

F2/FMA Extra MTQs Specimen Exam Answers

MTQ 1

Task 1 (6 marks)

Return on investment	20 %
Return on sales	1.4 %
Asset turnover	14 times
Residual income	\$280
Market share	4 %

Task 2 (2 marks)

It ensures that managers will select projects with positive net present values (NPV)	No
It helps in comparing performance of the managers of divisions of different sizes	No
It relates the size of the divisions income to the size of the investment	No
It makes divisional managers aware of the cost of financing their divisions	Yes
It avoids short term dysfunctional decision making	Yes
It is directly related to net present value (NPV)	Yes
It gives an absolute measure of performance	Yes
It is more easily understood by divisional managers	No

Task 3 (2 marks)

Non-productive hours per month
Defects per product per month

MTQ 2

Task 1 (2 marks)

Opening finished goods inventory 150 thousand	150
Closing inventory goods inventory 175 thousand	175

Task 2 (2 marks)

Production in Quarter 4 2250 thousand units	2250
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Task 3 (2 marks)

\$ 57150 thousand

Task 4 (2 marks)

0 units

Task 5 (2 marks)

Requesting a settlement discount

Using the economic order quantity model

MTQ 3

Task 1 (10 marks)

absorption

higher than

1200 less than

\$1640000

100 units less

Less than

320kg more than flexed
