

Section 1

OBJECTIVE TEST QUESTIONS

All the section objective questions carry the same number of marks.

SYLLABUS SECTION A: ROLE OF THE FINANCE FUNCTION

- 1 Stan is trying to work out how many staff members are going to be required to work on a project next week.

Which role of the finance function best describes what Stan is doing?

- A Resource allocation
- B Performance management and control
- C Planning
- D Financial (corporate) reporting

- 2 Performance measures can be both qualitative and quantitative.

Which of the following would be classified as quantitative performance measures?

Select three that apply.

- A Customer satisfaction rating
- B Sales
- C Level of innovation
- D Staff productivity
- E Profit
- F Units produced

3 Match the following descriptions to the ethical principle they describe.

Completing work carefully, thoroughly and diligently, in accordance with relevant technical and professional standards.	Integrity
Being straightforward, honest and truthful in all professional and business relationships.	Confidentiality
Non-disclosure of information unless you have specific permission or a legal or professional duty to do so.	Professional behaviour
Not allowing bias, conflict of interest, or the influence of other people to override your professional judgement.	Professional competence and due care
Compliance with relevant laws and regulations.	Objectivity

- 4** Polly, a CIMA member in practice, has been asked to complete an important task. However, she is very pushed for time and knows she will not be able to complete it properly.

Which ethical principle is under threat?

- A Integrity
 - B Confidentiality
 - C Professional competence and due care
 - D Professional behaviour
 - E Objectivity
- 5** Gemma, a CIMA member in practice, has been told by her boss that there are going to be some redundancies in the company. She has been reassured that her job is safe but has been told of a number of colleagues whose jobs are at risk. One of these colleagues is a close friend of Gemma who she knows is about to buy a new house.

If Gemma warns her friend about the redundancy plans which ethical principle is under threat?

- A Integrity
- B Confidentiality
- C Professional competence and due care
- D Professional behaviour
- E Objectivity

6 Which three of the following are BENEFITS of a company behaving in an ethical manner?

- A Improve reputation
- B Attract high calibre employees
- C Increased costs
- D Increased risk
- E Increased sales

7 Which of the following would be considered to be connected stakeholders?

Select three that apply.

- A Employees
- B Government
- C Environmental pressure groups
- D Suppliers
- E Customer
- F Lenders

8 The directors of ECC Ltd are proposing the introduction of many CSR initiatives. However, their shareholders are not convinced that it is worth the increased cost to the business.

Which of the following are arguments FOR the introduction of CSR initiatives?

Select three that apply

- A Strengthens the brand
- B Acts as a method of differentiation
- C Increases costs
- D Attracts new customers
- E Is a public relations (PR) exercise

9 The risk that the directors may run the company in their own interests, rather than those of the shareholders is known as the agency problem.

True or false?

10 Which of the following symptoms can indicate that there is poor corporate governance?

Select three that apply.

- A Increasing contact with shareholders
- B Domination of the board
- C Lack of internal audit
- D Emphasis on long term profitability
- E Lack of supervision of employees

11 Which of the following statements is/are true?

- (i) In the UK, Corporate Governance is a principles based system.
- (ii) In the US, Corporate Governance is a rules based system.
- A Statement (i) only
- B Statement (ii) only
- C Neither of them
- D Both of them

12 The finance function has three main roles; it 'enables', 'shapes how' and 'narrates how' value is created and preserved.

Which of the following would the finance function carry out to 'shape how' the organisation creates and preserves value?

- A Performance management and control
- B Planning and forecasting
- C Financial (corporate) reporting
- D Planning, forecasting and resource allocation

13 Using the principles of good corporate governance, which committees should a company make use of?

Select three that apply.

- A Nominations committee
- B Remuneration committee
- C Ethics committee
- D Governance committee
- E Board committee
- F Audit committee

14 According to the UK Corporate Governance Code, a company can improve corporate governance by ensuring that:

- A The chairman and chief executive are the same individual in order to avoid confusion over who has responsibility for running the company.
- B The chairman and chief executive are different individuals in case one dies or becomes ill.
- C The company chairman is remunerated in line with the performance of the company.
- D The chairman and chief executive are different individuals in order to prevent one person having too much power within the company.

15 Kay is a senior employee of Henshaw plc and is considering becoming a NED after she retires.

After how many years will she be classified as an independent NED?

- A 4 years
- B 5 years
- C 6 years
- D 7 years

16 Churchman plc is looking to appoint new members to its board of directors, which committee should they consult before making such appointments?

- A Appointments committee
- B Directors committee
- C Committee of NEDs
- D Nominations committee

17 The argument that companies should operate solely to make money for shareholders and that it is not a company's role to worry about social responsibilities is the viewpoint of:

- A Modernists
- B Everyone
- C Traditionalists
- D The government

18 What are the three classifications of stakeholders commonly known as?

- A Internal, external, connected
- B Shareholders, employees, customers
- C Internal, external, regulated
- D Connected, unconnected, external

19 Match the stakeholder with their need/expectation of the company

Stakeholder	Need/expectation
Government	Pay, working conditions and job security
Shareholders	Dividends and capital growth
Employees	Provision of taxes and jobs and compliance with legislation
Customers	Value-for-money products and services

20 Which of the following statements is/are true?

- (i) The chairman is the person in charge of running the company.
 - (ii) The chief economic officer is the person in charge of running the company.
- A Statement (i)
 - B Statement (ii)
 - C Both of them
 - D Neither of them

21 Complete the following sentences by placing one of the following options in the spaces.

The preparation of forecasts, for example of future sales or material prices, will be an important role of the finance function _____.

The preparation of comprehensive reports for shareholders will be an important role of the finance function _____.

The preparation of variance analysis for control purposes will be an important role of the finance function _____.

Options:
in narrating how the organisation creates and preserves value
in enabling the organisation to create and preserve value
in shaping how the organisation creates and preserves value

22 Which of the following organisations is normally found in the public sector?

- A Schools
- B Charities
- C Clubs
- D Businesses

23 Which of the following statements is/are true?

- (i) The main IFRS (International Financial Reporting Standards) rarely change that much and so it can be broadly assumed that these basics will remain fixed in the medium term.
 - (ii) The finance function merely records what has happened over the period in question and as long as it can do that it shouldn't need to be proactive in the way that it is organised.
- A Statement (i)
 - B Statement (ii)
 - C Both of them
 - D Neither of them

- 24 Which of the following is an example of poor corporate social responsibility?**
- A The sacking of an employee for gross misconduct
 - B Building a product with a known failure rate
 - C The advertising of cigarettes on early evening TV
 - D A significant redundancy programme
- 25 What is the generally accepted definition of agency risk?**
- A The risk that agency staff are less experienced than fulltime employees and hence are more likely to make mistakes.
 - B The risk that government agencies will interfere with the company's procedures resulting in excessive costs.
 - C Directors, as agents of the owners will act in a way that is contrary to the wishes of those owners.
 - D Employees, as agents to the directors will act in a way that is contrary to the wishes of those directors.
- 26 Changes brought about by technology are greatly changing the shape of the finance function. However, not-for-profit organisations will not be affected as their primary objective is not a profit motive.**
- Is this statement true or false?**
- 27 Which of the following TWO statements are true with regards to change in the modern world?**
- A Change always increases the risks faced by an organisation
 - B Change is so unpredictable that there is no point in having long term plans
 - C A key driver of change in the modern world is the rapid advancements in technology
 - D Changing customers' expectations cannot be ignored if a business wants to remain competitive
 - E Change does not affect really small enterprises
- 28 Jemima has been asked to collect some information for her manager. It takes her 14 hours to gather the information and when she presents it to her manager it is immediately filed away.**
- Which of the characteristics of good quality information is not being exhibited?**
- A Understandable
 - B Complete
 - C Cost < benefit
 - D Accurate

