

UNIVERSITÀ DEGLI STUDI DI VENEZIA – CA' FOSCARI

**Master's Degree Programme in Global Accounting and Finance,
International Management, Innovation and
Management for Culture and Creativity**

SAMPLE

The correct answer is always alternative A

1 **The essence of the accrual basis convention is that transactions should be recognised:**

- A) when they occur
- B) by reference to the date of the receipt or payment of cash
- C) only at the end of the year
- D) only at the end of each quarter

2 Management accounting differs in several ways from the financial reporting process; in particular:

- A) management accounting is optional
- B) the underlying structure of financial reporting varies according to the use of the information
- C) the time orientation of management accounting is only historical
- D) the content of financial reporting is primarily nonmonetary

3 Vertical integration is relatively more attractive:

- A) when the ability of outside market specialist relative to the firm to achieve scale or scope economies is limited
- B) the smaller the scale of the firm's product market activities
- C) the smaller the extent to which the assets involved in production are relationship specific
- D) when it is less costly to organize activity through arm's-length market exchange than to organize them internally

4 Which type of consumer segmentation criteria is better to use when purchasing behaviour is correlated with lifestyle of costumers?

- A) Psycographic segmentation
- B) Behavioural segmentation
- C) Demoghraphic segmentation
- D) Socio-economic segmentation

5 Which are the most important components of working capital?

- A) Inventory, accounts receivable and accounts payable
- B) Material and immaterial assets
- C) Equity and stock
- D) Inventory, equity and provision

6 According to the principle of minimum chain of command:

- A) an organization should choose the minimum number of hierarchical levels consistent with its goals and the environment in which it operates
- B) an organization should be kept as tall as possible
- C) top managers should be evaluated for their ability to monitor and control its activities with as many managers as possible
- D) an organization should always choose a flat structure

7 Which of the following is a measure of the potential loss in an asset's value within a specified time period with a specified probability?

- A) Value at risk
- B) Variance
- C) Maturity
- D) Standard deviation

8 **The risk that potentially can be eliminated by diversification is called:**

- A) specific risk
- B) market risk
- C) portfolio risk
- D) general risk

9 **Which of the following sentences related to a sensitivity analysis of a project is FALSE?**

- A) It allows to look at different but consistent combination of variables
- B) It always gives somewhat ambiguous results
- C) It does not take into account the fact that the underlying variables are likely to be interrelated
- D) It sets each variable in turn at its most pessimistic or optimistic value and recalculates the NPV of the project

10 The return on equity (ROE):

- A) relates to the return made for the shareholders with the finance made available by the shareholders
- B) when calculated before tax deductions it is particularly useful to explore the return potentially available for distribution to shareholders
- C) when calculated after tax deductions it is particularly useful to investigate the efficiency of management in organizing the operations of the business
- D) when calculated after tax deductions it is equal to the amount of earnings per share

11 In the IASB's list of qualitative characteristics of financial reporting, the economic substance concept is part of:

- A) faithful representation
- B) relevance
- C) materiality
- D) understandability

12 **Costs that fall less with decrease in volume or activity rather than rise with increase in volume or activity, are said to be:**

- A) sticky
- B) semi-variable
- C) step-function
- D) variable

13 **Conversion cost includes:**

- A) direct labour cost and overhead cost
- B) direct material cost and overhead cost
- C) direct material cost and direct labour cost
- D) indirect labour cost and overhead cost

14 The FIFO method:

- A) could be used for the evaluation of the inventory
 - B) can be used only for perishable goods in stock
 - C) is generally not accepted by tax law in Western countries
 - D) is generally not accepted by civil law in European countries
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15 The practice adopted by some organizations that prepare a new budget every quarter for a full year ahead is called:

- A) rolling budgeting
 - B) incremental budgeting
 - C) continuous budgeting
 - D) evolutionary budgeting
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16 The industry volume variance is NOT influenced by:

- A) actual market share
- B) industry volume
- C) budgeted market share
- D) budgeted unit margin

17 **McDonald's restaurants are typical examples of:**

- A) franchising
 - B) strategic alliance
 - C) joint venture
 - D) implicit contract
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18 **Which of the following best defines learning economies?**

- A) Cost savings that occur as a result of learning by doing and experience gained over time
 - B) Cost savings achieved through bulk purchasing and economies of scale
 - C) Cost savings achieved through outsourcing and automation
 - D) Cost savings resulting from the use of cheaper raw materials
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19 **In facing the "make-or-buy" problem, the choice of using market firms:**

- A) may allow to achieve economies of scale in production of an input that firms choosing to make the input themselves cannot
- B) avoids any coordination problem
- C) discourages efficiency and innovation
- D) avoids the holdup problem in which one trading partner exploits contractual incompleteness to renegotiate the terms of a contract

20 In Bertrand's model, each firm:

- A) selects a price and stands ready to meet all the demand for its product at that price
- B) selects a quantity to produce and the resulting total output determines the market price
- C) views its rival's price as variable
- D) believes that its pricing practices will affect the pricing of its rival

21 In Porter's five forces of competition framework, the access to the distribution channel is an example of:

- A) threat of entry
- B) industry rivalry
- C) threat of substitutes
- D) buyer power

22 **When launching a new product, a combination of high price and high promotion expenditure is called:**

- A) rapid skimming strategy
- B) slow skimming strategy
- C) rapid penetration strategy
- D) slow penetration strategy

23 **Which of the five dimensions of service quality represents the fact that customers can trust the service company and its staff?**

- A) Assurance
- B) Reliability
- C) Empathy
- D) Responsiveness

24 Which of the following is NOT a financial statement?

- A) Employment statement
- B) Balance sheet
- C) Income statement
- D) Cash flow statement

25 Net profit margin is calculated as:

- A) Net profit before tax / Sales
- B) Net profit before tax / Equity
- C) Net profit after tax / Sales
- D) Net profit after tax / Equity