

ANNOUNCEMENT: The *Strategic Finance* Self-Study Quiz is a program in which financial professionals can earn CPE credits for passing a test based on what they have learned about various topics from reading certain magazine articles. Two cutting-edge topics are presented each month that will provide the basis for a useful educational experience for finance and management accounting professionals and help them enhance their skills. Topics focus on Management, Accounting, Auditing, Consulting Services, Ethics, Taxation, and much more. Most of the authors of these topics are certified financial professionals.

The Quiz program is designed around learning objectives, review questions and feedback, and a final test. Review questions and feedback are included to ensure cohesive learning. One hour of CPE credit is awarded per month. IMA is in the process of securing NASBA approval to reflect the 2004 NASBA regulation changes. CPAs who wish to use the quizzes for CPE credit must contact their local State Board of Accountancy. Your State Board of Accountancy is the final authority on whether this course satisfies its rules regarding CPE, so please check with it regarding the Quiz program. Some states assign formal sponsorship numbers, and IMA's state numbers are:

Illinois: 158-000574, New York: 000349,
Texas: 00028



The quizzes qualify for continuing education credit for CMAs and CFMs in all states.

How to Participate

1. Complete the quiz form located below.
2. To obtain maximum benefit from the quiz, we recommend that you work on the review questions first and study the feedback to your response. You will not earn CPE from passing the review questions.
3. Circle your answer for each quiz question on the final test.
4. Cut out the completed final test and order form, or copy both pages and mail or fax them to IMA with complete payment information.
5. You must be an active IMA member to participate in this program.
6. If you successfully answer 70% or more of the final test questions, you will be awarded 1 CPE credit. Partial CPE credit will not be given. A letter confirming the CPE credit will be mailed to you.

IMPORTANT NOTICE TO QUIZ PARTICIPANTS

Quizzes offered in the June 2004 and previous issues of *Strategic Finance* no longer qualify for CPE.

IMA members may submit quizzes from the July 2004 through December 2004 issues for IMA-qualified CPE. All quiz submissions must be postmarked by December 31, 2004, however, as the paper quiz program will be discontinued as of January 2005. For further information, see the ad on page 5 regarding online CPE programs!

STRATEGIC FINANCE SELF-STUDY QUIZ ORDER FORM

IMA Member No. _____

First Name _____ Last Name _____

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City, State, Zip _____

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Current *Strategic Finance* Quiz Participant: Yes No

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

Monthly – \$19.00 **Completed quiz with payment must be postmarked by December 31, 2004.**

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

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

Charge my credit card: AMEX Discover Mastercard Visa

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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.



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Lessons from German Cost Accounting (p. 28)

Field of Study: ACCOUNTING — Level: Basic

LEARNING OBJECTIVES

1. To understand how German cost accounting has evolved and how it combines with activity-based costing.
2. To appreciate the importance of management accounting.
3. To realize that cost accounting for manufacturing can also be applied to service industries.

REVIEW QUESTIONS

1. The authors argue that management accounting and controllership practices are more highly developed in German-speaking countries because there is a:
 - a. Dominant emphasis on financial accounting in the German-speaking countries.
 - b. Dominant emphasis on regulatory reporting in the German-speaking countries.
 - c. Recognition in German-speaking countries that good management accounting practices are critical to the success of the enterprise.
 - d. Requirement by outside parties for such information in German-speaking countries.
2. Which of the following is not a reason why management accounting has been more successful in German companies than in U.S. companies?
 - a. German companies have demonstrated disciplined attention to management accounting.
 - b. German academics have demonstrated disciplined attention to management accounting.
 - c. Financial reporting is considered less important to the successful performance of the organization in Germany.
 - d. There is a lack of emphasis on building a strong professional management accounting community in Germany.
3. In what country was target costing perfected as a concept of “building quality in” rather than “inspecting it in”?
 - a. Japan.
 - b. Germany.
 - c. United States.
 - d. Switzerland.
4. Which of the following is not one of the essentials of a good costing system as described by H.G. Plaut in a 1953 article? Cost centers should:
 - a. Be the clearly defined responsibility of a manager.
 - b. Represent heterogeneous purpose and costs.
 - c. Be economic in design and not too complex.
 - d. Represent the cost of resources employed.
5. Which of the following is not one of the essentials of a good costing system as envisioned by Plaut in a 1953 article? Activities and drivers should:
 - a. Be applied such that each cost center has at least one representative output measure, such as machine hours.
 - b. Ensure that the relationship between the output measure and the proportional cost pool is linear.

