

Accounting 309
Quiz 1
January 18, 2007

Name _____

1. Management accounting information focuses on external reporting.
 - a. True
 - b. False
2. A good cost accounting system is narrowly focused on a continuous reduction of costs.
 - a. True
 - b. False
3. Modern cost accounting plays a significant role in management decision making.
 - a. True
 - b. False
4. The balance sheet, income statement, and statement of cash flows are used for financial accounting, but not for management accounting.
 - a. True
 - b. False
5. Financial accounting is broader in scope than management accounting.
 - a. True
 - b. False
6. Cost accounting measures and reports short-term, long-term, financial, and nonfinancial information.
 - a. True
 - b. False
7. All strategies should be evaluated regarding the resources and capabilities of the company.
 - a. True
 - b. False
8. The best-designed strategies are valuable whether or not they are effectively implemented.
 - a. True
 - b. False
9. Developing a network of relationships with customers and suppliers is a valuable source of competitive advantage for a company.
 - a. True
 - b. False
10. It is difficult to control activities without a budget.
 - a. True
 - b. False

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11. A budget may be used as a planning tool, but not as a control tool.
 - a. True
 - b. False
12. Feedback links planning and control.
 - a. True
 - b. False
13. Control includes deciding what feedback to provide that will help with future decision making.
 - a. True
 - b. False
14. Attention-directing activities should focus on cost-reduction opportunities, and not on value-adding opportunities.
 - a. True
 - b. False
15. For strategic decisions, scorekeeping is the most prominent role played by management accounting.
 - a. True
 - b. False
16. Management accountants often are simultaneously doing problem-solving, scorekeeping, and attention-directing activities.
 - a. True
 - b. False
17. An example of problem solving is evaluating bids from three different companies to supply a particular part used in manufacturing.
 - a. True
 - b. False
18. Value chain refers to its value to the employee.
 - a. True
 - b. False
19. The controller (also called the chief accounting officer) is the financial executive primarily responsible for both management accounting and financial accounting.
 - a. True
 - b. False
20. Management accountants have important ethical responsibilities that are related to competence, confidentiality, integrity, and objectivity.
 - a. True
 - b. False

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1. False
Management accounting information focuses on *internal* reporting.
2. False
A good cost accounting system is broadly focused to provide information that helps managers at all levels implement, monitor, and evaluate company strategies.
3. True
4. False
The balance sheet, income statement, and statement of cash flows are used for financial accounting and also for management accounting.
5. False
Management accounting is broader in scope than financial accounting.
6. True
7. True
8. False
Implementation is essential or the strategy is useless.
9. True
10. True
11. False
A budget may be used as a planning tool and also as a control tool.
12. True
13. True
14. False
Attention-directing activities should focus on cost-reduction opportunities and value-adding opportunities.
15. False
For strategic decisions, *problem solving* is the most prominent role played by management accounting.
16. True
17. True
18. False
Value chain refers to its value to the *customer*.
19. True
20. True