

1. The Finch Company has 4 divisions. The following budgeted data are available for its Belgium division:
  - \* the sales are 5,000 units at a selling price of € 42.50 per unit
  - \* variable expenses are € 17.50 per unit
  - \* fixed expenses are € 100,000
 If its net operating income is increased by 20%, the total fixed expenses increased by 10%, and all other data remain as in the budget, the unit contribution margin will have
  - a. decreased by 12%
  - b. decreased by 4%
  - c. increased by 4%
  - d. increased by 12%
  
2. We refer to the previous question. The Swedish division from the Finch Company sells the same product as the Belgium division, in the same volume and at the same price. It also makes the same profit as the Belgium division, but the degree of operating leverage of the Swedish division is lower at this level of sales. This means that the Swedish division realizes
  - a. a lower contribution margin
  - b. the same contribution margin, but at a different cost structure where variable and fixed costs are concerned
  - c. the same contribution margin, but at a different cost structure where direct and indirect costs are concerned
  - d. a higher contribution margin
  
3. The chief financial officer (CFO) of Crown Company has calculated a margin of safety percentage of 20% for the company. He also knows that the variable expenses are 75% of sales and sales in the break-even point are € 600,000.  
Given this information, the net operating income is
  - a. € 37,500
  - b. € 50,000
  - c. € 122,500
  - d. € 160,000
  
4. At the present, a company's total fixed expenses are €6,000,000 and its contribution margin €1.00 per product.  
In the near future, the management expects to produce and sell 5,000,000 products at the current selling price of the product, at which level it wants to make a profit of € 300,000.  
This means that the variable costs:
  - a. need to decrease with € 0.26
  - b. need to decrease with € 0.14
  - c. can increase with € 0.14
  - d. can increase with € 0.26
  
5. Avoidable costs include:
  - I. sunk costs
  - II. future costs that do not differ between alternative courses of action
  - a. only I. is true
  - b. only II. is true
  - c. both I. and II. are true
  - d. neither I. nor II. is true

6. Company Scary Sources produces and sells four products. Per unit data concerning these products are:

	A	B	C	D
selling price	€ 270	€ 300	€ 210	€ 243
variable expenses:				
direct materials	€ 72	€ 72	€ 45	€ 54
other variable expenses	€ 72	€ 108	€ 72	€ 72
total variable expenses	€ 144	€ 180	€ 117	€ 126

Each product consumes the same amount of raw material, at a cost of € 9 per kilo. The demand for the company's products is very strong; with far more orders each month than the company is able to execute given the raw materials available for production. In order to maximize its profit, for which product should the company accept orders first?

- product A
  - product B
  - product C
  - product D
7. Zara Company makes 120,000 units per year of a part it uses in the products it manufactures. The unit product cost of this part is computed as follows:

Direct materials	€ 10
Direct labour	€ 9
Variable manufacturing overhead	€ 4
Fixed manufacturing overhead	<u>€ 22</u>
Unit product cost	€ 45

An outside supplier has offered to provide the company with all these parts it needs for € 37.50 per unit. If the company accepts this offer, the facilities now being used to make the part could be used to make more units of a product that is in high demand. The additional contribution margin on this other product would be € 300,000 per year.

If the parts were purchased from the outside supplier, all of the direct and variable cost of the part would have been avoided. However, 75% of the fixed manufacturing overhead cost being allocated to the part would continue even if the parts were purchased from the outside supplier. This fixed manufacturing overhead cost would be allocated to the company's remaining products.

What is the net total advantage or disadvantage of purchasing the parts rather than making it?

- € 780,000 disadvantage
  - € 240,000 advantage
  - € 540,000 advantage
  - € 1,140,000 advantage
8. A company notices that the fixed costs savings of a product line exceed the loss in contribution margin if it drops the product line.
- The company should not drop the product line.
  - The fixed costs are relevant costs.
- only I. is true
  - only II. is true
  - both I. and II. are true
  - neither I. nor II. is true

9. The Chief Executive Officer (CEO) of the Coffee Company decides to add a new line of coffee products to its current brands. Expected cost and revenue data for the new line are as follows:

Annual sales	6,000 units (1 unit = 1,000 kilos of coffee)
Selling price per unit	€ 750
Variable costs per unit:	
* Production	€ 420
* Selling	€ 36
Avoidable fixed costs per year:	
* Production	€ 288,000
* Selling	€ 360,000
Allocated common fixed costs per year	€ 180,000

If the new line of products is added to its existing product lines, it is expected that the contribution margin of other product lines at the Coffee Company will drop by € 81,000 per year. What is the lowest selling price per unit that could be charged for a new unit and still make it economically desirable to add this new product line?