- c. Ensure that the relationship between the output measure and the product is linear.
- d. Be applied such that no more than two drivers apply to each product.

How to Deal with Criticism... (p. 46)

Field of Study: GENERAL MANAGEMENT—Level: Basic

LEARNING OBJECTIVES

1. To appreciate how to give criticism effectively.
2. To appreciate how to receive criticism and learn from it.

REVIEW QUESTIONS

1. Which of the following statements is false?
 - a. Most people react defensively when criticized.
 - b. When we must criticize others, we often postpone it as long as possible.
 - c. Criticism is often not timely enough.
 - d. Ironically, criticism is often less effective when it is more timely.
2. Guidelines for giving effective criticism include all of the following except:
 - a. Avoid making personal judgments.
 - b. Never criticize amid interruptions.
 - c. Document your criticism.
 - d. When possible, begin with “If it had been me...”
3. Which of the following statements is false with respect to criticism?
 - a. Healthy criticism must be perceived as being subjective.
 - b. Criticism, when handled properly, can improve performance.
 - c. Criticism, when handled properly, can strengthen relationships.
 - d. Offering alternative approaches to behavior encourages one to accept advice more agreeably.
4. All of the following are effective guidelines to follow in giving criticism except:
 - a. Be direct but not crudely blunt.
 - b. Be specific.
 - c. Attribute criticism to the remarks of others.
 - d. Don't take the offender's side if he or she is wrong.
5. Which of the following statements is false with respect to giving effective criticism?
 - a. When an infraction is obvious and criticism is expected, don't overdo it.
 - b. You don't have to give any criticism when an infraction is obvious and the employee knows that he has done wrong.
 - c. Be resolute but charitable when giving criticism.
 - d. Document your criticism before facing the recipient.

Lessons from German Cost Accounting (p. 28)

Field of Study: ACCOUNTING — Level: Basic

1.
 - a. Incorrect. Companies in the U.S. place more emphasis on financial accounting than companies in German-speaking nations. Management accounting is considered more important in the German-speaking countries.
 - b. Incorrect. Companies in the U.S. place more emphasis on regulatory accounting than companies in German-speaking nations. Management accounting is considered more important in the German-speaking countries.
 - c. Correct. German-speaking countries seem to recognize that good management accounting practices are critical to the successful performance of the enterprise.
 - d. Incorrect. Insiders are the users of management accounting information. There are no such requirements from outsiders.
2.
 - a. Incorrect. This is one of the reasons why management accounting has been more successful in German companies than in U.S. companies.
 - b. Incorrect. This is one of the reasons why management accounting has been more successful in German companies than in U.S. companies.
 - c. Incorrect. This is one of the reasons why management accounting has been more successful in German companies than in U.S. companies.
 - d. Correct. This is a reason why management accounting has been less successful in the U.S.
3.
 - a. Correct. Japan perfected the concept of target costing.
 - b. Incorrect. Target costing was perfected in Japan.
 - c. Incorrect. Target costing was perfected in Japan.
 - d. Incorrect. Target costing was perfected in Japan.
4.
 - a. Incorrect. This was one of the essentials of a good costing system as envisioned by Plaut.
 - b. Correct. The system should represent homogeneous purpose and costs, not heterogeneous.
 - c. Incorrect. This was one of the essentials of a good costing system as envisioned by Plaut.
 - d. Incorrect. This was one of the essentials of a good costing system as envisioned by Plaut.
5.
 - a. Incorrect. This was one of the essentials of a good costing system as envisioned by Plaut.
 - b. Incorrect. This was one of the essentials of a good costing system as envisioned by Plaut.
 - c. Incorrect. This was one of the essentials of a good costing system as envisioned by Plaut.
 - d. Correct. According to Plaut, there is no limit on the number of drivers.

