



## Pool Canvas

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**Name** Chapter 1--Introduction to Managerial Accounting

**Description**

**Instructions**

[◀ Add Question Here](#)

Question 1

**Question**

Which of the following is an example of the management activity referred to as planning?

**Answer** ✓

developing a strategy to dispose of hazardous waste

deciding to upgrade outdated equipment

deciding to eliminate an unprofitable segment of an organization

deciding to outsource an organization's payroll processing

[◀ Add Question Here](#)

Question 2

**Question**

Developing a company strategy for responding to anticipated new markets is an example of which of the following?

**Answer**

decision making

delegating

✓  
planning

controlling

[◀ Add Question Here](#)

Question 3

**Question**

Investigating production variances and adjusting the production process is an example of which of the following?

**Answer**

decision making

✓  
controlling

planning

delegating

[◀ Add Question Here](#)

Question 4

**Question**

Which of the following is a characteristic of financial accounting?

**Answer**

✓  
It has an emphasis on the future.

It is concerned with the information about the firm as a whole.

It is internally focused.

It has no mandatory rules.

[◀ Add Question Here](#)

Question 5

**Question**

Which of the following is an objective of management accounting?

**Answer** ✓

to provide information for the costing of services, products, and other objects of interest to management

to provide tax information for planning, controlling, evaluating, and continuous improvement

to prepare external reports for investors, creditors, government agencies, and other outside users

to provide information for investment decision making

[◀ Add Question Here](#)

Question 6

**Question**

Which of the following is a characteristic of management accounting?

**Answer**

- It provides objective financial information.
- It has no mandatory rules.
- Its main users are outside of the organization.
- It must adhere to mandatory rules.

[◀ Add Question Here](#)Question 7 **Multiple Choice**[Modify](#) [Remove](#)**Question**

Which statement about management accounting reports is correct?

**Answer**

- The reports are prepared whenever stockholders request them.
- The reports are prepared according to guidelines prepared by the Ontario Securities Commission (OSC).
- The reports are prepared to meet the needs of decision makers within the firm.
- The reports are prepared according to GAAP and IFRS.

[◀ Add Question Here](#)Question 8 **Multiple Choice**[Modify](#) [Remove](#)**Question**

What is the primary objective of management accounting?

**Answer**

- to provide stockholders and potential investors with useful information for decision making
- to provide management with information useful for planning and control of operations
- to provide the Canada Revenue Agency with information about taxable income
- to provide banks and other creditors with information useful in making credit decisions

[◀ Add Question Here](#)Question 9 **Multiple Choice**[Modify](#) [Remove](#)**Question**

Which of the following is a characteristic of activity-based costing?

**Answer**

- It assigns shared costs to jobs.
- It is a traditional costing method.
- It always results in a lower cost assigned to goods or services.
- It encourages process-value analysis.

[◀ Add Question Here](#)Question 10 **Multiple Choice**[Modify](#) [Remove](#)**Question**

Which of the following is an example of a value-added activity?

**Answer**

- delivering products at the seller's convenience
- providing excellent customer service
- storing finished products
- offering the customer a limited variety of products

[◀ Add Question Here](#)Question 11 **Multiple Choice**[Modify](#) [Remove](#)**Question**

What does total quality management emphasize?

**Answer**

- a lack of improvement
- the status quo
- the elimination of waste
- 1% defects

[◀ Add Question Here](#)Question 12 **Multiple Choice**[Modify](#) [Remove](#)**Question**

Which of the following employees would normally occupy a line position?

**Answer**

- the controller
- the purchasing manager

- the treasurer
- the vice-president of marketing

[◀ Add Question Here](#)

Question 13 **Multiple Choice**

[Modify](#) [Remove](#)

**Question**  
Which of the following employees would normally occupy a staff position?

- Answer**
- the cost accounting manager
  - the CEO
  - the factory manager
  - an assembly worker

[◀ Add Question Here](#)

Question 14 **Multiple Choice**

[Modify](#) [Remove](#)

**Question**  
Which of the following employees would normally occupy a line position in a hospital?

- Answer**
- a hospital administrator
  - the chief of surgery
  - the manager of the cafeteria
  - a staff nurse

[◀ Add Question Here](#)

Question 15 **Multiple Choice**

[Modify](#) [Remove](#)

**Question**  
Which of the following activities does the controller of an organization participate in?

- Answer**
- planning, controlling, and decision making
  - controlling, planning, and assessing
  - planning, assessing, and decision making
  - decision making and assessing

[◀ Add Question Here](#)

Question 16 **Multiple Choice**

[Modify](#) [Remove](#)

**Question**  
Which of the following is an objective of profit maximization?

- Answer**
- It is an objective of financial accounting but not of management accounting.
  - It should be achieved through legal and ethical means.
  - It should be the only goal of an organization.
  - It should outweigh the goal of product quality.

