

## **Exam Name - Chartered Global Management Accountant (CGMA)<sup>™</sup>**

### **Sample Exam**

**1.** Which costing method is most relevant when pricing in a competitive bid situation?

- A. Full absorption costing
- B. Activity-based costing (ABC)
- C. Incremental (marginal) costing
- D. Standard costing

Answer **C**

**2.** Which indicator best measures operational efficiency in a manufacturing environment?

- A. Return on Equity (ROE)
- B. Overall Equipment Effectiveness (OEE)
- C. Earnings per Share (EPS)
- D. Current Ratio

Answer **B**

**3.** What risk does hedging foreign currency receivables primarily reduce?

- A. Political risk
- B. Compliance risk
- C. Market (exchange rate) risk
- D. Credit risk

Answer **C**

**4.** Which control is an example of segregation of duties?

- A. Requiring manager approval for purchases
- B. Using serially numbered documents
- C. Different personnel authorize, record, and reconcile transactions
- D. Conducting surprise inventory counts

Answer **C**

**5.** Target costing is most effective in which phase of a product lifecycle?

- A. Decline
- B. Maturity
- C. Growth
- D. Introduction

Answer **D**

**6.** Which of the following best describes the purpose of management accounting?

- A. To report financial performance to external stakeholders
- B. To assist in compliance with tax regulations
- C. To provide relevant information for internal decision-making
- D. To audit the company's financial statements

Answer **C**