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# Question 1

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**Question Type:** MultipleChoice

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RRR is a medium sized company, which has built family homes in Country for twenty years. The Board of RRR wishes to expand company operations and start building homes in the neighboring country. The Board of RRR wishes to undertake a position audit to help in this decision.

Which of the following strategic analysis tools would be used in a position audit for RRR?

**Options:**

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**A-** Gap Analysis

**B-** PEST

**C-** SWOT

**D-** Five Forces

**Answer:**

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C

## Question 2

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### Question Type: MultipleChoice

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STU is a hospital that is wholly funded by its national government. In the last five years it has seen its funding cut by over 30% due to budgetary pressure on the government, caused by a global recession. As a result, the senior management team of STU has had to make some very difficult decisions about prioritizing how it spends the funds it receives from the government. Its main strategies have been to reduce the number of administration staff and nursing staff by 20%, in order to reduce its costs. It has also stopped providing a number of services to patients, including its counselling services and its physiotherapy unit.

Which of the following strategies has STU adopted to manage its reduced funding? (Choose all that apply.)

#### Options:

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- A- Liquidation
- B- Divestment
- C- Retrenchment
- D- Facilitation
- E- Turnaround

#### Answer:

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B

## Question 3

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**Question Type:** MultipleChoice

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M is a car manufacturer in Country C. Every day, at 09.00, members of M's staff practice meditation and Tai Chi for 30 minutes, before their normal workday commences.

M's staff are paid during this time and M considers the practice to be a benefit both to staff and the company. Staff operate with high levels of efficiency and absenteeism levels are low.

The auditors of M have recommended that M stop these sessions, stating that they consider them to be a waste of time and a drain on resources.

Which of the following aspects of M's culture would the auditors recommendation impact on?

### Options:

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- A- Stories and myths
- B- The organizational paradigm and values
- C- Routines and rituals
- D- Symbols

**Answer:**

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B

## Question 4

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**Question Type:** MultipleChoice

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Z is a medium-sized UK based accounting practice. Z operates a graduate training scheme. The trainees are given an induction and then placed on a three-year training programme designed to help develop professional skills and experience.

The training programme has been in existence for many years. However, there is no clear consensus amongst the partners of Z about what the trainees should be able to do on completion of the programme and therefore what the training programme should emphasize. This lack of clarity is affecting the morale and commitment of the trainees and significant numbers are failing the programme or leaving to join a rival firm.

Z's HR Department recognizes the need for committed and well motivated accountants to meet the increased expectations of clients and the competition from rival firms. The HR Department has identified changes to the training programme that can be implemented gradually through a series of initiatives.

Which TWO of the following statements regarding the change required in Z are correct? (Choose two.)

**Options:**

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- A- Understanding which day-to-day behaviors to reinforce within the training programme, is about 'routines and rituals' according to the Cultural Web.
- B- The change would be classified as a 'revolutionary change' according to Balogun and Hope Hailey.
- C- The need to manage the competitive position is an example of an 'external direct trigger' for change.
- D- The plans to combat competition would be considered as a 'structure' factor according to the McKinsey 7 S model.
- E- The skills, abilities and competences of the organization's employees are a 'hard' factor according to the McKinsey 7 S model.

**Answer:**

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C, E

## Question 5

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**Question Type: MultipleChoice**

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HHH is an international distribution company which operates a number of large distribution warehouses. HHH employs over 10,000 staff who operate the warehouses 24 hours per day and process over 500,000 packages and parcels each day. HHH operates in a highly competitive market and the senior management team recognize the importance of focusing upon its Critical Success Factors (CSF's). However, some senior managers are confused as to the difference between CSF's and Key Performance Indicators (KPI's).

Which of the following are Critical Success Factors for HHH? (Choose all that apply.)

### Options:

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- A- Percentage of stock damaged.
- B- Market share percentage.
- C- Customer satisfaction.
- D- Continual maintenance of warehouse facilities.
- E- Time taken to load and unload deliveries.
- F- Efficient staff planning systems.

### Answer:

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B, C

## Question 6

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### Question Type: MultipleChoice

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When FarmCot Foods was founded five years ago, it was a small shop set up by a family of dairy farmers in a disused farm shed, selling their own produce to the local community. The family had decided, at that point in time, to diversify their dairy farming activities into also selling their own milk, cheese and ice cream products. The aim was to increase their revenues, as dairy farming in their home country had been in decline for a number of years.

