**Chapter 1 - Introduction to Managerial Accounting**

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| 1. Which of the following is an example of the management activity referred to as planning?   |  |  |  | | --- | --- | --- | |  | a. | developing a strategy to dispose of hazardous waste | |  | b. | deciding to eliminate an unprofitable segment of an organization | |  | c. | outsourcing the organization’s payroll processing | |  | d. | upgrading outdated equipment |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.4 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; classifying | |

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| 2. Developing a company strategy for responding to anticipated new markets is an example of which of the following?   |  |  |  | | --- | --- | --- | |  | a. | delegating | |  | b. | controlling | |  | c. | decision making | |  | d. | planning |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.5 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; classifying | |

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| 3. Investigating production variances and adjusting the production process is an example of which of the following?   |  |  |  | | --- | --- | --- | |  | a. | planning | |  | b. | controlling | |  | c. | decision making | |  | d. | delegating |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.5 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; classifying | |

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| 4. Which of the following are included in the standards of ethical conduct for management accountants?   |  |  |  | | --- | --- | --- | |  | a. | competence, performance, respect for others, and observance | |  | b. | integrity, respect for others, performance, and confidence | |  | c. | confidence, confidentiality, objectivity, and observance | |  | d. | competence, confidentiality, integrity, and objectivity |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.5 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; classifying | |

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| 5. Which of the following is a characteristic of financial accounting?   |  |  |  | | --- | --- | --- | |  | a. | It has no regulatory or mandatory rules. | |  | b. | It is internally focused. | |  | c. | It is concerned with the firm as a whole. | |  | d. | It has an emphasis on the future. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.7 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; classifying | |

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| 6. Which of the following is an objective of management accounting?   |  |  |  | | --- | --- | --- | |  | a. | to prepare external reports for investors, creditors, government agencies, and other outside users | |  | b. | to provide information for the costing of services, products, and other objects of interest to management | |  | c. | to provide tax information for planning, controlling, evaluating, and continuous improvement | |  | d. | to provide information for investment decision making |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.7 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; exemplifying | |

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| 7. Which of the following is a characteristic of management accounting?   |  |  |  | | --- | --- | --- | |  | a. | It provides objective financial information. | |  | b. | It must adhere to mandatory rules. | |  | c. | It has no mandatory rules. | |  | d. | Its main users are outside of the organization. |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.7 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; classifying | |

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| 8. What is characteristic of management accounting reports?   |  |  |  | | --- | --- | --- | |  | a. | The reports are prepared to meet the needs of decision makers within the firm. | |  | b. | The reports are prepared whenever stockholders request them. | |  | c. | The reports are prepared according to guidelines prepared by the Ontario Securities Commission (OSC). | |  | d. | The reports are prepared according to IFRS. |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 7 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; inferring | |

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| 9. What is the primary objective of management accounting?   |  |  |  | | --- | --- | --- | |  | a. | to provide stockholders and potential investors with useful information for decision making | |  | b. | to provide banks and other creditors with information useful in making credit decisions | |  | c. | to provide management with information useful for planning and control of operations | |  | d. | to provide the Canada Revenue Agency with information about taxable income |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.7 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; exemplifying | |

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| 10. What are the establishing objectives to include social and environmental impact called?   |  |  |  | | --- | --- | --- | |  | a. | triple accounting | |  | b. | triple bottom line | |  | c. | triple cost analysis | |  | d. | triple threat |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.8 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 11. What does the Triple Bottom Line include?   |  |  |  | | --- | --- | --- | |  | a. | measures of revenues generated by the company | |  | b. | measures of activities not simply related to increasing profits | |  | c. | measures of activities related to the costs incurred by the company | |  | d. | measures of activities related to increasing profits |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.8 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 12. What activity would not be included in the Triple Bottom Line?   |  |  |  | | --- | --- | --- | |  | a. | measures of the number of volunteer hours by employees | |  | b. | measures of the litres of waste water dumping into a river | |  | c. | measures of the environmental impact of a pipeline | |  | d. | measures of revenues minus expenses generated |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.8 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 13. Which of the following is a characteristic of activity-based costing?   |  |  |  | | --- | --- | --- | |  | a. | It is a traditional costing method. | |  | b. | It encourages process-value analysis. | |  | c. | It always results in a lower cost assigned to goods or services. | |  | d. | It assigns shared costs to jobs. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.9 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; classifying | |