[◀ Add Question Here](#)

Question 17 **Multiple Choice**

[Modify](#) [Remove](#)

**Question**  
Which of the following are included in the standards of ethical conduct for management accountants?

- Answer**
- integrity, respect for others, performance, and confidence
  - confidence, confidentiality, objectivity, and observance
  - competence, confidentiality, integrity, and objectivity
  - competence, performance, respect for others, and observance

[◀ Add Question Here](#)

Question 18 **Multiple Choice**

[Modify](#) [Remove](#)

**Question**  
Which of the following areas is NOT emphasized in the CMA examination?

- Answer**
- economics, finance, and management
  - external auditing and business law
  - financial accounting and reporting
  - decision analysis and information systems

[◀ Add Question Here](#)

Question 19	Multiple Choice	Modify	Remove
<p><b>Question</b> What is a requirement for accountants who have a CA, CMA, or CGA designation?</p> <p><b>Answer</b></p> <p><input type="checkbox"/> They can only work at public accounting firms.</p> <p><input checked="" type="checkbox"/> They must pass a national examination and be licensed by the province or territory in which they practice.</p> <p><input type="checkbox"/> They are not the only people permitted to serve as external auditors.</p> <p><input type="checkbox"/> They are not held responsible to provide assurance concerning the reliability of a firm's financial statements.</p>			
<a href="#">◀ Add Question Here</a>			
Question 20	Multiple Choice	Modify	Remove
<p><b>Question</b> Which accountants focus on external reports and auditing in Canada?</p> <p><b>Answer</b></p> <p><input type="checkbox"/> Certified Public Accountants</p> <p><input type="checkbox"/> Certified Management Accountants</p> <p><input type="checkbox"/> Certified Financial Accountants</p> <p><input checked="" type="checkbox"/> Chartered Accountants</p>			
<a href="#">◀ Add Question Here</a>			
Question 21	True/False	Modify	Remove
<p><b>Question</b> Managerial accounting is designed primarily for external users.</p> <p><b>Answer</b></p> <p><input type="checkbox"/> True</p> <p><input checked="" type="checkbox"/> False</p>			
<a href="#">◀ Add Question Here</a>			
Question 22	True/False	Modify	Remove
<p><b>Question</b> Management accounting information is important for both for-profit and not-for-profit organizations.</p> <p><b>Answer</b></p> <p><input checked="" type="checkbox"/> True</p> <p><input type="checkbox"/> False</p>			
<a href="#">◀ Add Question Here</a>			
Question 23	True/False	Modify	Remove
<p><b>Question</b> The managerial activity of monitoring a plan's implementation and taking corrective action as needed is referred to as decision making.</p> <p><b>Answer</b></p> <p><input type="checkbox"/> True</p> <p><input checked="" type="checkbox"/> False</p>			
<a href="#">◀ Add Question Here</a>			
Question 24	True/False	Modify	Remove
<p><b>Question</b> The process of choosing among competing alternatives is decision making.</p> <p><b>Answer</b></p> <p><input checked="" type="checkbox"/> True</p> <p><input type="checkbox"/> False</p>			
<a href="#">◀ Add Question Here</a>			
Question 25	True/False	Modify	Remove
<p><b>Question</b> Both managerial and financial accounting are governed by GAAP and IFRS.</p> <p><b>Answer</b></p> <p><input type="checkbox"/> True</p> <p><input checked="" type="checkbox"/> False</p>			
<a href="#">◀ Add Question Here</a>			
Question 26	True/False	Modify	Remove
<p><b>Question</b> Management accounting information is used only by manufacturing organizations.</p> <p><b>Answer</b></p> <p><input type="checkbox"/> True</p> <p><input checked="" type="checkbox"/> False</p>			
<a href="#">◀ Add Question Here</a>			
Question 27	True/False	Modify	Remove
<p><b>Question</b> Financial accounting has its emphasis on the future.</p> <p><b>Answer</b></p> <p><input type="checkbox"/> True</p> <p><input checked="" type="checkbox"/> False</p>			
<a href="#">◀ Add Question Here</a>			
Question 28	True/False	Modify	Remove
<p><b>Question</b> Activity-based costing is a more detailed approach to determining the cost of goods and services.</p>			

