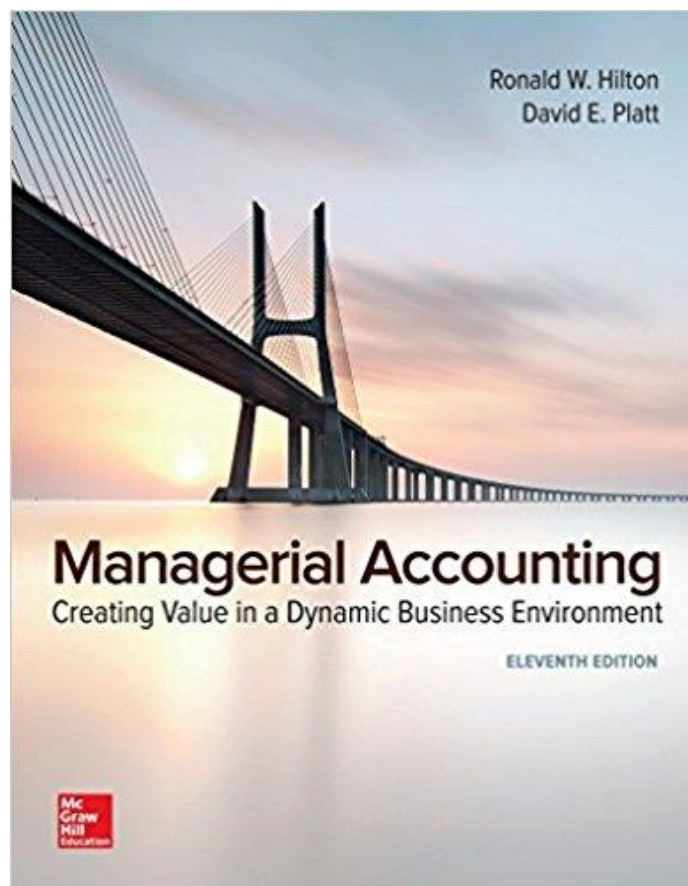


TEST BANK

Managerial Accounting: Creating Value in a Dynamic Business Environment, 11th Edition,
by **Ronald W Hilton, David Platt**



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Test Bank for Managerial Accounting: Creating Value in a Dynamic Business Environment, 11th Edition, by Ronald W Hilton, David Platt, ISBN-10: 125956956X, ISBN-13: 9781259569562

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Chapter 1
The Changing Role of Managerial Accounting in a Dynamic Business Environment
Answer Key

True / False Questions

1. Two things that all organizations have in common are a set of goals and information needed by managers.

TRUE

*AACSB: Reflective Thinking
AICPA: BB Critical Thinking
AICPA FN: Decision Making
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-01*

Feedback True: Correct! All organizations have a set of goals and managers need information to accomplish these goals.

Feedback False: It is true that all organizations have a set of goals and managers need information to accomplish these goals.

2. The role of managerial accounting in organizations is the same as it has been over many years.

FALSE

*AACSB: Reflective Thinking
AICPA: BB Critical Thinking
AICPA FN: Decision Making
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-01*

Feedback True: The role of managerial accounting has been changing in recent years.

Feedback False: Correct! The role of managerial accounting has been changing in recent years.

3. Controlling involves the coordination of daily business functions within an organization.

FALSE

AACSB: Reflective Thinking

AICPA: BB Critical Thinking

AICPA FN: Decision Making

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-02

Feedback True: This is actually the definition for directing operational activities, which is a managerial activity.

Feedback False: Correct! This is actually the definition for directing operational activities, which is a managerial activity.

4. Decision making requires managers to choose among the available alternatives.

TRUE

AACSB: Reflective Thinking

AICPA: BB Critical Thinking

AICPA FN: Decision Making

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-02

Feedback True: Correct! This is the correct definition for decision making.

Feedback False: This is the correct definition for decision making.

5. The balanced scorecard is an important managerial accounting tool for short-run competitiveness.

FALSE

AACSB: Reflective Thinking

AICPA: BB Critical Thinking

AICPA FN: Decision Making

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-03

Feedback True: The balanced scorecard is an important managerial accounting tool for long-run competitiveness.

Feedback False: Correct! The balanced scorecard is an important managerial accounting tool for long-run competitiveness.

6. In most situations, managerial accounting reports solve decision problems.

FALSE

AACSB: Reflective Thinking

AICPA BB: Critical Thinking

AICPA FN: Decision Making

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-03

Feedback True: Managerial accounting reports rarely solve a decision problem; instead they direct attention to issues.

Feedback False: Correct! Managerial accounting reports rarely solve a decision problem; instead they direct attention to issues.

7. Middle-level managers would likely be considered internal users of accounting information rather than external users.

TRUE

AACSB: Reflective Thinking

AICPA BB: Resource Management

AICPA FN: Reporting

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-03

Feedback True: Correct! Middle-level managers are generally considered internal users of accounting information.

Feedback False: Middle-level managers are generally considered internal users of accounting information.

8. Measuring the performance of managers and subunits is **not** an objective of managerial accounting.

FALSE

AACSB: Analytic

AICPA BB: Critical Thinking

AICPA FN: Research

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-04

Feedback True: In fact, measuring the performance of managers and subunits is an objective of managerial accounting..

Feedback False: Correct! In fact, measuring the performance of managers and subunits is an objective of managerial accounting.

Chapter 1 - The Changing Role of Managerial Accounting in a Dynamic Business Environment

9. The nature of managerial accounting reports is to focus on the enterprise in its entirety.

FALSE

AACSB: Analytic

AICPA BB: Critical Thinking

AICPA FN: Research

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-04

Feedback True: The nature of financial accounting rather than managerial accounting reports is to focus on the enterprise in its entirety.

Feedback False: Correct! The nature of financial accounting rather than managerial accounting reports is to focus on the enterprise in its entirety.

10. Line positions are indirectly involved in operational activities.

FALSE

AACSB: Analytic

AICPA BB: Critical Thinking

AICPA FN: Research

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-05

Feedback True: Managers in line positions are directly involved in the provision of goods or services.

Feedback False: Correct! Managers in line positions are directly involved in the provision of goods or services.

Chapter 1 - The Changing Role of Managerial Accounting in a Dynamic Business Environment

11. The position of chief financial officer (CFO) is typically a staff position.

TRUE

AACSB: Analytic

AICPA BB: Critical Thinking

AICPA FN: Research

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-05

Feedback True: Correct! The position of chief financial officer (CFO) is typically a staff position.

Feedback False: The position of chief financial officer (CFO) is typically a staff position.

12. A controller is normally involved with preparing financial statements.

TRUE

AACSB: Reflective Thinking

AICPA BB: Resource Management

AICPA FN: Reporting

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-06

Feedback True: Correct! A controller is typically involved in the process to prepare financial statements.

Feedback False: A controller is typically involved in the process to prepare financial statements.

13. The treasurer typically is responsible for raising capital and safeguarding the organization's assets.

TRUE

AACSB: Reflective Thinking

AICPA BB: Resource Management

AICPA FN: Reporting

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-06

Feedback True: Correct! It is the treasurer that typically raises capital and safeguards the organizational assets.

Feedback False: It is the treasurer that typically raises capital and safeguards the organizational assets.

14. The value chain is a managerial accounting tool that primarily assists in the valuation of assets.

FALSE