

1. Award: 10.00 points

Day-to-day decision making is most common to which of the following activities managers are expected to carry on in organizations?

- Strategy formulation.
- Directing and motivating.
- Planning.
- Budgeting.

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-01 Describe the functions performed by managers.

2. Award: 10.00 points

Identifying alternatives and selecting the best among them is part of which of the following activities managers carry out in organizations?

- Controlling.
- Directing.
- Decision making.
- Motivating.

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-01 Describe the functions performed by managers.

3.

Award: 10.00 points

Budgeting is part of which of the following activities managers perform in organizations?

- Controlling.
- Directing.
- Planning.
- Motivating.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

4.

Award: 10.00 points

Obtaining feedback is generally identified most directly with which of these functions of management?

- Planning.
- Directing and motivating.
- Controlling.
- Decision making.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

5.

Award: 10.00 points

Unstructured forms of big data include all of the following except:

- videos.
- memos.
- pictures.
- audios.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

6.

Award: 10.00 points

Five V's of big data include all of the following except:

- variety.
- value.
- volume.
- variable.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

7.

Award: 10.00 points

Which is the most common risk management tactic?

- Accept the risk.
- Avoid the risk.
- Reduce the risk.
- Share the risk.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

8.

Award: 10.00 points

Which of the following best describes the function of managerial accounting within an organization?

- It has its primary emphasis on the future.
- It is required by regulatory bodies such as the Ontario Securities Commission.
- It focuses on the organization as a whole, rather than on the organization's segments.
- It places more emphasis on precision of data than financial accounting does.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

9.

Award: 10.00 points

Upon which of the following does managerial accounting place considerable weight?

- Generally accepted accounting principles.
- The financial history of the entity.
- Ensuring that all transactions are properly recorded.
- Detailed segment reports about departments, products, and customers.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

10.

Award: 10.00 points

For internal uses, managers are more concerned with receiving information that achieves which of the following standards?

- Completely objective and verifiable.
- Completely accurate and precise.
- Relevant, flexible, and timely.
- Relevant, completely accurate, and precise.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

11.

Award: 10.00 points

Which of the following would be an example of a performance report?

- An income statement reporting actual results for the past month.
- An income statement showing the amounts budgeted for the past month.
- A balance sheet showing the actual financial position at the end of the past month.
- A production report showing budgeted and actual production for the past month.

References

Multiple Choice

Difficulty: Hard

Learning Objective: 01-01 Describe the functions performed by managers.

12.

Award: 10.00 points

Which of the following is **NOT** a value propositions discussed in the text?

- Customer intimacy
- Discount pricing
- Operational excellence
- Innovation

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-01 Describe the functions performed by managers.

13.

Award: 10.00 points

Which one of the following is **NOT** an example of corporate social responsibility?

- Safe, high- quality products that are fairly priced.
- Full disclosure of product related risks.
- Opportunities for training, promotion, and personal development.
- Easy-to-use information systems for shopping and tracking orders.

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-05 Explain the elements of corporate social responsibility.

14.

Award: 10.00 points

Which one of the following is **NOT** an activity in the controlling stage?

- Comparing actual to planned performance.
- Preparing an estimate for raw materials are released to production.
- Preparing performance reports
- Measuring performance

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-01 Describe the functions performed by managers.

15.

Award: 10.00 points

Which of the following is **NOT** an example of a business risk?

- Products harming customers.
- A website malfunctioning.
- A customer value proposition.
- An employee accessing unauthorized information.

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

16.

Award: 10.00 points

Professional accounting body in Canada (CPA) require their members to undertake professional development and/or continuing education. This practice is intended to directly satisfy which of these rules of ethical conduct in line with other code of ethics?

- Integrity.
- Objectivity.
- Competence.
- Confidentiality.

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-04 Explain the nature and importance of ethics for accountants.

17.

Award: 10.00 points

Samantha Galloway is a managerial accountant in the accounting department of Mustang Industries, Inc. Samantha has just discovered evidence that some of the corporation's marketing managers have been wrongfully inflating their expense reports to obtain higher reimbursements from the firm. What should Samantha do upon discovering this evidence?

- Notify the controller.
- Notify the marketing managers involved.
- Notify the president of the corporation.
- Ignore the evidence because she is not part of the Marketing Department.

References

Multiple Choice

Difficulty: Hard

Learning Objective: 01-04 Explain the nature and importance of ethics for accountants.

