



注意事項：

1. 答案依序書寫於答案卷上，不必抄題。
2. 答案卷不可書寫任何可辨別個人姓名或特殊標記，違者不予計算。
3. 請於試題紙上填寫准考證號碼，繳卷時「試題」、「答案卷」一併繳回。

※考試可帶允許使用的計算機。答案請依序書寫於答案紙上。此份考卷選擇題占40分，計算題占60分。

INSTRUCTIONS for Multiple-Choice Question: Choose **ONLY ONE ANSWER** for each question.

1) Service-sector company, such as Google, reports:

- A) direct materials inventory, work-in-process inventory, and finished goods inventory accounts
B) only merchandise inventory C) only finished goods inventory D) no inventory accounts

2) The order to follow when preparing the operating budget is:

- A) costs of goods sold budget, production budget, and cash budget
B) revenues budget, production budget, and direct manufacturing labor costs budget
C) revenues budget, manufacturing overhead costs budget, and production budget
D) cash expenditures budget, revenues budget, and production budget.

3) The difference between operating incomes under variable costing and absorption costing centers on how to account for:

- A) fixed manufacturing costs B) variable manufacturing costs C) direct materials costs D) Both B and C are correct.

4) Springwell Corporation, whose tax rate is 40%, has two sources of funds: long-term debt with a market value of \$8,000,000 and an interest rate of 8%, and equity capital with a market value of \$12,000,000 and a cost of equity of 12%. Springfield's after-tax cost of debt is: A) .0800 B) .0480 C) .0320 D) .0912

5) For 2012, Marco's Animal Supply Manufacturing uses machine-hours as the only overhead cost-allocation base. The accounting records contain the following information:

	<u>Estimated</u>	<u>Actual</u>
Manufacturing overhead costs	\$100,000	\$120,000
Machine-hours	20,000	25,000

Using job costing, the 2012 budgeted manufacturing overhead rate is:

- A) \$4.00 per machine-hour B) \$6.00 per machine-hour C) \$5.00 per machine-hour D) \$4.80 per machine-hour

Answer the following questions using the information below:

The Cybertronics Corporation reported the following information for its Cyclotron Division:

Revenues	\$1,000,000
Operating costs	600,000
Taxable income	200,000
Operating assets	500,000

Income is defined as operating income.

6) What is the Cyclotron Division's return on sales?

- A) 0.20 B) 0.40 C) 0.50 D) 0.60

7) What is the Cyclotron Division's return on investment?

- A) 0.2 B) 0.4 C) 0.5 D) 0.8

8) What is the Cyclotron Division's investment turnover ratio?

- A) 2.00 B) 3.33 C) 0.80 D) 2.50

9) In product-mix decisions:

- A) focus on the full costs of the product
- B) focus on the product with the greatest contribution margin per machine-hour
- C) never focus on the short-term, but include only long-term considerations
- D) always focus on maximizing total contribution margin

10) Customer-satisfaction measures are an example of the:

- A) financial report scorecard approach
- B) balanced scorecard approach
- C) investment success approach
- D) goal-congruence approach

11) At the breakeven point of 200 units, variable costs total \$400 and fixed costs total \$600. The 201st unit sold will contribute _____ to profits. A) \$1 B) \$2 C) \$3 D) \$5

12) The slope of the line of regression is the:

- A) level of total fixed costs
- B) rate at which the dependent variable varies
- C) rate at which the independent variable varies
- D) level of total variable costs

13) How many units would have to be sold to yield a target operating income of \$22,000, assuming variable costs are \$15 per unit, total fixed costs are \$2,000, and the unit selling price is \$20?

- A) 4,800 units
- B) 4,400 units
- C) 4,000 units
- D) 3,600 units

14) ABC assumes all costs are _____ because over the long run management can adjust the amount of resources employed.

- A) nondiscretionary
- B) committed
- C) fixed
- D) variable

15) When using the high-low method, the two observations used are the high and low observations of the:

- A) cost driver
- B) slope coefficient
- C) dependent variables
- D) residual term

16) Identifying the activities that are essential to a process is a component of which of the following steps of business process reengineering?

- A) Understand the current process.
- B) Identify a process for reengineering.
- C) Create a new process design.
- D) Evaluate enablers for reengineering.

17) Which of the following is an example of an ethically questionable action committed by a management accountant?

- A) Near the end of a fiscal year with lower than expected profits, suggesting that an expensive advertising campaign be delayed until the next fiscal year.
- B) Accepting a gift of a box of chocolates from a regular supplier and sharing the chocolates with all of the company's employees.
- C) At the request of a manager, capitalizing instead of expensing the development costs of a new product when the probability of its success in the market is low.
- D) Reporting to the controller a suspicion that a line manager is providing incorrect production data in an effort to increase his year-end bonus.

18) Rita Motoz is the manager of Division B of a large manufacturing company. Division B purchases all of its direct materials from Division A at a negotiated transfer price. Division B manufactures a product and sells this product on the market. Rita Motoz makes all production efficiency decisions for the division, including replacing and upgrading manufacturing equipment. The above represents which of the following types of responsibility center?