- 29 Which of the following is NOT one of the 5 As of a finance professional's basic activities?**
- A Assemble
 - B Apply
 - C Acumen
 - D Advise
 - E Align
- 30 Which of the 5 As of a finance professional's basic activities includes collecting data from a variety of sources?**
- A Acumen
 - B Advise
 - C Assemble
 - D Adapt
 - E Accumulate
- 31 True or false, data consists of raw fact and figures whilst information is data that has been processed?**
- 32 Which of the 5 As of a finance professional's basic activities includes comparing actual information to budgeted information?**
- A Assemble
 - B Analyse
 - C Advise
 - D Apply
 - E Acumen
- 33 Which three of the following may be limitations of using external data sources?**
- A It may be out of date
 - B It may be more difficult to gather
 - C It has no relevance to the organisation using it
 - D It may not be accurate
 - E It is unethical to use someone else's data

- 34 Which type of information cannot normally be expressed in numerical terms?**
- A Quantitative
 - B Qualitative
 - C Financial
 - D Non-financial
- 35 Which three of the following are examples of internal sources of data?**
- A Purchase ledger data
 - B Payroll data
 - C Newspaper articles
 - D Exchange rate data
 - E Production data
- 36 At what stage within the information to impact framework is the finance function most predominantly focussed on guidance and management?**
- A Information
 - B Insight
 - C Influence
 - D Impact
- 37 David is examining a report that has been prepared by a junior member of the finance team. He has noticed there are a lot of spelling mistakes and not all of the figures add up.**
- Which of the characteristics of “good” information is not being exhibited?**
- A Accurate
 - B Complete
 - C Understandable
 - D Relevant
- 38 Eliza is currently in the process of comparing budgeted sales data to actual data and trying to investigate reasons for the variances.**
- Using the information to impact framework, which stage would best describe Eliza’s current activity?**
- A Information
 - B Insight
 - C Influence
 - D Impact

- 39 Which of the following statements regarding the analysis of quantitative data is correct?**
- A Sales growth of 20% year on year represents significant growth.
 - B Non-financial data cannot be quantified and therefore has less analysis value than financial data.
 - C Good quality analysis relies upon a representative sample of the population.
 - D Number of training days taken per employee is not an example of quantitative data.
- 40 During which stage of the information to impact framework are solutions typically deployed?**
- A Information
 - B Insight
 - C Influence
 - D Impact

SYLLABUS SECTION B: TECHNOLOGY IN A DIGITAL WORLD

- 41 “A rapid and major change in an economy, driven by a shift in the methods and types of work undertaken” best describes what?**
- A Globalisation
 - B An industrial revolution
 - C The digital age
 - D Political instability
- 42 How is the delivery of on-demand computing resources otherwise known?**
- A Artificial Intelligence
 - B The Internet of Things
 - C Big Data
 - D Cloud computing
- 43 The process by which users log on to remote servers to access and process their files is best known as what?**
- A Cloud computing
 - B Wide Area Network
 - C The internet
 - D Remote working

44 What are the two main types of cloud computing?

- A Public Cloud
- B Restricted Cloud
- C Private Cloud
- D Amazon Cloud

45 Which three of the following are disadvantages of cloud computing?

- A Scalability
- B Contract management
- C Potential job losses
- D Reliance on a third party
- E Increases cost
- F Reduced flexibility for employees

46 Which of the following statements relating to big data are true?

Select three that apply.

- A Big data refers to any financial data over \$1 billion
- B The defining characteristics of big data are velocity, volume and variety
- C Managing big data effectively can lead to increased competitive advantage
- D The term big data means 'data that comes from many sources'
- E Big data contains both financial and non-financial data

47 How might the following sources of data be classified?

Select from the following: Human Sourced, Machine Generated, Processed, Open

- A National Statistics
- B Social media posts
- C Emails
- D Smart meters
- E Customer database
- F Census
- G Home assistants
- H Fixed asset register

48 Which one of the following sentences is true?

- A Process automation is only feasible for simple, repetitive tasks
- B Process automation in complex business areas is beyond the limits of technology
- C Process automation can enable a business to save costs
- D Process automation usually leads to employee dissatisfaction

49 Machines working and reacting like human beings describes what?

- A Robotics
- B Voice recognition
- C Artificial intelligence
- D The 4th Industrial Revolution

50 Which one of the following is a definition of a blockchain?

- A A technology that allows people who do not know each other to trust a shared record of events.
- B A centralised, undistributed and private digital ledger that is used to record transactions.
- C A sequence of transactions facilitated by the internet.
- D A supply chain management system used to improve efficiency.

51 Which three of the following statements about a blockchain are true?

- A Blockchain is regarded as a solution to cyber security risk
- B Records in the blockchain are publically available
- C Records in the blockchain are kept private to enhance security
- D The verification of transactions is carried out by computers
- E The verification of transaction is carried out by individuals

52 What is the Internet of Things?

- A An interactive collection of websites enabling users to communicate with one another.
- B A technology that allows people who do not know each other to trust a shared record of events.
- C Smart phones that enable users to control appliances within their home such as their heating or lighting.
- D A network of smart devices with inbuilt software and connectivity which connect to the internet.

53 True or false, advancements in mobile technology have contributed to the decline in the newspaper industry?

- 54** CDMA is the technology that has transformed mobile technology.
- What does CDMA stand for?**
- A Coded data mobile application
 - B Code-division multiple access
 - C Cloud data mobile access
 - D Computer device mobile acceleration
- 55** How is “additive manufacturing”, creating a product layer by layer, better known?
- A Cellular manufacturing
 - B Lean manufacturing
 - C 3-D printing
 - D Blockchain technology
- 56** Which three of the following are consequences of the developments in mobile technologies?
- A The decline of the newspaper industry
 - B The decline of social media interactions
 - C The decline in the banking industry
 - D An increase in the on demand nature of music
 - E An increase in the cost to manufacture smart devices
- 57** Which three of the following are advantages of 3-D printing?
- A Gaining economies of scale through the ability to batch produce
 - B Increased throughput speed from design to print
 - C Off-cuts can be recycled into future products
 - D Maintenance of Intellectual Property
 - E Customisation of design leading to competitive advantage
- 58** Which three of the following are advantages of cloud computing?
- A Cost efficiency
 - B Scalability
 - C Flexibility
 - D Contract management
 - E Career opportunities
 - F Highlights inefficiencies

59 Assessing the reliability of big data refers to which of the 4 Vs?

- A Velocity
- B Volume
- C Visibility
- D Veracity

60 Which of the following statements about data visualisation is true?

- A The most common use of data visualisation is the creation of a dashboard displaying real time KPIs.
- B Data is always displayed in standardised formats to ensure consistency.
- C Data visualisation refers to data that is analysed using virtual reality software.
- D Increased use of data visualisation within organisations increases the need for more IT experts.

