



## Strategic Management Accounting – Exam Quiz

*Email your answers listing questions 1 to 5 and your chosen options to [chris@keq.com.au](mailto:chris@keq.com.au) and if you get them right you get our Revision Plus product free until the exam period finishes.*

### Questions

#### Question 1

Which of the following statements regarding risk assessment for projects is true?

- A It occurs during project implementation.
- B It is not relevant to project selection decisions.
- C It is undertaken prior to project implementation.
- D It is the ongoing process of monitoring project risks.

#### Question 2

When is it appropriate to use Weighted Average Cost of Capital (WACC) as the discount rate for a project Net Present Value (NPV) calculation?

- A When a project is similar to existing projects or operations.
- B Never, because cost of debt or interest rates should be used.
- C Always, because WACC equals the discount rate in NPV calculations.
- D When the project is significantly riskier than the organisation's usual risks.

#### Question 3

Which of the following issues in the supply chain would lead an organisation to increase its holding of safety stock?

- A Supply chain disruptions.
- B Proximity of the supplier.
- C Alternative sources of supply.
- D Reduction in the cost of shipment.



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### Question 4

Which of the following statements best describes the role of performance measurement according to contingency theory?

- A Performance measures should be SMART.
- B Performance measures should align the goals of management and shareholders.
- C The appropriate performance measurement system depends on the nature of the business and its strategy.
- D Performance measurement systems are necessary because management are motivated to maximise their personal rewards.

### Question 5

Which one of the following cost classifications is *most* important when preparing a list of performance measures for a management team?

- A Relevant / sunk
- B Direct / indirect
- C Outlay / opportunity
- D Controllable / uncontrollable