- a. € 172.50
- b. € 456.00
- c. € 469.50
- d. € 577.50

10. Xenon Company uses a predetermined overhead rate based on labour hours to apply manufacturing overhead to jobs. Xenon Company has provided the following estimated costs for next year:

Advertising expenses	????????
Salary of production supervisor	€ 120,000
Direct Labour	€ 180,000
Direct materials	€ 60,000
Rent on factory equipment	????????
Sales commissions	€ 24,000
Indirect materials	€ 27,000

Xenon estimates that 7,500 direct labour hours and 6,000 machine hours will be worked during the year. The predetermined overhead rate per hour is € 28. Which of the following alternatives can be true:

- a. advertising expenses equal € 23,000 and rent on factory equipment equals € 40,000
- b. advertising expenses equal € 51,000 and rent on factory equipment equals € 63,000
- c. advertising expenses equal € 6,000 and rent on factory equipment equals € 15,000
- d. advertising expenses equal € 40,800 and rent on factory equipment equals € 21,000

11. Under absorption costing, how many of the following costs should be absorbed in the cost price:

- indirect materials
- marketing costs
- depreciation costs of the factory building
- labour costs of the head of the assembly-line
- sales commissions
- lease costs of the office building
- executive compensation for the chief executive officer

- a. 2
- b. 3
- c. 4
- d. 5

12. Using cost-plus pricing, the mark-up must be large enough

- I. to cover sales, general and administrative expenses
- II. to provide an adequate return on investment

- a. only I. is true
- b. only II. is true
- c. both I. and II. are true
- d. neither I. nor II. is true

13. Maverick Machinery has been using a traditional overhead allocation system based on machine-hours. For next year, Maverick Machinery decides to switch to an activity-based costing system using machine-hours and the number of batches processed as measures of activity. Information on these measures of activity and related overhead rates for the current year is as follows:

	estimated activity	predetermined overhead rate
machine hours	20,000	€ 8 per machine-hour
number of batches	250	€ 300 per batch

A specific job for next year will require 1,200 machine-hours and 18 batches to be processed. What would be the amount by which this job would have been overcosted or undercosted under the traditional system?

- a. undercosted by € 1,920
- b. undercosted by € 900
- c. overcosted by € 900
- d. overcosted by € 1,920

14. Arranging for shipments of pallets to the industry for the use of transporting their products is an example of a

- a. organization-sustaining activity
- b. product-level activity
- c. batch-level activity
- d. unit-level activity

15. A consultant explains you the 'ins' and 'outs' of activity-based costing and makes the following statements:

- I. In case of batch-level costs, activity-based costing will ordinarily shift costs from low-volume products produced in small batches to high-volume products produced in large batches.
- II. Activity-based costing takes into consideration the allocation of manufacturing overhead as well as selling, general and administrative overhead.

- a. only I. is true
- b. only II. is true
- c. both I. and II. are true
- d. neither I. nor II. is true

16. Possible pitfalls in allocating fixed costs are:

- I. using sales as an allocation base
- II. using a variable activity as an allocation base

- a. only I. is true
- b. only II. is true
- c. both I. and II. are true
- d. neither I. nor II. is true

17. Ginger Company has implemented an Activity Based Costing (ABC) system. See the data below:

Cost-data three products:	X	Y	Z
Annual production	3,000	7,000	4,000
Material cost per unit	€ 8.00	€ 10.00	€ 6.00
Direct labour cost per unit	€ 18.00	€ 15.00	€ 18.00

  

ABC-data three products:	X	Y	Z
Number of set-ups	35	100	55
Machine maintenance (hours)	15	50	15
Number of purchases	6	8	11
Number of shipments	6	4	4

  

ABC-data for all products:	Annual cost	Annual volume
Number of set-ups	€ 225,000	450
Machine maintenance (hours)	€ 60,000	3,000
Number of purchases	€ 72,000	240
Number of shipments	€ 75,000	80

Which of the following statements is correct:

- The product which is charged with the highest amount of manufacturing overhead costs per unit is the product with the lowest cost price.
- The product which is charged with the highest amount of manufacturing overhead costs per unit is also the product with the highest cost price.
- The product which is charged with the lowest amount of manufacturing overhead costs per unit is also the product with the lowest cost price.
- The product which is charged with the lowest amount of manufacturing overhead costs per unit is the product with the highest cost price.

