

## Chapter 1

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:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

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*DATE MODIFIED:* 10/7/2016 9:25 AM

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ECUD-CRSS-K3UR-GOSS-NCUD-GWSU-GP3W-GO3D-NATS-E7JI-YT4D-JFNN-40TI-  
GO4W-NQNBE

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:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

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RC3W-CRSS-NQDR-GOSS-RPT1-CASS-NAJ3-GT1U-QAUN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

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:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

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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:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

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4OTI-GO4W-NQNBE

5. Preparing reports for division managers is an activity associated with the cost management information system.

- a. True
- b. False

**ANSWER:** True

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-1 - LO: 01.01

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**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions

United States - v1 - AICPA-10 - FN-Measurement

United States - v1 - IMA-08 - Information Management

**KEYWORDS:** Bloom's - Understanding

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4OTI-GO4W-NQNBE

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:** COCM.HANS.18.1-1 - LO: 01.01

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions

United States - v1 - AICPA-10 - FN-Measurement

United States - v1 - IMA-08 - Information Management

**KEYWORDS:** Bloom's - Remembering

**NOTES:** Time Estimate - 5 min.

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7. Changes in the way business is conducted worldwide have broadened the focus of cost management accounting systems.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* True / False

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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8. One of the major advances in information technology that affects firms is the emergence of electronic commerce.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* True / False

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*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

*NOTES:* Time Estimate - 5 min.

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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:* COCM.HANS.18.1-2 - LO: 01.02

*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. Enterprise resource planning (ERP) software has the objective of providing an integrated system capability and is able to run all the operations of a company.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* True / False

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*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 - Remembering

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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:* COCM.HANS.18.1-2 - LO: 01.02

*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

*NOTES:* Time Estimate - 5 min.

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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:* COCM.HANS.18.1-2 - LO: 01.02

*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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*KEYWORDS:* Bloom's - Remembering  
*NOTES:* Time Estimate - 5 min.  
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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:* COCM.HANS.18.1-2 - LO: 01.02  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
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*KEYWORDS:* Bloom's - Understanding  
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14. The role of cost and management accountants is one of support and teamwork and assistance of those who are responsible for achieving a company's basic objectives.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

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<i>STATE STANDARDS:</i>	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - FN-Measurement United States - v1 - IMA-07 - Cost Management
<i>KEYWORDS:</i>	Bloom's - Understanding
<i>NOTES:</i>	Time Estimate - 5 min.
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<i>DATE MODIFIED:</i>	1/2/2017 3:00 AM
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15. Positions that have direct responsibility for basic objectives are referred to as staff positions, and those indirectly responsible are called line positions.

- a. True
- b. False

<i>ANSWER:</i>	False
<i>POINTS:</i>	1
<i>DIFFICULTY:</i>	Easy
<i>QUESTION TYPE:</i>	True / False
<i>HAS VARIABLES:</i>	False
<i>LEARNING OBJECTIVES:</i>	COCM.HANS.18.1-3 - LO: 01.03
<i>NATIONAL STANDARDS:</i>	United States - BUSPROG - Analytic
<i>STATE STANDARDS:</i>	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-07 - Cost Management
<i>KEYWORDS:</i>	Bloom's - Remembering
<i>NOTES:</i>	Time Estimate - 5 min.
<i>DATE CREATED:</i>	10/7/2016 9:25 AM
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16. The Controller of a company supervises all the accounting departments and is often viewed as a member of the top management team.

- a. True
- b. False

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

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**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Remembering

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NPMR-CRSU-YQBS-GOSU-NCDF-GHSU-KP3T-8YAU-QQDF-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

17. The Treasurer of a company is responsible for all taxation activities, including dealing with the IRS.

a. True

b. False

**ANSWER:** False

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

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**KEYWORDS:** Bloom's - Remembering

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JFNN-4OTI-GO4W-NQNBE

18. Evaluating the performance of a segment of the company is an example of planning.

a. True

b. False

**ANSWER:** False

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** True / False

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*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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GO4W-NQNBE

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:* COCM.HANS.18.1-3 - LO: 01.03  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-08 - FN-Decision Modeling  
United States - v1 - IMA-14 - Decision Analysis  
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CESS-CP3O-CESU-RC5N-GOSS-EAJI-CWSU-OCUR-CA3U-E3JW-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

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

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*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04  
*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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CCSU-NQMG-CESU-R3DR-GOSS-KQBI-GOSU-CAUB-GR5U-RCUD-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBEE

21. Employee and customer loyalty are NOT a result of strong codes of ethics.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04  
*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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8RSS-N3JT-8RSS-NC3T-GOSS-NP5N-CCSU-NPUD-CJUG-KQDR-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBEE

22. Firms subject to the Sarbanes-Oxley Act of 2002 do not have to disclose whether they have a code of ethics for senior financial officers, nor why.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1

## Chapter 1

**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04  
**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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8YSU-YAJ3-8YSS-GPBO-GOSS-NPB1-GYSU-1AUG-GO3D-EP5F-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

23. The Institute of Management accountants has established ethical standards for management accountants.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04  
**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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GWSU-C3MR-CRSU-RPMG-GOSU-GQMG-CCSU-CPDN-GJ1G-RP3Z-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

24. In resolving an ethical conflict, it would be appropriate to take the matter to the press where there's no legal requirement.

- a. True
- b. False

**ANSWER:** False

## Chapter 1

*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
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*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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Q3BU-CESS-E3JW-GOSU-QQBA-GRSS-RCJT-CE4G-KPDF-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

25. Divulging company information when not legally obligated to do so violates the confidentiality part of the IMA Code of Conduct.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04  
*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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COSU-RA5N-CRSU-C3UD-GOSU-Y3DN-CCSU-C3JT-GEHU-GPJI-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

26. Three of the major certifications available to management accountants are Certificates in Management Accounting, Public Accounting, and Internal Auditing.

- a. True

## Chapter 1

b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
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*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-01 - BB-Industry  
United States - v1 - IMA-07 - Cost Management  
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GESSION-CAJS-8YSS-NP3W-GOSS-GPBZ-GYSU-1AUR-GR5U-1AMN-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

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:* COCM.HANS.18.1-5 - LO: 01.05  
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United States - v1 - AICPA-01 - BB-Industry  
United States - v1 - IMA-07 - Cost Management  
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CASU-KQB3-8YSU-CQMN-GOSS-EQBA-8RSS-RP3O-GH5D-OCBO-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

28. The examination for obtaining the Certificate in Management Accounting consists of two parts: (1) Financial Planning, Performance and Control, and (2) Financial Decision Making.

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- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-5 - LO: 01.05  
*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 - Cost Management  
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29. The Certificate of Public Accounting does not include the right to serve as external auditors.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-5 - LO: 01.05  
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*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-01 - BB-Industry  
United States - v1 - IMA-07 - Cost Management  
*KEYWORDS:* Bloom's - Remembering  
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## Chapter 1

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:* COCM.HANS.18.1-5 - LO: 01.05

*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 - Cost Management

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

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CCSU-E3DB-8RSU-KA3W-GOSU-1PBU-8RSS-G3TU-CRHD-KQB3-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

31. The \_\_\_\_\_ information system is primarily concerned with producing outputs for internal users using inputs and processes needed to satisfy management objectives.

*ANSWER:* cost management

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Completion

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

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GWSS-GP5B-CESS-NCTA-GOSS-RCBW-CASS-R3JZ-GC4S-RPMG-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

## Chapter 1

32. The cost management subsystem designed to assign costs to individual products and services is called the \_\_\_\_\_ information system.