61 Technologies which are anticipated to update existing systems to improve capability are often referred to as what?

- A Core modernisation tools
- B Exponentials
- C Innovators
- D The digital age

62 Technologies which will deliver new capabilities are often referred to as what?

- A Core modernisation tools
- B Exponentials
- C Innovators
- D The digital age

63 Which of the following is a disadvantage of cloud computing?

- A Increased flexibility to working arrangements
- B Less reliance on third party suppliers
- C Access to continually up to date software
- D Easier integration of systems

64 True or false, cloud computing enables multiple users to collaborate on a file at the same time, although this increases the risk of version control issues.

- A True
- B False

- 65 Which three of the following are advantages of investing in process automation?**
- A Staff time can be freed up to focus on value adding activities
 - B No extra training will be required for staff as they will no longer be processing manually
 - C Staff will automatically buy in to having the mundane work taken from them
 - D Headcount reductions
 - E Improved efficiency
- 66 The provision of information in a more appealing and understandable manner is often referred to as what?**
- A Artificial Intelligence
 - B Data simplification
 - C Cloud computing
 - D Data visualisation
- 67 Which of the following is not necessarily a benefit of data visualisation?**
- A Improves the accuracy of the data being analysed
 - B Problem areas can be identified sooner
 - C Understandable by many users
 - D Improved decision making
- 68 Which of the following statements regarding blockchain are true?**
- (i) Blockchain technology involves the use of a distributed ledger.
 - (ii) Digital assets such as cryptocurrencies should be considered as intangible assets in the financial statements.
 - (iii) The use of blockchain technologies removes the need for traditional intermediaries in transactions.
 - (iv) Blockchain solutions will not overcome the issue of slow cross border payments.
- A (i) and (ii)
 - B (i) and (iii)
 - C (iii) and (iv)
 - D (i), (ii) and (iii)
- 69 How has 3-D printing primarily impacted the finance function?**
- A Impacted the costings of operations
 - B Facilitated the creation of assets
 - C Driven higher revenues
 - D Increased inventories

70 Which of the following are qualities identified by Forbes as being important dimensions of the digital mind set?

Select three that apply.

- A Provide vision yet empower others
- B Have the imagination to innovate
- C Be sceptical yet open minded
- D Sustain yet disrupt
- E Retain control yet open minded

71 Book-my-room is a broker facilitating the letting of private accommodation between individuals.

Which one of the following is a likely consequence for their financial statements?

- A Their network of contracts will be recognised as an intangible asset on their statement of financial position.
- B The true value of Book-my-room may be understated on their statement of financial position.
- C The expenses on the statement of profit or loss will be overstated.
- D Their statement of cashflows will be reduced as the private individuals sort payment of the lettings out between themselves.

72 Which one of the following statements about big data and the internal audit function are true?

- A The emergence of big data has improved the accuracy of data which means smaller sample sizes now need to be tested.
- B Internal audit will now be testing and analysing larger populations of data.
- C Big data has no relevance to the internal audit function.
- D Big data will contribute to the development of more efficient and insightful management control systems and budgeting processes.

73 True or false, cryptocurrencies should be accounted for as cash and cash equivalents on the statement of financial position?

- A True
- B False

- 74** So Handy is a relatively young business comprising a franchised network of labourers such as plumbers, electricians and carpenters. Each franchisee has an app that enables them to log and record the expenses they incur as well as scanning all receipts for materials purchased.

What type of technology are they making use of?

- A Social media
- B Internet of things
- C An intranet
- D Mobile technology

- 75** Technological developments are driving an increase in process automation. Consequently, some of the traditional skills of a finance professional such as data collection and processing will need to be replaced with higher-level skills.

Which skill is required to make decisions and evaluate data sources?

- A Analytical skills
- B People skills
- C Judgement
- D Leadership

- 76** During her appraisal interview, Edie's line manager praises her for having a good understanding of the business environment.

Which essential skill is Edie displaying?

- A Business acumen
- B Leadership skills
- C Judgement
- D Analytical skills

- 77** **Which three of the following are principles within GDPR?**

- A Data must not be kept for longer than five years
- B Data must be used for a specified, explicit purpose
- C Data held must be accurate
- D Data must be used transparently

- 78** **True or false, compliance with GDPR is the only thing that matters where data usage is concerned?**

- A True
- B False

- 79** Corporate digital responsibility (CDR) involves a commitment to protect customers.
Which two of the following statements are true about CDR?
- A It demonstrates an awareness of the risks associated with data
 - B It is unnecessary as all data regulations are covered within GDPR
 - C It is a voluntary commitment to go beyond mere compliance with legislation
 - D It is a legal requirement for any organisation that holds data about its customers
- 80** **In the context of CDR, which of the following is an example of “digital inclusion”**
- A Incentivising customers to give more data
 - B The customer’s ability to opt in and be rewarded for sharing data
 - C A pharmaceutical company donating clinical trial data to a university
 - D A bank using a customer’s financial information to help them improve their financial management

SYLLABUS SECTION C: DATA AND INFORMATION IN A DIGITAL WORLD

- 81** **Match each of the below individuals to the level of decision making they are involved in.**
Pick from the following options: Strategic, Tactical and Operational
- Jane is reviewing the staffing rota for the coming week to see if extra staff are needed.
Bill is a director of the company currently involved in an acquisition decision.
Colleen is choosing which products will be stocked in each of the stores around the country.
- 82** **True or false? Providing insightful information to the organisation can enhance the competitive advantage, however, will also always increase the costs to the business.**
- A True
 - B False
- 83** **Which three of the following are ways that data and technology can support the marketing function?**
- A Comparing prices with competitors
 - B Assessing the viability of market segments
 - C Improving efficiencies in the supply chain
 - D Preventative maintenance of products
 - E Personalising communications with customers

- 84 Which three of the following are ways that data and technology can support operations?**
- A Identifying bottlenecks in processes
 - B Preventative maintenance of products
 - C Forecasting production
 - D Identifying training needs of employees
 - E Targeting customers with offers
- 85 Images, audio files and animations are all examples of what?**
- A Technology
 - B Big data
 - C Information
 - D Digital assets
- 86 Taylor Training Co produced a bank of educational videos that students can access at any time to support their learning.**
- These videos are examples of what for Taylor Training Co?**
- A Tangible non-current asset
 - B Digital asset
 - C Video asset
 - D Customer asset
- 87 Which two of the following are features of a DAMS?**
- A Decentralised digital asset access
 - B Open access to any user
 - C Facilitated by cloud based software
 - D Single central location for digital asset storage
- 88 True or False? Because digital assets are stored on the cloud it makes them less secure than if they were stored on a hard drive**
- A True
 - B False
- 89 How are medium term decisions better known?**
- A Strategic
 - B Managerial
 - C Operational
 - D Tactical

90 What does the acronym DAMS stand for?

- A Data and marketing strategy
- B Digitised automatic management system
- C Digital asset management system
- D Data assisted management strategy

91 There are three levels of decision making; strategic, tactical and operational.

In this context which of the following statement is/are true?

