Free Questions for CIMAPRO19-P02-1 by ebraindumps

Shared by Mckinney on 22-07-2024

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

A manufacturing company has recently introduced a Total Quality Management (TQM) system. The company has invested heavily in the education and training of its staff, in addition to implementing new product design engineering. There is a plan to sample units from each batch of products manufactured to test for errors, although this has not yet been implemented due to budget constraints.

The company is experiencing high levels of customer complaints, with many faulty units being returned by the customer for refund or replacement. Sales revenue has fallen recently, mainly due to negative press coverage linked to dissatisfied customers.

Select the statement MOST likely to apply.

Options:

A- The high level of external failure costs is the result of a lack of expenditure on prevention costs.

B- The high level of internal failure costs is the result of a lack of expenditure on appraisal costs.

C- The high level of external failure costs is the result of a lack of expenditure on appraisal costs.

D- The high level of internal failure costs is the result of a lack of expenditure on prevention costs.

Answer:

C

Question 2

Question Type: MultipleChoice

A company makes three products, E, F and G. Total overheads for the year are expected to be $1.2 million, with the following split between cost pools:

Cost driver information has been estimated as follows:

Number of quality inspections	**84,000 inspections**
Number of purchase requisitions	12,000 requisitions
Quantity of material handled	240,000 kilogrammes

The company plans to make 10,000 units of product E in the year, with an expected direct cost of $0.60 per unit. This annual production of product E is expected to require 20 quality inspections, 28 purchase requisitions, and 400 kilogrammes of materials.

What is the overhead cost per unit of product E?

Options:

A- $0.10

B- $0.70

C- $3.57

D- $4.17

Answer:

A

Question 3

Question Type: **MultipleChoice**

A positive net present value (NPV) has been calculated for a project to launch a new product. An additional calculation is required to identify the sensitivity of the NPV to changes in the forecast total sales volume.

The present value of which of the following would be used in the calculation?

Options:

A- Contribution

B- Operating profit

C- Fixed overheads

D- Net profit

Answer:

A

Question 4

Question Type: **MultipleChoice**

A company has just launched a new product at a selling price that is designed to rapidly gain market share and to discourage other competitors from entering the market.

Which pricing strategy is the company using?

Options:

A- Penetration pricing

B- Loss leader

C- Market skimming

D- Premium pricing

Answer:

A

Question 5

Question Type: **FillInTheBlank**

$30.328 million is to be invested in a project that will yield annual net cash inflows of $8 million for 5 years.

What is the project's internal rate of return (IRR)?

Give your answer to the nearest whole percentage.

Answer:

Question 6

Question Type: MultipleChoice

The following data relate to an investment opportunity.

The percentage reduction in the annual revenue that could occur before the project is no longer financially viable is:

	Year	Cash flow	Discount factor @ 10%	Present value
Initial investment	0	$(50,000)	1.000	$(50,000)
Revenue	1-5	$28,000	3.791	$106,148
Variable costs	1-5	$(12,000)	3.791	$(45,492)
Scrap proceeds	5	$10,000	0.621	$6,210

Options:

A- 15.9%

B- 56.0%

C- 28.6%

D- 212.3%

Answer:

A