*ANSWER:* cost accounting

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Completion

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions

United States - v1 - AICPA-10 - FN-Measurement

United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

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*DATE MODIFIED:* 1/23/2017 5:41 AM

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GCSU-CAMB-8YSU-NC3T-GOSS-RP5R-GCSU-EPBO-GH5U-KCJT-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

33. \_\_\_\_\_ is the persistent pursuit and elimination of waste which results in the decrease of lead time.

*ANSWER:* Lean Manufacturing

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Completion

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*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 - Remembering

*NOTES:* Time Estimate - 5 min.

*DATE CREATED:* 10/7/2016 9:25 AM

*DATE MODIFIED:* 1/23/2017 5:41 AM

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KCDN-8YSS-NCDD-GOSU-QC3W-GHSU-Q3T3-8R4U-CC3I-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

34. The \_\_\_\_\_ is a method used to continuously improve manufacturing and nonmanufacturing activities.

*ANSWER:* theory of constraints

*POINTS:* 1

## Chapter 1

**DIFFICULTY:** Easy  
**QUESTION TYPE:** Completion  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02  
**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 - Remembering  
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RPJW-8YSS-EAUF-GOSU-EPMF-CCSU-GC5R-CR5D-NPJS-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

35. The role of \_\_\_\_\_ accountants is to assist and support those responsible for carrying out an organization's basic objectives.

**ANSWER:** cost and management

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Completion

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Remembering

**NOTES:** Time Estimate - 5 min.

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**DATE MODIFIED:** 1/23/2017 5:43 AM

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GHSS-KA33-CESU-RAUD-GOSU-OP33-GRSS-RQBW-GH4U-GCJA-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

36. Positions in a company that have direct responsibility for its basic objectives are called \_\_\_\_\_ positions, and the positions indirectly responsible for the company's objectives are called \_\_\_\_\_ positions.

**ANSWER:** line; staff

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Completion

## Chapter 1

**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03  
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**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management  
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GHSU-QPBA-8YSS-NCMR-GOSU-CQJS-GWSU-KCTU-GPTU-RAMG-E7JI-YT4D-  
JFNN-4OTI-GO4W-NQNBE

37. 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  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04  
**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  
**NOTES:** Time Estimate - 5 min.  
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**DATE MODIFIED:** 1/23/2017 5:45 AM  
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4OTI-GO4W-NQNBE

38. Companies with a strong \_\_\_\_\_ can benefit from strong customer and employee loyalty.

**ANSWER:** Code of Ethics  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** Completion  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04  
**NATIONAL STANDARDS:** United States - BUSPROG - Ethics

## Chapter 1

**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

**NOTES:** Time Estimate - 5 min.

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39. The IMA's program to recognize professional competence in the field of management accounting yields a designation as a \_\_\_\_\_ Accountant.

**ANSWER:** Certified Management

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Completion

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-5 - LO: 01.05

**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 - Cost Management

**KEYWORDS:** Bloom's - Remembering

**NOTES:** Time Estimate - 5 min.

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**DATE MODIFIED:** 1/23/2017 5:46 AM

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**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMJS-GJOS-GP3W-GO5D-QQMG-GEES-KQJW-8YSS-KPJS-GOSU-1PMB-GHSS-NAT3-8BTU-QPBA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

40. Only Certified Public Accountants are permitted by law to serve as \_\_\_\_\_.

**ANSWER:** external auditors

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Completion

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-5 - LO: 01.05

**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 - Cost Management

## Chapter 1

*KEYWORDS:* Bloom's - Remembering  
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41. In an accounting information system, the inputs are usually

- financial statements.
- analyzing data.
- performance reports.
- economic events.

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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42. In an accounting information system, which of the following is NOT a transformational process?

- collecting data
- analyzing data
- performance reporting
- summarizing data

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

## Chapter 1

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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GYSU-G3BT-8YSU-GC5N-GOSU-GQDN-CASU-RP5G-CO4U-NQDG-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

43. Which of the following is NOT a process associated with an accounting information system?

- a. auditing existing data
- b. collecting and recording data
- c. providing information to users
- d. analyzing and managing data

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

44. The \_\_\_\_\_ information system is concerned with producing outputs for external users.

- a. forensic accounting
- b. financial accounting
- c. operational accounting
- d. lean accounting

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*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management  
*TOPICS:* Bloom's - Remembering  
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CASU-GC5B-8RSU-1PB1-GOSU-Q3DN-CCSU-EP33-8YHU-13TZ-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

45. Financial accounting information is used for

- investment decisions.
- regulatory measures.
- stewardship evaluation.
- all of the above.

*ANSWER:* d  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01  
*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 - Understanding  
*NOTES:* Time Estimate - 5 min.  
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KC3A-8YSU-EA5G-GOSS-E3BA-CWSU-GP5B-CR3D-Q3DB-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

## Chapter 1

46. Which of the following does NOT describe cost management system?

- a. evaluation of segments or products within the firm
- b. emphasis on the future
- c. externally focused
- d. focus on effective use of resources

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*TOPICS:* Bloom's - Understanding

*KEYWORDS:* Time Estimate - 5 min.

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CPUN-CRSS-GAJI-GOSU-GPDF-GOSU-EPJZ-8FTS-G3JZ-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

47. Which of the following is NOT part of the financial accounting information system?

- a. filing reports with the SEC
- b. reporting a large contingent liability to current and potential shareholders
- c. determining the future cash flows of a proposed flexible manufacturing system
- d. preparing GAAP financial statements

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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*QUESTION ID:* JFND-GO33-GINU-1QKR

## Chapter 1

**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-  
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4OTI-GO4W-NQNBE

48. Cost management information systems provide information:

- a. for preparing the planning and controlling measures of an organization.
- b. to prepare statements of cash flows and balance sheets for external users.
- c. that can be used for regulatory measures.
- d. for stewardship evaluation.

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-1 - LO: 01.01

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

49. Which of the following is NOT provided by cost accountants?

- a. cost information in accordance with GAAP
- b. cost information about processes and activities
- c. financial information for external users
- d. cost information about products, customers, and services

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-1 - LO: 01.01

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management

## Chapter 1

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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50. The primary objective of the cost management information system is to provide

- stockholders and potential investors with useful information for decision making.
- banks and other creditors with information useful in making credit decisions.
- management with information useful for planning and control of operations.
- the Internal Revenue Service with information about taxable income.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

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51. The cost management information system is concerned with

- reporting financial information according to GAAP.
- providing cost information that is used in planning, control, and decision-making.
- reporting to external users.
- providing financial information to investors.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

## Chapter 1

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

### 52. Cost accounting

- a. is concerned with assigning costs to various cost objects.
- b. attempts to satisfy the costing objectives of both financial accounting and management accounting.
- c. provides cost information that supports planning, controlling, and decision making.
- d. all of these.

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*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 - Cost Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

### 53. Cost management is concerned with producing outputs for \_\_\_\_\_.

- a. internal managers
- b. creditors
- c. investors
- d. regulatory authorities

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*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management  
*KEYWORDS:* Bloom's - Remembering  
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4OTI-GO4W-NQNBE

54. The type of management which 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:* COCM.HANS.18.1-1 - LO: 01.01  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management  
*KEYWORDS:* Bloom's - Remembering  
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4OTI-GO4W-NQNBE

## Chapter 1

55. Which of the following activities is NOT associated with the cost management information system?

- preparing a cost of quality report
- preparing a performance report that compares actual costs to budgeted costs
- determining the cost of a customer
- using future expected earnings to estimate the price of a share of common stock

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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*DATE MODIFIED:* 10/7/2016 9:25 AM

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GO4W-NQNBE

56. Which of the following costing activities is associated with the financial accounting system?

- determining the cost of a department
- determining the cost of goods sold for financial statements
- preparing budgets
- determining the cost of a customer

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

*DATE CREATED:* 10/7/2016 9:25 AM

*DATE MODIFIED:* 10/7/2016 9:25 AM

*QUESTION ID:* JFND-GO33-GINU-1QJW

## Chapter 1

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CATI-8YSU-NC3W-GOSU-1AMF-CESU-QPUD-GYHG-RPDG-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBEE

57. Which of the following activities is associated with the cost management information system?

- a. preparing reports for division managers
- b. preparing reports for the IRS
- c. preparing reports for the SEC
- d. preparing financial statements that conform to GAAP

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-1 - LO: 01.01

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 5 min.

