



Free Questions for CMAPRA17-BA2-1 by vceexamstest

Shared by Parrish on 06-06-2022

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

In order for the information in a management accounting report to be authoritative its contents must be:

Options:

- A- trusted and from reliable sources.
- B- complete and reported in a timely manner.
- C- complete and relevant.
- D- both financial and non-financial.

Answer:

C

Question 2

Question Type: MultipleChoice

A company's policy is to hold closing inventory each month equal to 10% of the next month's budgeted sales volume. The budgeted sales volumes of product Q for months 1 and 2 are 1,660 units and 2,300 units respectively.

The production budget for product Q for month 1 is:

Options:

- A- 1,596 units
- B- 1,494 units
- C- 1,724 units
- D- 1,890 units

Answer:

B

Question 3

Question Type: MultipleChoice

A company has spent \$5,000 on a report into the viability of using a subcontractor. The report highlighted the following:

A machine purchased six years ago for \$30,000 would become surplus to requirements. It has a written-down value of \$10,000 but would be resold for \$12,000.

A machine operator would be made redundant and would receive a redundancy payment of \$40,000.

The administration of the subcontractor arrangement would cost the company \$25,000 each year.

Which THREE of the following are relevant for the decision? (Choose three.)

Options:

- A- A relevant cost of \$5,000 for the viability report.
- B- A relevant cost of \$30,000 for the machine.
- C- A relevant cost of \$40,000 for the redundancy payment.
- D- A relevant cost of \$10,000 for the machine.
- E- A relevant cost of \$25,000 each year for administration.
- F- A relevant revenue of \$12,000 for the machine.

Answer:

A, D, E

Question 4

Question Type: MultipleChoice

Which THREE of the following are parts of the master budget? (Choose three.)

Options:

- A- Finished goods inventory budget.
- B- Budgeted statement of profit or loss.
- C- Cash flow budget.
- D- Sales budget.
- E- Administration overhead budget.
- F- Budgeted statement of financial position.

Answer:

B, C, F

Explanation:

Question 5

Question Type: MultipleChoice

A company has two production departments and two service departments (Maintenance and Stores). The overhead costs of each of the departments are as follows.

Production Dept. 1	Production Dept. 2	Maintenance	Stores
\$65,000	\$60,000	\$4,700	\$5,800

The following equations represent the reapportionment of each of the service department overheads to the other.

$$M = 4,700 + 0.1S$$

$$S = 5,800 + 0.2M$$

Where M = total Maintenance overhead after reapportionment from Stores

S = total Stores overhead after reapportionment from Maintenance

60% of the total Maintenance overhead and 50% of the total Stores overhead are to be apportioned to Production Department 1.

The total production overhead for Production Department 1 after reapportionment of the service departments' overhead costs is closest to:

Options:

A- \$71,672

B- \$75,500

C- \$70,720

D- \$71,821

Answer:

C

Question 6

Question Type: MultipleChoice

Which of the following statements regarding variances is valid?

Options:

- A- Using higher quality material than standard could explain an adverse labour efficiency variance.
- B- Improved maintenance of production machinery could explain an adverse material usage variance.
- C- An adverse labour rate variance could explain a favourable labour efficiency variance.
- D- Poor supervision could explain a favourable labour rate variance.

Answer:

C

Explanation:

<https://accounting-simplified.com/management/variance-analysis/labor/rate.html>

To Get Premium Files for CIMAPRA17-BA2-1 Visit

<https://www.p2pexams.com/products/cimapra17-ba2-1>

For More Free Questions Visit

<https://www.p2pexams.com/cima/pdf/cimapra17-ba2-1>

