

Earn Continuing Professional Education Credit

**strategic
FINANCE**

QUIZ
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.

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NOTE: Effective January 1, 2004, Strategic Finance quizzes in text form will no longer be in compliance with NASBA guidelines. Consequently, IMA will phase out the text-based quizzes by March 31, 2004, and replace them with an online, self-study version, i.e. Strategic Finance e-Learning. IMA's new e-Learning, self-study quizzes (with evaluative feedback and response) will qualify for CPEs under the new guidelines established by NASBA. Members who do not complete their text-based quizzes by April 1, 2004, will be automatically converted into our new NASBA-approved online offering.

Strategic Finance Quiz Order Form

IMA Member No. _____

First Name _____ Last Name _____

Address _____

City, State, Zip _____

Telephone _____ E-Mail _____

Current *Strategic Finance* Quiz Participant: Yes No

New *Strategic Finance* Quiz Participant (Check the following):

NOTE: Must be an active IMA member to participate.

If you are a NEW participant, fax to (201) 474-1632; if you are an EXISTING participant, fax to (201) 474-1605.

Monthly - \$19.00 Quarterly Subscription - \$49.00 each Jan. - March April - June

Annual Subscription - \$179.00 July - Sept. Oct. - Dec.

Payment Method: Payments must be in U.S. dollars **Total: \$** _____

Check - Make payable to: Institute of Management Accountants, Inc.

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Strategic Finance Quiz — December 2003

Please circle your answer for each question

Timing Is Everything (p. 25)

Field of Study: TAX

1. Tax planning for capital asset disposal is important because
 - a. Guidelines for appropriate tax planning are well established but not well understood.
 - b. Treatment of gains and losses can have a significant financial impact even though the flows are usually symmetrical.
 - c. Important tax rules are complex and constantly changing, and it has become more difficult to maximize cash inflows.
2. A gain or loss on the disposition of an asset
 - a. Is determined by comparing the amount realized to the asset's original cost.
 - b. Requires assets to be properly classified as capital, Section 1231, or ordinary.
 - c. Is taxed at capital gains rates.
 - d. All of the above are correct.
3. Congress imposed a limitation on Section 1231 benefits
 - a. To permit companies to minimize the taxes paid.
 - b. Called a "look forward projection."
 - c. To force companies to recapture depreciation and treat the gain on the disposition of business assets as capital gains.
 - d. Called a "look back" provision.
4. The basic classifications of property created in the IRS code are:
 - a. Section 1231, extraordinary, and capital
 - b. Section 1231, ordinary, and capital
 - c. Section 1245, Section 1250, ordinary, and capital
 - d. Ordinary and capital
5. Factors that make the determination of the disposal date critical for the maximization of cash flows are:
 - a. Rate of return over time
 - b. Form of ownership
 - c. Type of asset
 - d. All of the above

Bring on German Cost Accounting (p. 30)

Field of Study: MANAGEMENT

6. The author asserts all of the following in this article except:
 - a. Efforts to improve organizational measurement and management have often missed the mark.
 - b. Financial executives are frequently reluctant to make promises about the benefits of new strategic cost management techniques.
 - c. It is time to capitulate to the overwhelming power of financial reporting and work to integrate an improved financial reporting model into management accounting.
7. Reasons for inadequate management accounting related to the GAAP requirement that organizations allocate costs fairly to products include all of the following except:
 - a. Most firms use GAAP to fully load product costs.
 - b. Service firms define services as products and allocate indirect costs to them to give the appearance of GAAP performance.

- c. Manufacturing is a relatively small portion of the current economy.
8. A successful management accounting system should:
 - a. Be clearly separated from the IT system to facilitate control.
 - b. Be properly designed and meet performance criteria.
 - c. Be fully integrated with the financial system.
9. German cost accounting
 - a. Was designed with the explicit objective of supporting management decision making about products and services.
 - b. Was a direct response to a government-defined financial accounting system.
 - c. Both a and b.
10. GPK has defining characteristics that are similar to:
 - a. U.S. standard costing
 - b. Marginal costing
 - c. U.S. financial accounting

Are H&P Programs for You? (p. 39)

Field of Study: MANAGEMENT

11. Other lessons learned in integrating ROI include:
 - a. Using unique metrics to measure integration.
 - b. Recognizing the complexity of H&P programs and designing comprehensive systems.
 - c. Making the program visible in the organization's culture.
12. Which of the following is not a key underpinning of successful H&P programs?
 - a. Creating an environment where H&P excellence is a corporate goal.
 - b. Successfully integrating disparate programs and services.
 - c. Focusing on ROI at all costs.
13. Which of the following is not one of the four main H&P programs?
 - a. Health
 - b. Workers' compensation
 - c. Absence management
 - d. Disability
 - e. All are main H&P programs
14. In order to achieve a greater clarity of purpose in using H&P programs,
 - a. Focus on making these benefits to be bestowed on employees themselves.
 - b. Avoid missing business opportunities by using a siloed approach to program management.
 - c. Treat them as an operational issue that should be actively managed.
 - d. Rely on consultants to make sure the program works effectively.
15. An integrated H&P approach
 - a. Seeks significant corporate-wide savings and increased ROI.
 - b. Allows the culture of the organization to remain unchanged.
 - c. Is not supported by empirical data as being effective.
 - d. All of the above.

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 _____