

## MA and FMA Extra MTQs Specimen Exam Answers

### MTQ 1

#### Task 1 (6 marks)

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

#### Task 2 (2 marks)

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

#### Task 3 (2 marks)

<b>Non-productive hours per month</b>
<b>Defects per product per month</b>

### MTQ 2

#### Task 1 (2 marks)

Opening finished goods inventory <b>150</b> thousand	<b>150</b>
Closing inventory goods inventory <b>175</b> thousand	<b>175</b>

#### Task 2 (2 marks)

Production in Quarter 4 <b>2250</b> thousand units	<b>2250</b>
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#### Task 3 (2 marks)

<b>\$ 57150</b> thousand
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#### Task 4 (2 marks)

<b>0 units</b>
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**Task 5 (2 marks)**

Requesting a settlement discount
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Using the economic order quantity model
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**MTQ 3**

**Task 1 (10 marks)**

absorption
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higher than
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1200 less than
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\$1640000
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100 units less
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Less than
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320kg more than flexed
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