

***Management Control Systems (Canadian) 2nd edition
Hartmann Test Bank***

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Ch01

Answers are located in the second half of this document.

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

- 1) An important first reason for the need for management control systems is that:
- A) Lower-level managers and employees need to become aware of how they can contribute to the achievement of the organizational mission, goals and strategies
 - B) High-level managers and employees need to become aware of how they can contribute to the achievement of the organizational mission, goals and strategies
 - C) Chief Executive Officer and employees need to become aware of how they can contribute to the achievement of the organizational mission, goals and strategies
 - D) Chief Information Officer and employees need to become aware of how they can contribute to the achievement of the organizational mission, goals and strategies

Question Details

Bloom's : Remember

Difficulty : Intermediate

null : Learning Objective 01-01: Explain why organizations have a need for management control systems to at

Topic : Top-down and bottom-up roles of management control systems

- 2) One of the top-down role of management control systems refers to:
- A) Enable coordination and cooperation with other decentralized units
 - B) Facilitate top managers to benefit from the specialized skills and knowledge of lower-level managers and employees
 - C) Explain mission, goals and strategies in an operational way as possible
 - D) Enable lower-level managers to acquire the support and resources to execute their responsibilities

Question Details

Difficulty : Intermediate

Bloom's : Understand

null : Learning Objective 01-01: Explain why organizations have a need for management control systems to at

Topic : Top-down and bottom-up roles of management control systems

- 3) The control practices can be divided into the following types:

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- A) Input controls and throughput controls
- B) Throughput controls and output controls
- C) Input controls, throughput controls and output controls
- D) Input controls and output controls

Question Details

Bloom's : Understand

Difficulty : Easy

null : Learning Objective 01-02: Discuss the reasons why lower-level managers and employees do not automati

Topic : A management control system package input, throughput and output controls

4) Input controls have to do with:

- A) the shareholders interested in the organization
- B) the people in the organization, and the capabilities, characteristics, knowledge and intentions they bring to their function
- C) the stakeholders that act outside the organization
- D) the suppliers that provide inputs to the organization

Question Details

Bloom's : Understand

Difficulty : Easy

null : Learning Objective 01-02: Discuss the reasons why lower-level managers and employees do not automati

Topic : A management control system package input, throughput and output controls

5) The employee socialization processes include:

- A) introduction programmes for new managers
- B) organizing training programmes to enhance competencies
- C) influencing collegiality, citizenship and culture
- D) All of the above

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Question Details

Difficulty : Intermediate

Bloom's : Understand

null : Learning Objective 01-02: Discuss the reasons why lower-level managers and employees do not automati

Topic : A management control system package input, throughput and output controls

6) Designing appropriate input controls is ultimately the responsibility of

- A) human resource department
- B) shareholders
- C) dedicated team
- D) top managers

Question Details

Bloom's : Remember

Difficulty : Intermediate

null : Learning Objective 01-03: Explain the differences between the top-down and bottom-up functions of ma

Topic : A management control system package input, throughput and output controls

7) 'Organizational architecture' denotes:

- A) various structural arrangements that are designed by top managers
- B) particular internal organization of teams designed by top managers
- C) the architecture of different functional areas designed by top managers
- D) None of the above

Question Details

Difficulty : Intermediate

Bloom's : Understand

null : Learning Objective 01-02: Discuss the reasons why lower-level managers and employees do not automati

Topic : A management control system package input, throughput and output controls

8) An operating budget is:

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A) the organization's yearly plan, and is often decided in negotiations between top managers and lower-level managers

B) the organization's monthly plan, and is often decided in negotiations between top managers and lower-level managers

C) the organization's daily plan, and is often decided in negotiations between top managers and lower-level managers

D) the organization's bi-annual plan, and is often decided in negotiations between top managers and lower-level managers

Question Details

Bloom's : Evaluate

Difficulty : Easy

null : Learning Objective 01-03: Explain the differences between the top-down and bottom-up functions of ma

Topic : A management control system package input, throughput and output controls

9) Which of the following is a non-financial measure?

A) operating cashflow

B) return on capital employed

C) productivity

D) inventory turnover

Question Details

Difficulty : Intermediate

Bloom's : Understand

null : Learning Objective 01-04: Discuss the various types of control practices input, throughput and outp

Topic : A management control system package input, throughput and output controls

10) Risk management tools and techniques are designed to:

A) help top management to deal effectively with uncertainty

B) help top management to deal effectively with inadequate competences

C) help top management to deal effectively with low market share

D) help top management to deal effectively with operating issues

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Question Details

Difficulty : Intermediate

Bloom's : Understand

null : Learning Objective 01-04: Discuss the various types of control practices input, throughput and outp

Topic : A management control system package input, throughput and output controls

11) Employee selection processes refers to:

- A) Input controls
- B) Throughput controls
- C) Output controls
- D) None of the above

Question Details

Bloom's : Remember

Difficulty : Intermediate

null : Learning Objective 01-04: Discuss the various types of control practices input, throughput and outp

Topic : A management control system package input, throughput and output controls

12) The organization's set of rules refers to:

- A) Input controls
- B) Throughput controls
- C) Output controls
- D) None of the above

Question Details

Bloom's : Remember

Difficulty : Intermediate

null : Learning Objective 01-04: Discuss the various types of control practices input, throughput and outp

Topic : A management control system package input, throughput and output controls

13) Value statements refer to:

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- A) Throughput controls
- B) Output controls
- C) Input controls
- D) None of the above

Question Details

Bloom's : Remember

Difficulty : Easy

null : Learning Objective 01-04: Discuss the various types of control practices input, throughput and outp

Topic : A management control system package input, throughput and output controls

14) In the 'new era' we live in, with digitalization and climate change, the need for, and use of, information changes quickly (from 'small' data to 'big' data, more focus on sustainability measures, etc.), but the distinction between input, throughput and output controls remains:

- A) With clear boundaries
- B) With unclear boundaries
- C) Relevant
- D) Irrelevant

Question Details

Bloom's : Create

Difficulty : Intermediate

null : Learning Objective 01-05: Discuss the enabling and coercive role of a management control system.

Topic : Enabling and coercive management control systems

15) Top managers also need to systematically think through how to achieve an appropriate 'balance' between a coercive role of management control systems and:

- A) an enabling role
- B) an enabling need
- C) an enabling action
- D) an enabling rule

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Question Details

Bloom's : Evaluate

Difficulty : Easy

null : Learning Objective 01-05: Discuss the enabling and coercive role of a management control system.

Topic : Enabling and coercive management control systems

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Answer Key

Test name: 001

- 1) A
- 2) C
- 3) C
- 4) B
- 5) D
- 6) D
- 7) A
- 8) A
- 9) C
- 10) A
- 11) A
- 12) B
- 13) C
- 14) C
- 15) A