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strategic FINANCE

QUIZ 3 CPE Credits

ANNOUNCEMENT

The IMA is launching a new online self-study course, *Strategic Finance* Online Learning Program, to replace the paper quiz. This program is in response to the new NASBA guidelines that took effect January 1, 2004.

Due to the new NASBA guidelines, CPAs must begin using the online program as soon as it is available. If you are an existing subscriber and a CMA/CFM, you can continue using the paper quiz until March 31, 2004, though you may switch to the online version sooner. We plan to have the online program available in March 2004 or sooner.

For more information or questions, please e-mail LLC@imanet.org or call the IMA Member Support at (800) 638-4427.

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

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: \$** _____

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Strategic Finance Quiz — March 2004

Please circle your answer for each question

Strategy Maps (p. 27)

Field of Study: MANAGEMENT

1. Strategy maps provide details that transform high-level strategy into practical objectives and goals that will implement strategy. These include
 - a. Financial, customer, internal, and learning and growth perspectives.
 - b. Throughput, statistical processes, zero defects, and activity perspectives.
 - c. Executives', managers', supervisors', and team leaders' perspectives.
2. Financial performance measures
 - a. Aren't pertinent to development of a balanced scorecard.
 - b. Can't be developed until the total program has been implemented.
 - c. Indicate the contribution of company strategy to bottom-line results.
 - d. Are the only measures in an effective strategy.
3. In the strategy map, the customer perspective
 - a. Is focused on what the company wants the customer to perceive.
 - b. Is part of the financial performance measures.
 - c. Develops targeted customer segments and measures performance.
 - d. Is constrained by internal audit staff members.
4. A differentiated value proposition
 - a. Supports the revenue growth strategy.
 - b. Isn't necessary because the firm doesn't care about differentiation.
 - c. Ignores measures such as customer satisfaction and account share.
 - d. All of the above.
5. An internal perspective
 - a. Is useful when a company experiences high illegal drug usage.
 - b. Is incapable of producing the value proposition for customers.
 - c. Provides some of the objectives for accomplishing the strategy.
6. The strategic alignment of intangible assets
 - a. Is required for the first step in building a corporate strategy.
 - b. Is usually disregarded in establishing objectives.
 - c. Develops specific objectives for human, information, and organization capital within strategies.
7. Action plans
 - a. Define and provide resources for strategic initiatives.
 - b. Must be aligned around strategic themes.
 - c. Must be viewed as an integrated bundle of investments.
 - d. All of the above.

Customer Relationship Management (p. 37)

Field of Study: MANAGEMENT

8. Which of the following is not a benefit of effectively managing relationship assets?
 - a. A longer sales cycle.
 - b. Greater visibility into the sales pipeline.
 - c. Lower inventory exposure risk.
9. Which of the following would be defined as a "relationship" asset?
 - a. Trademarks.
 - b. Inventory.
 - c. Customer loans.
 - d. Investment in marketing.
10. Which of the following is not one of the objectives of a customer relationship management (CRM) system?
 - a. To manage each customer like an annuity, which grows over time.
 - b. To protect the company's strategic assets.
 - c. To manage islands of relationship information.
 - d. To create islands of relationship information.
11. Which of the following statements is false with respect to a customer relationship management (CRM) system?
 - a. The value generated by CRM assets can be quantified from a cash-flow perspective.
 - b. A CRM translates into an ability to calculate a relationship lifetime value for each customer.
 - c. Return on investment can be calculated for marketing initiatives.
 - d. The cost of managing relationship assets increases with a CRM.
12. Which is not one of the components of the calculation of relationship lifetime value?
 - a. Customer needs assessment.
 - b. Margin per purchase.
 - c. Relationship acquisition costs.
13. If a company implements a new CRM system, which department's operations will be impacted the most?
 - a. Sales.
 - b. Finance.
 - c. Accounting.
 - d. Credit approval.
14. When a CRM implementation fails, it's generally because:
 - a. The implementation has been initiated in finance rather than marketing.
 - b. The implementation has been initiated in marketing rather than in finance.
 - c. A software solution is placed ahead of the determination of the needs of people and business processes.
 - d. It was created by a cross-functional team.
15. Which of the following is false with respect to a CRM system?
 - a. Implementation of a CRM should be publicized in press releases.
 - b. Implementation of a CRM should be mentioned in the MD&A section of the corporate annual report.
 - c. Inventory turnover will decrease as a result of a successful CRM implementation.

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 _____