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E3UG-CESU-CAT3-GOSU-RC31-GOSU-GP5R-CTOS-E3TW-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBEE

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. The financial accounting information system
- b. The operational control information system
- c. The cost management information system
- d. The value chain information system

**ANSWER:** b

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-1 - LO: 01.01

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management

## Chapter 1

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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GO4W-NQNBE

59. Which of the following activities is NOT associated with the financial accounting information system?

- a. reporting on the cost of quality
- b. reporting to the SEC
- c. preparing reports for the IRS
- d. preparing a statement of cash flows

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01

*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

*NOTES:* Time Estimate - 5 min.

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CRSS-R3BS-CESU-E3UN-GOSU-CC3Z-GWSU-E3JU-CJ1G-RCUR-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

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. all of the above

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

## Chapter 1

*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-1 - LO: 01.01  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management  
*KEYWORDS:* Bloom's - Remembering  
*NOTES:* Time Estimate - 5 min.  
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4OTI-GO4W-NQNBE

61. Which of the following statements is TRUE?

- The service sector comprises approximately three quarters of the United States' economy and employment.
- The service sector comprises approximately 20 percent of the United States' economy and employment.
- Traditional smokestack industries have increased in importance in recent years.
- 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:* COCM.HANS.18.1-2 - LO: 01.02  
*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  
*NOTES:* Time Estimate - 5 min.  
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4OTI-GO4W-NQNBE

62. Any form of commerce that is executed using information and communications technology is called:

- ERP
- OLAP
- electronic commerce

## Chapter 1

d. DSS

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*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

*NOTES:* Time Estimate - 5 min.

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GO4W-NQNBE

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. None of these factors have contributed.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*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

*NOTES:* Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

## Chapter 1

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:* COCM.HANS.18.1-2 - LO: 01.02

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology

United States - v1 - AICPA-10 - FN-Measurement

United States - v1 - IMA-11 - Strategic Planning

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

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JFNN-4OTI-GO4W-NQNBEE

65. The \_\_\_\_\_ system 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:* COCM.HANS.18.1-2 - LO: 01.02

*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

*NOTES:* Time Estimate - 5 min.

## Chapter 1

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66. Which of the following advances in information technology includes external data sets and, at the same time, integrates the analysis with an organization's internal databases?

- a. Decision-support systems
- b. Integrated cost management
- c. Business analytics
- d. Online inventory system

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*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

*NOTES:* Time Estimate - 5 min.

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67. Which of the following is NOT an advance in information technology that affects firms?

- a. computer integrated applications
- b. GAAP reporting
- c. emergence of electronic commerce
- d. availability of tools such as OLAP and DSS

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

## Chapter 1

**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

**NOTES:** Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

68. Software that has integrated system capability using real time data is

- enterprise resource planning software.
- on-line analytic programs.
- computer-assisted engineering software.
- none of these.

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02

**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

**NOTES:** Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

69. Which of the following is an advantage of analyzing big data sets using business analytics?

- An increased current ratio
- A reduced arbitrage fund
- An improved quality
- A decreased basis risk

**ANSWER:** c

## Chapter 1

*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02  
*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  
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4OTI-GO4W-NQNBEE

70. The increased importance of costing activities in the value chain and determining the cost of different suppliers and customers has led to the emergence of

- a. OLAP.
- b. EDI and supply chain management.
- c. CAM.
- d. theory of constraints.

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02  
*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  
*NOTES:* Time Estimate - 5 min.  
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GO4W-NQNBEE

71. Which of the following activities is NOT significant to the advancement of information technology?

## Chapter 1

- a. enterprise resource planning software
- b. emergence of electronic commerce
- c. theory of constraints
- d. decision support systems

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*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

*NOTES:* Time Estimate - 5 min.

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GO4W-NQNBBEE

72. Manufacturing environment automation is associated with increases in

- a. inventory.
- b. productive capacity.
- c. processing time.
- d. none of these.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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## Chapter 1

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4OTI-GO4W-NQNBE

73. Which of the following manufacturing management approaches has allowed firms to increase quality, reduce inventories, eliminate waste, and reduce costs?

- a. The operational manufacturing system
- b. Online analytic programs
- c. The decision-support system
- d. Lean manufacturing

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02

**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

**TOPICS:** Bloom's - Remembering

**KEYWORDS:** Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

74. In JIT manufacturing, each operation produces

- a. only what is necessary for the succeeding operations.
- b. all that it can to offset fixed costs.
- c. a fixed percentage in excess of orders to ensure adequate quality stock.
- d. all that it can in order to build inventories.

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02

**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

## Chapter 1

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75. JIT is a critical part of a more comprehensive approach referred to as:

- a. supply chain management
- b. lean manufacturing
- c. just-in-time manufacturing
- d. computer-integrated manufacturing

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
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76. A demand-pull system that strives to produce a product only when it is needed and only in the quantities demanded by customers 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:* Easy  
*QUESTION TYPE:* Multiple Choice

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United States - v1 - AICPA-06 - BB-Resource Management  
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77. Which of the following emerging trends in cost accounting deals with managers striving to create an environment that will enable workers to manufacture perfect (zero-defect) 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  
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4OTI-GO4W-NQNBE

78. Competitive advantage is established by providing

- a. more customer products than competitors.
- b. better quality than competitors.
- c. greater customer value for less cost than competitors.

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d. greater efficiencies than competitors.	
<i>ANSWER:</i>	c
<i>POINTS:</i>	1
<i>DIFFICULTY:</i>	Moderate
<i>QUESTION TYPE:</i>	Multiple Choice
<i>HAS VARIABLES:</i>	False
<i>LEARNING OBJECTIVES:</i>	COCM.HANS.18.1-2 - LO: 01.02
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<i>STATE STANDARDS:</i>	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-12 - Strategic Marketing
<i>KEYWORDS:</i>	Bloom's - Understanding
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79. Which of the following activities is NOT associated with new product development?	
a. life-cycle costing b. target costing c. activity-based management d. performance reports	
<i>ANSWER:</i>	d
<i>POINTS:</i>	1
<i>DIFFICULTY:</i>	Easy
<i>QUESTION TYPE:</i>	Multiple Choice
<i>HAS VARIABLES:</i>	False
<i>LEARNING OBJECTIVES:</i>	COCM.HANS.18.1-2 - LO: 01.02
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<i>STATE STANDARDS:</i>	United States - v1 - ACBSP-APC-25 - Managerial Characteristics/Terminology United States - v1 - AICPA-01 - BB-Industry United States - v1 - IMA-12 - Strategic Marketing
<i>KEYWORDS:</i>	Bloom's - Remembering
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80. Total quality management emphasizes

- a. zero defects.
- b. continual improvement.
- c. elimination of waste.
- d. all of these.

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

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United States - v1 - AICPA-01 - BB-Industry  
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*KEYWORDS:* Bloom's - Understanding

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81. Cost management information systems further competitive advantage by supporting three fundamental organizational goals. Which of the following is NOT one of these fundamental organizational goals that further competitive advantage?

- a. improved time-based performance
- b. improved quality of products and services
- c. maximizing shareholder value
- d. improved efficiency

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-2 - LO: 01.02

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-08 - Information Management

*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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## Chapter 1

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82. Which of the following best describes sustainable development?

