# Lesson 4.3 Practice Quiz

**4/4** points earned (100%)

Excellent!

Retake

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Correct

1 / 1 points

1. Which of the following is a key purpose of strategic performance measurement systems?

Communicate strategy

1. Inform strategy evolution
2. Evaluate strategy
3. **All of the above**

**Correct Response**

Correct! The purpose of strategic performance measurement systems include the communication, evaluation, and evolution of the strategy.

Correct

1 / 1 points

2. Which of the following is true about subjective performance evaluation?

1. **Overcomes obstacles of purely objective evaluation**

**Correct Response**

Correct! A key advantage of subjective performance evaluation is that it allows managers to incorporate information that is not included in objective measures.

1. Reduces potential for bias
2. Usually involves a single mechanism

Correct

1 / 1 points

3. Which of the following performance measurement issues stems from the potential for employees to free-ride?

1. Controllability
2. **Interdependence**

**Correct Response**

Correct! Interdependence means that one employee's performance is contingent on other employees' performance, which allows an employee the opportunity to free-ride on others' effort.

1. Alignment

Correct

1 / 1 points

4. Developing and implementing a performance measurement, evaluation, and compensation system is relatively straightforward.

1. True
2. **False**

**Correct Response**

Correct! Such systems are difficult to develop, implement, and maintain. This difficulty stems from the trade-offs managers must make regarding related issues, as their attempts to solve one problem often create other issues.