18. Division High Quality Branches of a Dutch corporation requires 50,000 parts Alfa each year. The division has two options:

- High Quality Branches has a bid from an outside supplier for the parts Alfa at € 125.00 per unit.
- High Quality Branches has asked the Parts Division to provide it with parts Alfa. The Parts Division works for other divisions in the company as well as for the outside customers. The parts Alfa would require € 62.50 variable production costs per unit.

In order to have time and space to produce parts Alfa, the Parts Division would have to cut down production of another part Beta it currently produces. The part Beta sells for € 200.00 per unit, and requires € 75.00 variable production costs per unit. Packaging and shipping costs of part Beta are € 15.00 per unit.

Packaging and shipping costs for the new part Alfa would be € 7.50 per unit.

The Parts Division is now producing and selling 200,000 units of part Beta each year. Production and sales of part Beta would drop by 10% if the new part Alfa is produced for High Quality Branches.

The minimum transfer price of a part Alfa from the perspective of the Parts Division is

- € 70.00
- € 90.00
- € 110.00
- € 114.00

19. Consider the following text:

“Using the market price as the transfer price can lead to suboptimisation when the selling division has idle capacity. This happens because the purchasing division regards the transfer price as the cost of the transferred item, but from the standpoint of the company, the cost of the transferred item are ??????? of producing it when there is idle capacity.”

The text block ??????? should be replaced with:

- a. the variable costs
  - b. the direct costs
  - c. the full costs
  - d. the manufacturing overhead costs
20. Which of the following represents the correct order in which the indicated budget documents for a manufacturing company would be prepared:
- a. sales budget, cash budget, direct materials budget, direct labour budget
  - b. production budget, sales budget, direct materials budget, direct labour budget
  - c. sales budget, cash budget, production budget, direct materials budget
  - d. selling and administrative expense budget, cash budget, budgeted income statement, budgeted balance sheet
21. Renegade Company makes a product that has its peak sales in May of each year; see the company's sales budget for the second quarter given below:

	April	May	June
Budgeted sales	€ 300,000	€ 400,000	€ 250,000

The company has learned from past experience that 20% of a month's sales are collected in the month of sale, another 50% in the following month and the remaining is collected in the second month following the sales. Bad debts can be ignored. February sales totalled € 200,000 and March sales totalled € 240,000.

Given these data, the total accounts receivable at the end of the second quarter would be:

- a. € 320,000
  - b. € 330,000
  - c. € 335,000
  - d. € 340,000
22. The budgeted income statement may require figures from other budgets. Following the preparation of these budgets as presented in the text book and the case you made in the tutorial concerning the preparation of a master budget; from how many of the following budgets will the budgeted income statement most probably require figures?
- the cash budget
  - the production budget
  - the sales budget (including the scheduled cash collections from debtors)
  - the raw materials budget
- a. 1
  - b. 2
  - c. 3
  - d. 4
23. As the head of the Accounting Department, one of your assistants is not very sure how to draft the Sales, General & Administrative expenses (SG&A) budget for your company for next year on a quarterly basis (Q = Quarter). She composed the following alternative statements, respectively:

<b>SG&amp;A budget (A)</b>		Q1	Q2	Q3	Q4	Year
Budgeted sales in units		13,000	16,000	17,000	14,000	60,000
Variable expenses à	€ 1.40	€ 18,200	€ 22,400	€ 23,800	€ 19,600	€ 84,000
Fixed expenses:						
Advertising		€ 20,000	€ 20,000	€ 20,000	€ 20,000	€ 80,000
Salaries		€ 30,000	€ 30,000	€ 30,000	€ 30,000	€ 120,000
Insurances, taxes, etc.		€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 20,000
Depreciation		€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 32,000
		€ 63,000	€ 63,000	€ 63,000	€ 63,000	€ 252,000
Cash disbursement		€ 81,200	€ 85,400	€ 86,800	€ 82,600	€ 336,000
<b>SG&amp;A budget (B)</b>						
		Q1	Q2	Q3	Q4	Year
Budgeted sales in units		13,000	16,000	17,000	14,000	60,000
Variable expenses à	€ 1.40	€ 18,200	€ 22,400	€ 23,800	€ 19,600	€ 84,000
Fixed expenses:						
Advertising		€ 20,000	€ 20,000	€ 20,000	€ 20,000	€ 80,000
Salaries		€ 30,000	€ 30,000	€ 30,000	€ 30,000	€ 120,000
Insurances, taxes, etc.		€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 20,000
Depreciation		€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 32,000
		€ 63,000	€ 63,000	€ 63,000	€ 63,000	€ 252,000
Total SG&A expenses		€ 81,200	€ 85,400	€ 86,800	€ 82,600	€ 336,000
Less: depreciation		€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 32,000
Cash disbursement		€ 73,200	€ 77,400	€ 78,800	€ 74,600	€ 304,000
<b>SG&amp;A budget (C)</b>						
		Q1	Q2	Q3	Q4	Year
Budgeted sales in units		13,000	16,000	17,000	14,000	60,000
Variable expenses à	€ 1.40	€ 18,200	€ 22,400	€ 23,800	€ 19,600	€ 84,000
Fixed expenses:						
Advertising		€ 20,000	€ 20,000	€ 20,000	€ 20,000	€ 80,000
Salaries		€ 30,000	€ 30,000	€ 30,000	€ 30,000	€ 120,000
Insurances, taxes, etc.		€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 20,000
Depreciation		€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 32,000
		€ 63,000	€ 63,000	€ 63,000	€ 63,000	€ 252,000
Cash disbursement		€ 81,200	€ 166,600	€ 253,400	€ 336,000	€ 336,000

<b>SG&amp;A budget (D)</b>		Q1	Q2	Q3	Q4	Year
Budgeted sales in units		13,000	16,000	17,000	14,000	60,000
Variable expenses à	€ 1.40	€ 18,200	€ 22,400	€ 23,800	€ 19,600	€ 84,000
Fixed expenses:						
Advertising		€ 20,000	€ 20,000	€ 20,000	€ 20,000	€ 80,000
Salaries		€ 30,000	€ 30,000	€ 30,000	€ 30,000	€ 120,000
Insurances, taxes, etc.		€ 5,000	€ 5,000	€ 5,000	€ 5,000	€ 20,000
Depreciation		€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 32,000
		€ 63,000	€ 63,000	€ 63,000	€ 63,000	€ 252,000
Total SG&A expenses		€ 81,200	€ 85,400	€ 86,800	€ 82,600	€ 336,000
Less: depreciation		€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 32,000
Cash disbursement		€ 73,200	€ 150,600	€ 229,400	€ 304,000	€ 304,000

Which is the best SG&A budget:

- budget A
- budget B
- budget C
- budget D

24. The use of standards (for costs) has several advantages. However, there are also disadvantages that should be taken into consideration. How many of the following items are potential disadvantages of using standard costs?

- favourable variances may be misinterpreted
- emphasis on negative variances may impact morale
- continuous improvement may be more important than meeting standards
- emphasizing standards may exclude other important objectives
- the standard costs may be used for management by exception

- 2
- 3
- 4
- 5

25. The standard cost card for one unit of a certain finished product shows the following:

	<u>standard quantity or hours</u>	<u>standard price or rate</u>
direct materials	20 pounds	€ 18 per pound
direct labour	???	€ 19 per hour
variable manufact. overhead	8 hours	€ 7 per hour

The total standard variable cost for one unit of finished product is € 720.

In February, the total production was 2,000 finished products. In that period the actual quantity of labour hours used per product was 14 hours and the actual labour rate € 17.50 per hour.

The labour efficiency variance in February is:

- € 42,000 favourable
- € 48,000 favourable
- € 70,000 favourable
- € 76,000 favourable



26. The following materials standards have been established for a particular product:

Budgeted output	1,500 products
Standard quantity per unit of output	10 kilo's
Standard price	€ 20.00 per kilo

The following data pertain to operations concerning the product for the month January:

Actual materials purchased	15,400 kilo's
Actual materials used in production	13,870 kilo's
Actual price of materials purchased	€ 21.00 per kilo
Actual output	1,450 products

The materials efficiency variance in January is:

- a. € 18,000 unfavourable
  - b. € 15,400 unfavourable
  - c. € 12,600 favourable
  - d. € 13,230 favourable
27. You applied for a part-time job in a local manufacturing business. The chief financial officer (CFO) has developed a standard costing system in which manufacturing overhead is applied to units of product on the basis of direct labour-hours. As the year has just passed, the CFO asks you to determine all possible variances concerning the costs of one of the main products. To begin with, you start focusing on the variable manufacturing overhead costs. Each unit of product requires two-and-a-half standard hours of labour for completion. The denominator activity for the year was based on budgeted production of 75,000 units. Total overhead was budgeted at € 900,000 for the year, and the fixed overhead rate was € 8.00 per unit. The actual data pertaining to the manufacturing overhead for the year are presented below:

Actual production	72,500 units
Actual direct labour-hours	163,125 direct labour-hours
Actual total overhead	€ 870,000 (from which € 580,000 was fixed)

While you are trying to determine all kind of variances, a result pops up in your spreadsheet: € 29,000 favourable. This is:

- a. the variable overhead efficiency variance for the year
  - b. the variable overhead price variance for the year
  - c. the sum of the variable overhead efficiency variance and the variable overhead price variance for the year
  - d. the difference between the two variances, i.e. the variable overhead price variance minus the variable overhead efficiency variance for the year
28. Talking about returns, management accounting is delivering very well: the return on investment (ROI), the simple rate of return (SRR), the internal rate of return (IRR), etc. For instance, comparing the latter two (SRR and IRR),
- a. only the SRR takes into account the time value of money
  - b. only the IRR takes into account the time value of money
  - c. both the SRR and the IRR take into account the time value of money
  - d. neither the SRR nor the IRR takes into account the time value of money

29. Neuro Hospital has acquired a new device to diagnose brain tumours. The financial data of this new investment are presented below:

New device:	Investment	€ 500,000
	Useful life	8 years
	Salvage value after 8 years	€ 50,000 (to be received by selling the device)

The new device requires additional working capital to finance inventories, debtors, and other cash needs at a level of € 125,000. The expected life cycle of the device is 8 years, after which the additional working capital will be released.

The expected net cash inflows (outflows) from operations are estimated as follows:

Year 1	-- € 275,000 (negative)
Year 2	-- € 170,000 (negative)
Year 3	-- € 60,000 (negative)
Year 4 – 8	+ € 500,000 each year

Using a discount rate of 16%, the net present value of the new device is closest to:

- a. € 75,555
- b. € 162,430
- c. € 647,180
- d. € 663,555

30. Managers of the divisions A and B want to realize their proposed investment projects. The chief executive officer (CEO) asks you as the chief financial officer (CFO) to have a closer look at the financial figures of these projects.

	project A	project B
Annual cash inflows	€ 50,000	€ 100,000
Salvage value	€ 0	€ 0
Life of the investment	5 years	5 years
The net present value of the investment	€ 18,000	€ 27,000
Required rate of return	20%	20%

What would be right for you to conclude:

- a. Only one project is acceptable, as only one has an internal rate of return (IRR) which is higher than the required rate of return.
  - b. The initial investment in project B is less than twice the initial investment in project A.
  - c. The IRR of project A is larger than the IRR of project B.
  - d. The payback period of project A is longer than the payback period of project B.
31. Which of the following techniques/approaches focuses the most on variation reduction through statistical analysis to improve business processes:
- a. total quality management
  - b. the theory of constraints
  - c. just-in-time management
  - d. six sigma

Read the case below:

In February 2014, Sophie graduated, and finished her job as Student Assistant (SA) at RUG. The RUG SA job delivered her €150 of net income each month. This month (March 2014) she has opened De SOEP Winkel in the Groningen city centre.

Sophie makes use of the special treatment for vacancy shop spaces in city of Groningen: she pays a monthly rent of only €450 and has no obligation with respect to the length of the rent-contract. She leases cooking equipment at €225 per month and she purchased fancy DINING OUTSET FURNITURE at total value of €1,750. The DINING OUTSET FURNITURE has a useful life of 7 years and no salvage value. She decided to apply straight-line depreciation during the useful life of this asset. She decided also to budget and pay herself salary of 600 Euro per month to be able to cover her expenses: 2/3 of her time she will be working at the SOEP Winkel (opened 4 days a week) serving



the meals and 1/3 of her time she will spend on marketing activities and developing new concepts. She has the ingredients and other food supplies delivered at her shop twice a week at a cost €280. The week supplies are sufficient to serve 250 cups of soup a day each day the shop is open. The whole production will be sold in the first month of operations. Sophie's grandmother will cook the soups freshly each day when the shop is open.

