

Package Title: Clicker Questions

Course Title: Weygandt, Managerial Accounting: Tools for Business Decision-Making, Fifth Canadian Edition

Chapter Number: 01

Shuffle: No

Question type: True/False

1) Just-in-time inventory systems require an increased emphasis on product quality.

Answer: True

2) Managerial accounting reports are special-purpose and issued as frequently as needed.

Answer: True

3) Managers' activities and responsibilities can be classified into three broad functions: cost accounting, budgeting, and internal control.

Answer: False

4) As a result of the Sarbanes-Oxley Act of 2002, managerial accounting reports must now comply with accounting principles accepted by the accounting profession.

Answer: False

5) Top managers must certify that a company maintains an adequate system of internal controls.

Answer: True

Question type: Multiple Choice

6) The value chain refers to

- a) seeking the best value in making purchases.
- b) the set of principles and organization follows.
- c) all activities associated with providing a product or service.
- d) the process of getting products from suppliers.

Answer: c

7) Which of the following methods do companies use to influence employees to achieve organizational goals?

- a) incentive schemes and performance measurement
- b) policies and procedures
- c) controlling
- d) all of the above

Answer: d

8) A bank uses financial accounting data to determine ____.

- a) whether to buy or sell shares of company stock
- b) whether to lend money to a firm and at what terms
- c) what dividends to pay out
- d) the amount of taxes due

Answer: b

9) Managers' activities and responsibilities can be classified into which broad functions?

- a) Identify available options.
- b) Plan, direct and control.
- c) Measure costs and benefits.
- d) Make a final decision.

Answer: b

10) The organizational goal of management at Zhung Inc. is to maximize profits. The goal of individual employees is to maximize their paycheques. One way in which management can try to align these goals would be to ____.

- a) increase employee pay as this should make employees more efficient
- b) eliminate stringent policies and procedures, thus giving employees more freedom in their work
- c) increase employee incentives for exceptional work
- d) decrease the amount of supervision of the employees, as this can be distracting to employees

Answer: c

11) Planning requires management to look ahead and ____.

- a) prepare forward looking financial statements
- b) implement, evaluate, revise, and plan
- c) implement, revise, evaluate, and plan
- d) maximize short-term profits and market share

Answer: d

12) The Sarbanes-Oxley Act of 2002 requires that ____.

- a) executives of publicly-traded companies take responsibility for the accuracy of financial reports
- b) publicly-traded companies release financial statements on a quarterly basis
- c) publicly-traded companies notify stockholders if there is any turnover in executive positions
- d) publicly-traded companies provide a dividend to stockholders at least every other year

Answer: a

13) A company's Chief Executive Officer (CEO) reports to ____.

- a) the company's Board of Directors
- b) the company's Chief Operating Officer
- c) the company's internal auditors
- d) nobody, as the CEO is the head of the company

Answer: a

14) The position of Treasurer typically includes the following responsibilities:

- a) managing the day to day operations.
- b) ensuring that the financial statements are prepared in accordance with IFRS.
- c) ensuring that the financial statements are prepared in accordance with GAAP.
- d) maintaining custody of the corporation's funds and the company's cash position.

Answer: d

15) The Institute of Management Accountants (IMA) Code of Ethics includes standards covering ____.

- a) competence, confidentiality, integrity and credibility
- b) confidentiality and integrity
- c) independence, confidentiality, integrity and credibility
- d) competence

Answer: a

16) Which of the following is **not** among the four primary aspects of a balanced scorecard?

- a) financial
- b) social
- c) learning and growth
- d) customer

Answer: b

17) Which of the following are most likely primary users of managerial accounting information?

- a) tax authorities
- b) officers and managers
- c) creditors
- d) shareholders

Answer: b

18) Which of the following is increasingly used by firms to manage their operations more efficiently and with more control?

- a) theory of constraints
- b) value chain
- c) lean manufacturing
- d) balanced scorecard

Answer: c

19) Which of the following is **not** a confidentiality requirement as stated by the IMA Standards of Ethical Conduct for Members?

- a) Refrain from disclosing confidential information acquired in the course of their work except when authorized, unless legally obligated to do so.
- b) Refrain from engaging in any activity that would prejudice their ability to carry out their duties ethically.
- c) Refrain from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage either personally or through third parties.
- d) Inform subordinates as appropriate regarding the confidentiality of information acquired in the course of their work and monitor their activities to assure the maintenance of that confidentiality.

Answer: b

20) Which of the following is a characteristic of financial accounting?

- a) Periodicity of reporting is often generated on an as-needed basis.
- b) Focus is on estimates on future performance.
- c) Reports are general purpose and intended for external users.
- d) Information relevance is valued most.

Answer: c

21) Decision-making is the outcome of

- a) identifying critical steps.
- b) exercise of good judgement in planning, directing, and controlling.
- c) measuring costs and benefits.
- d) making a final decision.

Answer: b

22) A company's Chief Financial Officer (CFO) reports to ____.

- a) the company's Board of Directors
- b) the company's Chief Operating Officer
- c) the company's internal auditors
- d) the CEO of the company

Answer: d

23) Management accountants have a responsibility to

- a) refrain from disclosing confidential information.
- b) provide information to only company employees.
- c) prepare financial statements.
- d) prepare financial statements fairly.

Answer: a

24) Management accountants have a responsibility to

- a) solve any conflicts of interest.
- b) avoid conflicts of interest.
- c) hire a good mediator to solve conflicting issues.
- d) be the expert in resolving complex issues.

Answer: b

25) Management accountants have a responsibility to

- a) communicate information fairly and objectively.
- b) hire good accountants to work with the company.
- c) disclose all information fairly.
- d) inform only the Chief Executive Officer for all managerial events.

Answer: a