

c1

Student: _____

1. Management accounting primarily is concerned with providing
 - A. information to managers inside the organisation as well as information to stockholders, creditors, and others outside the organisation.
 - B. information to stockholders, creditors, and others outside the organisation.
 - C. information to managers inside the organisation.
 - D. information to governmental regulatory agencies.

2. CIMA is
 - A. generally not involved in ethical issues.
 - B. not involved in transfer pricing issues.
 - C. recommends that accountants focus on short term performance.
 - D. responsible for monitoring and enforcing professional ethics.

3. In a decentralised organisation, most decisions are made by top management.

True False

4. Budgets are a formal expression of management's plans.

True False

5. Reductions in trade barriers

- A. do not help companies to expand.
- B. reduce the risk of business failure.
- C. are good for all companies.
- D. help agile and aggressive companies to expand.

6. Large batches are desirable because they minimise work in process inventories.

True False

7. Financial accounting

- A. is required by regulatory bodies such as the SEC.
- B. has its primary emphasis on the future.
- C. provides data primarily for internal uses by managers.
- D. is concerned primarily with the performance of segments rather than with the performance of the entire organisation.

8. The organisation chart

- A. shows lines of authority within an organisation.
- B. shows whether or not the organisation is decentralised.
- C. shows both formal and informal channels of communication between managers.
- D. none of these.

9. When carrying out controlling activities, managers rely on feedback to ensure that the plan is actually carried out and is appropriately modified as circumstances change.

True False

10. A performance report typically compares budgeted data to actual data.

True False

11. Financial and managerial accounting are similar in that both

- A. are mandatory.
- B. involve summarising financial data.
- C. emphasise the relevance and flexibility of data.
- D. emphasise the organisation as a whole.

12. In decision making, managers use

- A. financial accounting information exclusively since it is more objective and precise due to well-established principles and conventions.
- B. information regarding the organisation as a whole rather than segments of the organisation in order to capture a broader perspective of the company's operations.
- C. information that is as precise as humanly possible.
- D. whatever information is relevant to the decision even though the information may not conform to generally accepted accounting principles.

13. When carrying out directing and motivating activities, managers rely on feedback to ensure that the plan is actually carried out and is appropriately modified as circumstances change.

True False

14. The focus of management accounting is on the past, since historical cost data are generally accurate and reliable.

True False

15. Management accounting is concerned with providing information to creditors and others outside of an organisation.

True False

16. Successful implementation of JIT should result in resources being freed up for more productive uses.

True False

17. The managerial accounting reports of a company would be of most interest and benefit to the company's

A. bankers.

B. shareholders.

C. bondholders.

D. director of manufacturing.

18. If ethical standards are not adhered to

A. it would have little impact on a typical management accountant.

B. there would be no undesirable consequences.

C. it would have little impact on advanced market economies.

D. there would be undesirable consequences.

19. When carrying out their planning activities, managers mobilise the organisation's human and other resources so that the organisation's plans can be carried out.

True False

20. Management accounting is governed by generally accepted accounting principles (GAAP).

True False

21. Delegating decisions to lower levels of management results in increased

- A. profitability.
- B. centralisation.
- C. control.
- D. decentralisation.

22. The impact of international competition has

- A. made many management accounting systems obsolete over time.
- B. made little impact on the work of management accountants.
- C. made it difficult for companies to expand.
- D. created few opportunities for management accountants to work in other countries.

23. A line position is one that is directly related to the achievement of the basic objectives of an organisation.

True False

24. Global competition:

- A. is mainly a problem for companies in Europe and the US.
- B. can come from unexpected sources.
- C. is not having an impact on the quality of goods.
- D. can be a benefit for companies.

25. The process of overseeing day-to-day activities and keeping the organisation functioning smoothly is called

- A. directing.
- B. controlling.
- C. planning.
- D. decision making.

26. An organisation chart does not show

- A. staff and line positions.
- B. areas of responsibility for each manager.
- C. formal lines of authority between managers.
- D. informal lines of communication.

27. One of the following is not a feature of EasyJet's innovative business model.

- A. use of the internet.
- B. ticketless travel.
- C. rapid turnaround times.
- D. better in-flight meals.