- a. It is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- 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:* COCM.HANS.18.1-2 - LO: 01.02

*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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83. Which of the following statements is NOT true about world-class firms?

- a. World-class firms are firms that are poor in customer support.
- b. World-class firms know their market and their products.
- c. World-class firms strive continually to improve product design, manufacture, and delivery.
- d. World-class firms can compete with the best of the best in a global environment.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

## Chapter 1

**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

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United States - v1 - AICPA-01 - BB-Industry  
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**KEYWORDS:** Bloom's - Understanding

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84. Which of the following decreases the non-value added time of producing a product and in turn increases the quality of the product?

- a. Increasing movements of subassemblies
- b. Adding processes in production
- c. Redesigning products
- d. Increasing time spent on delivery of products

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02

**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  
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**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 5 min.

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85. A critical measure of efficiency is

- a. the cost of activity.
- b. a T-test.
- c. customer satisfaction.
- d. employee job satisfaction.

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*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
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86. Today's cost managers must assemble cost information and determine how to value things. Which methods would NOT be critical to achieving this?

- a. foreign currency translation
- b. costing and quality analysis
- c. differentiating between value-added and non-value-added activities
- d. measuring productivity

*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
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87. 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:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

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                                  United States - v1 - IMA-07 - Cost Management

*KEYWORDS:*                Bloom's - Remembering

*NOTES:*                    Time Estimate - 5 min.

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88. 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:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

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*KEYWORDS:*                Bloom's - Understanding

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## Chapter 1

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GO4W-NQNBEE

89. Which of the following is an example of a staff position in an organization?

- a. Plant manager
- b. Accountant
- c. Marketing manager
- d. Sales officer

**ANSWER:** b

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 5 min.

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GO4W-NQNBEE

90. Which of the following positions would most likely be a line manager?

- a. personnel department manager
- b. production supervisor
- c. treasurer
- d. purchasing department manager

**ANSWER:** b

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
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United States - v1 - IMA-07 - Cost Management

## Chapter 1

**KEYWORDS:** Bloom's - Understanding  
**NOTES:** Time Estimate - 5 min.  
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91. Which of the following job positions is a line function?

- a. financial vice president
- b. controller
- c. production supervisor
- d. treasurer

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
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United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Understanding

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92. All of the following would be considered staff functions EXCEPT the

- a. vice president of finance.
- b. vice president of corporate planning.
- c. vice president of marketing.
- d. vice president of research and development.

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

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**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Understanding

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4OTI-GO4W-NQNBE

93. Which of the following positions would most likely be a staff manager?

- a. manager of a Sears store
- b. president
- c. manager of a clothing division
- d. controller

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

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United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

94. Which of the following would be considered a line function?

- a. production
- b. maintenance
- c. public relations
- d. administrative services

## Chapter 1

*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management  
*KEYWORDS:* Bloom's - Understanding  
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95. Which of the following job positions is a staff position?

- a. controller
- b. production vice president
- c. production supervisor
- d. assembly foreman

*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management  
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## Chapter 1

96. Accounting activities within an organization are usually under the overall supervision of the

- a. Certified Public Accountant.
- b. controller.
- c. Chartered Accountant.
- d. treasurer.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

97. 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:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management

*KEYWORDS:* Bloom's - Remembering

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## Chapter 1

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4OTI-GO4W-NQNBE

98. 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:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Remembering

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GO4W-NQNBE

99. Which of the following duties is usually assigned to the controller?

- a. receiving, maintaining custody of, and disbursing monies and securities
- b. directing the granting of credit to clients
- c. investing the organization's funds
- d. tax planning

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
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## Chapter 1

*KEYWORDS:* Bloom's - Remembering  
*NOTES:* Time Estimate - 5 min.  
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100. Currently, the activity found LEAST often within the controller's department is

- updating the general ledger.
- budget preparation.
- maintaining accounts receivable records.
- establishing and maintaining a market for the organization's debt and equity securities.

*ANSWER:* d  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
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United States - v1 - IMA-07 - Cost Management  
*KEYWORDS:* Bloom's - Understanding  
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101. The setting of objectives and the identification of methods to achieve those objectives is called

- planning.
- controlling.
- performance evaluation.
- decision making.

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

## Chapter 1

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-08 - FN-Decision Modeling  
United States - v1 - IMA-14 - Decision Analysis

**KEYWORDS:** Bloom's - Remembering

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KPUB-CRSU-KAMR-GOSS-GPBU-GHSS-CCMG-G3TS-E3BI-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBEE

102. Analyzing cost overruns to determine their cause is an example of

- a. planning.
- b. control.
- c. decision making.
- d. both a and c.

**ANSWER:** b

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

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**TOPICS:** Bloom's - Understanding

**KEYWORDS:** Time Estimate - 5 min.

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GO4W-NQNBEE

103. Monitoring the number of defects produced is an example of the management function of

- a. planning.
- b. control.
- c. decision making.
- d. both a and c.

## Chapter 1

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
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GO4W-NQNBE

104. Comparing actual quality costs with planned quality costs is an example of

- planning.
- controlling.
- performance evaluation.
- both b and c.

*ANSWER:* d  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
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4OTI-GO4W-NQNBE

## Chapter 1

105. Accounting reports that provide feedback by comparing planned (budgeted) data with actual data are called:

- performance reports.
- favorable reports.
- auditing reports.
- improvement reports.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03

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*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-08 - FN-Decision Modeling  
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*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

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GO4W-NQNBE

106. Setting the company's profit targets for the upcoming year is an example of the management function of

- planning.
- control.
- variance analysis.
- internal auditing.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

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*KEYWORDS:* Bloom's - Understanding

*NOTES:* Time Estimate - 5 min.

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## Chapter 1

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GO4W-NQNBE

107. Developing a company strategy for responding to anticipated new markets is an example of

- a. planning.
- b. control.
- c. performance evaluation.
- d. all of these.

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-08 - FN-Decision Modeling  
United States - v1 - IMA-14 - Decision Analysis

**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 5 min.

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4OTI-GO4W-NQNBE

108. The planning process includes

- a. setting objectives.
- b. identifying means of achieving the objectives.
- c. making decisions.
- d. all of these.

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

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United States - v1 - IMA-14 - Decision Analysis

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**KEYWORDS:** Bloom's - Remembering  
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109. Investigating production variances and adjusting the production process is an example of

- planning.
- control.
- internal auditing.
- both a and c.

**ANSWER:** b  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
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110. In a performance report, the

- differences between actual costs and allowed costs are always undesirable.
- expenditures of less than allowed amounts are undesirable.
- expenditures of more than allowed amounts are not permitted to occur.
- expenditures of less than allowed amounts are desirable.

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

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*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-08 - FN-Decision Modeling  
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*KEYWORDS:* Bloom's - Understanding

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4OTI-GO4W-NQNBEE

111. Evaluating the performance of a segment of the company is an example of

- a. planning.
- b. control.
- c. internal auditing.
- d. both a and c.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

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*KEYWORDS:* Bloom's - Understanding

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GO4W-NQNBEE

112. The formulation of a program for the accomplishment of a specific purpose is referred to as

- a. controlling.
- b. motivating.
- c. organizing.
- d. planning.

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*ANSWER:* d  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
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United States - v1 - AICPA-08 - FN-Decision Modeling  
United States - v1 - IMA-14 - Decision Analysis  
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GO4W-NQNBE

113. The manager has to decide what tasks are needed and how they should be accomplished. This statement describes

- the organization chart.
- planning.
- organizing.
- none of these.