18.

Award: 10.00 points

Both financial and managerial accounting rely on the same underlying financial data but there are major differences. Managerial Accounting:

- emphasizes financial consequences of past activities.
- emphasizes precision.
- emphasizes relevance.
- must follow IFRS.

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

19.

Award: 10.00 points

Ajit, the production manager at Guelph Manufacturing Company decided to choose a supplier with a proven track record instead of a new supplier that offers significant price incentives. This is an example of:

- Risk avoiding
- Risk accepting
- Risk sharing
- Risk taking

References

Multiple Choice

Difficulty: Hard

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

20.

Award: 10.00 points

Series of steps that are followed to carry out some task or activity in a business is called:

- Business cycle.
- Business activity.
- Business process.
- Business strategy.

References

Multiple Choice

Difficulty: Easy

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

21.

Award: 10.00 points

Which of the following groups should be the focal point of a company's strategy?

- Employees
- Board of directors
- Shareholders
- Target customers

References

Multiple Choice

Difficulty: Hard

Learning Objective: 01-01 Describe the functions performed by managers.

22.

Award: 10.00 points

The purpose of IFRS is:

- To encourage Strategic planning.
- To enhance the comparability and clarity of financial information on a global basis.
- To encourage disclosure of Non-Financial data.
- To change how management accountants prepare reports.

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

23.

Award: 10.00 points

In Canada, CPA Code of Ethics is an instrument for enforcing professional conduct for its members and comprise the following:

- Level of competence, confidentiality, integrity, due care and objectivity
- Level of competence, confidentiality and integrity
- Level of competence, confidentiality and objectivity
- Level of competence, integrity and objectivity

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-04 Explain the nature and importance of ethics for accountants.

24.

Award: 10.00 points

Which of the following is the stakeholder group whose interests are to be directly and formally protected by effective corporate social responsibility?

- Customers
- Creditors
- All Stakeholders
- Suppliers

References

Multiple Choice

Difficulty: Medium

Learning Objective: 01-05 Explain the elements of corporate social responsibility.

25. Award: 10.00 points

An important part of planning is to identify alternatives and then to select from among the alternatives the one that best meets the organization's objectives.

- True
 False

References

True / False

Difficulty: Medium

Learning Objective: 01-01 Describe the functions performed by managers.

26. Award: 10.00 points

Big Data refers to the information gathered from insider sources only.

- True
→ False

References

True / False

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

27.

Award: 10.00 points

Companies should identify foreseeable risks before they occur rather than react to unfortunate events that have already happened.

→ True

False

References

True / False

Difficulty: Medium

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

28.

Award: 10.00 points

A *value chain* consists of the major business functions that add value to a company's products and services.

→ True

False

References

True / False

Difficulty: Easy

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

29. Award: 10.00 points

Managerial accounting places less emphasis on precision and more emphasis on timeliness of data than financial accounting does.

- True
 False

References

True / False

Difficulty: Medium

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

30. Award: 10.00 points

Managerial accounting is **NOT** governed by generally accepted accounting principles (GAAP).

- True
 False

References

True / False

Difficulty: Easy

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

31.

Award: 10.00 points

In general, accounting data serve both financial accounting and managerial accounting purposes.

→ True

False

References

True / False

Difficulty: Easy

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

32.

Award: 10.00 points

Product harming customers is NOT a business risk.

True

→ False

References

True / False

Difficulty: Easy

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

33. Award: 10.00 points

Managerial accounting plays a critical role in providing information to management to facilitate implementing and monitoring strategy.

- True
 False

References

True / False

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

34. Award: 10.00 points

To reduce the likelihood that employees will engage in undesirable activities that may harm various stakeholders, many companies prepare a formal code of conduct to reflect their values and moral system.

- True
 False

References

True / False

Difficulty: Medium

Learning Objective: 01-04 Explain the nature and importance of ethics for accountants.

35. Award: 10.00 points

Emphasis on the future is given equal weight by both managerial accounting and financial accounting.

- True
- False

References

True / False

Difficulty: Easy

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

36. Award: 10.00 points

Managerial accounting plays a critical role in providing information to management to facilitate strategy implementation and monitoring.

- True
- False

References

True / False

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

37.

Award: 10.00 points

Thorough testing of a product before launching in the mass market is a risk reduction strategy.