- (i) Strategic decisions are clearly important but without good tactical support, good strategic decisions may never be realised.
 - (ii) Operational decision making may be last of the three but poor operational decisions will often cause costs to spiral out of control.
- A (i) only
 - B (ii) only
 - C Both are true
 - D Neither are true

92 Which of the following would be correctly described as information to the sales director of a business?

- A The invoice total of a sale made
- B The average daily sales per department
- C The lead time expected on raw materials
- D The sales price list for the company products

93 How many connected devices are there expected to be on the planet by 2020?

- A 5 billion
- B 50 billion
- C 100 billion
- D 200 billion

94 In the context of data gathering and quality, which of the following statements are true?

- (i) The technology available merely takes the legwork out of data gathering, everything that is available now was available in the past, but it was too time consuming to gather it.
 - (ii) With the improved data comes with it the need to be able to respond quickly. Shorter lead times are an essential aspect of improved data.
- A (i) only
 - B (ii) only
 - C Both are true
 - D Neither are true

95 In the context of digital asset management systems (DAMS) which of the following statements are true?

- (i) Once someone has permission to use (say) an image there is nothing to stop them sharing that image with others.
 - (ii) Once someone has permission to use (say) an image then there is nothing to stop them using that image for longer than it was intended.
- A (i) only
 - B (ii) only
 - C Both are true
 - D Neither are true

96 Which of the following best describes tactical decision making?

- A Long-term decisions made by senior management
- B Decisions made repeatedly over the short term
- C Decisions which impact the entire organisation
- D Decisions involving putting the strategic plan into action

97 Beth and her colleagues at the same level of the organisational hierarchy are in discussions about which, if any, acquisitions to make using the surplus funds of the business. They are choosing between two similar businesses.

Which level of decision making are they engaging in?

- A Strategic
- B Tactical
- C Acquisitional
- D Operational

98 Maypole Ltd has been analysing various aspects of the data that it collects. Their data analyst has identified that parents with children of a particular age are regularly searching for products on their website.

Which benefit of data analytics is specifically being exhibited?

- A Enhanced data transparency
- B Efficiency gains
- C Enhanced performance
- D Market customisation

99 Data which gives insight into the relationship between a product launch and subsequent sales helps with which one aspect of the marketing mix?

- A Product
- B Price
- C Place
- D Promotion

100 Connecting machines on the internet of things to collect real time data has many advantages for a manufacturing business.

Monitoring the performance of the machines enables which of the following advantages specifically?

- A Forecasting
- B Preventative maintenance
- C Improved service for customers
- D Supply chain collaboration

101 Which stakeholder of the finance function is most likely to require data on competitors' pricing strategies?

- A Sales
- B Production
- C Shareholders
- D Employees

102 Which stakeholder of the finance function is most likely to require data on employee productivity?

- A Production
- B Employees
- C HR
- D Shareholders

103 Which stakeholder of the finance function is most likely to require data on carbon footprint?

- A Employees
- B Sales
- C Production
- D Shareholders

104 Which stakeholder of the finance function is most likely to require data visualisations on key metrics?

- A Directors
- B Shareholders
- C HR
- D Sales

105 What are the three stages in transferring data? (in the correct order)

- A Loading, extraction, transformation
- B Input, process, output
- C Extraction, transformation, loading
- D Extraction, converting, warehousing

106 A data model considers the data of an organisation in a systematic way that allows it to be stored and retrieved in an efficient and effective manner.

Match the level of data modelling with its description

Level	Description
Conceptual	This level begins to develop a technical map of rules and data structures defining how data will be held and used
Logical	This considers how the defined system requirements will be implemented using a specific database management system
Physical	Business oriented and practical, considering the business data and its requirements

107 What can be described as “a coherent approach for organising, governing, analysing and deploying an organisations information assets”

- A Digital assets
- B Data strategy
- C Business Intelligence
- D Data warehousing

108 What does “the process of changing data to make it easier to read” describe?

- A Data mining
- B Data manipulation
- C Data modelling
- D Data query

- 109 Which of the 4 Vs of big data refers to the constant stream of data being produced?**
- A Variety
 - B Veracity
 - C Volume
 - D Velocity
- 110 What does “the technology driven process of analysing business data” describe?**
- A Business intelligence
 - B Big data
 - C Data strategy
 - D Data visualisation
- 111 Which of the following best describes an ETL system?**
- A The process of harvesting data from source locations
 - B The transformation of data into a suitable format
 - C The uploading of data into a data warehouse
 - D A single tool to automatically bring data sources into a destination system
- 112 The use of a dashboard to present data is an example of what?**
- A Data visualisation
 - B Data simplification
 - C Graphical data
 - D Information processing
- 113 The need for systems to validate data links to which of the 4 Vs of big data?**
- A Variety
 - B Veracity
 - C Volume
 - D Velocity
- 114 Which stakeholder is likely to be most interested in data about the productivity of individual staff members?**
- A External auditors
 - B Customers
 - C Internal auditors
 - D Shareholders

- 115 Interest cover, market value of non-current assets and the amount of existing loans are all types of data of most interest to:**
- A Shareholders
 - B Directors
 - C Employees
 - D Lenders
- 116 In relation to data, which of the following statements are true?**
- (i) One cannot have too much data, so an organisation should gather as much as possible.
 - (ii) As far as sales prices are concerned a sales director just needs the average sales price achieved in the most recent reporting period to manage the business.
- A (i) only
 - B (ii) only
 - C Both are true
 - D Neither are true
- 117 An effective data strategy should consist of five elements; identify, store, provision, process and which other?**
- A Responsibility
 - B Manage
 - C Govern
 - D Congruence
- 118 Which of the following is not a level in a data modelling process?**
- A Physical
 - B Structural
 - C Conceptual
 - D Logical
- 119 In the context of an ETL system, which of the following statements are true?**
- (i) Data is extracted and then profiled before being loaded in to the data warehouse.
 - (ii) Once data is profiled it is transformed to a suitable form before being extracted and loaded in to the data warehouse.
- A (i) only
 - B (ii) only
 - C Both are true
 - D Neither are true

120 ELC Co has produced some infographics to enable the visualisation of its sales data. Which three of the following characteristics will make the infographics more effective?