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| 14. What is the objective of process value analysis?   |  |  |  | | --- | --- | --- | |  | a. | to include measures of activities not simply related to increasing profits | |  | b. | to establish competitive advantage by creating better customer value for the same cost | |  | c. | to efficiently perform necessary and eliminate activities that do not create customer value | |  | d. | to improve costing accuracy by emphasizing the activities and tasks that must be performed |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.9 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 15. What is customer value?   |  |  |  | | --- | --- | --- | |  | a. | the difference between what a customer receives and what the customer gives up when buying a product or service | |  | b. | the establishment of a  competitive advantage by creating better customer value for the same cost | |  | c. | the efficient performance of necessary activities and elimination of activities that do not create customer value | |  | d. | the improvement of costing accuracy by emphasizing the activities and tasks that must be performed |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p. 9 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; attributing | |

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| 16. What does total quality management emphasize?   |  |  |  | | --- | --- | --- | |  | a. | 1% defects | |  | b. | a lack of improvement | |  | c. | the elimination of waste | |  | d. | the status quo |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.13 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order, differentiating | |

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| 17. What is a primary activity in the value chain?   |  |  |  | | --- | --- | --- | |  | a. | procurement | |  | b. | marketing and sales | |  | c. | human resources management | |  | d. | technology development A pr |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.13 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 18. Which of the following employees would normally occupy a line position?   |  |  |  | | --- | --- | --- | |  | a. | the controller | |  | b. | the purchasing manager | |  | c. | the treasurer | |  | d. | the vice-president of marketing |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p. 16 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.4 - 1.4 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 19. Which of the following employees would normally occupy a staff position?   |  |  |  | | --- | --- | --- | |  | a. | the cost accounting manager | |  | b. | an assembly worker | |  | c. | the factory manager | |  | d. | the vice president of operations |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p. 16 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.4 - 1.4 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 20. Which of the following employees would normally occupy a line position in a hospital?   |  |  |  | | --- | --- | --- | |  | a. | the manager of the cafeteria | |  | b. | a hospital administrator | |  | c. | the chief of surgery | |  | d. | a staff nurse |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p. 16 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.4 - 1.4 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 21. Which of the following activities does the controller of an organization participate in?   |  |  |  | | --- | --- | --- | |  | a. | controlling, planning, and assessing | |  | b. | decision making and assessing | |  | c. | planning, assessing, and decision making | |  | d. | planning, controlling, and decision making |  |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 16 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.4 - 1.4 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; exemplifying | |

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| 22. Which of the following involves choosing actions that are right, proper, and just?   |  |  |  | | --- | --- | --- | |  | a. | balanced costing | |  | b. | activity-based costing | |  | c. | ethical behaviour | |  | d. | cross-functional perspective |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *REFERENCES:* | p. 18 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.5 - 1.5 | | *NATIONAL STANDARDS:* | United States - AACSB Ethics United States - IMA-Business Applications | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 23. With which of the following do virtually all managerial accounting practices assist managers?   |  |  |  | | --- | --- | --- | |  | a. | maximizing profits | |  | b. | determining costs | |  | c. | creating annual reports | |  | d. | generating tax reports |  |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.17 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.5 - 1.5 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 24. What is a requirement for accountants who have a CPA, (CA, CMA, or CGA) designation?   |  |  |  | | --- | --- | --- | |  | a. | They are not the only people permitted to serve as external auditors. | |  | b. | They must pass a national examination and be licensed by the province or territory in which they practice. | |  | c. | They are not held responsible for providing assurance concerning the reliability of a firm's financial statements. | |  | d. | They can only work at public accounting firms. |  |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.23 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.6 - 1.6 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Reporting | | *KEYWORDS:* | Bloom's Higher order; attributing | |