28. When opening two major stores at one time in two quite different countries you will not find one of the following:
- A. Stretched resources.
 - B. Cultural differences.
 - C. Budgeted figures quite different from actual.
 - D. Market conditions and tastes exactly the same.
29. Planning does not involve one of the following:
- A. Identifying alternatives.
 - B. Learning from the past.
 - C. Expressing things formally in budgets.
 - D. Keeping the organisation functioning smoothly.
30. Directing and motivating does not involve one of the following:
- A. Setting targets for different areas of business.
 - B. Setting targets for different individuals.
 - C. Planning for the future.
 - D. Keeping the organisation functioning smoothly.
31. The key to control is
- A. feedback.
 - B. feeders.
 - C. actual figures.
 - D. budgeted figures.

32. If a forecast cannot be made with any accuracy then it should not be made.

True False

33. Non-monetary data can be very useful for management accounting.

True False

34. The informal organisational structure plays no real part in the management of a decentralised organisation.

True False

35. One of these is not a feature of a decentralised organisation

- A. tighter control at the top.
- B. quicker decision making.
- C. better training ground for new managers.
- D. greater motivation for division managers.

36. Financial accounting suffered in the latter part of the 20th Century due to the emphasis on management accounting.

True False

37. One of these is not a cause of globalisation:

- A. Increase in the barriers to free trade
- B. The rise of India and China
- C. Increased sophistication in financial markets
- D. The internet

38. Which of these is not a threat from globalisation?

- A. The increasing use of English as the language of business
- B. Freer movement of goods.
- C. Companies expanding out of their home markets.
- D. The internet.
- E. None of these
- F. All of these

39. Which of these is not an opportunity from globalisation?

- A. The increasing use of English as the language of business.
- B. Freer movement of goods.
- C. Companies expanding out of their home markets.
- D. The internet.
- E. None of these
- F. All of these

40. The quality of a company's management accounting system is irrelevant to a company's success.

True False

41. The pace of innovation in the business world has been easy for employees to deal with.

True False

42. The pace of innovation in the business world has been easy for businesses to deal with.

True False

43. The pace of innovation in the business world has been good for consumers.

True False

44. One of the following is not a recent development in management accounting:

A. PQR

B. Theory of constraints

C. TQM

D. JIT

45. Service industries provide different challenges for management accounting than do manufacturing industries.

True False

46. Outsourcing has declined over the last 20-25 years.

True False

47. 'Shared service centres' are normally places of worship used by more than one religious body.

True False

48. With regards to sustainability issues, managers concentrating on shareholder value should NOT be concerned by one of the following.

- A. Costs
- B. What their fellow managers think about them
- C. Compliance
- D. Strategy

49. Ethical standards have nothing to contribute to profitable business practice.

True False

50. Outline the history of management accounting succinctly. What was the impact on the management accounting practices of the increased importance of financial accounting at the start of the 20th Century? What factors, in your opinion have lead to the management accounting resurgence in the last 20-25 years?

51. Would it be true to say that management accounting practices are the same all over the world?

52. Would you see globalisation as a threat or as an opportunity to a small engineering firm, say in South Wales? In what ways could the firm set out to ensure survival?

53. Outline the affect that JIT has had on stocks in manufacturing firms around the world.

c1 Key

1. Management accounting primarily is concerned with providing
- A. information to managers inside the organisation as well as information to stockholders, creditors, and others outside the organisation.
 - B. information to stockholders, creditors, and others outside the organisation.
 - C. information to managers inside the organisation.
 - D. information to governmental regulatory agencies.

2 Identify the major differences and similarities between financial and management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #1

2. CIMA is
- A. generally not involved in ethical issues.
 - B. not involved in transfer pricing issues.
 - C. recommends that accountants focus on short term performance.
 - D. responsible for monitoring and enforcing professional ethics.

2 Identify the major differences and similarities between financial and management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #2

3. In a decentralised organisation, most decisions are made by top management.

FALSE

3 Describe the role of a management accountant in a decentralized organization

4. Budgets are a formal expression of management's plans.

TRUE

1 Describe what managers do and why they need accounting information

Difficulty: Basic
Seal - Chapter 001
Seal - Chapter 01 #4

5. Reductions in trade barriers

- A. do not help companies to expand.
- B. reduce the risk of business failure.
- C. are good for all companies.
- D. help agile and aggressive companies to expand.