- A Details of sales made to each customer on a daily basis
- B The ability to drill down to obtain further detail
- C Avoidance of technical jargon
- D Access granted to all sales staff
- E Intuitive visualisations needing little explanation

SYLLABUS SECTION D: SHAPE AND STRUCTURE OF THE FINANCE FUNCTION

121 Which of the following statements regarding the entrepreneurial structure is correct?

- A It usually allows for defined career paths for employees
- B It often enjoys strong goal congruence throughout the organisation
- C It can normally cope with significant diversification and growth
- D Control within the organisation tends to be weak

122 Which of the following is a disadvantage of a functional structure?

- A Lack of economies of scale
- B Absence of standardisation
- C Specialists feel isolated
- D Empire building

123 Which of the following is a characteristic of a matrix structure?

- A Built around the owner manager, who makes all the decisions.
- B Appropriate for small companies which have few products and locations and which exist in a relatively stable environment.
- C Structured in accordance with product lines or divisions or departments.
- D Requires dual reporting to managers, for example when a project team member has to report to a project manager as well as a head of his functional department.

124 The following are attributes of either divisional or functional structures.

Which two of the following are features of the divisional structure?

- A Economies of scale are encouraged
- B Encourages standardisation of outputs and processes
- C Adaptable if further diversification is pursued
- D Senior managers are able to focus on strategic issues

- 125** H Co makes a variety of unrelated products, including bicycles, furniture and electronics. It is aware that each of these products requires very different strategies and functions. H wishes to use a structure that will allow for each product to be managed separately, but wishes to minimise its overall administrative costs.

Which of the following organisational structures would be most appropriate for H Co to adopt?

- A Divisional
- B Entrepreneurial
- C Functional
- D Matrix

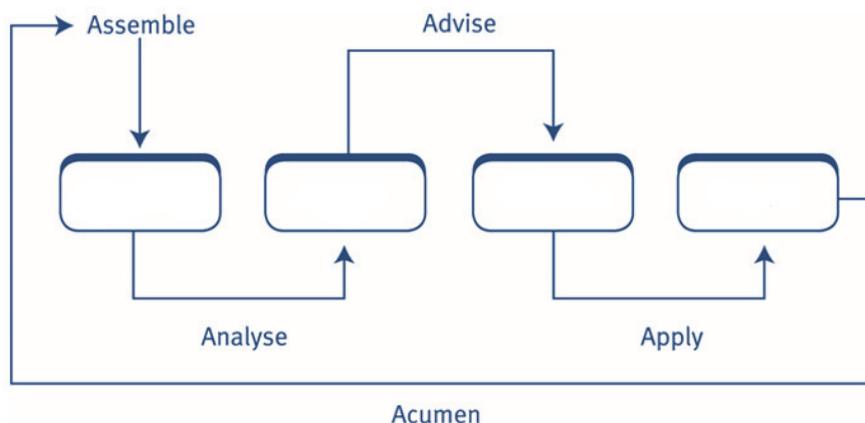
- 126** Which of the following structures results in a potential loss of control over key operating decisions and a reduction in goal congruence?

- A Matrix
- B Entrepreneurial
- C Functional
- D Geographic

- 127** In relation to organisational structures which of the following is the correct definition of the phrase 'span of control'?

- A The number of employees that a manager is directly responsible for
- B The number of management levels in an organisational structure
- C The number of levels in the hierarchy below a given manager
- D The number of managers in the organisation

- 128** Correctly label the diagram using the options below



- A Impact
- B Insight
- C Influence
- D Information

129 Which of the finance functions basic activities have more the greatest emphasis on accounting and governance rather than guidance and management?

- A Assemble
- B Analyse
- C Advise
- D Apply

130 Complete the following sentence to explain the development of the contemporary finance function.

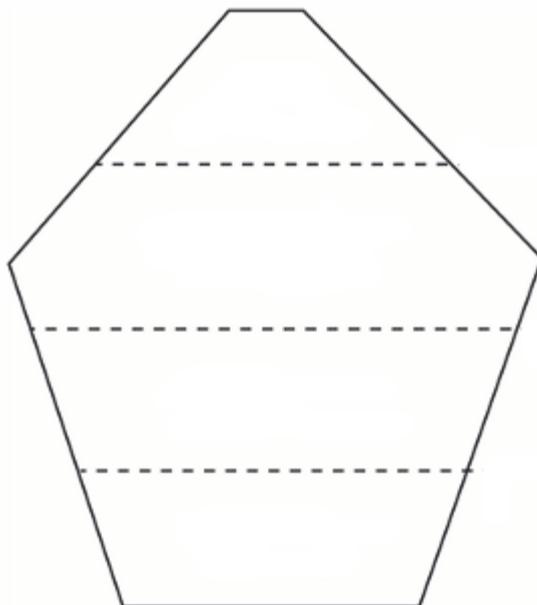
Pick from the following words: innovation, assembly, advising, technology, analysis, automation, applying/execution

_____ and _____ will play an important role in all of the activities of the finance function but will have the largest impact on the _____ and _____ activities.

This will 'free up' the resource of the finance function professionals who can now place greater focus on the _____ and _____ activities.

131 The shape of the finance function is changing into a diamond shape with four levels. Label the following diagram to show each of the levels.

Pick from the following: digital centres of excellence, smart finance factories, strategic business partnering, senior finance team



132 Which of the following statements about outsourcing is/are correct?

Statement	True?
An advantage of outsourcing is reduced headcount and therefore reduced cost.	
Outsourcing can enable an organisation to access expertise that it might otherwise be lacking.	
A drawback of outsourcing is that it distracts management and they lose focus of their core activities.	
Transaction costs are a benefit to the business.	
Outsourcing may lead to redundancies which can affect employee morale.	

133 Which of the following are advantages of setting up a shared service centre for the finance function?

Select three that apply

- A Systems consolidation
- B Increased control
- C Empire building
- D Consistency of reporting
- E Advancements in technology
- F It makes it easier to deal with cultural or language differences

134 Transaction costs are expenses resulting from which one of the following?

- A Outsourcing of services
- B Off-shoring of organisational functions
- C Penetration pricing
- D Organisational downsizing

135 Complete the sentence below by placing one of the following options in the space.

One of the main activities of the finance function is 'advising to influence'. Broadly speaking this can be referred to as _____.

-

136 Complete the sentence below by placing one of the following options in the space.

A radical transformation and fundamental rethinking of business processes is called:

-

137 Which level of the finance function is more likely to focus on information for external stakeholders?

- A Operational
- B Management
- C Strategic
- D External

138 Harry works in a large organisation which has both suppliers and customers all over the world. Harry is a CIMA qualified accountant and is responsible for managing foreign currency. In particular, Harry tries to minimise the company's exposure to foreign exchange losses.

What is Harry's role?

- A Treasurer
- B Management accountant
- C Financial accountant
- D Internal audit

139 With regards to the management accounting function, which one of the following statements is correct?

- A It is often used by external stakeholders, such as shareholders
- B It is a requirement for all limited companies
- C It is mainly a historic record of the organisation's activities
- D It aids planning and decision making within the business

140 K Co has recently split its accounting function into two parts – one that deals with management accounting and the other with financial accounting.

- A Management accounting
- B Financial accounting

Match the following statements to either A (management accounting) or B (financial accounting).

- (i) Preparation of the statement of profit or loss
- (ii) Recording of business transactions
- (iii) Preparation of statements for K Ltd's internal use
- (iv) No legal formats used

- 141** BB Co has recently reported a profit after tax figure for the year of \$880,000. This is prior to preference dividends of \$80,000 being deducted. The company has 100,000 shares in issue, 20% of which are preference shares.

