

CIMA E1 - Managing Finance in a Digital World

1. Which of the following statements best describes data extraction?

A. The process of harvesting data from source databases and locations

B. Examining the data to understand its content formats and structure.

C. Data being processed into the destination database ready for use.

D. Storing data in a systematic and logical way ready for further interrogation.

Answer(s): A

2. Which of the following is NOT an element of the system development life cycle?

A. Review

B. Planning

C. Analysis

D. Implementation

Answer(s): A

3. K manages the finance function of a cable manufacturing business. In order to cope with an increasingly diverse workload, K needs human resources to recruit someone with a digital mindset. Which THREE of the following individual characteristics should K emphasise to human resources as important in finding the right candidate?

A. A 'photographic' memory

B. An open-minded outlook

C. A visionary leader

D. Adopting a 'helicopter view'

E. A compliant personality

Answer(s): C D E

4. Company Q is a relatively small company but expanding quickly. In this period of rapid growth it feels that now is the time to add a Human Resource presence and support, but does not wish to add a permanent department within the organisational structure. What is the best option for Company Q?

A. Virtual Human Resource department

B. Project based Human Resource department

C. Networked Human Resource department

D. In-house Human Resource department

Answer(s): A

5. Workforce flexibility takes a number of different forms. Which of the following achieves flexibility where employees have the ability to move between tasks as and when required by the organisation?

A. Shift system flexibility

B. Numerical flexibility

C. Functional flexibility

D. Temporal flexibility

Answer(s): C

6. Which of the following would specifically be an example of the use of the marketing concept by a charity?

A. Having pencils made with the name of the charity on them

B. Selling pencils to make a profit for the charity

C. Only buying pencils made from sustainable materials

D. Giving pencils out to children in developing countries

Answer(s): A

7. Appraisal systems involve the collection of feedback on an individual's performance from a range of sources. Which of the following sources apply to 180-degree appraisal?

Select THREE sources that apply.

A. The individual's supervisor and the individual

B. The individual and his peers

C. The individual's supervisor and his peers

D. The individual and the customers he deals with

E. The individual's supervisor and the customers the individual deals with

F. The individual's peers and the customers they deal with

Answer(s): A B C

8. Which of the following statements regarding shamrock organisations are true?

1: Shamrock organisations typically comprise four discrete components.

2: The core group of executives are often supported by external contractors and part-time staff.

3: One of the main characteristics of a shamrock organisation is its flexibility.

A. 2 + 3

B. 1

C. 2

D. 3

E. 1 + 2

F. 1 + 3

G. 1 + 2 + 3

Answer(s): A

9. The Finance function of XZY company, which is based in the UK. are planning how they can minimise the corporation tax costs

Which of the following is correct?

A. Tax avoidance aims to reduce the amount of tax payable and is legal

B. Tax avoidance aims to reduce the amount of tax payable and is illegal

C. Tax avoidance operates within the spirit of the law.

D. Tax avoidance is the same as tax mitigation

Answer(s): A

10. Which TWO of the following statements are NOT aims of a reward system?

A. To ensure consistency and fairness

B. To comply with legislation

C. To control costs

D. To reward poor performance

E. To encourage excessive risk taking

Answer(s): D E

11. Material requirements planning (MRP I) and manufacturing resource planning (MRP II) are computerised systems used for planning the requirements for raw materials, work-in-progress and finished items and integrating with other production processes. These systems enable strong relationships to be forged with suppliers as orders can be placed with suppliers in good time to fulfill customer requirements and expectations, as well as other processes related to materials planning. Which of the following specifically can MRP I and MRP II NOT assist with?

A. Financial requirements planning

B. Equipment utilisation planning

C. Decision support planning

D. Labour schedule planning

Answer(s): C

12. Which of the following are the primary objectives of a commercial organisation?
Select ALL that apply.

A. Maximise shareholder wealth

B. Maximise trading performance

C. Ensure going concern status

D. Protect the environment

E. Ensure continued employment for staff

F. Ensure compliance with tax legislation

Answer(s): A B C

13. Who is responsible for the strategic leadership of the finance team?

A. Chief Executive Officer

B. Management Accountant

C. Chief Finance Officer

D. Financial Accountant

Answer(s): C

14. The directors of JES are keen to ensure that expenditure on marketing campaigns is generating additional sales for the company Which of the following KPIs would be appropriate for the directors of JES?

A. Conversion rate across mediums

B. Return on marketing spend

C. Cost per lead generated.

D. Customer retention rates

Answer(s): A

15. Offshoring may be successful when which of the following applies?

A. There are fewer cultural differences

B. There are low transaction volumes

C. There are high task complexities

D. There are high cost transactions

Answer(s): A

16. A company is expanding its baby clothing product range to include all items for infants, for example feeding and bathing equipment. As this is a new venture for the company, the Board of Directors has agreed that market research is a necessary exercise, but it is undecided as to which is the most efficient and effective method. Which of the following methods of research would be most appropriate?

A. Questionnaires

B. Focus groups

C. Experimentation

D. Interviews

Answer(s): B

17. Which of the following would be a disadvantage of the use of 'big data'?

A. Increased system requirements

B. Increased speed of decision making

C. Increased relevance of decisions

D. Increased volume of unstructured data

Answer(s): A

18. According to Ansoff, which of the following marketing strategies should be adopted when introducing an existing product to a new market?

A. Market penetration

B. Product development

C. Diversification

D. Market development

Answer(s): D

19. Which of the following is a potential advantage of outsourcing?

A. Finality of decision

B. Reduced capital expenditure

C. Reduced transaction costs

D. Reduced core competencies

Answer(s): B

20. Which of the following is a benefit to the employer of remote working?

A. Reduced cost of commuting

B. Ease of balancing work/life commitments

C. Privacy to the individual

D. Increased employee motivation

Answer(s): D