How to Deal with Criticism (p. 46)

Field of Study: GENERAL MANAGEMENT—Level: Basic

1.
 - a. Incorrect. This is a true statement. People do react defensively when criticized.
 - b. Incorrect. This is a true statement. Managers often postpone criticism because they don't like doing it.
 - c. Incorrect. This is a true statement. Criticism is often not timely enough.
 - d. Correct. This is a false statement. Criticism is more effective when given in a timely manner.
2.
 - a. Incorrect. This is a valid guideline for giving effective criticism.
 - b. Incorrect. This is a valid guideline for giving effective criticism.
 - c. Incorrect. This is a valid guideline for giving effective criticism.
 - d. Correct. Beginning with "If it had been me..." is not an effective means of giving criticism. It implies that the critic's approach is impeccable.
3.
 - a. Correct. Criticism must be perceived as being objective, not subjective.
 - b. Incorrect. This is a true statement.
 - c. Incorrect. This is a true statement.
 - d. Incorrect. This is a true statement.
4.
 - a. Incorrect. This is an effective guideline to follow in giving criticism.
 - b. Incorrect. This is an effective guideline to follow in giving criticism.
 - c. Correct. You should never attribute criticism to the remarks of others. You should stay close to your staff and know how well they are performing, and your criticism must not be based on guesswork.
 - d. Incorrect. This is an effective guideline to follow in giving criticism.
5.
 - a. Incorrect. This is a true statement.
 - b. Correct. When an infraction is obvious and criticism is expected, don't overdo it. You should go easy on the person, but don't excuse the infraction. If you acknowledge the gravity of the offense but show restraint in how severely you deal with it, gratitude could become the first step for improvement and help prevent a recurrence.
 - c. Incorrect. This is a true statement.
 - d. Incorrect. This is a true statement.

Please circle your answer for each question

Lessons from German Cost Accounting (p. 28)

Field of Study: ACCOUNTING — Level: Basic

1. GPK became the most widely deployed management accounting methodology in Germany in:
 - a. The late 15th century.
 - b. The industrial revolution of the late 1800s.
 - c. Early 20th century, but before 1925.
 - d. Following World War II.
2. Which of the following is not one of the essentials of a good costing system as described by Plaut in a 1953 article? Fixed and proportional cost splitting should:
 - a. Be done for each cost center by account or activity.
 - b. Apply resource drivers to distribute costs.
 - c. Not employ capacity limitations.
 - d. Consider how costs behave under changing output levels.
3. In its early years, GPK had a major disadvantage in that:
 - a. It didn't address proportional costs.
 - b. It didn't address costs at the cost center level.
 - c. It required extensive manual calculations.
 - d. It couldn't address marginal costs.
4. One of the first service organizations to implement GPK was the:
 - a. German Post Office (Bundes Post).
 - b. Financial Services (Munich Bank).
 - c. Transportation Services (Daimler Benz).
 - d. Educational Services (University of Saarbruecken).
5. Which of the following was not one of the lessons learned about GPK when there was an attempt to apply it to service businesses?
 - a. Each application has to reflect the unique characteristics of the industry.
 - b. GPK isn't effective in service organizations.
 - c. GPK functions in the same way in service organizations as in manufacturing where there are direct product activities and where there are many repetitive processes.
 - d. The essential elements identified by Plaut early in the application of GPK were equally applicable to service organizations.

How to Deal with Criticism (p. 46)

Field of Study: GENERAL MANAGEMENT—Level: Basic

6. The word "disingenuous" means:
 - a. Lacking in candor.
 - b. Naïve.
 - c. Making excuses.
 - d. Not inventive.
7. When you receive criticism from others, you should do all of the following except:
 - a. Be willing to make adjustments.
 - b. Be more honest with yourself.
 - c. Set your own standards of performance higher than the standards others set for you.
 - d. Cave in and accept the penalty.
8. Guidelines for giving effective criticism include all of the following except:
 - a. Avoid making personal judgments.
 - b. Never criticize anyone in public.
 - c. Use mealtimes as a forum for criticism because people are more mellow then.
 - d. Never begin with "If it had been me..."
9. When documenting criticism, you should always:
 - a. Have dates ready in case they are needed.
 - b. Have times of infractions ready in case they are needed.
 - c. Compile an attorney-type dossier that would counter any reaction.
 - d. Prepare notes, but don't read from a list.
10. Which of the following statements is false with respect to giving effective criticism?
 - a. When an infraction is obvious and criticism is expected, don't overdo it.
 - b. Deep praise should be given in public.
 - c. Choose the time and place for criticism carefully.
 - d. Allow plenty of time for giving criticism because discussing performance can be emotional and time-consuming.

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 _____