Saylor BUS105 Practice Questions

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Question 1

Question Type: MultipleChoice

Managers have several different methods from which to choose when evaluating long-term investments. Which method disregards the time value of money as a factor?

Options:

A- Payback
B- Annuity tables
C- Net present value
D- Internal rate of return

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Answer:

A

Question 2

Question Type: MultipleChoice

Wycliff Corporation manufactures several different styles of bicycles. Managers appropriately record direct materials and direct labor into work-in-process accounts during production. To apply manufacturing overhead, managers consider cost pools for assembly and shipping to calculate a predetermined overhead rate for each department. Which option best best describes the method used by Wycliff Corporation for allocating manufacturing overhead costs?

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Options:

A- Activity-based
B- Departmental
C- Plantwide
D- Process

Answer:

B

Question 3

Question Type: MultipleChoice

Which of the following employees of ABC Corporation is most likely to receive the report regarding the internal audit committee's control findings?

Options:

A- Payroll clerk
B- Plant manager
C- Chief financial officer
D- Managerial accountant

P2P exams

Answer:

C

Question 4

Question Type: MultipleChoice

Myer Inc. achieved their goal of reducing their employee turnover rate by 15%. Which of the following perspectives of their balanced scorecard is most likely to include this measure?

Options:

A- Learning and growth
B- Customer satisfaction
C- Financial performance
D- Internal business process

P2P exams

Answer:

A

Question 5

Question Type: MultipleChoice

Wycliff Corporation practices activity-based management at their manufacturing facility. Which of the following events would most likely be the result of a decision made using activity-based management theory?

Options:

A- Direct labor costs were assigned to work-in-process accounts
B- Customer service representatives responded to vendor complaints
C- Plant managers assisted in calculating a plant-wide overhead rate
D- The packaging department was moved closer to the shipping department

Answer:

D

Question 6

Question Type: MultipleChoice

The accounting department for Aramai Inc. is preparing the cash flow statement for the current year. Using the select financial statement data below, what is Aramai's net income when converted to cash provided by operating activities, using the indirect method?

Net income	$463,000
Equipment depreciation	38,500
Patent amortization	17,950
Loss on sale of equipment	4,000
Increase in accounts receivable	29,900

Options:

A- $380,650
B- $493,550
C- $553,350
D- $545,350

Answer:

B

Question 7

Question Type: MultipleChoice

SJ Candles should expect the absorption costing and variable costing methods to result in the same 4th quarter operating profit when which of the following is true?

Options:

A- They sold all remaining 3rd quarter inventory in 4th quarter and produced zero candles in 4th quarter
B- They started the 4th quarter with no inventory and every candle that was produced in the 4th quarter also sold
C- They started the 4th quarter with no inventory and sold 80% of the candles that were produced in the 4th quarter
D- Their 4th quarter sales included every candle produced in the 4th quarter as well as a few that remained in inventory from the 3rd quarter

Answer:

B

Question 8

Question Type: MultipleChoice

Strang Tax provides tax consulting services to its clients whom they charge on an hourly basis. They would like to use differential analysis to determine whether profits would change if they dropped certain clients. Which of the following items should be excluded from this analysis?

Options:

A- Rent expenses
B- Consulting fees
C- Wages payable
D- Project management costs

Answer:

A

Question 9

Question Type: MultipleChoice

Ladron Candies is analyzing sales and production data for the holiday boxes they produced last year. The company expected to use 0.10 direct labor hours to produce one box of specialty candy, and the variable overhead rate was $2.00 per hour. According to payroll records, the company paid for a total of 104,000 hours of direct labor wages. The actual variable overhead costs totaled $200,000. They sold 800,000 boxes of candy to retailers. What is the variable overhead efficiency variance?

Options:

A- $8,000 favorable variable overhead efficiency variance
B- $8,000 unfavorable variable overhead efficiency variance
C- $48,000 favorable variable overhead efficiency variance
D- $48,000 unfavorable variable overhead efficiency variance

Answer:

D

Question 10

Question Type: MultipleChoice

What is the balance in the manufacturing overhead account after these transactions were recorded, assuming the beginning balance was zero?

Direct materials were requisitioned from the storeroom for use in production.	$5,100
Factory utility costs were recorded.	4,200
Factory maintenance costs were recorded.	2,500
Time sheets for 240 hours of factory labor were submitted at $17 per hour.	
Factory overhead costs were applied using a predetermined factory overhead rate of $25 per direct labor hour.	

Options:

A- $700
B- $4,780
C- $6,000
D- $6,700

Answer:

A

Question 11

Question Type: MultipleChoice

This is select financial statement data for Binks Corporation. What is the inventory turnover ratio for year 2?

Sales	$2,335,000
Cost of Goods Sold	1,525,000
Gross Profit	810,000
Ending Inventory, year 1	300,000
Ending Inventory, year 2	350,000
Accounts Payable	160,000

Options:

A- 2.3
B- 4.4
C- 4.7
D- 7.2

Answer:

C

Question 12

Question Type: MultipleChoice

Which of the following statements is a true statement about flexible budgets?

Options:

A- The actual number of units sold is irrelevant to a flexible budget
B- Cost variance analysis is an integral part of preparing a flexible budget
C- Selling and administrative expenses are reported in the flexible budget
D- The flexible budget is prepared before the master budget to assist with planning

Answer:

C

Question 13

Question Type: MultipleChoice

Use the following relevant data to assign costs to units transferred out and units in ending WIP inventory. Total Units Accounted For:

		Equivalent Units		
	Physical Units	Direct Materials	Direct Labor	Overhead
Units completed and transferred out	600	600	600	600
Units in ending WIP inventory	400	350	350	300
Total units accounted for	1,000	950	950	900

Cost per Equivalent Unit:

Direct Materials	Direct Labor	Overhead	Total
$3.00	$0.50	$1.00	$4.50

What is the total cost of production?

Options:

A- $1,800
B- $3,325
C- $4,500
D- $9,000

Answer:

C

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