- A) Cost center
- B) Revenue center
- C) Profit center
- D) Investment center

19) Just-in-time purchasing requires:

- A) smaller and less frequent purchase orders
- B) larger and less frequent purchase orders

C) larger and more frequent purchase orders D) smaller and more frequent purchase orders

20) For a fast-food restaurant, the average waiting time might be formulated as:

A) $\frac{[(\text{average number of customers}) \times (\text{average serving time})^2]}{2} \times [\text{serving capacity} - (\text{avg. \# of customers} \times \text{avg. serving time})]$

B) $\frac{[(\text{average customers per hour}) \times (\text{average serving time})^2]}{(60 \text{ minutes})} \times (\text{number of workers})$

C) $\frac{[(\text{average customers per hour}) \times (\text{average serving time})^2]}{60 \text{ minutes}}$

D) $\frac{[(\text{average number of customers}) \times (\text{average serving time})^2]}{\text{capacity}}$

INSTRUCTIONS for SHORT ANSWER.

Write the calculations, words, phrases and answers of the question. Be sure to enter your answer for the following 5 questions (60 points) on the answer sheet.

1) For supply item ABC, Hawk Company has been ordering 125 units based on the recommendation of the salesperson who calls on the company monthly. A new purchasing agent has been hired by the company who wants to start using the economic-order-quantity method and its supporting decision elements. She has gathered the following information:

Annual demand in units	250
Days used per year	250
Lead time, in days	10
Ordering costs	\$100
Annual unit carrying costs	\$20

Required: (12%)

Determine the EOQ, average daily demand, annual ordering costs, and annual carrying costs.

2. The Laker Company has two divisions. The Cutting Division prepares timber at its sawmills. The Assembly Division prepares the cut lumber into finished wood for the furniture industry. No inventories exist in either division at the beginning of 2012. During the year, the Cutting Division prepared 60,000 cords of wood at a cost of \$660,000. All the lumber was transferred to the Assembly Division, where additional operating costs of \$6 per cord were incurred. The 600,000 board feet of finished wood were sold for \$2,500,000.

Required: (12%)

- Determine the operating income for each division if the transfer price from Cutting to Assembly is at cost - \$11 a cord.
- Determine the operating income for each division if the transfer price is \$9 per cord.
- Since the Cutting Division sells all of its wood internally to the Assembly Division, does the manager care what price is selected?
- Should the Cutting Division be a cost center or a profit center under the circumstances?

3. Nets Auto Company manufactures a part for use in its production of automobiles. When 10,000 items are produced, the costs per unit are:

Direct materials	\$ 12
Direct manufacturing labor	60
Variable manufacturing overhead	24
Fixed manufacturing overhead	<u>32</u>
Total	<u>\$128</u>

Monty Company has offered to sell Nets Auto Company 10,000 units of the part for \$120 per unit. The plant facilities could be used to manufacture another part at a savings of \$180,000 if Nets Auto accepts the supplier's offer. In addition, \$20 per unit of fixed manufacturing overhead on the original part would be eliminated.

Required: (9%)

- What is the relevant per unit cost for the original part?
- Which alternative is best for Nets Auto Company? By how much?

4. Jazz Equipment uses a flexible budget for its indirect manufacturing costs. For 2012, the company anticipated that it would produce 18,000 units with 3,500 machine-hours and 7,200 employee days. The costs and cost drivers were to be as follows:

	<u>Fixed</u>	<u>Variable</u>	<u>Cost driver</u>
Product handling	\$30,000	\$0.40	per unit
Inspection	8,000	8.00	per 100 unit batch
Utilities	400	4.00	per 100 unit batch
Maintenance	1,000	0.20	per machine-hour
Supplies		5.00	per employee day

During the year, the company processed 20,000 units, worked 7,500 employee days, and had 4,000 machine-hours. The actual costs for 2012 were:

	<u>Actual costs</u>
Product handling	\$36,000
Inspection	9,000
Utilities	1,600
Maintenance	1,200
Supplies	37,500

Required: (12%)

- Prepare the static budget using the overhead items above and then compute the static-budget variances.
- Prepare the flexible budget using the overhead items above and then compute the flexible-budget variances.

5. Knicks Company manufactures TVs. Some of the company's data was misplaced. Use the following information to replace the lost data:

	<u>Actual Results</u>	<u>Flexible Variances</u>	<u>Flexible Budget</u>	<u>Sales-Volume Variances</u>	<u>Static Budget</u>
Units Sold	112,500		112,500		103,125
Revenues	\$42,080	\$1,000 F	(A)	\$1,400 U	(B)
Variable Costs	(C)	\$200 U	\$15,860	\$2,340 F	\$18,200
Fixed Costs	\$8,280	\$860 F	\$9,140		\$9,140
Operating Income	\$17,740	(D)	\$16,080	(E)	\$15,140

Required: (15%)

- What are the respective flexible-budget revenues (A)?
- What are the static-budget revenues (B)?
- What are the actual variable costs (C)?
- What is the total flexible-budget variance (D)?
- What is the total sales-volume variance (E)?

End of Exam