The earnings per share (EPS) for the year is \$

- 142** Which of the following functions is most likely to be undertaken in a treasury department?

- A Preparation of cash flow statements
- B Foreign currency management
- C Product pricing decisions
- D Key factor analysis

- 143** An important advantage of using loans to finance investment is:

- A loan interest payments can usually be suspended if profits are low
- B the timing of loan payments is often at the company's discretion
- C loan interest is tax deductible
- D banks will often not require security for loan advances

- 144** Company G is considering raising finance to invest in new premises. It believes that it should raise debt finance by way of a bank loan.

Which of the following statements is correct regarding debt and equity finance?

- A Interest payments tend to be cheaper than dividends
- B Interest payments can be suspended in the future if H is unable to afford them
- C Dividends are an allowable deduction against H's profits
- D H will likely need to provide asset security to investors whether it chooses to raise debt or equity finance

- 145** S decided to record the purchases made on the 2nd of April 200X in tax year ending 31st of March 200X. The authorities will likely classify this as tax _____.

Which of the following words correctly fill this gap?

- A Evasion
- B Minimisation
- C Avoidance
- D Suppression

- 146** Tax mitigation involves which of the following?

- A Taking all legal steps to reduce one's tax liability
- B Agreeing to pay a financial penalty to avoid prosecution
- C Moving businesses and funds offshore to reduce liability to UK tax
- D Reducing tax liabilities without frustrating the law makers' intentions

147 Below are a number of statements regarding internal and external audit.

Which four of the statements relate to internal audit rather than external audit?

- A It is a legal requirement for larger companies
- B The scope of work is decided by management
- C Can be undertaken by employees of the company
- D Ultimately reports to the company's shareholders
- E Reviews whether financial statements are true and fair
- F Must be undertaken by independent auditors
- G Mainly focuses on reviewing internal controls
- H Ultimately reports to management

148 The key purpose of internal auditing is to:

- A detect errors and fraud
- B evaluate the organisation's risk management processes and systems of control
- C give confidence as to the truth and fairness of the financial statements
- D express an internal opinion on the truth and fairness of the financial statements

149 Which of the following specialist roles perform budgets to support the major decisions of the board?

- A Financial Planning and Analysis
- B Taxation
- C Project Management
- D Project Appraisal

150 Which of the following specialist roles perform an important role in minimising risk?

- A Financial Planning and Analysis
- B Taxation
- C Project Management
- D Project Appraisal

151 Which of the following specialist roles integrate all aspects of a project?

- A Financial Planning and Analysis
- B Taxation
- C Project Management
- D Project Appraisal

152 Which of the following specialist roles includes providing information on capital investment decisions?

- A Financial Planning and Analysis
- B Taxation
- C Project Management
- D Project Appraisal

153 Are the following statements true or false?

- A Because of the ethical principle of confidentiality, specialists within the organisation cannot work with the finance function.
- B Taxation specialists have a number of key responsibilities including the calculation and interpretation of key financial ratios.
- C Projects can vary in size, resource allocation and complexity.
- D When calculating a payback period today is known as time 0.

154 Which of the following explain recent changes to the specialist areas of an organisation. Select three that apply

- A There are now more opportunities for business partnering between the finance function and the specialist areas.
- B The finance function is no longer a requirement because of advancements in technology.
- C The shape of the finance function is now evolving to a diamond shape.
- D The finance function is constantly improving the shared understanding of how an organisation creates value.
- E “Digital centres of excellence” are now performing the routine management reporting tasks.

155 Complete the following sentence by choosing from the options below

Level two of the diamond shaped finance function involves _____ insight to _____ users. This must be delivered in an appropriate _____ and with appropriate _____.

Influence	Communicating	Frequency	Marketing	Assertiveness	Format
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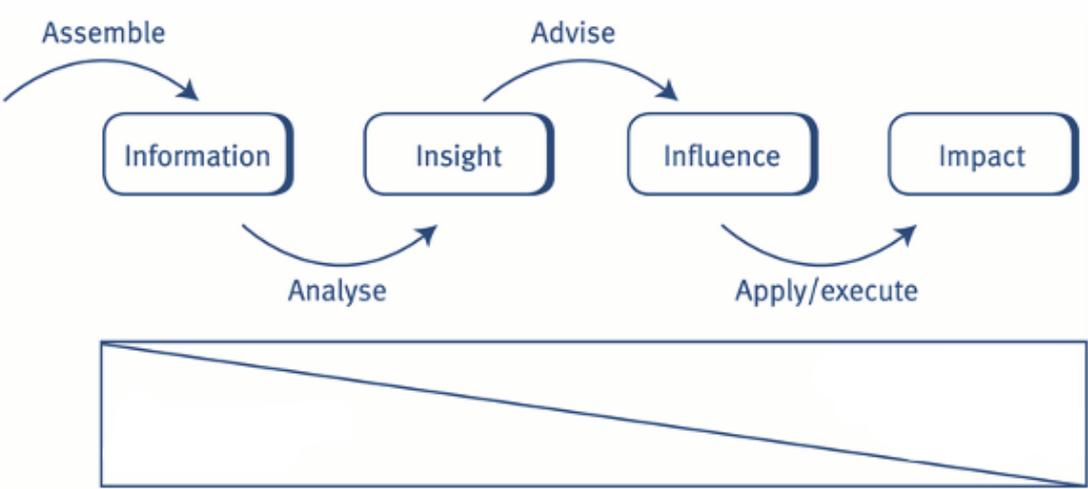
156 Working with internal and external stakeholders to influence how the organisation creates and preserves value is known as what?

- A Business process re-engineering
- B Outsourcing the finance function
- C Strategic Business Partnering
- D Smart finance factories

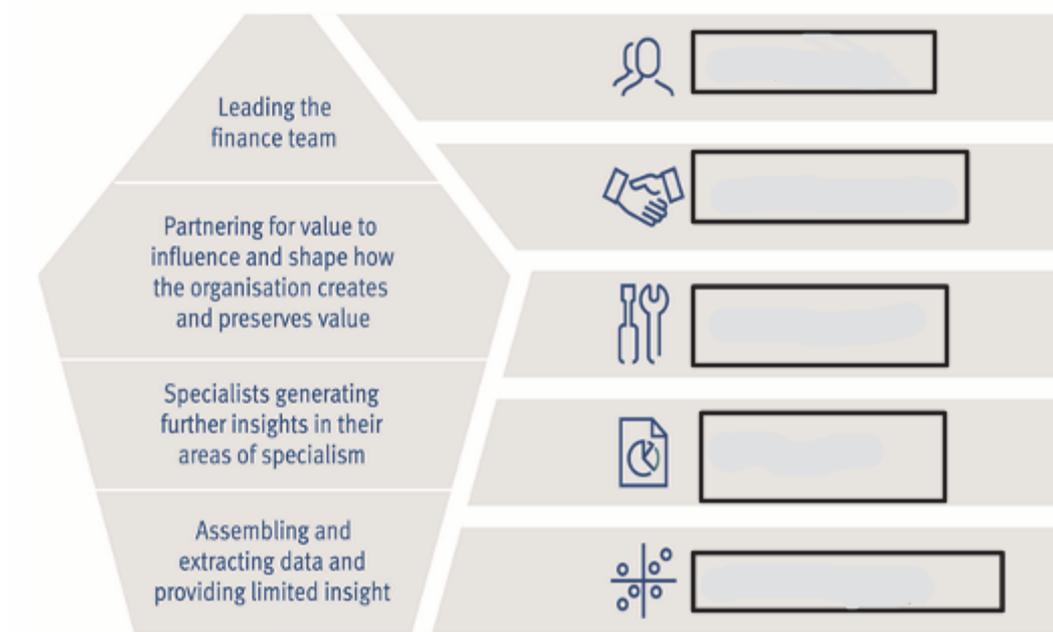
157 Which of the following statements about leadership of the finance team is/are correct?

