



**Free Questions for [CIMAPRO19-P02-1](#) by [vceexamstest](#)**

**Shared by [Lee](#) on [13-12-2023](#)**

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# Question 1

Question Type: DragDrop

Place the correct category of Value Chain activity against each of the activities described below.

Secondary activity    y activity    Secondary activity

Operations	
Inbound logistics	
Technology development	
Procurement	
Marketing and sales	
Human resource management	

## Question 2

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**Question Type: DragDrop**

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The performance of an investment centre manager is assessed by return on investment (ROI) alone. At present, his expected ROI for next year is 15%. The manager must now decide whether to invest in a new project that is expected to yield an ROI of 14%. The cost of capital is 12%.

Indicate whether each of the following statements is true or false.

False	True	False
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- The manager will reject the project; this is a dysfunctional decision.

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- The manager will reject the project; this is not a dysfunctional decision.

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- The manager will accept the project; this is a dysfunctional decision.

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- The manager will accept the project; this is not a dysfunctional decision.

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- If the manager was assessed by residual income (RI) alone, then he would make a dysfunctional decision about the project.

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- If the manager was assessed by residual income (RI) alone, then he would not make a make a dysfunctional decision about the project.


**Question 3**

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**Question Type: DragDrop**

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Place each performance measure against the correct perspective of the Balanced Scorecard for a company that operates a chain of hotels.

Percentage of revenue earned from new sources		
Financial		Financial
Customer		Customer
Internal business process <sup>desk</sup>		Internal business process
Learning and growth bedroom		Learning and growth

**Question 4**

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**Question Type: DragDrop**

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Place each of the activities described below against the correct classification of quality costs.

Training machine operatives	Activity
Inspecting goods received from supplier	
Repairing an item prior to sale	
Repairing an item returned by a customer	

Training machine operatives
Inspecting goods received from supplier
Repairing an item prior to sale
Repairing an item returned by a customer

## Question 5

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**Question Type:** DragDrop

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Place each method of analysing risk and uncertainty against the statement that describes it correctly.

Depicting one or more sequential decisions and their possible outcomes.

**Decision tree**

al model of the situation and nber of iterations.

**Simulation**

Determining the effect on the planned outcome of Sensitivity analysis

**Pay off table**

Charting all possible combinations of decision variables in order to assess the range of possible outcomes.

