

Question 1

For Contrafic's Kitchens, what is the full cost of the one-time-only special order?

- A) \$1,020
- B) \$1,140
- C) \$1,080
- D) \$1,320

Answer: <https://biology-forums.com/index.php?topic=267683>

Question 2

Advocates of throughput costing maintain that _____.

- A) both variable and fixed are necessary to produce goods; therefore, both types of costs should be inventoried
- B) all manufacturing costs plus some design costs should be inventoried
- C) fixed manufacturing costs are related to the capacity to produce rather than to the actual production of specific units
- D) except direct labor no other costs are truly variable in output

Answer: <https://biology-forums.com/index.php?topic=267508>

Question 3

Roberto owns a small body shop. His major costs include labor, parts, and rent. In the decision-making process, these costs are considered to be _____.

- A) empirical costs
- B) qualitative factors
- C) quantitative factors
- D) opportunity costs

Answer: <https://biology-forums.com/index.php?topic=267675>

Question 4

For the decision to keep the old machine, the relevant costs of keeping the old machine is _____.

- A) \$840,000
- B) \$490,000
- C) \$958,000
- D) \$98,000

Answer: <https://biology-forums.com/index.php?topic=267775>

Question 5

The use of theoretical capacity results in an unrealistically low fixed manufacturing cost per unit because it is based on _____.

- A) real available capacity
- B) an unattainable level of capacity
- C) normal capacity utilization
- D) normal costing

Answer: <https://biology-forums.com/index.php?topic=267528>

Question 6

An important element in designing accounting-based performance measures is choosing the time horizon of the performance measures. Discuss.

Answer: <https://biology-forums.com/index.php?topic=268850>

Question 7

Which option provides the greatest degree of operating leverage if 600 people attend?

- A) Option one
- B) Option two
- C) Both options provide equal degrees of operating leverage.
- D) Operating leverage is indeterminable.

Answer: <https://biology-forums.com/index.php?topic=266836>

Question 8

Job-costing is likely to be used by _____.

- A) oil refining companies
- B) advertising agencies
- C) postal service companies

D) beverage production companies

Answer: <https://biology-forums.com/index.php?topic=266889>

Question 9

The law firm of Smith & Jones has a staff of 30 lawyers and administrative staff. Budgeted total costs of the firm total \$4,000,000 of which \$2,500,000 is direct-labor costs. Assuming that the remaining costs are indirect and direct-labor cost is the allocation base, calculate the budgeted indirect cost rate.

- A) 38 of direct-labor cost
- B) 60% of direct-labor cost
- C) 63% of direct-labor cost
- D) 160% of direct-labor cost

Answer: <https://biology-forums.com/index.php?topic=266989>

Question 10

What are the four methods of allocating joint costs to individual products? Which of these methods is preferred, and what are two advantages of this method?

Answer: <https://biology-forums.com/index.php?topic=268244>

Question 11

Smaller cost distortions occur when the traditional systems' single indirect-cost rate and the activity-cost-driver rates _____.

- A) use the same total costs for computations
- B) are similar in proportion to each other
- C) are more different than alike
- D) use the same cost driver units

Answer: <https://biology-forums.com/index.php?topic=267065>

Question 12

Which of the following is an example of insourcing?

- A) a pharmaceutical company's research team developing a new patent using current resources
- B) a smartphone manufacturing company factoring its receivables as a source of capital
- C) a large conglomerate company selling a business wing to its competitor
- D) a petrochemical company assigning a vendor to make software for its supply chain management

Answer: <https://biology-forums.com/index.php?topic=267708>

Question 13

One-time-only special orders should only be accepted if _____.

- A) incremental revenues exceed incremental costs
- B) differential revenues exceed variable costs
- C) incremental revenues exceed fixed costs
- D) total revenues exceed total costs

Answer: <https://biology-forums.com/index.php?topic=267676>

Question 14

_____ describes a situation in which an employee prefers to exert less effort than the effort the owner desires because the employee's effort cannot be accurately monitored and enforced.

- A) Goal congruence
- B) Moral hazard
- C) Performance report
- D) Incentive report

Answer: <https://biology-forums.com/index.php?topic=268862>

Question 15

When the amount of scrap is immaterial, which of the following is the easiest accounting entry when recording scrap sold for cash?

- A) Sales of Scrap
Cash
- B) Manufacturing Overhead Control
Cash
- C) Cash
Scrap Revenues
- D) Sales of scrap

Accounts Receivable

Answer: <https://biology-forums.com/index.php?topic=268422>

Question 16

_____ is the usual starting point for budgeting.

- A) The revenues budget
- B) The estimated net income
- C) The production budget
- D) The cash budget

Answer: <https://biology-forums.com/index.php?topic=267130>

Question 17

Ralph Company has been very aggressive in developing various types of financial and nonfinancial measurement schemes to help with the evaluation of its manufacturing processes. It appears that some of the managers are suboptimizing in that their decision processes are geared solely for their department's benefit, sometimes to the detriment of the organization as a whole.

Required:

What changes in the evaluation system could the company implement to help minimize the suboptimization of the managers' decision-making process?

Answer: <https://biology-forums.com/index.php?topic=267895>

Question 18

Which one of the following conditions usually exists when comparing normal and abnormal spoilage to controllability?

Normal Spoilage Abnormal Spoilage

- A) Controllable Controllable
- B) Controllable Uncontrollable
- C) Uncontrollable Uncontrollable
- D) Uncontrollable Controllable

Answer: <https://biology-forums.com/index.php?topic=268364>

Question 19

The best way to avoid misidentification of relevant costs is to focus on _____.

- A) expected future costs that differ among the alternatives
- B) historical costs
- C) unit fixed costs
- D) total unit costs

Answer: <https://biology-forums.com/index.php?topic=267693>

Question 20

What is the total sales-quantity variance in terms of the contribution margin?

- A) \$200,000 unfavorable
- B) \$540,000 favorable
- C) \$960,000 unfavorable
- D) \$1,560,000 favorable

Answer: <https://biology-forums.com/index.php?topic=268088>