# Lesson 4.1 Practice Quiz

**3/3** points earned (100%)

Excellent!

Retake

[Course Home](https://www.coursera.org/learn/managerial-accounting-tools/home/welcome)

Correct

1 / 1 points

1. Which of the following best describes decentralization?

1. A static (i.e., unchanging) feature of the organization
2. **Extent to which decision-making rights are distributed to managers and employees**

**Correct Response**

Correct! This statement perfectly captures the essence of decentralization.

1. A poor choice when local knowledge is important

Correct

1 / 1 points

2. As an organization becomes more decentralized, there is less need for performance measures and incentives.

1. True
2. **False**

**Correct Response**

Correct! As an organization becomes more decentralized, there is MORE need for performance measures and incentives.

Correct

1 / 1 points

3. Which of the following is a disadvantage of decentralization?

1. **Potentially creates inefficiencies**

**Correct Response**

Correct! One disadvantage of decentralization is that multiple managers may engage in similar activities, creating inefficient redundancies.

1. Increases responsiveness
2. Overly focuses on learning and development