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03  
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United States - v1 - AICPA-08 - FN-Decision Modeling  
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4OTI-GO4W-NQNBE

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114. The monitoring of a plan's implementation is called

- a. planning.
- b. controlling.
- c. decision making.
- d. budgeting.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions

United States - v1 - AICPA-08 - FN-Decision Modeling

United States - v1 - IMA-14 - Decision Analysis

*KEYWORDS:* Bloom's - Remembering

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GYSU-YPJ1-CESS-NAJS-GOSU-CPJ1-8YSU-QCB3-8B1S-NATO-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

115. Inspecting units produced to determine if they meet specifications is an example of

- a. planning.
- b. control.
- c. decision making.
- d. both a and c.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions

United States - v1 - AICPA-08 - FN-Decision Modeling

United States - v1 - IMA-14 - Decision Analysis

*KEYWORDS:* Bloom's - Understanding

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4OTI-GO4W-NQNBE

116. Continuous improvement is

- critical in a dynamic environment.
- important to finding and maintaining a competitive advantage.
- an effort to find ways to increase overall efficiency, improve quality, and reduce costs.
- all of these.

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-08 - FN-Decision Modeling  
United States - v1 - IMA-14 - Decision Analysis

**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 5 min.

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GO4W-NQNBE

117. Which of the following describes the managerial activity of comparing actual results with budgeted results?

- control
- continuous improvement
- planning
- decision making

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-08 - FN-Decision Modeling  
United States - v1 - IMA-14 - Decision Analysis

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**KEYWORDS:** Bloom's - Remembering  
**NOTES:** Time Estimate - 5 min.  
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118. Managers are considering outsourcing sub-components of production. Data is collected about the costs of making the sub-component. Different bids are sought about the purchase of the sub-components. Which managerial activity 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:** COCM.HANS.18.1-3 - LO: 01.03

**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

**NOTES:** Time Estimate - 5 min.

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119. In a company, engineers have redesigned production processes lowering production costs, shortening production cycle time, reducing waste and improving quality. Which type of managerial activity applies to this situation?

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

**ANSWER:** b

**POINTS:** 1

**DIFFICULTY:** Moderate

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*QUESTION TYPE:* Multiple Choice  
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GO4W-NQNBE

120. Determining the bid your company should submit on a construction contract is an example of  
a. planning.  
b. control.  
c. decision making.  
d. none of the above

*ANSWER:* c  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
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*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03  
*NATIONAL STANDARDS:* United States - BUSPROG - Analytic  
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GO4W-NQNBE

121. Setting the selling price of a company's product is an example of  
a. planning.  
b. control.

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- c. decision making.
- d. all of these.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03

*NATIONAL STANDARDS:* United States - BUSPROG - Analytic

*STATE STANDARDS:* United States - v1 - ACBSP-APC-26 - Management Functions

United States - v1 - AICPA-08 - FN-Decision Modeling

United States - v1 - IMA-14 - Decision Analysis

*KEYWORDS:* Bloom's - Understanding

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122. Which of the following have been found to be 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. All of these.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

*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

*NOTES:* Time Estimate - 5 min.

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## Chapter 1

E3T1-8RSU-RCUB-GOSU-KPTU-CASU-OQDR-GAHS-EC5N-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBEE

123. Principles of personal ethical behavior include

- a. integrity.
- b. respect for others.
- c. fairness.
- d. all of these.

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

*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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GO4W-NQNBEE

124. Which of the following are standards of ethical conduct for management accountants?

- a. Perseverance and creativity
- b. Determination and respect for others
- c. Discipline, confidence, competitive, and observance
- d. Competence, confidentiality, integrity, and resolution and credibility

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

*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

*TOPICS:* Bloom's - Remembering

*KEYWORDS:* Time Estimate - 5 min.

## Chapter 1

*DATE CREATED:* 10/7/2016 9:26 AM  
*DATE MODIFIED:* 1/17/2017 10:51 PM  
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*QUESTION GLOBAL ID:* GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMMG-GBTG-CAJ1-CA4G-CPJ1-CWSU-RAJW-CESS-CA3W-GOSS-N3TZ-8YSU-1PBA-CEHS-CA33-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBE

125. 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 standard of ethical conduct for management accountants?

- a. competence
- b. confidentiality
- c. conformance
- d. all of these

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

*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

*NOTES:* Time Estimate - 5 min.

*DATE CREATED:* 10/7/2016 9:26 AM

*DATE MODIFIED:* 10/7/2016 9:26 AM

*QUESTION ID:* JFND-GO33-GINU-1C1B

*QUESTION GLOBAL ID:* GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMJW-GA3U-QPJT-GHHS-KPJT-CCSU-EPBW-CRSU-EQJT-GOSU-QQBW-GHSS-KPUR-CJOU-YAUR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBE

126. When a management accountant attends training seminars on new FASB rules, which part of the IMA Code of Conduct is being observed?

- a. competence
- b. confidentiality
- c. integrity
- d. credibility

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

## Chapter 1

**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04

**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

**NOTES:** Time Estimate - 5 min.

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**DATE MODIFIED:** 10/7/2016 9:26 AM

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CRSU-KQJW-CRSU-Y3MG-GOSS-NP5R-GASS-NCJ1-CO5D-GCJT-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

127. Altering dates of shipping documents of next January's sales to record them as sales in the current year would be a violation of which standard of ethical conduct for management accountants?

- a. competence
- b. integrity
- c. credibility
- d. all of these

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04

**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

**NOTES:** Time Estimate - 5 min.

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**DATE MODIFIED:** 10/7/2016 9:26 AM

**QUESTION ID:** JFND-GO33-GINU-1CTA

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GWSS-CPDB-CESS-RCBZ-GOSS-GA33-CRSU-NCMN-GCHU-OP3U-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

128. The acceptance of a savings bond from a supplier would be a violation of which standard of ethical conduct for management accountants?

- a. confidentiality
- b. integrity
- c. reliability

## Chapter 1

d. none of these

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

*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

*NOTES:* Time Estimate - 5 min.

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*DATE MODIFIED:* 10/7/2016 9:26 AM

*QUESTION ID:* JFND-GO33-GINU-1C1G

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129. In resolving an ethical conflict, it is inappropriate to discuss the problem with the immediate supervisor because of a violation of which standard of ethical conduct for management accountants?

a. competence

b. confidentiality

c. credibility

d. This action is not in violation of the code of conduct.

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

*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

*NOTES:* Time Estimate - 5 min.

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## Chapter 1

4OTI-GO4W-NQNBEE

130. In resolving an ethical conflict, which of the following would NEVER be appropriate?

- a. discussing the matter with the chief executive officer
- b. discussing the matter with an external member of the board of directors
- c. taking the matter to the press where there is no legal requirement
- d. resigning from the position because of a conflict

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

*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

*NOTES:* Time Estimate - 5 min.

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1PDB-8RSU-RQMB-GOSU-RQJI-GOSU-RPDN-CAHU-RP3I-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBEE

131. Which of the following relates to the credibility section of the IMA Code of Conduct?

- 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:* COCM.HANS.18.1-4 - LO: 01.04

*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

*NOTES:* Time Estimate - 5 min.

*DATE CREATED:* 10/7/2016 9:26 AM

## Chapter 1

*DATE MODIFIED:* 10/7/2016 9:26 AM

*QUESTION ID:* JFND-GO33-GINU-1C1D

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GRSS-RAUR-8YSU-OAT1-GOSS-GAUR-GHSU-Y3TU-GFTU-CP33-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBEE

132. Disclosing all information, unfavorable as well as favorable, that could influence an intended user's understanding of reports, would relate to what section of the IMA Code of Conduct?

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

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

*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

*NOTES:* Time Estimate - 5 min.