Statement	True/False?
The CEO is the leader of the finance team.	
The leader of the finance team is responsible for executing and funding strategies.	
The CFO needs a skill set outside of the traditional finance skills.	
Technology has had minimal impact on the leader of the finance function as he/she is so senior in the organisation.	

158 Which of the following two stages in the “information to impact” framework have been most affected by technology and automation?



159 Label the following diagram to match the finance activities to the structure of the modern finance function.



Use the following labels

- Data processing
- Managing others
- Stakeholder Interactions
- Data collection
- Applying expertise

160 Artificial intelligence (AI), machine learning and natural language programming are all examples of what?

- A Robotic Process Automation
- B Data Processing
- C Cognitive Computing
- D Coding

SYLLABUS SECTION E: FINANCE INTERACTING WITH THE ORGANISATION

161 The range of management issues associated with converting resources into required goods or services within an organisation is known as which one of the following?

- A Sourcing strategies
- B Product marketing
- C Liberalisation
- D Operations management

162 Which one of the following shows the correct sequence in the stages of product/service development?

- A Concept screening, consider customers' needs, design process, time-to-market, product testing.
- B Consider customers' needs, concept screening, design process, time-to-market, product testing.
- C Consider customers' needs, concept screening, design process, product testing, time-to-market.
- D Product testing, time-to-market, consider customers' needs, concept screening, design process.

163 Most supply chains involve which one of the following?

- A A number of different companies
- B An organisation's infrastructure
- C After sales service
- D A strategic apex

164 Loss of goodwill and the expense of product recalls are known as which one of the following?

- A External failure costs
- B Costs of lean
- C Excess production costs
- D Transaction costs

165 A lean approach is associated with which one of the following?

- A Supply sourcing strategies
- B Demographic profiling
- C Employee selection criteria
- D Removal of waste

- 166 Which one of the following is not a spoke in Cousins' supply wheel?**
- A Cost benefit analysis
 - B Portfolio of relationships
 - C Performance measures
 - D A firm's infrastructure
- 167 Collaborating with its suppliers may bring a company added value because it can:**
- A strike a harder bargain with its suppliers
 - B work with a supplier to improve quality and reduce costs
 - C avoid transaction costs
 - D introduce price competition amongst suppliers
- 168 The emergence of internet selling has increased the need for organisations to focus on their reverse logistics capability.**
- Is this statement TRUE or FALSE?**
- A True
 - B False
- 169 Which three of the following may be advantages of using process maps?**
- A Highlighting opportunities to standardise processes
 - B Fewer bottlenecks to improve resource utilisation
 - C Visual representation of inefficiencies
 - D Provides an overview of responsibilities
 - E Improves relationships with suppliers
- 170 Which one of the following is an example of co-ordination between the finance function and procurement?**
- A Inventory management
 - B Charge-out rates
 - C Customer service
 - D Creating purchase orders
- 171 Which of the following is an example of co-ordination between the finance function and production?**
- A Establishing credit terms
 - B Advising on prices
 - C Determining sales quantities
 - D Budgeting

- 172 A computerised system for planning the requirements for raw materials, work-in-progress and finished items is known as what?**
- A ERP
 - B MRP
 - C MRP II
 - D DSS
- 173 Which of the following is a way in which an organisation's marketing department would co-ordinate with its finance function?**
- A Calculating charge out rates for services provided by the organisation
 - B Calculating the budgets for the number of units to be produced
 - C Estimation of the costs of the raw materials required for production
 - D Decisions on the quality of raw materials that the organisation can afford to use
- 174 E Co has a large marketing department. In which of the following ways would this department co-ordinate with E's finance function?**
- A Decisions on the quantity of raw materials required
 - B Establishing credit terms for customers
 - C Calculating pay rises for staff
 - D Decisions on the selling price of the product
- 175 Which of the following market research data-gathering techniques is most likely to be effective in estimating how many people buy a consumer product, in what quantities and how often?**
- A Sample surveys
 - B Observation
 - C Analysis of past sales for consumer products in total
 - D Group interviewing
- 176 An organisational approach that involves targeting an entire market with a single marketing mix is known as which one of the following?**
- A Undifferentiated
 - B Differentiated
 - C Saturated
 - D Blanket

177 Match the forms of marketing communication in the list below to the correct definitions.

- Viral
- Guerrilla
- Experiential
- Digital

Term	Definition
	An interactive marketing experience aimed at stimulating all the senses.
	The promotion of products or brands via one or more forms of electronic media.
	Relies on well thought out, highly focused and often unconventional attacks on key targets.
	Encourages individuals to pass on a marketing message to others, so creating exponential growth in the message's exposure.

178 Molly is currently assessing the use of intermediaries needed to get her product to the end consumers.

Which part of the marketing mix is she assessing?

- A Product
- B Price
- C Place
- D Promotion

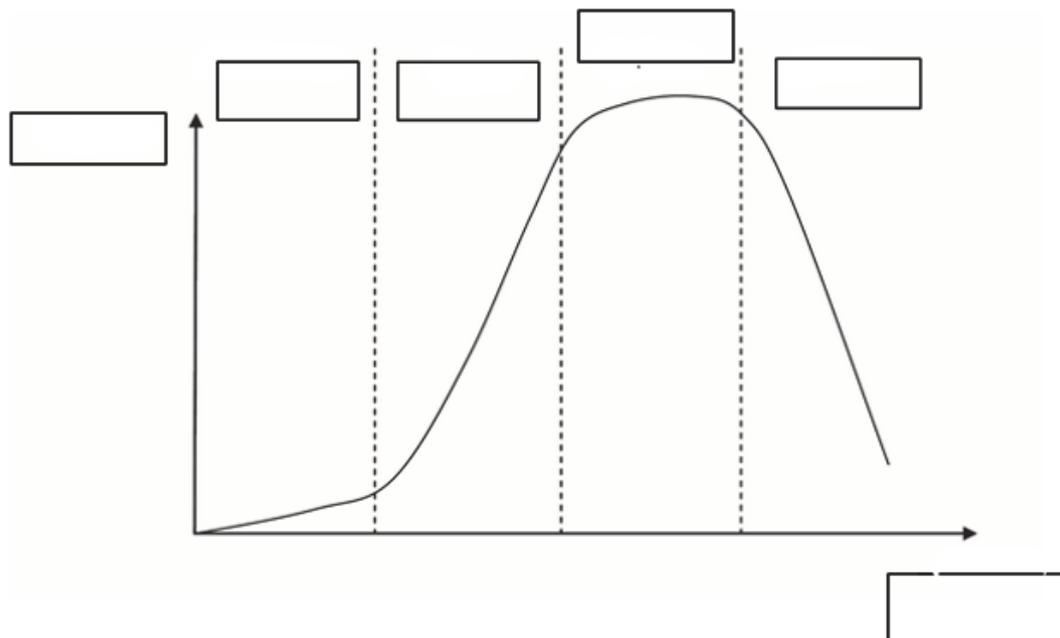
179 The pricing policy which involves setting a low price to gain market share is known as what?