4 Discuss the impact of international competition on businesses and on management accounting

Difficulty: Basic
Seal - Chapter 001
Seal - Chapter 01 #5

6. Large batches are desirable because they minimise work in process inventories.

FALSE

Difficulty: Intermediate
Seal - Chapter 001
Seal - Chapter 01 #6

7. Financial accounting

- A. is required by regulatory bodies such as the SEC.
- B. has its primary emphasis on the future.
- C. provides data primarily for internal uses by managers.
- D. is concerned primarily with the performance of segments rather than with the performance of the entire organisation.

2 Identify the major differences and similarities between financial and management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #7

8. The organisation chart

- A. shows lines of authority within an organisation.
- B. shows whether or not the organisation is decentralised.
- C. shows both formal and informal channels of communication between managers.
- D. none of these.

1 Describe what managers do and why they need accounting information

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #8

9. When carrying out controlling activities, managers rely on feedback to ensure that the plan is actually carried out and is appropriately modified as circumstances change.

TRUE

1 Describe what managers do and why they need accounting information

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #9

10. A performance report typically compares budgeted data to actual data.

TRUE

1 Describe what managers do and why they need accounting information

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #10

11. Financial and managerial accounting are similar in that both

- A. are mandatory.
- B. involve summarising financial data.
- C. emphasise the relevance and flexibility of data.
- D. emphasise the organisation as a whole.

2 Identify the major differences and similarities between financial and management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #11

12. In decision making, managers use

- A. financial accounting information exclusively since it is more objective and precise due to well-established principles and conventions.
- B. information regarding the organisation as a whole rather than segments of the organisation in order to capture a broader perspective of the company's operations.
- C. information that is as precise as humanly possible.
- D. whatever information is relevant to the decision even though the information may not conform to generally accepted accounting principles.

1 Describe what managers do and why they need accounting information

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #12

13. When carrying out directing and motivating activities, managers rely on feedback to ensure that the plan is actually carried out and is appropriately modified as circumstances change.

FALSE

1 Describe what managers do and why they need accounting information

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #13

14. The focus of management accounting is on the past, since historical cost data are generally accurate and reliable.

FALSE

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #14

15. Management accounting is concerned with providing information to creditors and others outside of an organisation.

FALSE

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #15

16. Successful implementation of JIT should result in resources being freed up for more productive uses.

TRUE

5 Review the impact of organizational and technological change on management accounting

Difficulty: Intermediate

Seal - Chapter 001

17. The managerial accounting reports of a company would be of most interest and benefit to the company's

- A. bankers.
- B. shareholders.
- C. bondholders.
- D. director of manufacturing.

1 Describe what managers do and why they need accounting information

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #17

18. If ethical standards are not adhered to

- A. it would have little impact on a typical management accountant.
- B. there would be no undesirable consequences.
- C. it would have little impact on advanced market economies.
- D. there would be undesirable consequences.

3 Describe the role of a management accountant in a decentralized organization

5 Review the impact of organizational and technological change on management accounting

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #18

19. When carrying out their planning activities, managers mobilise the organisation's human and other resources so that the organisation's plans can be carried out.

FALSE

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Basic

20. Management accounting is governed by generally accepted accounting principles (GAAP).

FALSE

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #20

21. Delegating decisions to lower levels of management results in increased

- A. profitability.
- B. centralisation.
- C. control.
- D. decentralisation.

5 Review the impact of organizational and technological change on management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #21

22. The impact of international competition has

- A. made many management accounting systems obsolete over time.
- B. made little impact on the work of management accountants.
- C. made it difficult for companies to expand.
- D. created few opportunities for management accountants to work in other countries.

4 Discuss the impact of international competition on businesses and on management accounting

5 Review the impact of organizational and technological change on management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #22

23. A line position is one that is directly related to the achievement of the basic objectives of an organisation.

TRUE

5 Review the impact of organizational and technological change on management accounting

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #23

24. Global competition:

- A. is mainly a problem for companies in Europe and the US.
- B. can come from unexpected sources.
- C. is not having an impact on the quality of goods.
- D. can be a benefit for companies.

4 Discuss the impact of international competition on businesses and on management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #24

25. The process of overseeing day-to-day activities and keeping the organisation functioning smoothly is called

- A. directing.
- B. controlling.
- C. planning.
- D. decision making.

1 Describe what managers do and why they need accounting information

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #25

26. An organisation chart does not show

- A. staff and line positions.
- B. areas of responsibility for each manager.
- C. formal lines of authority between managers.
- D. informal lines of communication.

1 Describe what managers do and why they need accounting information

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #26

27. One of the following is not a feature of EasyJet's innovative business model.

- A. use of the internet.
- B. ticketless travel.
- C. rapid turnaround times.
- D. better in-flight meals.

