

Financial & Managerial Accounting for Undergraduates
2nd Edition
by Wallace, Nelson, Christensen, Hobson, and Matthews

PRACTICE QUIZ

Chapter 14: Overview of Managerial Accounting

1. What is one of the main differences between managerial and financial accounting?
 - a. Managerial is focused on past results; financial is focused on future plans.
 - b. Managerial is focused on external decision-making; financial on internal decision-making.
 - c. Managerial is focused on future plans; financial is focused on past results.
 - d. Managerial accountants follow a set of accounting standards; financial accountants follow rules established by senior financial management.

2. A company that typically reports three types of inventory (raw materials, work-in-process, and finished goods) is called a:
 - a. Manufacturer
 - b. Retailer
 - c. Service company
 - d. None of the above

3. A company that reports only work-in-process inventory is most likely a:
 - a. Manufacturer
 - b. Retailer
 - c. Service company
 - d. None of the above

4. A company analyzes the data trail that you leave behind following your online searches and purchases to anticipate your desires and customize its products and services to better meet those needs.

This is an example of:

 - a. data analysis and predictive analytics
 - b. factory automation
 - c. outsourcing
 - d. on-shoring

5. What type of company is Environmental Business Consultants (EBC), introduced in Chapter 1?
 - a. Manufacturer
 - b. Merchandiser
 - c. Service firm

6. According to the authors, which of the following typically works the fewest number of hours per week?
- Management –level finance professionals
 - Public accountants at the largest accounting firms
 - Non-management finance professionals
 - Government accountants
7. According to the AICPA, what portion of accounting graduates begin their careers in public accounting?
- Less than 25%
 - Between 25% and 50%
 - Between 50% and 75%
 - More than 75%
8. In what order would an accounting student complete these steps to obtain and maintain a CPA license?
- Complete an accounting degree, apply for licensure, pass the CPA exam, complete continuing education courses
 - Apply for licensure, pass the CPA exam, complete an accounting degree, complete continuing education courses
 - Pass the CPA exam, apply for licensure, complete an accounting degree, complete continuing education courses
 - Complete an accounting degree, pass the CPA exam, apply for licensure, complete continuing education courses
9. Lean manufacturing is:
- A process whereby a product was “pulled” through the process by demand from the subsequent step in the process
 - A process in which materials are received just in time to be placed into production
 - A process whereby a business hires or contracts with another business to provide a product or service that had previously been provided within the business
 - A process that incorporates a robot or computer-controlled machine into an existing manufacturing process to perform a single function
10. The Certified Management Accountant designation is administered by:
- State accounting societies
 - the AICPA
 - the IMA
 - the IRS

SOLUTIONS

Chapter 14: Overview of Managerial Accounting

1. c
2. a
3. c
4. a
5. c
6. d
7. b
8. d
9. a
10. c