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| 25. What is the name of the newly formed professional accounting body?   |  |  |  | | --- | --- | --- | |  | a. | CA Canada | |  | b. | CFA Canada | |  | c. | CPA Canada | |  | d. | CMA Canada |  |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 23 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.6 - 1.6 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | | *KEYWORDS:* | Bloom's Higher order; differentiating | |

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| 26. Managerial accounting is designed primarily for external users.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.4 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 27. Management accounting information is important for both for-profit and not-for-profit organizations.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p. 4 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 28. The managerial activity of monitoring a plan’s implementation and taking corrective action as needed is referred to as decision making.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p. 5 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 29. The process of choosing among competing alternatives is decision making.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.5 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 30. Only financial accounting is governed by IASB.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.6 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 31. Management accounting information is used only by manufacturing organizations.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 6 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 32. Financial accounting has its emphasis on the future.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.7 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 33. Another name for management accounting could be internal accounting.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.7 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 34. The Triple Bottom Line refers to management putting triple the focus on profits.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.9 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.2 - 1.2 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 35. Activity-based costing is a more detailed approach to determining the cost of goods and services.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.9 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 36. Customer value is the difference between what a customer receives and what they give up when buying a product or service.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *REFERENCES:* | p.9 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 37. The value chain is the set of activities required to design, develop, produce, market, and deliver products and services to customers.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *REFERENCES:* | p.10 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 38. Time is **NOT** a crucial element in all phases of the value chain.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *REFERENCES:* | p.14 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.4 - 1.4 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 39. Service organizations have no need for management accounting.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p.15 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.3 - 1.3 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 40. Positions that have direct responsibility for the basic objectives of an organization are referred to as staff positions.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.16 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.4 - 1.4 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 41. A cost accountant would normally occupy a staff position within an organization.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 16 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.4 - 1.4 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 42. The controller is the Chief Executive Officer of a company.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 16 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.4 - 1.4 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 43. Virtually all management accounting practices were developed to assist managers in maximizing profits.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Challenging | | *REFERENCES:* | p.17 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.5 - 1.5 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 44. The belief that each member of a group bears some responsibility for the well-being of other members is a common principle underlying all ethical systems.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Medium | | *REFERENCES:* | p.18 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.5 - 1.5 | | *NATIONAL STANDARDS:* | United States - AACSB Ethics United States - IMA-Business Applications | |

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| 45. CMA, CGA and CA organizations have recently have been brought together under a new professional body called CPA Canada.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 20 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.6 - 1.6 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| 46. The primary reason for amalgamating the three accounting bodies is to ensure that Canadian accountants have a strong voice with the Canadian government.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | | *POINTS:* | 1 | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 20 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.6 - 1.6 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Cost Management | |

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| *Select the appropriate definition for each of the items listed below.*   |  |  | | --- | --- | | a. | Financial accounting | | b. | Managerial accounting | | c. | Planning | | d. | Controlling | | e. | Decision making | | f. | Value chain | | g. | Continuous improvement | | h. | Line positions | | i. | Time | | j. | Total quality management | | k. | Lean accounting | | l. | Staff positions | | m. | Controller | | n. | Treasurer | | o. | Chartered Accountant (CA) | | p. | Ethical behaviour | | q. | Certified General Accountant (CGA) | | r. | Certified Management Accountant (CMA) | | s. | Certified Professional Accountant (CPA) | | t. | CICA |  |  |  | | --- | --- | | *DIFFICULTY:* | Easy | | *REFERENCES:* | p. 5 p. 6 p. 4 p. 15 p. 11 p. 13 p. 9 p. 12 p. 14 p. 23 | | *LEARNING OBJECTIVES:* | MACC.MOWE.15.1.1 - 1.1 MACC.MOWE.15.1.2 - 1.2 MACC.MOWE.15.1.3 - 1.3 MACC.MOWE.15.1.4 - 1.4 MACC.MOWE.15.1.5 - 1.5 MACC.MOWE.15.1.6 - 1.6 | | *NATIONAL STANDARDS:* | United States - AACSB Analytic United States - IMA-Business Economics | |