4 Discuss the impact of international competition on businesses and on management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #27

28. When opening two major stores at one time in two quite different countries you will not find one of the following:

- A. Stretched resources.
- B. Cultural differences.
- C. Budgeted figures quite different from actual.
- D. Market conditions and tastes exactly the same.

1 Describe what managers do and why they need accounting information

4 Discuss the impact of international competition on businesses and on management accounting

29. Planning does not involve one of the following:

- A. Identifying alternatives.
- B. Learning from the past.
- C. Expressing things formally in budgets.
- D. Keeping the organisation functioning smoothly.

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #29

30. Directing and motivating does not involve one of the following:

- A. Setting targets for different areas of business.
- B. Setting targets for different individuals.
- C. Planning for the future.
- D. Keeping the organisation functioning smoothly.

1 Describe what managers do and why they need accounting information

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #30

31. The key to control is

- A. feedback.
- B. feeders.
- C. actual figures.
- D. budgeted figures.

1 Describe what managers do and why they need accounting information

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #31

32. If a forecast cannot be made with any accuracy then it should not be made.

FALSE

3 Describe the role of a management accountant in a decentralized organization

5 Review the impact of organizational and technological change on management accounting

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #32

33. Non-monetary data can be very useful for management accounting.

TRUE

1 Describe what managers do and why they need accounting information

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #33

34. The informal organisational structure plays no real part in the management of a decentralised organisation.

FALSE

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #34

35. One of these is not a feature of a decentralised organisation

- A.** tighter control at the top.
- B. quicker decision making.
- C. better training ground for new managers.
- D. greater motivation for division managers.

1 Describe what managers do and why they need accounting information

3 Describe the role of a management accountant in a decentralized organization

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #35

36. Financial accounting suffered in the latter part of the 20th Century due to the emphasis on management accounting.

FALSE

1 Describe what managers do and why they need accounting information

2 Identify the major differences and similarities between financial and management accounting

3 Describe the role of a management accountant in a decentralized organization

5 Review the impact of organizational and technological change on management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #36

37. One of these is not a cause of globalisation:

- A. Increase in the barriers to free trade
- B. The rise of India and China
- C. Increased sophistication in financial markets
- D. The internet

1 Describe what managers do and why they need accounting information

2 Identify the major differences and similarities between financial and management accounting

3 Describe the role of a management accountant in a decentralized organization

4 Discuss the impact of international competition on businesses and on management accounting

5 Review the impact of organizational and technological change on management accounting

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #37

38. Which of these is not a threat from globalisation?

- A. The increasing use of English as the language of business
- B. Freer movement of goods.
- C. Companies expanding out of their home markets.
- D. The internet.
- E. None of these
- F. All of these

3 Describe the role of a management accountant in a decentralized organization

5 Review the impact of organizational and technological change on management accounting

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #38

39. Which of these is not an opportunity from globalisation?

- A. The increasing use of English as the language of business.
- B. Freer movement of goods.
- C. Companies expanding out of their home markets.
- D. The internet.
- E. None of these
- F. All of these

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #39

40. The quality of a company's management accounting system is irrelevant to a company's success.

FALSE

3 Describe the role of a management accountant in a decentralized organization

4 Discuss the impact of international competition on businesses and on management accounting

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #40

41. The pace of innovation in the business world has been easy for employees to deal with.

FALSE

3 Describe the role of a management accountant in a decentralized organization

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #41

42. The pace of innovation in the business world has been easy for businesses to deal with.

FALSE

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #42

43. The pace of innovation in the business world has been good for consumers.

TRUE

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #43

44. One of the following is not a recent development in management accounting:

A. PQR

B. Theory of constraints

C. TQM

D. JIT

3 Describe the role of a management accountant in a decentralized organization

5 Review the impact of organizational and technological change on management accounting

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #44

45. Service industries provide different challenges for management accounting than do manufacturing industries.

TRUE

1 Describe what managers do and why they need accounting information

3 Describe the role of a management accountant in a decentralized organization

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #45

46. Outsourcing has declined over the last 20-25 years.

FALSE

1 Describe what managers do and why they need accounting information

3 Describe the role of a management accountant in a decentralized organization

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #46

47. 'Shared service centres' are normally places of worship used by more than one religious body.

