



# CIMAPRO19-P02-1<sup>Q&As</sup>

P2 - Advanced Management Accounting

**Pass CIMA CIMAPRO19-P02-1 Exam with 100% Guarantee**

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.geekcert.com/cimapro19-p02-1.html>

100% Passing Guarantee  
100% Money Back Assurance

Following Questions and Answers are all new published by CIMA  
Official Exam Center

-  **Instant Download** After Purchase
-  **100% Money Back** Guarantee
-  **365 Days** Free Update
-  **800,000+** Satisfied Customers





**QUESTION 1**

DRAG DROP

Place the correct category of Value Chain activity against each of the activities described below.

Select and Place:

|                         |                           |
|-------------------------|---------------------------|
| <b>Primary activity</b> | <b>Secondary activity</b> |
|-------------------------|---------------------------|

Operations

Inbound logistics

Technology development

Procurement

Marketing and sales

Human resource management

|  |
|--|
|  |
|  |
|  |
|  |
|  |
|  |

Correct Answer:



|                           |                           |
|---------------------------|---------------------------|
| Operations                | <b>Primary activity</b>   |
| Inbound logistics         | <b>Primary activity</b>   |
| Technology development    | <b>Secondary activity</b> |
| Procurement               | <b>Secondary activity</b> |
| Marketing and sales       | <b>Primary activity</b>   |
| Human resource management | <b>Secondary activity</b> |

### QUESTION 2

We have 2 divisions with the following information: Profit before depreciation: B1=\$800,000, B2=\$1,000,000; Assets: B1=\$2,000,000, B2=\$3,000,000; Capital employed: B1 = \$1,700,000 and B2 = \$2,550,000. 20% straight-line depreciation is used.

Calculate ROI for each division.

- A. ROI for B1 is 47% and ROI for B2 is 39.2%
- B. ROI for B1 is 25.5% and ROI for B2 is 17.7%
- C. ROI for B1 is 23.5% and ROI for B2 is 23.5%
- D. ROI for B1 is 23.5% and ROI for B2 is 15.7%

Correct Answer: D

### QUESTION 3

A machine requires an initial investment of \$500,000. The net present value (NPV) of the investment in the machine is \$36,500. Which of the following statements is correct in relation to the sensitivity of the investment?

- A. The initial investment can increase by no more than 7.3% before the project is not viable.



- B. The NPV can decrease by no more than 7.3% before the project is not viable.
- C. The initial investment can increase by no more than 13.7% before the project is not viable.
- D. The NPV can decrease by no more than 13.7% before the project is not viable.

Correct Answer: A

#### QUESTION 4

A company is considering investing \$150,000 in a project which will generate the following contributions during the first three years. Tax depreciation allowance is 25% each year of the reducing balance.

| Year | Contribution |
|------|--------------|
| 1    | \$41,000     |
| 2    | \$62,000     |
| 3    | \$93,000     |

The taxation rate is 30% of taxable profits and tax is payable in the year after that in which it arises. To the nearest \$10, what is the forecast total project cash flow in year 3?

- A. \$82,840
- B. \$74,400
- C. \$85,650
- D. \$71,430

Correct Answer: A

#### QUESTION 5

Which of the following is a key objective when agreeing a basis for setting transfer prices?

- A. Promoting goal congruence
- B. Increasing market share
- C. Rewarding profit centre managers
- D. Allocating overhead costs effectively

Correct Answer: A