

# IMANET-CMA<sup>Q&As</sup>

Certified Management Accountant (CMA)

## Pass IMANET IMANET-CMA Exam with 100% Guarantee

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.pass2lead.com/imanet-cma.html>

100% Passing Guarantee  
100% Money Back Assurance

Following Questions and Answers are all new published by IMANET  
Official Exam Center

- ⚙️ **Instant Download** After Purchase
- ⚙️ **100% Money Back** Guarantee
- ⚙️ **365 Days** Free Update
- ⚙️ **800,000+** Satisfied Customers



### QUESTION 1

On January 1 of the current year, Bongo Company issued convertible bonds with \$1000 per value and a conversion ratio of 50. Which of the following should be the market price per share of the company's common stock on January 1?

- A. Under \$20
- B. \$20
- C. Between \$20 and \$50.
- D. Above \$50

Correct Answer: A

The conversion price, in this case \$20 (\$1,000 ÷ 50 shares), is normally greater than the market price at the time the bonds are issued. Therefore, the market price must be less than \$20.

---

### QUESTION 2

In planning and controlling capital expenditure, the most logical sequence is to begin with

- A. Analyzing capital addition proposals.
- B. Making capital expenditure decisions.
- C. Analyzing and evaluating all promising alternatives.
- D. Identifying capital addition projects and other capital needs.

Correct Answer: D

Capital budgeting is a long-term planning process for investments. This process begins with the identification of capital needs, that is, of projects required to achieve organizational goals. The next step is to search for specific investments. The third step is to acquire and analyze information about the potential choices. The fourth step is to select specific investments after considering both qualitative and quantitative factors. The fifth step is to finance the undertakings. The final step is implementation and monitoring.

---

### QUESTION 3

A firm may seek marketing information using its internally collected data. An approach that uses advanced statistical and mathematical methods to find hidden relationships in the data is

- A. Data mining.
- B. Data warehousing.
- C. Multidimensional data analysis.
- D. Electronic data interchange (EDI).

Correct Answer: A

A firm with a decision-support system (DSS) may exploit advanced database technology to analyze vast amounts of data. One approach is online analytical processing, or multidimensional data analysis. It allows a user to have multiple perspectives of the same data. Another approach is data mining. It allows a user to discover hidden relationships in the data, such as associations (links to a given event), sequences of events, classifications (descriptions of the group to which an item belongs, or clusters (new groupings not previously known). Consequently, a firm might detect trends or underserved customer market segments. Data mining requires advanced statistical and mathematical methods, for example, predictive modeling, neural networking, and automatic interaction detection.

**QUESTION 4**

Capital Invest, Inc. uses a 12% hurdle rate for all capital expenditures and has done the following analysis for four projects for the upcoming year:

	<u>Project 1</u>	<u>Project 2</u>	<u>Project 3</u>	<u>Project 4</u>
Initial capital outlay	\$200,000	\$298,000	\$248,000	\$272,000
Annual net cash inflows				
Year 1	65,000	100,000	80,000	95,000
Year 2	70,000	135,000	95,000	125,000
Year 3	80,000	90,000	90,000	90,000
Year 4	40,000	65,000	80,000	60,000
Net present value	(3,798)	4,276	14,064	14,662
Profitability index	98%	101%	106%	105%
Internal rate of return	11%	13%	14%	15%

Which project(s) should Capital Invest, Inc. undertake during the upcoming year if it has only \$600,000 of funds available?

- A. Projects 1 and 3.
- B. Projects 2, 3, and 4.
- C. Projects 2 and 3.
- D. Projects 3 and 4.

Correct Answer: D

Given that only \$600,000 is available and that each project costs \$200,000 or more, no more than two projects can be undertaken. Because Projects 3 and 4 have the greatest NPVs, profitability indexes, and IRRs, they are the projects in which the company should invest.

**QUESTION 5**

An example of a governmental impediment to global competition is k High storage costs.

- A. Labor regulations.
- B. High information and search costs.

C. Greater responsiveness by local firms.

Correct Answer: A

Governmental impediments to global competition are general imposed for the announced purpose of protecting local firms and jobs and developing new industries. They also may have the effect of raising revenue. Examples of impediments are tariffs: duties: quotas: domestic content rules: preferences for local firms regarding procurement, taxes, RandD, labor regulations, and other operating rules: and laws (e.g.. anti-bribery or tax) enacted by a national government that impede national firms from competing globally. These impediments are most ,likely when industries are viewed as crucial

[Latest IMANET-CMA Dumps](#)

[IMANET-CMA Practice Test](#)

[IMANET-CMA Exam Questions](#)