



**Free Questions for CMAPRA17-BA1-1 by vceexamstest**

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## Question 1

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**Question Type:** MultipleChoice

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Conflict between the objectives of shareholders and those of management in a company may arise because

### Options:

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- A- shareholders are always interested in the short term but those in management are interested in the long term
- B- managers are concerned with the level of profits but shareholders are only interested in the long term share price
- C- raising the pay of management may be incompatible with increasing shareholder value.
- D- managers are more concerned with day to day management than shareholders

### Answer:

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C

## Question 2

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**Question Type:** MultipleChoice

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Company A uses the trend equation,  $y = a + bt$ , to forecast sales, where  $y$  are sales and  $t$  are time periods measured in units. At time period zero, sales were \$865,000. In period 5, sales have increased to \$1,245,000. Calculate coefficient  $b$  (without any decimal points):

**Options:**

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A- 76000

B- 86000

C- 66000

D- 56000

**Answer:**

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A

## Question 3

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**Question Type:** MultipleChoice

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Which TWO of the following business costs are directly affected by a rise in the interest rate\*? D The cost of procuring equity finance

### Options:

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- A- The cost of complying with government regulations.
- B- The cost of borrowing from private lenders.
- C- The cost of accessing government subsidies
- D- The cost of procuring intermediate goods.

### Answer:

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A, C

## Question 4

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### Question Type: MultipleChoice

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A research business compiles the following data for Country D over 8 years:

- \* Household expenditure,  $y$  (in millions of constant 20X6 dollars);
- \* The number of fixed broadband internet subscribers,  $x$  (in thousands).

Based on this information the following regression model is developed:

$$y = 332668 + 45.8x - 0.003x^2$$

Which of the following statements is correct?

**Options:**

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- A-** The model is based on historical data, so it is of little use in making forecasts
- B-** 1 percent increase in the number of fixed broadband internet subscribers will lead to 0.3 percent increase in household final consumption expenditure.
- C-** A non-linear relationship is suggested by the model between household final consumption expenditure and the number of fixed broadband internet subscribers.
- D-** The model makes accurate forecasts on household final consumption expenditure in Country and therefore it should be widely applied to most countries and regions.

**Answer:**

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D

## Question 5

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**Question Type: MultipleChoice**

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Which THREE of the following can be used to reduce the principal-agent problem in business organisations?

**Options:**

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- A- Requiring managers to uphold detailed disclosure and reporting practices
- B- Introducing bonuses related to the profit performance of the business.
- C- Implementing a 'top-down' decision-making process.
- D- Implementing a share distribution scheme.
- E- Requiring managers to take into account the interests of external stakeholders.

**Answer:**

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B

## Question 6

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**Question Type:** MultipleChoice

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Which THREE of the following are characteristics of good information?

**Options:**

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- A- Accuracy
- B- Confidentiality
- C- Verifiability
- D- Accessibility
- E- Trustworthiness
- F- Relevance

**Answer:**

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A, E, F

## Question 7

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**Question Type: MultipleChoice**

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Which TWO of the following are positive impacts for a national economy which hosts a multinational company's (MNC) production facilities within their country"?

**Options:**

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- A-** Mobile MNCs mean that operations can easily be transferred from one economy to another.
- B-** MNCs provide employment opportunities in other countries for skilled workers from the host country.
- C-** Local producers can copy superior processes from the MNC which raises productivity within the recipient economy.
- D-** Direct financial investment should improve economic welfare as capital is transferred to economies where the marginal rate of return on capital is highest
- E-** MNCs can use transfer pricing to ensure taxes are minimised within a recipient economy.

**Answer:**

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A, D



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