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| 47. A management activity that involves the detailed formulation of action to achieve a particular end   |  |  | | --- | --- | | *ANSWER:* | c | | *POINTS:* | 0 | |

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| 48. The process of choosing among competing alternatives   |  |  | | --- | --- | | *ANSWER:* | e | | *POINTS:* | 0 | |

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| 49. The provision of accounting information for a company’s internal users   |  |  | | --- | --- | | *ANSWER:* | b | | *POINTS:* | 0 | |

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| 50. The managerial activity of monitoring a plan’s implementation and taking corrective action as needed   |  |  | | --- | --- | | *ANSWER:* | d | | *POINTS:* | 0 | |

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| 51. A type of accounting that is primarily concerned with producing information for external users   |  |  | | --- | --- | | *ANSWER:* | a | | *POINTS:* | 0 | |

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| 52. A crucial element in all phases of the value chain   |  |  | | --- | --- | | *ANSWER:* | i | | *POINTS:* | 0 | |

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| 53. Searching for ways to increase the overall efficiency and productivity of activities by reducing waste, increasing quality, and reducing costs   |  |  | | --- | --- | | *ANSWER:* | g | | *POINTS:* | 0 | |

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| 54. Positions that have direct responsibility for the basic objectives of an organization   |  |  | | --- | --- | | *ANSWER:* | h | | *POINTS:* | 0 | |

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| 55. The set of activities required to design, develop, produce, market, and deliver products and services to customers   |  |  | | --- | --- | | *ANSWER:* | f | | *POINTS:* | 0 | |

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| 56. A management philosophy in which manufacturers strive to create an environment that will enable workers to manufacture perfect (zero-defect) products   |  |  | | --- | --- | | *ANSWER:* | j | | *POINTS:* | 0 | |

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| 57. Organizing costs according to the value chain and collecting both financial and nonfinancial information   |  |  | | --- | --- | | *ANSWER:* | k | | *POINTS:* | 0 | |

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| 58. Positions that are supportive in nature and have only indirect responsibility for an organization’s basic objectives   |  |  | | --- | --- | | *ANSWER:* | l | | *POINTS:* | 0 | |

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| 59. The chief accounting officer in an organization   |  |  | | --- | --- | | *ANSWER:* | m | | *POINTS:* | 0 | |

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| 60. The individual responsible for the finance function; raises capital and manages cash and investments   |  |  | | --- | --- | | *ANSWER:* | n | | *POINTS:* | 0 | |

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| 61. Historically, an accountant who works as a business professional in public practice, industry, government, or education   |  |  | | --- | --- | | *ANSWER:* | o | | *POINTS:* | 0 | |

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| 62. The newly created designation to amalgamate the three accounting bodies in Canada   |  |  | | --- | --- | | *ANSWER:* | s | | *POINTS:* | 0 | |

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| 63. Historically, an accountant who has passed a rigorous qualifying examination, has met an experience requirement, and who participates in continuing education   |  |  | | --- | --- | | *ANSWER:* | r | | *POINTS:* | 0 | |

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| 64. Historically confers the Chartered Accountant (CA) designation   |  |  | | --- | --- | | *ANSWER:* | t | | *POINTS:* | 0 | |

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| 65. Choosing actions that are right, proper, and just   |  |  | | --- | --- | | *ANSWER:* | p | | *POINTS:* | 0 | |

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| 66. A certified accountant who is permitted (by law) to serve as an external auditor   |  |  | | --- | --- | | *ANSWER:* | q | | *POINTS:* | 0 | |