

Chapter 13 – Financial & Managerial Accounting for Decision Makers, 2nd Edition
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Practice Quiz

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