

選擇題 (50%)

1. A company is considering the purchase of some equipment that in the second year of operation should cause an increase in sales of \$150,000, an increase in cash expenses of \$90,000, and a depreciation deduction of \$45,000. If the appropriate tax rate is 40%, the after-tax effect of this equipment on cash flows in year two is:
 - a. no effect
 - b. net after-tax cash inflows of \$54,000
 - c. net after-tax cash inflows of \$9,000
 - d. net after-tax cash inflows of \$15,000
2. Bond Corporation is considering the purchase of an asset for \$400,000. It is expected that the product manufactured by the equipment can be sold for \$150,000 and there will be annual production costs, exclusive of depreciation, equal to \$80,000. The asset will have a 10-year life, no terminal salvage value, and straight-line depreciation will be used for tax purposes. The tax rate applicable to the company is 30%. The total net annual after-tax effect on cash resulting from the investment is a:
 - a. \$49,000 inflow
 - b. \$61,000 inflow
 - c. \$12,000 inflow
 - d. \$21,000 inflow
3. M Corporation is considering the purchase of an asset for \$400,000. It is expected that the product manufactured by the equipment can be sold for \$150,000 and that there will be annual production costs, exclusive of depreciation, equal to \$80,000. The asset will have a 10-year life, no terminal salvage value, and straight-line depreciation will be used for tax purposes. The tax rate applicable to M Corporation is 30%. If the equipment is purchased, the total net after-tax effect on cash flows over the entire life of the investment is:
 - a. \$610,000 inflow
 - b. \$210,000 outflow
 - c. \$210,000 inflow
 - d. \$90,000 inflow
4. Identify which one of the following is a reason to study a simpler model such as the payback method.
 - a. The payback method is the most popular method of capital budgeting.
 - b. Simpler models are more accurate because they require less estimation.
 - c. Simpler models might provide some useful information to supplement the discounted-cash-flows analysis.
 - d. Simpler models are conceptually superior to discounted-cash-flows analysis.
5. An initial investment of \$42,000 is expected to generate annual cash flows of \$10,000, \$15,000, \$15,000, and \$12,000, respectively. Assume straight-line depreciation and ignore income taxes. The payback period is:
 - a. 3.83 years
 - b. 3.17 years
 - c. 3 years
 - d. indeterminable because the cash flows are uneven

6. At the current discount rate, the net present value of an 8-year project is zero. Assuming that the current discount rate and the annual cash flows are unchanged, identify which one of the following statements is true.
- The project will be desirable if the project's life is increased to 10 years.
 - The project will be desirable if the project's life is reduced to 5 years.
 - The project is equally desirable at 5 and 10 years.
 - The project is equally undesirable at 5 and 10 years.
7. Identify which of the following statements is not a problem with decentralization.
- Managers may make decisions that are not in the organization's best interests.
 - Managers tend to duplicate services that might be less expensive if centralized.
 - Costs of accumulating and processing information are frequently reduced.
 - Managers may waste time dickering with other segment managers about transfer prices.
8. According to agency theory, employment contracts will trade off _____.
- incentive, risk, and cost of measuring performance
 - cost-benefit, risk, and uncontrollable factors
 - goal congruence, incentive, and risk
 - cost of measuring performance, cost-benefit, and risk
9. Angelo Company's revenues are \$300 on invested capital of \$240. Expenses are currently 85% of sales. If Angelo Company can reduce its invested capital by 20%, return on investment will be:
- 75%
 - 93.75%
 - 18.75%
 - 23.44%
10. The following information is available for the Hodge Podge Company:
- Sales \$250,000 : Invested capital 156,250
- ROI 10%
- The return on sales is:
- 10.00%
 - 6.25%
 - 62.50%
 - None of these answers is correct.
11. The asset section of the January 1, 20X7, balance sheet of Petticoat Company includes a machine which was acquired on January 1, 20X3. The machine's original cost was \$500,000, and the estimated life was determined to be 10 years. The estimated residual value was zero, and the straight-line method of depreciation was chosen. If operating income before depreciation is \$90,000, the rate of return on average net book value for 20X7 is:
- 14.55%
 - 13.33%
 - 16.00%
 - 32.79%

12. The Table and Chair Divisions are part of the same company. Currently the Chair Division buys a part from Table for \$384. The Table Division wants to increase the price of the part it sells to Chair by \$96 to \$480. The manager of Chair has stated that it cannot afford to go that high, as it will decrease the division's profit to near zero. Chair can buy the part from an outside supplier for \$448. The cost data for the Table Division is as follows:

Direct materials	\$136
Direct labor	200
Variable overhead	40
Fixed overhead	42

If Table ceases to produce the parts for Chair, it will be able to avoid one-third of the fixed manufacturing overhead. The Table Division has excess capacity but no alternative uses for its facilities. From the standpoint of the company as a whole, should Chair continue to buy from Table or start to buy from the outside supplier?