FALSE

3 Describe the role of a management accountant in a decentralized organization

5 Review the impact of organizational and technological change on management accounting

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Basic

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #47

48. With regards to sustainability issues, managers concentrating on shareholder value should NOT be concerned by one of the following.

- A. Costs
- B. What their fellow managers think about them
- C. Compliance
- D. Strategy

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #48

49. Ethical standards have nothing to contribute to profitable business practice.

FALSE

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Basic

Seal - Chapter 001

Seal - Chapter 01 #49

50. Outline the history of management accounting succinctly. What was the impact on the management accounting practices of the increased importance of financial accounting at the start of the 20th Century? What factors, in your opinion have lead to the management accounting resurgence in the last 20-25 years?

Hint – reference here needs to be made to the writings of Johnson & Kaplan et al.

Main points of the Answer - The history is well documented in the textbook.

The reversal of the reasons for the decline of management accounting led to its resurgence.

Lack of relative importance to financial accounting – ever changing business environment demanded correct decision making information.

Too expensive to keep two sets of books – IT made this easy.

IT also made it cheaper to produce up to date information and the internet opened up new worlds.

Increased awareness that management accounting was once important through Johnson and Kaplan et al. and therefore was worthy of attention again.

Development of new practice – JIT, TQM etc

Globalisation led to spread of ideas etc

1 Describe what managers do and why they need accounting information

2 Identify the major differences and similarities between financial and management accounting

3 Describe the role of a management accountant in a decentralized organization

4 Discuss the impact of international competition on businesses and on management accounting

5 Review the impact of organizational and technological change on management accounting

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Advanced

Seal - Chapter 001

Seal - Chapter 01 #50

51. Would it be true to say that management accounting practices are the same all over the world?

No – they are different all over the world, whether in China, India, Germany, Japan, US, UK.
They will differ through history, culture, development, need, type of industry.

Yes – Spread of multi national firms and globalisation and the spread of good practice.

1 Describe what managers do and why they need accounting information

2 Identify the major differences and similarities between financial and management accounting

3 Describe the role of a management accountant in a decentralized organization

5 Review the impact of organizational and technological change on management accounting

Difficulty: Advanced

Seal - Chapter 001

Seal - Chapter 01 #51

52. Would you see globalisation as a threat or as an opportunity to a small engineering firm, say in South Wales? In what ways could the firm set out to ensure survival?

Threats

Cheaper labour and materials elsewhere such as India & China

Greater economies of scale

Also firms that might need engineering input may also be in India and China and other suppliers are nearer

Big competitors

'Credit crunch' may harm chances to obtain funds for big order

One bad debt may mean extinction

May have to cut costs to the bone to get orders

Opportunities

Specialise with products with high skill content

Outsource lower skilled jobs to lower cost countries

Internet provides global marketing opportunity

Possible internet enabled supply chain with much lower costs

Welsh/UK government help

Skilled workforce

Smaller so quicker to react to market

1 Describe what managers do and why they need accounting information

3 Describe the role of a management accountant in a decentralized organization

4 Discuss the impact of international competition on businesses and on management accounting

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Advanced

Seal - Chapter 001

Seal - Chapter 01 #52

53. Outline the affect that JIT has had on stocks in manufacturing firms around the world.

Reduce stock levels

Reduce stock holding costs

Reduce stock obsolescence

Increase efficiencies

Change in manufacturing techniques

Change in business models

Old ideas have had to go

Quicker reaction to market now possible

Closer ties with suppliers and customers

Cheaper costs/prices

Removal of relevance of EOQ models.

3 Describe the role of a management accountant in a decentralized organization

4 Discuss the impact of international competition on businesses and on management accounting

5 Review the impact of organizational and technological change on management accounting

6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance

Difficulty: Intermediate

Seal - Chapter 001

Seal - Chapter 01 #53

c1 Summary

<u>Category</u>	<u># of Questions</u>
	<u>ns</u>
1 Describe what managers do and why they need accounting information	21
2 Identify the major differences and similarities between financial and management accounting	8
3 Describe the role of a management accountant in a decentralized organization	26
4 Discuss the impact of international competition on businesses and on management accounting	10
5 Review the impact of organizational and technological change on management accounting	14
6 Identify emerging issues: increasing importance of services, managing for value, the sustainability agenda and corporate governance	17
Difficulty: Advanced	3
Difficulty: Basic	29
Difficulty: Intermediate	22
Seal - Chapter 001	53
Seal - Chapter 01	53