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 29  True/False

[Modify](#) [Remove](#)

**Question**

The value chain is the set of activities required to design, develop, produce, market, and deliver products and services to customers.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 30  True/False

[Modify](#) [Remove](#)

**Question**

Time is **NOT** a crucial element in all phases of the value chain.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 31  True/False

[Modify](#) [Remove](#)

**Question**

Excellent customer service is an example of a non-value-added activity.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 32  True/False

[Modify](#) [Remove](#)

**Question**

Positions that have direct responsibility for the basic objectives of an organization are referred to as staff positions.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 33  True/False

[Modify](#) [Remove](#)

**Question**

A cost accountant would normally occupy a staff position within an organization.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 34  True/False

[Modify](#) [Remove](#)

**Question**

Virtually all management accounting practices were developed to assist managers in maximizing profits.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 35  True/False

[Modify](#) [Remove](#)

**Question**

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.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 36  True/False

[Modify](#) [Remove](#)

**Question**

The purpose of becoming a Chartered Accountant is to provide minimal professional qualification for internal auditors.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 37  True/False

[Modify](#) [Remove](#)

**Question**

The four emphasized areas of the CMA examination reflect the needs of management accounting and highlight that management accounting has more of an interdisciplinary flavour than other areas of accounting.

**Answer**  True  
 False

[◀ Add Question Here](#)

Question 38  Matching

[Modify](#) [Remove](#)

**Question**

Select the appropriate definition for each of the items listed below.

**Answer** Match Question Items

H. - A.  
 Positions that have direct responsibility for the basic objectives of an organization.  
 K. - B.

**Answer Items**

A.  
 Financial accounting  
 B.

	Companies that issue stock traded on U.S. stock exchanges to which the Sarbanes-Oxley Act applies.	Managerial accounting
<b>L. - C.</b>	Positions that are supportive in nature and have only indirect responsibility for an organization's basic objectives.	C. Planning
<b>J. - D.</b>	A management philosophy in which manufacturers strive to create an environment that will enable workers to manufacture perfect (zero-defect) products.	D. Controlling
<b>C. - E.</b>	A management activity that involves the detailed formulation of action to achieve a particular end.	E. Decision making
<b>Q. - F.</b>	A certified accountant who is permitted (by law) to serve as an external auditor. CPAs must pass a national examination and be licensed by the province in which they practice.	F. Value chain
<b>P. - G.</b>	Choosing actions that are right, proper, and just.	G. Continuous improvement
<b>O. - H.</b>	Accountant who works as a business professional in public practice, industry, government, or education.	H. Line positions
<b>G. - I.</b>	Searching for ways to increase the overall efficiency and productivity of activities by reducing waste, increasing quality, and reducing costs.	I. Lean accounting
<b>M. - J.</b>	The chief accounting officer in an organization.	J. Total quality management
<b>A. - K.</b>	A type of accounting that is primarily concerned with producing information for external users.	K. Publicly traded companies
<b>D. - L.</b>	The managerial activity of monitoring a plan's implementation and taking corrective action as needed.	L. Staff positions
<b>R. - M.</b>	A certified management accountant has passed a rigorous qualifying examination, met an experience requirement, and participates in continuing education.	M. Controller
<b>F. - N.</b>	The set of activities required to design, develop, produce, market, and deliver products and services to customers.	N. Treasurer
<b>B. - O.</b>	The provision of accounting information for a company's internal users.	O. Chartered Accountant (CA)
<b>E. - P.</b>	The process of choosing among competing alternatives.	P. Ethical behaviour
<b>N. - Q.</b>	The individual responsible for the finance function; raises capital and manages cash and investments.	Q. Certified General Accountant (CGA)
<b>I. - R.</b>	An accounting practice that organizes costs according to the value chain by focusing primarily on the elimination of waste. The objective is to provide information to managers that support this effort and to provide financial statements that better reflect overall performance, using financial and nonfinancial information.	R. Certified Management Accountant (CMA)

[◀ Add Question Here](#)

OK