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Exam : **CIMAPRO17-BA2-X1-ENG**

Title : BA2 – Fundamentals of Management Accounting Question Tutorial

Version : DEMO

1.Which of the following is a relevant cost?
A. A sunk cost
B. A committed cost
C. An incremental cost
D. A historical cost
Answer: C
Explanation:
Reference: https://www.acowtancy.com/textbook/cima-p1-2015/c1-relevant-costing/concept-of-relevant-costing/notes

2.Which of the following would NOT be an appropriate performance measure for a profit centre manager?
A. Return on capital employed
B. Contribution per unit
C. Sales price variance
D. Gross margin
Answer: B

3.The following data are available for a company that produces and sells a single product.
- The company's opening finished goods inventory was 2,500 units.
- The fixed overhead absorption rate is $8.00 per unit.
- The profit calculated using marginal costing is $16,000.
- The profit calculated using absorption costing and valuing its inventory at standard cost is $22,400.
The company's closing finished goods inventory is:
A. 3,300 units
B. 1,700 units
C. 3,900 units
D. 8,900 units
Answer: A

4.Which of the following would NOT require taking into account the time value of money?
A. Deciding to make a long-term investment in a project on the basis of its payback period.
B. Selecting an investment project on the basis that it has a positive net present value (NPV).
C. Calculating the present value of a five-year annuity.
D. Taking a long-term investment decision on the basis of the project's internal rate of return (IRR).
Answer: C
Explanation:
Reference: https://www.acowtancy.com/textbook/acca-fm/d1-investment-appraisal-techniques/npv/notes

5.A small airport's management accountant has prepared the following management report on the performance of its four retail outlets.

	Outlet A	Outlet B	Outlet C	Outlet D
Sales revenue ($000)	$540	$620	$740	$1,380
Variable costs ($000)	$184	$270	$308	$480
Fixed costs ($000)	$139	$148	$50	$320
Profit ($000)	$217	$202	$382	$580
Return on sales ratio (%)	40%	33%	52%	42%
Area occupied (square metres)	200	120	160	340

Which retail outlet has the highest contribution per square metre?

A. Outlet A

B. Outlet B

C. Outlet C

D. Outlet D

Answer: C