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*DATE MODIFIED:* 1/2/2017 3:05 AM

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CRSS-GP3Z-8YSU-E3J3-GOSS-KQMD-CRSU-CP5R-CEAG-C3BU-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBEE

133. Engaging in or supporting an activity that would discredit the profession would relate to which part of the IMA Code of Conduct?

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

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Moderate

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04

## Chapter 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

**NOTES:** Time Estimate - 5 min.

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**DATE MODIFIED:** 10/7/2016 9:26 AM

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1QBU-8RSU-E3MR-GOSU-Y3UD-CESS-KPUD-COHD-YCT3-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBEE

134. When a management accountant ignores data in favor of unsupported opinion, this action would speak most directly to which part of the IMA Code of Conduct?

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

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04

**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

**NOTES:** Time Estimate - 5 min.

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**DATE MODIFIED:** 10/7/2016 9:26 AM

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RQMD-8RSU-OPTW-GOSU-QPJ1-GESSION-ECBO-CR4D-QCBW-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBEE

135. Disclosing company information (when not legally obligated to do so) would be a violation of which part of the IMA Code of Conduct?

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

## Chapter 1

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04  
*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  
*NOTES:* Time Estimate - 5 min.  
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*QUESTION ID:* JFND-GO33-GINU-1CTO  
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NP5B-8RSU-YPJA-GOSU-C3UN-CCSU-YPMD-GITU-ECDF-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

136. The Standards of Ethical Professional Practice of the Institute of Management Accountants addresses all of the following EXCEPT

- a. competence
- b. confidentiality
- c. strategic cost management
- d. integrity

*ANSWER:* c  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04  
*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  
*NOTES:* Time Estimate - 5 min.  
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GHSS-K3UF-CESS-RP3U-GOSU-1AJS-CESS-NATZ-CJ1U-O3BS-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

## Chapter 1

137. 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:* COCM.HANS.18.1-5 - LO: 01.05

*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 - Cost Management

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

*DATE CREATED:* 10/7/2016 9:26 AM

*DATE MODIFIED:* 10/7/2016 9:26 AM

*QUESTION ID:* JFND-GO33-GINU-1CTS

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CESU-QQBZ-CRSS-GAUB-GOSU-OCJZ-CESS-CAUF-GY5G-K3JZ-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

138. An accountant certified to possess the minimal professional qualifications for an external auditor is a

- a. CPA
- b. CMA
- c. CIA
- d. all of these

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Easy

*QUESTION TYPE:* Multiple Choice

*HAS VARIABLES:* False

*LEARNING OBJECTIVES:* COCM.HANS.18.1-5 - LO: 01.05

*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 - Cost Management

*KEYWORDS:* Bloom's - Remembering

*NOTES:* Time Estimate - 5 min.

*DATE CREATED:* 10/7/2016 9:26 AM

*DATE MODIFIED:* 10/7/2016 9:26 AM

*QUESTION ID:* JFND-GO33-GINU-1CTI

## Chapter 1

**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-  
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EAUF-8RSU-RC5R-GOSS-KAMN-GCSS-GQMD-CEHS-N3TZ-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

139. Which of the following certifications require a candidate to pass a qualifying examination in Financial Planning, Performance, and Control and Financial Decision Making?

- a. The Certificate in Management Accounting
- b. The Certificate in Public Accounting
- c. The Certificate in Internal Auditing
- d. The Certificate in Financial Accounting

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-5 - LO: 01.05

**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 - Cost Management

**KEYWORDS:** Bloom's - Remembering

**NOTES:** Time Estimate - 5 min.

**DATE CREATED:** 10/7/2016 9:26 AM

**DATE MODIFIED:** 1/17/2017 10:53 PM

**QUESTION ID:** JFND-GO33-GINU-1CTW

**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-  
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CASU-KCBU-8RSU-YCJS-GOSU-C3JZ-CCSS-NCB1-GEAS-NPJT-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE

140. 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. all of these

**ANSWER:** b

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-5 - LO: 01.05

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-01 - BB-Industry

## Chapter 1

United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Remembering

**NOTES:** Time Estimate - 5 min.

**DATE CREATED:** 10/7/2016 9:26 AM

**DATE MODIFIED:** 10/7/2016 9:26 AM

**QUESTION ID:** JFND-GO33-GINU-1C4N

**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-  
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4OTI-GO4W-NQNBE

141. Explain the relationship between the Cost Management System and the Financial Accounting System.

**ANSWER:** The cost management system is concerned with producing information for the company's internal users and is designed to meet management objectives. A cost management system has three broad objectives - to provide information on: costing of products and services, planning and control activities, and decision making activities.

A financial accounting system is mainly concerned with producing information for the company's external users. Financial accounting information is used for investment decisions, stewardship evaluation, activity monitoring and regulatory measures. The rules that govern a financial accounting system are defined by the Securities Exchange commission (SEC) and the Financial Accounting Standards Board (FASB). Outputs of a financial accounting system include the basic financial statements which include the income statement, balance sheet , and the statement of cash flows and the statement of owner's equity or the statement of retained earnings.

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Subjective Short Answer

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-1 - LO: 01.01

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-10 - FN-Measurement  
United States - v1 - IMA-07 - Cost Management

**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 10 min.

**DATE CREATED:** 10/7/2016 9:26 AM

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**QUESTION ID:** JFND-GO33-GINU-1C4B

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QA3A-CRSS-KAUF-GOSU-NPTS-GASU-CPMN-CRHS-RAJW-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

142. Describe the two major subsystems of the Cost Management System and briefly summarize their importance.

**ANSWER:** A cost management system consists of two major sub-systems: a cost accounting system and an operational control system. The cost accounting system is designed to assign costs to individual products or services. A cost accounting system must assign costs in order to value

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inventory and determine the cost of goods sold. The operational control system is designed to provide accurate timely feedback concerning performance of managers and others. Operational control is also designed to evaluate activities that should be performed and how well they are performed. The operational control system should be designed to provide opportunities for continuous quality improvement.

<i>POINTS:</i>	1
<i>DIFFICULTY:</i>	Moderate
<i>QUESTION TYPE:</i>	Subjective Short Answer
<i>HAS VARIABLES:</i>	False
<i>LEARNING OBJECTIVES:</i>	COCM.HANS.18.1-1 - LO: 01.01
<i>NATIONAL STANDARDS:</i>	United States - BUSPROG - Analytic
<i>STATE STANDARDS:</i>	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - FN-Measurement United States - v1 - IMA-08 - Information Management
<i>KEYWORDS:</i>	Bloom's - Understanding
<i>NOTES:</i>	Time Estimate - 10 min.
<i>DATE CREATED:</i>	10/7/2016 9:26 AM
<i>DATE MODIFIED:</i>	1/17/2017 7:30 AM
<i>QUESTION ID:</i>	JFND-GO33-GINU-1C33
<i>QUESTION GLOBAL ID:</i>	GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMJA-GE5U-NCMG-CEHS-NCB3-8YSU-QPUG-8RSU-KPUF-GOSS-G3UB-GASS-NQBO-CCAG-N3T3-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBE

143. Briefly discuss the relationship between cost accounting, management accounting, and cost management.

*ANSWER:* Management accounting is concerned with using financial and non-financial information for planning and control, continuous improvement and decision-making. Cost accounting gathers information to satisfy the cost objectives necessary for internal and external reporting. Cost management encompasses both cost accounting and management accounting. It is concerned with the assigning costs to cost objectives and using that information to make decisions that use resources effectively and maximize shareholder value.

