

**MANAGEMENT, THE CONTROLLER,
AND COST ACCOUNTING**

MULTIPLE CHOICE

- B 1. An organizational concept that groups business functions around resources, processes, and human interrelations is the:
- A. resources function
 - B. functional-teamwork concept
 - C. processes function
 - D. line-staff concept
 - E. matching concept
- E 2. The measurement of performance and the control of costs is aided the most by:
- A. organizational charts
 - B. continuous supervision
 - C. preparation for the future
 - D. planning
 - E. budgets and standards
- A 3. All of the following are abbreviations for systems or processes that represent changes in manufacturing technology, *except*:
- A. CMA
 - B. JIT
 - C. CIM
 - D. CAD
 - E. FMS
- D 4. The process of providing individuals with the authority to carry out their assigned responsibilities is referred to as:
- A. control circuit
 - B. objective setting
 - C. accountability
 - D. delegation
 - E. line-staff organization
- A 5. The department that uses pertinent cost data to determine products that are most profitable and sales policies is:
- A. Marketing
 - B. Manufacturing
 - C. Treasury
 - D. Legal
 - E. Cost

- B 6. Examples of nonroutine planning include all of the following, *except*:
- A. responses to the appearance of new competition
 - B. estimating the collection of receivables during the next month for the purpose of making investment/borrowing decisions
 - C. responses to a proposed government regulation of the industry
 - D. responses to a significant change in consumer tastes
 - E. none of the above
- B 7. The coordinated development of a company's organization with the cost and budgetary system will lead to an approach to accounting and reporting called:
- A. functional-teamwork system
 - B. responsibility accounting
 - C. line-staff organization
 - D. controllable segmentation
 - E. superior-subordinate relationship
- E 8. The organizational group that advises or performs technical functions of an enterprise is the:
- A. line
 - B. function
 - C. team
 - D. executive management
 - E. staff
- A 9. The business function in the functional-teamwork concept of management that deals with activities such as product design, research and development, purchasing, manufacturing, advertising, marketing, and billing is the:
- A. processes function
 - B. executive function
 - C. resources function
 - D. staff
 - E. human interrelations function
- E 10. Pronouncements of the Cost Accounting Standards Board adhere to the concept of:
- A. indirect costing
 - B. common costing
 - C. direct costing
 - D. standard costing
 - E. full costing
- B 11. The professional certification developed by the IMA indicating professional competence in the management accounting field is the:
- A. CIA
 - B. CMA
 - C. CA
 - D. CPA
 - E. CPM

- C 12. The plans that are sufficiently detailed to permit the preparation of budgeted financial statements for the entity as of a future date are:
- A. strategic plans
 - B. medium-range plans
 - C. short-range plans
 - D. long-range plans
 - E. none of the above
- B 13. All of the following are organizations in the private sector that influence the development of cost accounting theory and practice *except*:
- A. FEI
 - B. IRS
 - C. AICPA
 - D. FASB
 - E. IMA
- D 14. Budgeting plays an important role in influencing individual and group behavior at all of the following stages of the management process, *except*:
- A. setting goals
 - B. motivating desired performance
 - C. evaluating performance
 - D. computing bonuses
 - E. suggesting when corrective action should be taken
- B 15. The functional-teamwork concept of management is structured to emphasize all of the following *except*:
- A. human interrelations
 - B. accountability
 - C. resources
 - D. processes
 - E. none of the above
- E 16. All of the following are examples of non-value-added activities *except*:
- A. retrieving
 - B. handling
 - C. expediting
 - D. reworking
 - E. assembling
- D 17. The department that has the responsibility for the financial administration of a company is:
- A. Tax
 - B. Controller's
 - C. Cost
 - D. Treasury
 - E. Internal Audit
- D 18. The collection, presentation, and analysis of cost data should help management accomplish all of the following tasks *except*:
- A. control the physical quantities of inventory
 - B. determine company costs and profits for an accounting period
 - C. choose from among two or more alternatives that will increase revenues
 - D. conform to FASB reporting requirements for pensions
 - E. establish costing methods and procedures that permit cost reductions

- D 19. In an attempt to resolve an ethical conflict in a publicly-held corporation, if the accountant has unsuccessfully gone to the board of directors, the next step is to:
- A. go to the company president
 - B. go back to middle management to garner support
 - C. report the problem to the SEC
 - D. resign
 - E. none of the above
- C 20. An organizational concept recognizing that all positions or functional divisions can be categorized into two groups is:
- A. functional-teamwork concept
 - B. processes function
 - C. line-staff concept
 - D. matching concept
 - E. resources function
- A 21. In an attempt to resolve an ethical conflict when the immediate superior is involved, an accountant should first:
- A. go to the next higher level of management
 - B. report the problem to the SEC
 - C. resign
 - D. go to the company president
 - E. none of the above
- C 22. The *Standards of Ethical Conduct for Management Accountants* presents fifteen responsibilities of the management accountant that encompass all of the following categories *except*:
- A. competence
 - B. confidentiality
 - C. dependability
 - D. integrity
 - E. objectivity