed and assessing how well they are performed. It focuses on identifying opportunities for improvement and helping to find ways to improve.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-10 - BB-Global
United States - v1 - IMA-08 - Information Management
KEYWORDS: Bloom's - Understanding

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134. Discuss the role of data analytics in modern management accounting and its impact on financial decision making
ANSWER:
- Forecasting—Using analytical tools and data mining techniques to discover key and relevant trends, both historical and predictive in nature.
- Budgeting—Projecting the amount and timing of financial and operational resources required to allow the organization to achieve its long-term strategic goals.
- Extraction—Identifying, transforming, and querying the data necessary to conduct important financial analyses that often involve multiple data sets and information systems.
- Governance—Considering the degree of accuracy, decision relevance, and security of the increasing amount and types of data used in various financial estimates, including those involving enterprise risk management issues.
- Visualization—Determining how best to present complex analytical tools and organizational performance results in a manner that is transparent and understandable to investors and other key stakeholders.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: CMGT.HANS.26.1- 2 - LO: 2
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-10 - BB-Global
United States - v1 - IMA-07 - Global Business
KEYWORDS: Bloom's - Understanding
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135. What is forensic accounting? Discuss its importance.
ANSWER: Forensic accounting is the action of identifying, recording, settling, extracting, reporting, and verifying past financial data or other accounting activities for settling current or prospective legal disputes or using such past financial data for projecting future financial data to settle legal disputes.
Forensic accountants provide accounting measurement services in several different but related areas:
(1) Fraud investigations (i.e., finding fraud and measuring the cost of resulting damages, preventing or minimizing fraud, and testifying in fraud cases).
(2) Litigation support (i.e., litigation consulting, preparing expert opinion reports, and testifying at trials or in other formats).
(3) Performing business valuations (i.e., both adversarial and non-adversarial).
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False

STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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136. What is customer orientation? Why is it important in a global environment? What role does cost management play in serving customers?

ANSWER: Firms concentrate on the delivery of value to the customer with the objective of establishing a competitive advantage. As such, companies increasingly utilize advances in digital information technologies, including data analytics, to estimate the profitability of their current and future customers.
Accountants and managers refer to a firm's value chain as the set of activities required to design, develop, produce, market, and deliver products and services to customers. As a result, a key question to be asked about any process or activity is whether it is important to the customer. The cost management system must track information relating to a wide variety of activities important to customers (e.g., product quality, environmental performance, new product development, and delivery performance).

POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - BB-Global United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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137. Discuss three advances in digital information technology that are changing the manufacturing environment.

ANSWER: Technology has fostered computer-integrated manufacturing, changing the way laborers work. The theory of constraints is a method used to continuously improve manufacturing and nonmanufacturing activities. Just-in-time (JIT) manufacturing, strives to produce a product only when it is needed and only in the quantities demanded by customers.
JIT is a critical part of a more comprehensive approach referred to as lean manufacturing. Lean manufacturing is the persistent pursuit and elimination of waste that simultaneously embodies respect for people. Waste is anything that does not add value to the end user (customer).
Depending on the nature of the value streams created in lean manufacturing, a more accurate assessment of product costs may result. The theory of constraints, just-in-time, and lean manufacturing can help companies reduce lead times and inventories, and

therefore reduce costs.

POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
KEYWORDS:	Bloom's - Understanding
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138. Discuss the significance of target costing.

ANSWER: Target costing encourages managers to assess the overall cost impact of product designs over the product's life cycle and simultaneously provides incentives to make design changes to reduce costs. Companies must compete not only in technological and manufacturing terms but also in terms of the speed of delivery and response.

POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-2 - LO: 2
NATIONAL STANDARDS:	United States - BUSPROG - Technology
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-09 - FN-Leveraging Technology United States - v1 - IMA-08 - Information Management
KEYWORDS:	Bloom's - Understanding
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139. What is the difference between a staff position and a line position?

ANSWER: Positions that have direct responsibility for the basic objectives of an organization are referred to as line positions. In general, individuals in line positions participate in activities that produce and sell their company's product or service.

Positions that are supportive in nature and have only indirect responsibility for an organization's basic objectives are called staff positions.

In an organization whose basic mission is to produce and sell laser printers, the vice presidents of manufacturing and marketing, the factory manager, and the assemblers are all line positions. The vice presidents of finance and human resources, the cost accountant, and the purchasing manager are all staff positions.

POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Subjective Short Answer

HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-06 - BB-Resource Management
United States - v1 - IMA-07 - Global Business
KEYWORDS: Bloom's - Analyzing
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140. Contrast the role of the controller and the treasurer.
ANSWER: The controller, the chief accounting officer, supervises all accounting departments. Because of the critical role that management accounting plays in the operation of an organization, the controller is often viewed as a member of the top management team and encouraged to participate in planning, controlling, and decision-making activities.
The treasurer is responsible for the finance function. Specifically, the treasurer raises capital and manages cash (banking and custody), investments, and investor relations. The treasurer may also be in charge of credit and collections as well as insurance.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-06 - BB-Resource Management
United States - v1 - IMA-07 - Global Business
KEYWORDS: Bloom's - Understanding
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141. Describe the connection between planning, controlling, and feedback.
ANSWER: Planning establishes performance standards, feedback compares actual performance with planned performance, and control uses feedback to evaluate deviations from plans.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS: United States - BUSPROG - Analytic
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-08 - FN-Decision Modeling
United States - v1 - IMA-14 - Decision Analysis

KEYWORDS:	Bloom's - Understanding
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142. Give some examples of reporting feedback that will assist in the continuous improvement of a service industry company.