→ True

False

References

True / False

Difficulty: Medium

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

38.

Award: 10.00 points

A customer value proposition is essentially a reason for customers to choose a company's products over its competitors' products.

→ True

False

References

True / False

Difficulty: Medium

Learning Objective: 01-01 Describe the functions performed by managers.

39. Award: 10.00 points

Customer value propositions tend to fall into three broad categories--customer intimacy, operational excellence, and product leadership.

- True
 False

References

True / False

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

40. Award: 10.00 points

Companies that adopt a customer intimacy strategy are in essence saying to their target customers, "The reason you should choose us is because we understand and respond to your individual needs better than our competitors."

- True
 False

References

True / False

Difficulty: Easy

Learning Objective: 01-01 Describe the functions performed by managers.

41.

Award: 10.00 points

Companies that choose an operational excellence strategy are in essence saying to their customers, "Choose us rather than our competitors because we strive for zero defects."

- True
- False

References

True / False

Difficulty: Medium

Learning Objective: 01-01 Describe the functions performed by managers.

42.

Award: 10.00 points

Many organizations use extrinsic incentives to highlight important goals and to motivate employees to achieve them.

- True
- False

References

True / False

Difficulty: Medium

Learning Objective: 01-06 Explain how intrinsic motivation, extrinsic incentives, and cognitive biases affect employee behaviour.

43. Award: 10.00 points

Paying a bonus for exceeding the sales target is an example of extrinsic incentive.

- True
 False

References

True / False

Difficulty: Medium

Learning Objective: 01-06 Explain how intrinsic motivation, extrinsic incentives, and cognitive biases affect employee behaviour.

44. Award: 10.00 points

Managerial accounting is not mandatory.

- True
 False

References

True / False

Difficulty: Easy

Learning Objective: 01-02 Identify the major differences and similarities between financial and managerial accounting.

45. Award: 10.00 points

Many customers seek to purchase products and services from socially responsible companies.

→ True

False

References

True / False

Difficulty: Easy

Learning Objective: 01-05 Explain the elements of corporate social responsibility.

46. Award: 10.00 points

Professional organizations like CPA Canada can punish companies if they violate the code of ethics.

True

→ False

Professional organizations can punish its members not the companies.

References

True / False

Difficulty: Medium

Learning Objective: 01-04 Explain the nature and importance of ethics for accountants.

47.

Award: 10.00 points

Compare financial and managerial accounting with respect to the following:

- a. Audience
- b. Format and data presentation
- c. Data accuracy and precision

- a. Financial Accounting Reports to those outside the organization: Owners Creditors Tax Authorities Regulators while Managerial Accounting Reports to those inside the organization for: Planning Directing and motivating Controlling Decision making.
- b. Financial Accounting must follow GAAP/ASPE/IFRS and summary data concerning the entire organization. Managerial Accounting need not follow GAAP/ASPE/IFRS and emphasizes detailed segment reports about departments, products, and customers.
- c. Financial Accounting emphasizes objectivity and verifiability and precision. Managerial Accounting is focused on relevance and timeliness. (answers may vary)

References

Short Answer

Difficulty: Medium

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.

48. Award: 10.00 points

How much it costs a company to manufacture a particular product is one of the many questions that reports typically provided by managerial accountants help to answer.

Required:

Comment on the usefulness of a unit product cost information in the preparation of a set of financial statements?

Unlike a merchandising company, a manufacturing company must calculate the average unit cost of each product it manufactures. As it will be demonstrated in subsequent chapters of the book, this number is essentially the sum of the cost of all the factors of production incurred (that is, raw materials, labour, and capital) divided by the total output. The resulting unit product cost information is not only useful but essential in calculating the cost of units of the product sold required for preparing an income statement and the cost of units of the product not sold (to be reported among the assets on the balance sheet as ending inventory).

References

Short Answer

Difficulty: Hard

Learning Objective: 01-01 Describe the functions performed by managers.

49. Award: 10.00 points

Provide three examples of common business risks faced by companies.

Some examples of common business risks include: (1) losing market share to competitors; (2) Web site malfunctioning; (3) employees stealing assets or accessing unauthorized information; and (4) inaccurate budget estimates causing operational problems such as excessive inventory levels or inventory shortages.

References

Short Answer

Difficulty: Medium

Learning Objective: 01-03 Explain the basic concept of enterprise risk management.