

IMANET-CMA^{Q&As}

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

An inventory management technique designed to minimize inventory investment by having materials arrive at the time they are needed for use is known as

- A. The economic order quantity model (EOQ).
- B. Materials requirements planning (MRP).
- C. First-in first-out (FIFO).
- D. Just-in-time (JIT).

Correct Answer: D

A just-in-time (JIT) inventory management system limits the output of each manufacturing operation to the demand of the next operation. Shipment of raw materials from vendors are scheduled to arrive "just in time" to be used in the production process. Inventory storage is considered a nonvalue-adding activity, and raw materials on hand are thus kept to a minimum.

QUESTION 2

Which of the following is the most significant reason that domestic governments and international organizations seek to eliminate cartels?

- A. The increased sales price reduces the amount of corporate tax revenues payable to the government
- B. True competition keeps prices as low as possible, thus increasing efficiency in the marketplace
- C. Small business cannot survive or grow without government protection
- D. The economic stability of developing countries depends on a global free market

Correct Answer: B

A cartel is an organization of sellers (e.g., the oil cartel OPEC) who undertake joint action to maximize member's profits by controlling the supply and therefore the price of their product. Under the laws of many nations, such collusive conduct is illegal when engaged in by firms subject to those laws. The reason is that, as a result of the monopolistic and anticompetitive practices of cartels, supply is lower, prices are high, competition is restrained, and the relevant industry is less efficient. Accordingly, governmental and international organizations seek to protect consumers and the health of the domestic and global economy through anti-cartel efforts.

QUESTION 3

If a company has a higher dividend-payout ratio, then, if all else is equal, it will have

- A. A higher marginal cost of capital
- B. A lower marginal cost of capital.
- C. A higher investment opportunity schedule.

D. A lower investment opportunity schedule.

Correct Answer: A

The higher the dividend-payout ratio, the sooner retained earnings are exhausted and the company must seek external financing. Assuming the same investments are undertaken, the result is a higher marginal cost of capital because lower-cost capital sources will be used up earlier.

QUESTION 4

Richardson Motors uses 10 units of Part No. T305 each month in the production of large diesel engines. The cost to manufacture one unit of T305 is presented as follows:

Direct materials	\$ 2,000
Materials handling (20% of direct materials cost)	400
Direct labor	16,000
Manufacturing overhead (150% of direct labor)	<u>24,000</u>
Total manufacturing cost	<u><u>\$42,400</u></u>

Materials handling, which is not included in manufacturing overhead, represents the direct variable costs of the receiving department that are applied to direct materials and purchased components on the basis of their cost. Richardson's annual manufacturing overhead budget is one-third variable and two-thirds fixed. Simpson Castings, one of Richardson's reliable vendors, has offered to supply T305 at a unit price of \$30,000. If Richardson Motors purchases the ten T305 units from Simpson Castings, the capacity Richardson used to manufacture these parts would be idle. Should Richardson decide to purchase the parts from Simpson, the out-of-pocket cost per unit of T305 would

A. Decrease \$6,400.

B. Increase \$3,600.

C. Increase \$9,600.

D. Decrease \$12,400.

Correct Answer: C

The out-of-pocket cost of making the part equals the total manufacturing cost minus the fixed overhead, or \$26,400 $\{ \$42,400 - [(2 + 3) \times \$24,000] \}$. The cost of the component consists of the \$30,000 purchase price plus the \$6,000 (20% of cost) of variable receiving costs, or a total of \$36,000. Thus, unit out-of-pocket cost would increase by \$9,600 if the components were purchased.

QUESTION 5

All decisions by financial managers should be driven by the primary goal to

A. Maximize revenues.

- B. Minimize fixed costs and variable costs.
- C. Stabilize growth.
- D. Maximize stockholder wealth

Correct Answer: D

The objective of the firm is to take those actions within legal and ethical limits that will maximize the stockholders' wealth, i.e., the price per share of common stock. The market price of the stock is largely the result of the firm's investment and financing decisions.

[IMANET-CMA VCE Dumps](#)

[IMANET-CMA Practice Test](#)

[IMANET-CMA Exam Questions](#)