Financial & Managerial Accounting for MBAs, 5th Edition
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Practice Quiz

Module 14—Managerial Accounting for MBAs

1. Which of the following is a characteristic of Managerial Accounting?

a. No external standards
b. Provides information for internal users
c. Information is more detailed
d. All of the above

2. Strategic position analysis is:

a. The study of factors that cause or influence costs
b. The study of value-producing activities, stretching from basic raw materials to the final consumer of a product or service
c. An examination of an organization's basic way of competing to sell products or services
d. All of the above

3. Michael Porter's Strategic Position Analysis model generally recognizes all of the following as possible strategic positions, except:

a. Goal setting
b. Cost leadership
c. Product differentiation
d. Market niche

4. Organizing is the process of:

a. Selecting goals and adopting strategies for achieving them
b. Making the organization into a well-ordered whole
c. Motivating employees for the attainment of goals
d. Ensuring that results agree with plans

5. International business competition has been fueled primarily by the adoption of international treaties, such as the North American Free Trade Agreement.

a. True
b. False

6. To be successful in a competitive international economic environment, businesses must be able to compete on the basis of:

a. Price
b. Quality
c. Service
d. All of the above

7. Which of the following is not a cost driver?

a. The gender of the wait staff at a restaurant
b. The number of customers in a restaurant
c. The size of a restaurant
d. The policy of empowering a waitress to make the decision to give a customer a free dessert because of the delay in delivering the main entrée

8. Which of the following is one of the three basic types of cost drivers discussed in the text?

a. Organizational cost drivers
b. Direct cost drivers
c. Both a and b
d. Neither a nor b

9. Which of the following is not likely to be regarded as an action that has ethical implications in today's business environment?

a. Purchasing supplies from a relative or friend rather than seeking bids
b. Using different depreciation methods for calculating depreciation expense for the financial statements and the income tax return
c. Failing to recognize obsolete inventory to avoid missing a profit forecast
d. Shifting costs for one contract to another to make the profits of the contracts line up with initial forecasts

10. Which of the following statements about business ethics is *true?*

a. Ethical dilemmas often involve a trade-off between current results and future results, such as delaying recognizing an expense until the future when profits are expected to be higher.
b. Ethical dilemmas often result from a series of small compromises that evolve over time into major ethical breaches.
c. One of the important goals of corporate codes of ethics is to provide employees with a common foundation for addressing ethical issues.
d. All of the above are true