<i>POINTS:</i>	1
<i>DIFFICULTY:</i>	Moderate
<i>QUESTION TYPE:</i>	Subjective Short Answer
<i>HAS VARIABLES:</i>	False
<i>LEARNING OBJECTIVES:</i>	COCM.HANS.18.1-1 - LO: 01.01
<i>NATIONAL STANDARDS:</i>	United States - BUSPROG - Analytic
<i>STATE STANDARDS:</i>	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-10 - FN-Measurement United States - v1 - IMA-07 - Cost Management
<i>KEYWORDS:</i>	Bloom's - Understanding
<i>NOTES:</i>	Time Estimate - 10 min.
<i>DATE CREATED:</i>	10/7/2016 9:26 AM
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<i>QUESTION GLOBAL ID:</i>	GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-

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GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMMN-CWAU-OC33-CEHD-K3UF-GRSU-NCJA-CESS-N3BS-GOSU-GCUF-GOSU-1A3S-CAHS-E3BU-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBE

144. Identify and discuss the factors that are affecting the way cost accounting is practiced.

**ANSWER:**

Worldwide competitive pressures, deregulation, growth in the service industry, and advances in information and manufacturing technology have changed the nature of our economy and caused many manufacturing and service industries to dramatically change the way in which they operate. These changes, in turn, have prompted the development of innovative and relevant cost management practices.

**POINTS:**

1

**DIFFICULTY:**

Moderate

**QUESTION TYPE:**

Subjective Short Answer

**HAS VARIABLES:**

False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions

United States - v1 - AICPA-10 - FN-Measurement

United States - v1 - IMA-07 - Cost Management

**KEYWORDS:**

Bloom's - Understanding

**NOTES:**

Time Estimate - 10 min.

**DATE CREATED:**

10/7/2016 9:26 AM

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10/7/2016 9:26 AM

**QUESTION ID:**

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**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMJT-GA4D-NPDD-GIUG-RPBA-GESS-GPJA-8RSS-EAT3-GOSU-R3MB-CRSU-ECJZ-8F1U-OATS-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBE

145. What is customer orientation? Why is it important in a global environment? What role does cost management play in serving customers?

**ANSWER:**

Organizations are concerned with the importance and value that customers have for their processes, activities, products, and services. Firms want to deliver value to customers in order to keep them and to attract new customers in an increasingly competitive global environment. Managing activities and costs is a critical component of managing the value chain.

**POINTS:**

1

**DIFFICULTY:**

Moderate

**QUESTION TYPE:**

Subjective Short Answer

**HAS VARIABLES:**

False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02

**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions

United States - v1 - AICPA-10 - FN-Measurement

United States - v1 - IMA-07 - Cost Management

**KEYWORDS:**

Bloom's - Understanding

**NOTES:**

Time Estimate - 10 min.

**DATE CREATED:**

10/7/2016 9:26 AM

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146. Discuss the advances of information technology and how these advances might affect the university education supply chain?

**ANSWER:** There are three significant advances relating to information technology: (1) the automation and integration of company information; (2) the development of analytic and decision support tools; and (3) the emergence of electronic commerce. Universities are developing integrated databases to better streamline student services (i.e., registration, admissions, and grading). Software applications have been developed to aid in teaching and presenting classroom materials. Colleges have made access to education easier by offering entire degree programs online.

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Subjective Short Answer  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02  
**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  
**NOTES:** Time Estimate - 10 min.  
**DATE CREATED:** 10/7/2016 9:26 AM  
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147. Discuss four factors that are changing the way we manufacture.

**ANSWER:** Technology has fostered computer-integrated manufacturing-changing the way laborers work. The theory of constraints (TOC) has enabled firms to identify bottlenecks and improve the time and quality of production. JIT has reorganized the production line to respond to customer demand, rather than sequential, efficient supply. Total quality management (TQM) has focused firms on quality and continuous improvement, reducing waste and cost.

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Subjective Short Answer  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-2 - LO: 01.02  
**NATIONAL STANDARDS:** United States - BUSPROG - Analytic

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<b>STATE STANDARDS:</b>	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
<b>KEYWORDS:</b>	Bloom's - Understanding
<b>NOTES:</b>	Time Estimate - 10 min.
<b>DATE CREATED:</b>	10/7/2016 9:26 AM
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<b>QUESTION ID:</b>	JFND-GO33-GINU-1C4D
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148. Why has time become such an important factor in competition?

<b>ANSWER:</b>	Reducing the time that it takes to act means that companies are able to respond to customers and suppliers more quickly. It fosters adaptability and the ability to respond to changing demands. Reducing time is accomplished by reducing waste and nonvalue-added activities. Reducing activities and waste lowers cost and builds competitive advantage.
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<b>POINTS:</b>	1
<b>DIFFICULTY:</b>	Moderate
<b>QUESTION TYPE:</b>	Subjective Short Answer
<b>HAS VARIABLES:</b>	False
<b>LEARNING OBJECTIVES:</b>	COCM.HANS.18.1-2 - LO: 01.02
<b>NATIONAL STANDARDS:</b>	United States - BUSPROG - Analytic
<b>STATE STANDARDS:</b>	United States - v1 - ACBSP-APC-26 - Management Functions United States - v1 - AICPA-06 - BB-Resource Management United States - v1 - IMA-11 - Strategic Planning
<b>KEYWORDS:</b>	Bloom's - Understanding
<b>NOTES:</b>	Time Estimate - 10 min.
<b>DATE CREATED:</b>	10/7/2016 9:26 AM
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<b>QUESTION ID:</b>	JFND-GO33-GINU-1C3U
<b>QUESTION GLOBAL ID:</b>	GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMJW-CC5S-CCT3-CTTD-QA3U-CCSU-QA5G-8YSU-YA5F-GOSU-NCBO-CRSS-R3UG-CP1D-NQMN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

149. How has the nature of accounting systems shifted in response to technology?

<b>ANSWER:</b>	ERP, DSS, and OLAP software have allowed firms to create one database that can be used for many purposes. Information is more accessible and can be used to provide much more effective planning, control, feedback, decision making, and continuous improvement. EDI has allowed the emergence of electronic commerce and supply chain management.
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<b>POINTS:</b>	1
<b>DIFFICULTY:</b>	Moderate
<b>QUESTION TYPE:</b>	Subjective Short Answer
<b>HAS VARIABLES:</b>	False
<b>LEARNING OBJECTIVES:</b>	COCM.HANS.18.1-2 - LO: 01.02

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**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  
**NOTES:** Time Estimate - 10 min.  
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150. What is the difference between a staff position and a line position?

**ANSWER:** A line position has direct responsibility for carrying out the basic objectives of an organization. A staff position has indirect responsibility for the basic objectives and provides a supportive role for line activities.

**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** Subjective Short Answer  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03  
**NATIONAL STANDARDS:** United States - BUSPROG - Analytic  
**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-06 - BB-Resource Management  
United States - v1 - IMA-07 - Cost Management  
**KEYWORDS:** Bloom's - Understanding  
**NOTES:** Time Estimate - 10 min.  
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151. Contrast the role of the financial vice president, the controller, and the treasurer.

**ANSWER:** The financial vice president reports to the president and supervises the treasurer and controller. The treasurer supervises the financing function, and the controller supervises the accounting information system.

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Subjective Short Answer  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03

## Chapter 1

**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 - Cost Management  
**KEYWORDS:** Bloom's - Understanding  
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152. 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  
**LEARNING OBJECTIVES:** COCM.HANS.18.1-3 - LO: 01.03  
**NATIONAL STANDARDS:** United States - BUSPROG - Analytic  
**STATE STANDARDS:** United States - v1 - ACBSP-APC-26 - Management Functions  
United States - v1 - AICPA-08 - FN-Decision Modeling  
United States - v1 - IMA-14 - Decision Analysis  
**KEYWORDS:** Bloom's - Understanding  
**NOTES:** Time Estimate - 10 min.  
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153. Give some examples of reporting feedback that will assist in 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 their 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

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*QUESTION TYPE:* Subjective Short Answer  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03  
*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  
*NOTES:* Time Estimate - 15 min.  
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YCTU-CESS-EQMR-GOSU-C3J1-GCSU-RCJA-CA5G-R3MG-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

154. What is the role of the controller in an organization? Describe some of the activities over which he or she has control.