Since then, the shop has been very successful and has expanded rapidly over the last three years, due largely to a strong growth in tourism in its home country and a shift in consumer demand for locally sourced fresh farm products. FarmCot Foods is now located in a large purpose-built building on the site of the original farm shed and also operates a very popular caf, a children's play area and sells a much wider range of products and gifts, which are all sourced from local suppliers.

Which of the following best describes FarmCot Foods approach to strategy development in the last five years?

**Options:**

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- A- Rational
- B- Freewheeling opportunism
- C- Incremental
- D- Emergent

**Answer:**

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D

## Question 7

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**Question Type: MultipleChoice**

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RRR is an insurance company which maintains an extensive database of its customer transactions over the last 10 years. RRR is developing a new product and has carried out a SWOT analysis.

Within which of the following aspects of the SWOT analysis would RRR include its customer database?

**Options:**

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- A- Opportunity
- B- Threat
- C- Weakness
- D- Strength

**Answer:**

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D

## Question 8

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**Question Type: MultipleChoice**

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Which THREE of the following frameworks are used solely to evaluate the external environment of an organization? (Choose three.)

### Options:

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A- Porter's Value Chain

B- Kaplan and Norton's Balanced Scorecard

C- PEST Analysis

D- Porter's Diamond

E- SWOT analysis

F- Porter's Five Forces Model

### Answer:

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A, C, F

## Question 9

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**Question Type: MultipleChoice**

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YZ operates a national mobile phone (cell phone) network in one country. It is considering upgrading its network to 4th Generation (4G) by providing an improved bandwidth that will enable its customers faster access to the Internet.

This investment will cost \$29 million which YZ's institutional investors have agreed to provide by subscribing to a rights issue. This is due to management having informed institutional investors that a rival is already offering 4G and that this is taking customers away from YZ because its network is now regarded as too slow. YZ's remaining customers have shown a willingness to pay extra for 4G and overall the investment will have a positive net present value.

Which of the following statements are correct? (Choose all that apply.)

**Options:**

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- A- It provides a market development opportunity for YZ.
- B- YZ will gain a first mover advantage.
- C- There is stakeholder approval for the investment.
- D- It is essential given the strategic threats to YZ.
- E- There are sufficient investment funds available

**Answer:**

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C, D, E

## Question 10

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**Question Type:** MultipleChoice

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As a CIMA qualified management accountant working within a manufacturing company, you are subject to both CIMA's Code of Ethics and your company's Code of Business Conduct.

Which TWO of the following statements are TRUE? (Choose two.)

**Options:**

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- A-** As a CIMA qualified Management Accountant you must follow CIMA's Code of Ethics.
- B-** Where there is a difference between CIMA's Code of Ethics and the company's Code of Business Conduct, the company's Code of Business Conduct takes priority.
- C-** Both CIMA's Code of Ethics and the company's Code of Business Conduct must be based on a set of basic principles.
- D-** Both CIMA's Code of Ethics and the company's Code of Business Conduct include References to Confidentiality. Disclosure on public interest grounds is therefore prohibited.
- E-** A company's Code of Business Conduct can be rules based.

**Answer:**

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D, E

## Question 11

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**Question Type: MultipleChoice**

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Which of the following categorizations would be correct, according to McFarlan's Strategic Grid, for a system which is critical to sustaining existing business but its future strategic importance is considered to be low?

**Options:**

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- A- Turnaround
- B- Support
- C- Strategic
- D- Factory

**Answer:**

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B

## Question 12

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**Question Type: DragDrop**

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Company XX and Company YY are the only two providers of electricity to Country M. The demand for electricity is price inelastic which means that buyers regard it as essential and therefore demand for electricity does not change significantly if the average price of electricity changes. However customers will switch between suppliers within a year to get cheaper electricity. Using Game Theory place the long-run revenue impact on each firm of each of the following pricing decisions.

	Outcome for XX	Outcome for YY
Both XX and YY reduce their prices		
XX increases its price but YY does not		
Both XX and YY increase their prices		
XX reduces its price but YY does not		

Win
Lose

Long-run revenue impact
Win
Lose

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