Grandma receives a salary @ €50 per day that she cooks. Sophie and her grandmother followed certified hygienic standards course and acquired health license to work with food for one year. Sophie paid all the costs at €120 per person. Sophie sells her soups in two price categories: €2.30 and €1.75. The share of the categories is 50/50. Assume that the month has four weeks. Answer the following questions:

32. Sophie's student assistant salary at RUG €150 is in this case:
- Variable cost
  - Direct cost
  - Irrelevant cost
  - Opportunity cost
33. What will be the sales revenue in the first month of operations of Sophie's Soep winkel?
- € 8,100.00
  - € 9,200.00
  - € 7,000.00
  - € 16,200.00
34. Total indirect costs in the first month of operations based on the information above are:
- €1,115.50
  - € 915.83
  - € 875.00
  - € 1,275.83
35. Sophie expects the growth of her sales of 10% in the second month. At sales volume of 4,000 cups of soup, Sophie's total fixed costs are € 2,115.83 and variable costs are € 2,240.00. The relevant range is 4,000 to 5,000 units. What will be the total expected costs for the second month?
- € 4,796.00
  - € 4,579.83
  - € 4,355.83
  - € 4,567.42
36. Sophie's grandma salary @ €50 per cooking day is in this case:
- Indirect cost
  - Variable cost
  - Overhead cost
  - Fixed cost

37. In PlayGames company during February, the cost of goods manufactured was €65,000.00. The beginning finished goods inventory was €12,560.00 and the cost of goods sold for that month was €51,960.00. What was the finished goods inventory, ending?
- € 77,560.00
  - € 39,400.00
  - € 52,440.00
  - € 25,600.00

E-bikes produces identical products in two locations in Germany and France. The products are then sold by the units under guidance of the Dutch headquarters to the American market. Complete the 2013 segment report (grey gaps) for E-bikes Holding with business units in Germany and France:

BUSINESS UNITS	Germany	France
Sales	€ 1,890,000.00	€ 2,560,000.00
Net operating profit	€ 68,000.00	€ 189,000.00
Average operating assets	€ 250,000.00	
Margin		
Turnover		
ROI		27.00%

E-bike company's wide cost of capital is 25%

Answer the questions 38 and 39 based on the information above:

38. ROI for the Germany business unit is:

- 27.00 %
- 25.00 %
- 13.23 %
- 27.20 %

39. The estimated asset efficiency of the French unit is closest to:

- 0.07
- 7.56
- 3.66
- cannot be estimated.

40. Registered the "above-industry-average" turnover per employee in a company

- shows bad financial performance.
- positively contributes to financial performance.
- negatively affects future financial performance.
- shows good performance in learning and growth perspective.

41. The cost of capital is an example of a performance measure in the following dimension of BSC

- Financial perspective
- Customer perspective
- Internal business process perspective
- Learning and growth perspective

See the following project data:

Sales of the new product in units	12
Selling price of the new product	€ 28,000.00
Estimated variable cost per unit	€ 9,998.00
Increase in fixed costs by	€ 195,000.00
Investment budget agreed	€ 60,000.00
Minimum required return is 12%	

42. What is the residual income of this investment?

- a. € 13,824.00
- b. € 75,024.00
- c. € 68,328.00
- d. € 9,998.00

43. If the manufacturing cycle efficiency (MCE) is 0.98 this means that in practice:

- a. 98% of time is spent on non-value-added activities.
- b. 98% of time is spent on value-added activities.
- c. The company is operating inefficiently.
- d. Value-added activities are undervalued.

44. Strategic management accounting (SMA)

- a. perceives strategic aspects as unquantifiable 'add-ons'.
- b. supports strategy by exploiting value chain linkages
- c. relies exclusively on NPV analysis in investment analysis.
- d. focuses entirely on the internal factors in decision making.

45. Which are the parts of the value chain?

- I. distributing
  - II. product design
  - III. strategic thinking
  - IV. research and development
- 
- a. I, II, III
  - b. II, III, IV
  - c. I, II, IV
  - d. I, III, IV

The end of the Exam