- Chair should buy from Table Division because the company's profit would be \$58.00 per unit larger.
 - Chair should buy from Table Division because the company's profit would be \$32.00 per unit larger.
 - Chair should buy from an outside supplier.
 - None of these answers is correct.
13. Identify which of the following statements regarding responsibility centers is false.
- Responsibility centers usually have one objective.
 - Management control systems monitor responsibility center objectives.
 - Responsibility centers are usually classified according to their financial responsibility.
 - Cost centers, profit centers, and investments centers are all examples of responsibility centers.
14. _____ is the drive for some selected goal that creates effort and action toward that goal.
- Motivation
 - Goal congruence
 - Managerial effort
 - Apathy
15. External failure costs include:
- field repairs
 - rework
 - returns
 - warranty expenses
16. _____ is an alternate term for cycle time.
- Manufacturing time
 - Throughput time
 - Production time
 - Completion time

17. Eye Of The Beholder Company had the following results:

Rolls of film processed	360,000
Sales revenue	\$1,170,000
Direct-labor hours worked	4,580
Direct labor cost	\$43,281

If productivity is computed using financial measures, productivity is:

- a. \$3.25 per roll
 - b. \$255.46 per labor hour
 - c. 2703% of labor cost
 - d. 78.6 rolls per hour
18. _____ is an example of the decisions reflecting the strategic purpose of the cost-management system.
- a. The cost of a manufacturing process
 - b. The product mix to optimize profitability
 - c. The amount of inventory which should appear on the balance sheet
- All of these answers are correct.
19. Period costs and product costs:
- a. appear on the income statement
 - b. refer to inventory costs
 - c. are costs of service firms
 - d. All of these answers are correct.
20. Rams Company purchased \$34,000 of direct materials and incurred \$9,600 of direct labor costs during the year. Indirect labor amounted to \$1,000, while indirect materials totaled \$1,200. Other operating expenses pertaining to the factory included utilities of \$1,280, maintenance of \$1,840, supplies of \$720, depreciation of \$6,040, and property taxes of \$1,160. The only inventory was \$2,720 of finished goods at year end. The cost of goods manufactured is:
- a. \$56,840
 - b. \$45,800
 - c. \$69,000
 - d. \$50,800
21. The change from traditional costing to activity-based costing may reveal that:
- a. high volume products are overcosted
 - b. low volume products are overcosted
 - c. both high and low volume products are overcosted
 - d. both high and low volume products are undercosted
22. Which of the statements below is false regarding special order decisions?
- a. A fixed-cost element of an identical amount that is common among all alternatives is essentially irrelevant.
 - b. Fixed cost per unit is equal to total fixed costs divided by a selected volume level.
 - c. The contribution approach offers more detailed information than does the absorption approach.
 - d. Fixed cost per unit is a necessary piece of information in the decision-making process.

23. When deciding whether to replace a product, service, or department, managers should choose the alternative that has:
- the lowest overall cost
 - the highest avoidable costs
 - the greatest contribution to pay unavoidable costs
 - the greatest contribution margin
24. Predatory pricing occurs when a firm:
- sets prices below their competitors' prices
 - sets prices so low that competitors are driven out of the market
 - sets different prices for different customers
 - sets uniform prices
25. H Company produces a part that is used in the manufacture of one of its products. The costs associated with the production of 5,000 units of this part are as follows:
- | | |
|---------------------------|-----------|
| Direct materials | \$108,000 |
| Direct labor | 156,000 |
| Variable factory overhead | 72,000 |
| Fixed factory overhead | 168,000 |
| Total costs | \$504,000 |
- Of the fixed factory overhead costs, \$72,000 are avoidable. K Company has offered to sell 5,000 units of the same part to H for \$86.40 per unit. Assuming there is no other use for the facilities, H Company should:
- make the part to save \$14.40 per unit
 - buy the part to save \$14.40 per unit
 - buy the part to save the company \$72,000
 - make the part to save \$4.80 per unit

計算題

1. (20%) The primary difference between the economic value added and residual income measure is the increased focus on cash flow by EVA. EVA companies make several adjustments to both operating income from the income statement and invested capital research and development costs and reporting warranty costs on a cash basis. The from the balance sheet. Common examples of these adjustments include capitalizing reallowing data were taken from 20XX Annual Report of B Company (Thousands of Dollars)

Income from Operations	\$118,358
Provision for income taxes	27,390
Net adjustments deducted from income from operations	
for EVA	3,006
Weighted average capital employed for EVA	1,154,653
Ending total shareholders' equity	449,646
Cash taxes	22,903

Ending total current liability	266,023
Ending total assets	1,349,033
Beginning total shareholders' equity	422,752
Beginning total current liabilities	242,182
Beginning total assets	1,296,195
Management's estimate of the cost-of-capital	8.7%

Prepare a schedule that calculates and compares economic value added to residual income for B Company

2. (10%) L School, a private high school, is preparing a planned income statement for the coming academic year ending Aug 31, 20X4. Tuition revenues for the past two years ending August 31 were 20X3: \$720,000, and 20X2:\$770,000. Total expenses for 20X3 were \$710,000 and in 20X2 were \$730,000. No tuition rate changes occurred in 20X2 or 20X3, nor are any expected to occur in 20X4. Tuition revenues is expected to be \$710,000 for 20X4. What net income should be planned for 20X4, assuming that the implied cost behavior remains unchanged.

3. (20%) D Cleaning, Inc., provides cleaning services for a variety of clients. The company has two producing departments. Residential and Commercial, and two service departments, Personnel and Administrative. This company has decided to allocate all service department costs to the producing departments- Personnel on the basis of number of employees and Administrative on the basis of direct department costs. The budget for 20X5 shows

	Personnel	Administrative	Residential	Commercial
Direct department costs	\$70,000	\$90,000	\$240,000	\$400,000
Number of employees	3	5	12	18
Direct-labor hours			24,000	36,000
Square feet cleaned			4,500,000	9,970,000

1. Allocate service department cost using direct method.

2. Allocate service department costs using the step-down method. Personnel costs should be allocated first.

3. Suppose the company prices by the hour in the Residential Department by the square foot cleaned in Commercial.

Using the result of the step-down allocations in number 2,

a. Compute the cost of providing one direct-labor hour of service in the residential Department.

b. Compute the cost of cleaning one square foot of space in the Commercial Department.