**Decision tree**  
**Simulation**  
**Sensitivity analysis**  
**Pay off table**

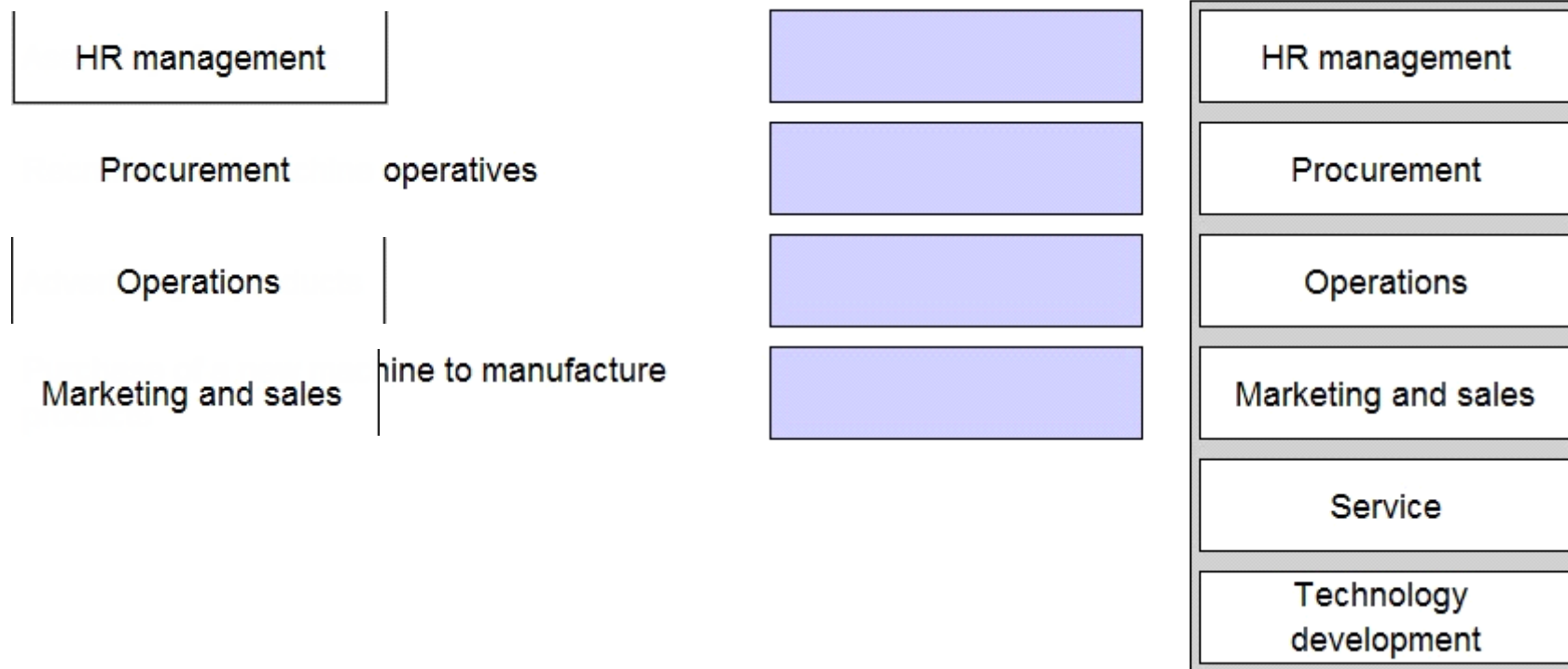
## Question 6

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**Question Type:** DragDrop

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Using Porter's value chain, place the tokens to correctly categories the following activities of a manufacturing company.



## Question 7

Question Type: DragDrop



Using the Value Chain model for a manufacturing company, place the correct primary activity classification against each of the activities described.

Assembly of components		
Service		Service
Inbound logistics		Inbound logistics
Operations	s to customers	Operations
Outbound logistics	at customers' premises	Outbound logistics
Inventory control		Marketing and sales
Transportation of inventory from goods inwards to the raw material store		

## Question 8

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Question Type: DragDrop

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A Balanced Scorecard is being prepared for a coach passenger transport company. Place the correct perspective of the Balanced Scorecard against each performance measure.

Percentage of operating hours lost due to coach breakdowns		
Learning and growth Due to late arrival of		Learning and growth
Financial		Financial
Customer		Customer
Internal business process		Internal business process
Average training hours per employee		
Return on capital employed		

## Question 9

Question Type: DragDrop

Which of the following criticisms relate to traditional budgeting methods and which relate to the 'beyond budgeting' approach?

Unresponsive to external changes

Requires a deep structural change which is difficult for organizations to implement

**Traditional budgeting** .....an value creation

**Traditional budgeting**

**Beyond budgeting**  
Has no centralised annual spending plan thus there is a risk of over-spending on less-than-critical items

**Beyond budgeting**

Resources are pre-allocated rather than being available to managers on demand

Encourages extensive delegation of responsibility thus increasing the risk of sub-optimal decisions

# Question 10

Question Type: DragDrop

Place the correct quality cost classification against each cost described below.

Cost of staff attending TQM training courses

Appraisal cost before despatch to customers

Appraisal cost

Prevention cost  
Cost of repairing products returned by customers

Prevention cost

Internal failure cost  
External failure cost  
Cost of goods rejected by quality control

Internal failure cost

External failure cost

Cost of inspecting goods inwards

Cost of maintaining inspection equipment

## Question 11

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Question Type: DragDrop

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An investment appraisal has identified that a project has a positive net present value when discounted at the company's cost of capital. If the cost of capital is now increased, indicate whether each of the following appraisal measures will increase, decrease or stay the same.

Payback period

Increase  return

Increase

Decrease  of return

Decrease

Stay the same  Net present value

Stay the same

Discounted payback period

Modified internal rate of return

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