ANSWER:	A service industry company will be interested in monitoring all aspects of performance. It may prepare performance reports on materials and labor usage, as well as on meeting revenue targets. It will want to keep track of things important to customers: turnaround time, customer satisfaction, types of complaints, and requests for auxiliary services (i.e., shipping). It may keep records about the characteristics of customers (i.e., geography, profession, residence, age) to better understand its market. It will be interested in efficiency and productivity of labor and equipment. It might monitor the usage of capacity. It will be interested in reporting on all aspects of performance.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Reflective Thinking
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-08 - FN-Decision Modeling United States - v1 - IMA-14 - Decision Analysis
KEYWORDS:	Bloom's - Applying
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143. What is continuous improvement? Discuss its significance.

ANSWER:	A company pursuing continuous improvement has the goal of performing better than before and better than competitors. In practical terms, continuous improvement is increasing overall efficiency by reducing waste, improving quality, and reducing costs. Cost management supports continuous improvement by providing information that helps identify ways to improve and then reports on the progress of the methods that have been implemented. It also plays a critical role by developing a control system that locks in and maintains any improvements realized.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding

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144. You are a management accountant for the Eastern Division of Strong Enterprises. Your longtime friend is the Eastern Division manager. Your friend was instrumental in helping you obtain your current position. Because the manager's annual bonus is based on the amount of profit the Eastern Division reports for the year, your friend has asked you to adjust some of the reported financial information to make the Eastern Division appear more profitable.

Considering the standards established by the Institute of Management Accountants (IMA), how would you respond to your friend's request?

ANSWER: The Institute of Management Accountants (IMA) has established ethical standards for management accountants. Management accountants are subject to this professional code and have been advised that "they shall not commit acts contrary to these standards nor shall they condone the commission of such acts by others in their organizations."

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS: United States - BUSPROG - Ethics
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-11 - FN-Reporting
United States - v1 - IMA-16 - Business Applications
KEYWORDS: Bloom's - Applying
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145. What are the three broad objectives of cost management information system?

ANSWER: The cost management information system has three broad objectives that provide information for:
1. Costing out services, products, and other objects of interest to management
2. Planning and control
3. Decision making

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: CMGT.HANS.26.1-1 - LO: 1
NATIONAL STANDARDS: United States - BUSPROG - Ethics
STATE STANDARDS: United States - v1 - ACBSP-APC-26 - Management Functions
United States - v1 - AICPA-01 - BB-Industry
United States - v1 - IMA-16 - Business Applications
KEYWORDS: Bloom's - Understanding
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146. Discuss the "Confidentiality" standard established by IMA?

ANSWER:	Confidentiality 1. Keep information confidential except when disclosure is authorized or legally required. 2. Inform all relevant parties regarding the appropriate use of confidential information. Monitor to ensure compliance. 3. Refrain from using confidential information for unethical or illegal advantage.
POINTS:	1
DIFFICULTY:	Challenging
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Understanding
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147. What is business ethics? What are the benefits of ethical behavior?

ANSWER:	Business ethics is learning what is right or wrong in the work environment and choosing what is right. Companies with a strong code of ethics can create strong customer and employee loyalty. Observing ethical practices now can avoid later litigation costs. Companies in business for the long term find that it pays to treat all of their constituents honestly and fairly. Furthermore, a company that values people more than profit and is viewed as operating with integrity and honor is more likely to be a commercially successful and responsible business. These observations are supported by a number of studies concerning ethics and financial performance. These studies find that there is a positive correlation between ethical performance and economic performance.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Understanding
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148. Explain the "Competence" standard established by IMA.

ANSWER:	Competence 1. Maintain an appropriate level of professional leadership and expertise by enhancing knowledge and skills. 2. Perform professional duties in accordance with relevant laws, regulations, and technical standards. 3. Provide decision support information and recommendations that are accurate, clear, concise, and timely. Recognize and help manage risk.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-4 - LO: 4
NATIONAL STANDARDS:	United States - BUSPROG - Ethics
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-16 - Business Applications
KEYWORDS:	Bloom's - Understanding
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149. Discuss the three forms of accounting certification. Which form of certification do you believe is best for management accountants? Why?

ANSWER:	The three forms of certification are the Certified Public Accountant (CPA), the Certified Management Accountant (CMA), and the Certified Internal Auditor (CIA). Although each certification can prove to be valuable for management accountants, the CMA is tailored to fit the needs of management accountants. The CPA has a public accounting orientation, and the CIA has an internal auditing orientation. Only the CMA specifically addresses the professional requirements of a management accountant.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	CMGT.HANS.26.1-3 - LO: 3
NATIONAL STANDARDS:	United States - BUSPROG - Analytic
STATE STANDARDS:	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-07 - Global Business
KEYWORDS:	Bloom's - Understanding
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