



Free Questions for CMA by actualtestdumps

Shared by Stanley on 15-04-2024

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

A proposed transfer price may be based upon the outlay cost. Outlay cost plus opportunity cost is the

Options:

- A- Retail price
- B- Price representing the cash outflows of the supplying division plus the contribution to the supplying division from an outside sale
- C- Price usually set by an absorption-costing calculation
- D- Price set by charging for variable costs plus a lump sum or an additional markup, but less than full markup

Answer:

B

Explanation:

At this price, the supplying division is indifferent as to whether it sells internally or externally. Outlay cost plus opportunity cost therefore represents a minimum acceptable price for a seller. However, no transfer price formula is appropriate in all circumstances.

Question 2

Question Type: MultipleChoice

Motivation is the

Options:

- A- Desire and the commitment to achieve a specific goal.
- B- Sharing of goals by supervisors and subordinates.
- C- Extent to which individuals have the authority to make decisions.
- D- Extent of the attempt to accomplish a specific goal

Answer:

A

Explanation:

Motivation is the desire to attain a specific goal (goal congruence) and the commitment to accomplish the goal (managerial effort). Managerial motivation is therefore a combination of managerial effort and goal congruence.

Question 3

Question Type: MultipleChoice

Goal congruence is the

Options:

- A- Desire and the commitment to achieve a specific goal
- B- Sharing of goals by supervisors and subordinates.
- C- Extent to which individuals have the authority to make decisions.
- D- Extent of the attempt to accomplish a specific goal

Answer:

B

Explanation:

Goal congruence is agreement on the goals of the organization and/or the segment by both supervisors and subordinates. Performance is assumed to be optimized when the parties understand that personal and segmental goals should be consistent with those of the organization.

Question 4

Question Type: MultipleChoice

Transfer pricing should encourage goal congruence and managerial effort In a decentralized organization, it should also encourage autonomous decision making. Managerial effort is the

Options:

- A-** Desire and the commitment to achieve a specific goal
- B-** Sharing of goals by supervisors and subordinates
- C-** Extent to which individuals have the authority to make decisions.
- D-** Extent of the attempt to accomplish a specific goal

Answer:

D

Explanation:

Managerial effort is the extent to which a manager attempts to accomplish a goal. Managerial effort may include psychological as well as physical commitment to a goal.

Question 5

Question Type: MultipleChoice

The most fundamental responsibility center affected by the use of market-based transfer prices is a(n)

Options:

A- Production center

B- Investment center

C- Cost center

D- Profit center.

Answer:

D

Explanation:

Transfer prices are often used by profit centers and investment centers. Profit centers are the more fundamental of these two centers because investment centers are responsible not only for revenues and costs but also for invested capital.

Question 6

Question Type: MultipleChoice

The price that one division of a company charges another division for goods or services provided is called the

Options:

- A- Market price
- B- Transfer price.
- C- Outlayprice
- D- Distress price

Answer:

B

Explanation:

A transfer price is the price charged by one segment of an organization for a product or service supplied to another segment of the same organization.

Question 7

Question Type: MultipleChoice

Which one of the following will not occur in an organization that gives managers throughout the organization maximum freedom to make decisions?

Options:

- A- Individual managers regarding the managers of other segments as they do external parties
- B- Two divisions of the organization having competing models that aim for the same market segments.
- C- Delays in securing approval for the introduction of new products
- D- Greater knowledge of the marketplace and improved service to customers.

Answer:

C

Explanation:

Decentralization is beneficial because it creates greater responsiveness to the needs of local customers, suppliers, and employees. Managers at lower levels are more knowledgeable about local markets and the needs of customers, etc. A decentralized organization is also more likely to respond flexibly and quickly to changing conditions, for example, by expediting the introduction of new products. Furthermore, greater authority enhances managerial morale and development. Disadvantages of decentralization include duplication of effort and lack of goal congruence.

To Get Premium Files for CMA Visit

<https://www.p2pexams.com/products/cma>

For More Free Questions Visit

<https://www.p2pexams.com/imanet/pdf/cma>

