Free Questions for CIMAPRO19-P01-1 by certsinside

Shared by Malone on 07-06-2022

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

The term 'budgetary slack' refers to the:

Options:

A) Lead time between the preparation of the functional budgets and the approval of the master budget by senior management

B) Difference between the budgeted output and the actual output

C) Difference between budgeted capacity utilization and full capacity

D) Intentional over estimation of costs and/or under estimation of revenue in a budget

Answer:

D

Explanation:

References:

Question 2

Question Type: FillInTheBlank

A company's budgeted data for the period are shown in the table below.

Output	**50,000 units**
Labour	12 minutes per unit at $10 per labour hour
Materials	5 kg per unit at $8.00 per kg
Variable overheads	$4.00 per unit
Fixed overheads	$300,000 per month

There is a stepped increase in fixed overheads of $10,000 when production exceeds 52,000 units.

Actual production for the period was 60,000 units.

What is the flexed budgeted cost for the period?

Give your answer as a whole number (in '000s).

Answer:

Question 3

Question Type: FillInTheBlank

MBM is considering introducing a new product and has to decide if the sales price should be $80, $90, $100 or $120.

There is a 30% chance that demand could be high, a 50% chance that demand will be at a medium level and a 20% chance that demand will be low.

A payoff table below shows the profits based on the sales price and the level of demand.

	Sales price			
Demand	**$80**	**$90**	**$100**	**$120**
High	$1,700,000	$1,800,000	$1,600,000	$1,725,000
Medium	$660,000	$550,000	$500,000	$720,000
Low	$100,000	$80,000	$0	$(90,000)

MBM has decided, using an expected value approach, that the sales price should be set at $80 as this gives the highest expected profit of $860,000.

A market research company has since approached MBM offering to provide perfect information on the demand level.

What is the maximum amount that should be paid for the perfect information?

Give your answer as a whole number (in '000s).

Answer:

Question 4

Question Type: FillInTheBlank

A company makes and sells three products A, B and C. The products are sold in the ratio of A:B:C = 1:1:4.

Monthly fixed costs are $150,000. Product details are shown below:

Product	Selling price per unit	Variable cost per unit
A	$71	$51
B	$58	$30
C	$45	$20

What sales value of product C is required to achieve a target profit of $72,000 next month?

Give your answer to the nearest whole $ (in '000s).

Answer:

Question 5

Question Type: FillInTheBlank

A company manufactures a single product. The following budgeted data applies to month 6:

Budget data	
Opening inventory of finished goods	16 units
Closing inventory of finished goods	46 units
Production	10,000 units
Profit using absorption costing	$16,180
Profit using marginal costing	$16,000

What was the budgeted fixed production overhead for month 6?

Give your answer to the nearest whole $ (in '000s).

Answer:

To Get Premium Files for CIMAPRO19-P01-1 Visit

https://www.p2pexams.com/products/cimapro19-p01-1

For More Free Questions Visit

https://www.p2pexams.com/cima/pdf/cimapro19-p01-1