ACCA Diploma in Financial and Management Accounting
(RQF Level 2)

MA1

Management Information

EXAM KIT

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MULTIPLE-CHOICE QUESTIONS

THE EXAMINATION

Format of the exam

You must sit this exam as a computer-based exam.

	Number of marks
50 multiple-choice questions (2 marks each)	100
Time allowed: 2 hours	

Answering the questions

- **Multiple choice questions** – read the questions carefully and work through any calculations required.
- **If you don't know the answer**, eliminate those options you know are incorrect and see if the answer becomes more obvious. Remember that only one answer to a multiple choice question can be right!
- **If you get stuck with a question** skip it and return to it later.
- **Answer every question** – if you do not know the answer, you do not lose anything by guessing. Towards the end of the examination spend the last five minutes reading through your answers and making any corrections.
- **Equally divide the time** you spend on questions. In a two-hour examination that has 50 questions you have about 2.4 minutes per a question.
- **Do not skip any part of the syllabus** and make sure that you have LEARNT definitions, KNOW key words and their meanings and importance, and UNDERSTAND the names and meanings of rules, concepts and theories.

Computer-based examinations

- Be sure you understand how to use the **software** before you start the exam. If in doubt, ask the assessment centre staff to explain it to you.
- Questions are **displayed on the screen** and answers are entered using keyboard and mouse. At the end of the exam, you are given a certificate showing the result you have achieved.
- **Don't panic** if you realise you've answered a question incorrectly – you can always go back and change your answer.

Section 1

MULTIPLE CHOICE QUESTIONS

THE NATURE AND PURPOSE OF COST AND MANAGEMENT ACCOUNTING

1 Which of the following statements are true about remote working?

1 Technological developments have helped enable remote working.

2 There are no negative aspects to remote working.

3 Remote working has helped some organisations reduce infrastructure costs.

A 1 only

B 1 and 2

C 1 and 3

D 2 and 3

2 Which of the following qualities is NOT necessarily a quality of good information?

A It should be relevant

B It should be understandable

C It should be worth more than it costs to produce

D It should be available quickly

3 Which of the following definitions best describes 'information'?

A Data that consists of facts and statistics before they have been processed.

B Data that consists of numbers, letters, symbols, events and transactions which have been recorded but not yet processed into a form that is suitable for making decisions.

C Facts that have been summarised but not yet processed into a form that is suitable for making decisions.

D Data that has been processed in such a way that it has a meaning to the person who receives it, who may then use it to improve the quality of decision making.

4 Which of the following is NOT a purpose of management information in a company?

A To provide records of current and actual performance

B To compare actual performance with planned performance

C To help management with decision making

D To inform customers about the company's products

5 Which of the following is NOT correct?

A Cost accounting can be used for inventory valuation to meet the requirements of internal reporting only

B Management accounting provides appropriate information for decision making, planning, control and performance evaluation

C Routine information can be used for both short-term and long-run decisions

D Financial accounting information can be used for internal reporting purposes

6 Which of the following are ALL qualities of good management information?

A Digital, brief, relevant

B Reliable, consistent, timely

C Secure, accurate, printed

D Accessible, universal, complete

7 Which of the following statements is INCORRECT?

A Management accounting reports are required by law.

B Management accounting reports should contain the details that management require.

C Financial accounting reports are prepared for external users, such as shareholders and the tax authorities.

D Management accounting reports are not disclosed to shareholders and investors.

8 Which one of the following is always a quality of good information?

A Immediate availability

B Availability to everyone

C Reliable

D Technically accurate

9 Which one of the following statements is correct?

A Data is held on computer in digital form whereas information is in a form that is readable to human beings.

B Information is obtained by processing data.

C Data and information mean the same thing.

D Data consists of numerical or statistical items of information.

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