*ANSWER:* The controller is responsible for both internal and external accounting. These responsibilities usually include such diverse activities as taxes, SEC reports, cost accounting, budgeting, internal auditing, financial accounting, and systems accounting.

*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Subjective Short Answer  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-3 - LO: 01.03  
*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 - Cost Management  
*KEYWORDS:* Bloom's - Understanding  
*NOTES:* Time Estimate - 10 min.  
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4OTI-GO4W-NQNBE

155. You are a management accountant for the Eastern Division of Strong Enterprises. Your longtime friend, Alana Rodriguez, is the Eastern Division manager. Alana 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, Alana has asked you to "massage the numbers" to make the Eastern Division appear more profitable.

Considering the Standards of Ethical Conduct for Management Accountants, how would you respond to Alana Rodriguez' request?

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**ANSWER:**

According to the Standards of Ethical Conduct for Management Accountants, management accountants have a responsibility to "perform their professional duties in accordance with relevant laws, regulations, and technical standards." Therefore, if "massaging the numbers" involves violating any laws, regulations, or technical standards, it would violate the Standards of Ethical Conduct for Management Accountants. In addition, the Standards of Ethical Conduct for Management Accountants indicate that management accountants have a responsibility to communicate information fairly and objectively and to disclose all relevant information that could be expected to influence a user.

**POINTS:**

1

**DIFFICULTY:**

Challenging

**QUESTION TYPE:**

Subjective Short Answer

**HAS VARIABLES:**

False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04

**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

**NOTES:**

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**DATE CREATED:**

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10/7/2016 9:26 AM

**QUESTION ID:**

JFND-GO33-GINU-1C3W

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GO4W-NQNBE

156. Discuss how the goal of profit maximization is affected by ethical considerations. What incentives are there for managers to manipulate accounting data in unethical ways in order to increase profits?

**ANSWER:**

The objective of profit maximization should be constrained by the requirement that profits are achieved through legal and ethical means. Because performance evaluation and rewards for managers often are linked to reported profits, managers might manipulate accounting data to show increased profits in order to increase their own bonuses. The evaluation and reward system should be designed to discourage unethical behavior.

**POINTS:**

1

**DIFFICULTY:**

Challenging

**QUESTION TYPE:**

Subjective Short Answer

**HAS VARIABLES:**

False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04

**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

**NOTES:**

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**QUESTION ID:** JFND-GO33-GINU-1CNN

**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMJO-GEAG-NAJO-CA4D-1PDB-GCSU-GCTO-CRSU-OCDD-GOSU-K3B3-CWSS-NP5F-8RAD-1QJ3-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBE

157. What can a company do to increase the likelihood of its employees being ethical in all their undertakings?

**ANSWER:**

Companies can establish a culture and atmosphere of ethical business practices by rewarding those employees who are honest, fair, and act with integrity. They can establish their own code of professional conduct that sets out the organizational purpose, beliefs, values, and expectations of employees. The code of conduct should be known, visible, and enforced. Companies should hire certified professionals, when appropriate. Certified professionals have codes of conduct and standards appropriate to their duties. Companies can incorporate ethical values into the selection criteria for employee recruitment.

**POINTS:** 1

**DIFFICULTY:** Challenging

**QUESTION TYPE:** Subjective Short Answer

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** COCM.HANS.18.1-4 - LO: 01.04

**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

**NOTES:** Time Estimate - 15 min.

**DATE CREATED:** 10/7/2016 9:26 AM

**DATE MODIFIED:** 10/7/2016 9:26 AM

**QUESTION ID:** JFND-GO33-GINU-1CNB

**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-GOHN-43JW-GAHU-1CTT-GIDI-GWN8-EPRW-EMMN-CWAS-GC5B-GA5U-QA5G-8RSU-E3T3-8YSU-OATI-GOSU-G3TI-GOSS-NPJS-GOAU-GATS-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBE

158. You are a management accountant for Savage Corporation. Gabe Hopen, the sales representative for one of Savage suppliers, invited you to attend a professional sporting event. Because you are an avid sports fan, you accepted Gabe's invitation.

At the sporting event, Gabe begins talking about Savage's upcoming contract renewals with suppliers. Because there is intense competition and because it is the first bid he will submit to Savage Corporation, he asks you to review his bid to make sure "it is good enough" before he submits it to the company. In addition, because you are knowledgeable about costs, especially regarding this contract, he asks you to tell him if his bid is "in the ballpark" or "needs improvement." he indicates that if he wins the contract, you will be provided with season tickets for the rest of the year.

Considering the Standards of Ethical Conduct for Management Accountants, how would you respond to Gabe's request?

**ANSWER:**

According to the Standards of Ethical Conduct for Management Accountants, management accountants have a responsibility to "refrain from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage either personally or through a third party." If you agree to review Gabe's bid and tell him if the bid needs improvement so that he will win the contract, this could be viewed as using confidential information for your personal advantage (season tickets). In addition,

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management accountants have a responsibility to refuse any gift, favor, or hospitality that would influence their actions.

*POINTS:* 1  
*DIFFICULTY:* Challenging  
*QUESTION TYPE:* Subjective Short Answer  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04  
*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  
*NOTES:* Time Estimate - 15 min.  
*DATE CREATED:* 10/7/2016 9:26 AM  
*DATE MODIFIED:* 1/2/2017 3:08 AM  
*QUESTION ID:* JFND-GO33-GINU-1CB3  
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EPTI-CESU-NQJS-GOSU-N3JS-GASU-YQDN-GR5D-NQDG-E7JL-YT4D-JFNN-4OTI-  
GO4W-NQNBE

159. Explain what is meant by confidentiality and why it is important.

*ANSWER:* Management accountants are entrusted with sensitive information about their companies and their dealings with outside firms. Confidentiality standards require that accountants honor this trust. They cannot disclose confidential information without the permission of the company, unless legally required to do so. They must monitor their subordinates to make sure that they are upholding the confidentiality standard. They may not use or appear to use confidential information acquired in their work for unethical or illegal advantage.

*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Subjective Short Answer  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* COCM.HANS.18.1-4 - LO: 01.04  
*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  
*NOTES:* Time Estimate - 10 min.  
*DATE CREATED:* 10/7/2016 9:26 AM  
*DATE MODIFIED:* 10/7/2016 9:26 AM  
*QUESTION ID:* JFND-GO33-GINU-1CBA  
*QUESTION GLOBAL ID:* GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-  
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CPUF-8YSS-CQJ3-GOSU-EQMF-GASU-EP3Z-GH5D-EC5R-E7JI-YT4D-JFNN-4OTI-  
GO4W-NQNBE

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160. 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

**LEARNING OBJECTIVES:** COCM.HANS.18.1-5 - LO: 01.05

**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 - Cost Management

**KEYWORDS:** Bloom's - Understanding

**NOTES:** Time Estimate - 15 min.

**DATE CREATED:** 10/7/2016 9:26 AM

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**QUESTION ID:** JFND-GO33-GINU-1CNG

**QUESTION GLOBAL ID:** GCID-E7BW-1TBP-CTTU-Y3DF-GCHD-Q3DD-8Y41-4CUR-GRH1-43UR-GO4N-43UG-  
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CCSU-NPUD-CESU-OA3O-GOSU-EPBZ-8YSU-R3JS-GWAU-KAMD-E7JI-YT4D-JFNN-  
4OTI-GO4W-NQNBE