

**Chapter 13—Managerial Accounting: Tools for Decision Making**

**Practice Quiz**

1. Which of the following is a characteristic of Managerial Accounting?
  - a. No external standards
  - b. Provides information for internal users
  - c. Information is more detailed
  - d. All of the above
  
2. Strategic position analysis is:
  - a. The study of factors that cause or influence costs
  - b. The study of value-producing activities, stretching from basic raw materials to the final consumer of a product or service
  - c. An examination of an organization's basic way of competing to sell products or services
  - d. All of the above
  
3. Michael Porter's Strategic Position Analysis model generally recognizes all of the following as possible strategic positions, except:
  - a. Goal setting
  - b. Cost leadership
  - c. Product differentiation
  - d. Market niche
  
4. Organizing is the process of:
  - a. Selecting goals and adopting strategies for achieving them
  - b. Making the organization into a well-ordered whole
  - c. Motivating employees for the attainment of goals
  - d. Ensuring that results agree with plans
  
5. International business competition has been fueled primarily by the adoption of international treaties, such as the North American Free Trade Agreement.
  - a. True
  - b. False

6. To be successful in a competitive international economic environment, businesses must be able to compete on the basis of:
- a. Price
  - b. Quality
  - c. Service
  - d. All of the above
7. Which of the following is not a cost driver?
- a. The gender of the wait staff at a restaurant
  - b. The number of customers in a restaurant
  - c. The size of a restaurant
  - d. The policy of empowering a waitress to make the decision to give a customer a free dessert because of the delay in delivering the main entrée
8. Which of the following is one of the three basic types of cost drivers discussed in the text?
- a. Organizational cost drivers
  - b. Direct cost drivers
  - c. Both a and b
  - d. Neither a nor b
9. Which of the following is not likely to be regarded as an action that has ethical implications in today's business environment?
- a. Purchasing supplies from a relative or friend rather than seeking bids
  - b. Using different depreciation methods for calculating depreciation expense for the financial statements and the income tax return
  - c. Failing to recognize obsolete inventory to avoid missing a profit forecast
  - d. Shifting costs for one contract to another to make the profits of the contracts line up with initial forecasts
10. Which of the following statements about business ethics is *true*?
- a. Ethical dilemmas often involve a trade-off between current results and future results, such as delaying recognizing an expense until the future when profits are expected to be higher.
  - b. Ethical dilemmas often result from a series of small compromises that evolve over time into major ethical breaches.
  - c. One of the important goals of corporate codes of ethics is to provide employees with a common foundation for addressing ethical issues.
  - d. All of the above are true