- A Price skimming
- B Penetration pricing
- C Price discrimination
- D Loss leaders

180 Which two of the following statements are true regarding technology and market research?

- A Organisations can conduct focus groups online through technology allowing them to interact with people across wide geographic boundaries
- B All data held online is valid
- C Due to the volume of data it now takes longer to gain business insight
- D Click analysis is a tool used to track the actions of individual users within a website

181 Label the diagram of the product life cycle using some of the options below.



Options

- Cash
- Revenue
- Time
- Maturity
- Introduction
- Peak
- Trough
- Decline
- Growth
- Innovation

182 Match the pricing policy to its correct description

Pricing policy	Description
Price discrimination	Setting a high initial price when a product is new
Going rate pricing	Altering prices in line with demand
Penetration pricing	Charging a different price for the same product to a different market segment
Price skimming	Setting a low price to gain market share
Dynamic pricing	Matching competitors prices

183 Dividing the market into groups of homogenous people is otherwise known as what in the context of marketing?

- A Situation analysis
- B Positioning
- C Targeting
- D Segmentation

184 Khilan is monitoring transport and storage costs as KPIs for sales and marketing.

Which element of the marketing mix is he focussing on specifically?

- A Product
- B Price
- C Place
- D Promotion

185 Personal characteristics, qualifications and necessary experience expected of a particular post holder are normally all found in which one of the following documents?

- A Job description
- B Person specification
- C Reference letter
- D Summary appraisal meeting record

186 Match the stage of the HR cycle below with the correct description.

- Appraisal
- Training
- Development
- Selection

Stage	Description
<input type="text"/>	Choosing the best person for the job from a field of candidates sourced via recruitment.
<input type="text"/>	Systematic review and assessment of an employee's performance, potential and training needs.
<input type="text"/>	Formal learning to achieve the level of skills, knowledge and competence to carry out the current role.
<input type="text"/>	Realisation of a person's potential through formal and informal learning to enable them to carry out their current and future role.

187 Andrea has just attended her appraisal with her line manager. She felt that the feedback was poorly delivered and that the manager viewed it purely as a form filling exercise.

Which two of Lockett's barriers to effective appraisal may have been present here?

- A Chat, bureaucracy
- B Confrontation, unfinished business
- C Chat, judgement
- D Confrontation, bureaucracy

188 An effective appraisal system involves:

- A assessing the personality of the appraisee
- B a process initiated by the manager who needs an update from the appraisee
- C advising on the faults of the appraisee
- D a participative, problem-solving process between the manager and appraisee

189 Which HR activity could be monitored using the KPIs of employee absenteeism and productivity?

- A Reward systems
- B Performance management
- C Training and Development
- D Motivation

190 True or false, the psychological contract is a legally binding document that exists between an employer and an employee?

191 Match the type of flexible working arrangement to the correct explanation.

Type of flexible working arrangement	Explanation
Remote working/ teleworking	Working outside of normal working day patterns
Flexitime	Fewer hours than the standard weekly number
Shift system	Standard hours within fewer days in a shift rotation
Compressed week	The need to work a standard set of hours but less restriction on when these hours are worked
Job sharing	Technology has enabled employees to work away from the office, usually at home
Part-time	Two employees share a standard hour week

192 Which of the following is not an advantage of individual performance related pay?

- A Encourages teamwork
- B Employee controllability
- C Goal congruence
- D Motivation

193 Complete the following sentences from the words below.

Traditionally the HR function and the finance function worked _____.

People were regarded by finance as _____. Nowadays people are regarded as _____.

- assets
- independently
- collaboratively
- costs
- liabilities

194 Match the HR activity to the most appropriate KPI

Activity	KPI
Recruitment and Selection	Turnover rate
Training and Development	Competitiveness of salary
Performance management	Delegate feedback scores
Motivation	Female to male ratio
Reward system	Appraisals completed on time

195 The “systematic review and assessment of an employee's performance, potential and training needs” describes what?

- A Training
- B Development
- C Appraisal
- D Induction

196 Alexander is reviewing a graph which is giving him an overview of the monthly performance of his team. He notices one team member is underperforming and wishes to know more details. The system lets Alexander drill down to get further details.

What type of system is Alexander using?

- A Decision support system
- B Expert system
- C Knowledge management system
- D Executive information system

197 What sort of system could be used to obtain specialist tax knowledge?

- A Decision support system
- B Expert system
- C Knowledge management system
- D Executive information system

198 What is the type of knowledge that is held by people and has not been formally documented?

- A Explicit knowledge
- B Informal knowledge
- C Human knowledge
- D Tacit knowledge

- 199 Which three of the following are advantages of remote working for the organisation?**
- A Increased control over staff
 - B Reduced absenteeism
 - C Reduced labour costs
 - D Reduced infrastructure costs
 - E Increased employee motivation
- 200 Groupware, the intranet, and extranets are examples of what type of systems?**
- A Decision support systems
 - B Expert systems
 - C Knowledge management systems
 - D Appraisal system
- 201 P Co is an organisation which outsources most of its functions and exists primarily as a network of contracts.**
- What type of organisation is P Co?**
- A Virtual organisation
 - B Modular organisation
 - C Matrix organisation
 - D Remote organisation
- 202 Linda works as part of a virtual team, which three of the following challenges is she likely to face?**
- A Sharing information with other members of her team
 - B Feelings of isolation
 - C Over supervision from her line manager
 - D Cultural differences
 - E Lack of delegation
- 203 Paul has been given the task of ensuring his organisation goes beyond compliance with technology and data legislation.**
- What is this commitment known as?**
- A Ethics
 - B Corporate social responsibility
 - C Corporate digital responsibility
 - D Sustainability

204 Which of the following is not a benefit of big data analytics

- A Improved decision making
- B Market customisation
- C Increased security of data
- D Product innovation

205 The movement of data through a process or system is also known as what?

- A Data flow
- B Data outputs
- C Data warehousing
- D Data mining

206 Steele Co are choosing between centralised and decentralised IS architecture.

Which approach will give them greater control over there information systems?

- A Centralised
- B Decentralised

207 Raj has been analysing trends in the online reviews on social media for his organisation's main product line. However, he has noticed many inconsistencies.

Which of the 4 Vs of big data may be causing this problem?

- A Volume
- B Variety
- C Velocity
- D Veracity