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# strategic FINANCE

## Q U I Z

## 3 CPE Credits

### How to Participate

1. Complete the quiz order form below.
2. Circle your answer for each quiz question on the next page. All questions asked in this quiz comply with NASBA.
3. Sign the statement that attests that you have read the articles in *Strategic Finance* and have personally answered them.
4. Cut out this entire page (order form and quiz) or copy both pages and mail or fax to IMA with complete payment information.
5. You must be an active IMA member to participate in the *Strategic Finance* quiz program.
6. If you successfully answer 70% or more of the questions, you will earn 3 CPE credits (partial CPE credit will not be given). You will receive a letter from IMA indicating the CPE credits earned. Retain this letter for your records.

### Strategic Finance Quiz Order Form

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Current *Strategic Finance* Quiz Participant:  Yes  No

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**NOTE:** Must be an active IMA member to participate.



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## How Strategic Performance Management Is Helping Companies Create Business Value (p. 44)

### Field of Study: MANAGEMENT

- Which of the following is not one of the five critical dimensions of performance management mentioned by Omar Aguilar in his article, "How Strategic Performance Management Is Helping Companies Create Business Value?"
    - Strategic Planning.
    - Performance Management.
    - Integrated Business Planning.
    - Operational Forecasting.
    - Management Reporting.
  - Which one of the following is not one of the three elements of integrated business planning?
    - Operational planning.
    - Strategic planning.
    - Budgeting.
    - Forecasting.
  - The reason given for not implementing a business strategy is that there is no mechanism to cascade and instill the strategy down through the organization and to ensure that it is actually implemented. True or False
  - In many companies, an ineffective planning process results from the real planning being driven by the budget process. True or False
  - In best-practice companies, budgeting is a relatively simple process that translates operational goals into the resources needed to accomplish them. True or False
- The additional time it would take the finance function to manage another round of re-forecasts.
  - Both "a" and "b."
  - Neither "a" nor "b" is a major hurdle.
- Line managers tend to manage their responsibility centers by focusing on
    - Line item costs.
    - Cost variances.
    - Nonfinancial data.
    - Transfer pricing strategies.
  - "Driver-based" or "predictive" budgeting is the result of integrating nonfinancial data used to model resource requirements and costs with rules linking the outputs of one department with the demands of another. True or False
  - Benefits cited to the inclusion of nonfinancial driver data into budgeting include:
    - Re-forecasting becomes almost instantaneous.
    - The alignment of resources among responsibility centers across the operation is enhanced.
    - Collaboration among managers is encouraged.
    - All of the above are benefits cited in the article.
  - Incorporating a predictive budget approach to charging the costs of shared services can significantly reduce the politics, internal strife, and uncertainty involved in this allocation. True or False

## Cultivate Finance Talent from Bottom to Top (p. 30)

### Field of Study: MANAGEMENT

- ### FAST CLOSE to FAST FORWARD: How an Operational Perspective Can Revolutionize Budgeting and Forecasting (p. 24)
- ### Field of Study: MANAGEMENT
- According to a study by BearingPoint (formerly KPMG Consulting), during the past five years companies pursuing a "Fast Close" on average have cut only 2.5 days from the time it takes to submit their subcorporate-level reports. True or False
  - According to a study of U.K. firms, which of the following is false?
    - 25% of companies re-forecast each month.
    - Most firms re-forecast once or twice per year.
    - Almost 80% want to re-forecast more frequently than they currently do.
    - 20% of respondents want to re-forecast at least weekly.
  - Which of the following is/are cited in the article as an impediment to more frequent re-forecasting?
    - The additional time it would take line managers to re-forecast line items.
- Continuous hiring so there are no personnel shortages.
  - It is easier to reduce the staffing of the HR department.
  - It results in establishing relationships with professionals.
  - None of the above, since continuous hiring is inefficient and ineffective.
- Finance organizations and associations provide
    - A ready pool of candidates whose credentials don't need to be investigated.
    - Only candidates for entry-level positions.
    - Initial insight into skills as well as business-related activities of candidates.
    - A source of candidates who expect professional association dues to be paid by the firm.
  - High-potential finance employees
    - Are generally workaholics who can be expected to work long hours without additional pay.
    - Are always newcomers to the industry.
    - Have a record of poor management habits.
    - Have a record of saving money and achieving notable accomplishments.

I have read the articles in *Strategic Finance* upon which the questions are based and have personally prepared the answers without the assistance of any other person.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print name \_\_\_\_\_ Member Number \_\_\_\_\_