

WorldatWork

Exam C8

Business Acumen for Compensation Professional

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[Total Questions: 78]

Question No : 1

What best describes an effective core technique for communicating with executives?

- A.** Focus on negative issues first, such as compensation costs exceeding budget, to get their attention
- B.** Provide a wide range of facts and figures. With their high level of responsibility, executives must have all the data before they can make informed decisions.
- C.** Assume they have little knowledge of the issue and make a detailed presentation leading up to the purpose of the meeting.
- D.** Recommend a solution that will solve the issue and explain why it is the best solution available.

Answer: D

Question No : 2

Which of the following best describes present value?

- A.** The current value of holdings
- B.** The current value of holdings and how much it will grow over time at a given rate of return
- C.** The desired value in the future and what needs to be invested today to realize that amount
- D.** The difference between the desired value in the future and the current value as a percentage of the desired value

Answer: C

Question No : 3

When connecting with other business units, what best describes a reason why is it important to keep up to date on organizational challenges?

- A.** Because you will be more informed when differences of opinion occur, lending more

credibility to your position

- B.** Because you can demonstrate your understanding of issues from multiple perspectives
- C.** Because you will be able to explain the negative consequences of opposing your position
- D.** Because stakeholders with diverse opinions tend to compromise when they are aware that others know their weaknesses

Answer: B

Question No : 4

The Alpha company ships an order to a customer on March 1st and invoices the customer for the product with the shipment, with payment terms of net 30 days. The customer's payment is received on April 5th. The payment clears the bank and shows on Alpha's account on April 8th. If Alpha is using accrual accounting, when does it record the revenue for this sale?

- A.** March 1st
- B.** March 31st
- C.** April 5th
- D.** April 8th

Answer: A

Question No : 5

What best describes the primary purpose of budgeting?

- A.** Limiting spending to a fixed percentage of organizational revenue
- B.** Making choices about spending based on expectations of performance
- C.** Increasing profitability of the business annually to maximize shareholder/owner value
- D.** Complying with local legislation and maintaining accurate records to prepare financial reports and tax documents

Answer: B

Question No : 6

What is the most likely explanation for why compensation and rewards require a strong grasp of business acumen for compensation professionals?

- A. Because the internal and external environments are constantly changing
- B. Because the best interests of the organization take priority, which can lead to difficult decisions and implementation issues
- C. Because they are emotional issues and stakeholders have many vested interests
- D. Because strong business acumen is required for all compensation decisions

Answer: C

Question No : 7

What best describes what forecasting helps the organization to do?

- A. Recognize possible issues and concerns that will drive budget planning
- B. Prepare quarterly and annual reports and their associated statements
- C. Withhold payroll taxes for all elements of compensation
- D. Anticipate future capital needs by determining when the organization will enter the next phase of the business lifecycle

Answer: A

Question No : 8

Which of the following factors has the greatest impact on how aggressive a stance (high vs. low) an organization will take in terms of where it positions itself against the market with its compensation strategy?

- A. The industry it operates in
- B. The bottom line

- C. The organizational headcount
- D. The risk tolerance of compensation leaders

Answer: B

Question No : 9

Assessment of current and future staffing needs should be based primarily on what?

- A. Compensation budgets only because staffing cannot exceed the funds available
- B. A combination of organizational goals and budget realities
- C. The consensus of HR management and line management estimates
- D. The opinions of senior leaders in the organization

Answer: B

Question No : 10

The “return” represented by the Total Shareholder Return (TSR) metric is the increase in what?

- A. Earnings
- B. Shares
- C. Market capitalization
- D. Increased market value and reinvested dividends paid

Answer: D

Question No : 11

What is the most accurate definition of organizational vision?

- A. A description of who the organization is, where it is headed and what it wants for the

future

B. A written explanation of the intention or purpose of the organization and why it is in business

C. A statement of what kind of organization it wants to be and the guiding principles and/or beliefs shared by stakeholders

D. A detailed account of the organization's goals, directions to achieve them and how it will compete

Answer: A

Question No : 12

If a company has a higher percentage of employees with fixed compensation than variable compensation, what happens as revenues increase?

A. Compensation costs eventually stabilize and become a consistent percent of revenue.

B. Compensation costs and revenue increase at approximately the same rate.

C. Compensation costs eventually decrease as a percent of revenue, increasing profit growth.

D. Compensation costs remain the same as a percent of revenue until variable compensation costs exceed fixed compensation costs.

Answer: C

Question No : 13

How are the compensation communication needs of managers different from those of individual employees?

A. They aren't. Managers are concerned about their compensation also.

B. They are also responsible for merit increases, incentives and hiring so they have greater information needs.

C. They tend to have more influence, so it is important to resolve any concerns they have quickly and efficiently.

D. They have more duties and responsibilities and are less likely to have the time to discuss compensation issues.

Answer: B

Question No : 14

Gross margin is which of the following, as percent of revenue?

- A. Revenue minus cost of goods sold
- B. Expenses plus taxes and depreciation
- C. Gross profit minus expenses
- D. Cost of goods sold

Answer: A

Question No : 15

Which of the following best describes the most likely perspectives of different groups in the organization that compensation professionals must be aware of?

- A. Investors and Finance want to see money spent wisely. Legal must ensure compliance, and HR and operating departments want to see their needs taken into account to attract, retain and motivate a high quality workforce.
- B. Operating departments and HR understand the company must live within its means and Finance cannot allocate funds to a budget if it is likely that profitability will be adversely affected.
- C. Investors want to maximize gains and want to see compensation tightly controlled and Legal needs to ensure that compensation plans do not attract undue scrutiny.
- D. Operating departments view compensation as it applies to them, HR must balance available resources to attract, retain and motivate employees and Finance knows the value of a motivated workforce and will provide the budget necessary to achieve it.

Answer: A

Question No : 16

When trying to achieve compromise and collaboration to achieve your goals, on which stakeholder(s) should you focus most of your efforts?

- A. The most senior leader with the highest level of authority
- B. No one person. Identify your stakeholders and work to achieve consensus among the majority.
- C. Influencers and decision-makers who have the respect of employees and are both proponents and opponents of your objectives
- D. Individuals with power in the organization who have the authority to overrule the concerns of opponents

Answer: C

Question No : 17

What is the most common term for the broad framework of principles and approaches that guide day-to-day decisions affecting the business, including how it positions itself in the market?

- A. The business plan
- B. The corporate objective
- C. The mission statement
- D. The competitive strategy

Answer: D

Question No : 18

Which of the following is the earnings available to equity owners after paying debt and taxes?

- A. EBIT
- B. EPS
- C. Net income
- D. Operating profit

Answer: C

Question No : 19

Using efficient and cost-effective approaches to integrate technology into the workplace is most likely to do what?

- A. Reduce compensation expense
- B. Improve program efficacy
- C. Select the best vendors
- D. Compensate employees competitively

Answer: B

Question No : 20

What choices are most commonly faced by companies in the decline phase of the business lifecycle?

- A. Whether to improve productivity, obtain new operating capital or generate new sales growth
- B. Whether to reinvest in existing products, create new products or maximize profits with current products as long as possible
- C. Whether to acquire competitors with greater market share or merge with more successful companies
- D. Whether to increase sales, maximize distribution capacity or increase efficiency to meet growing demand

Answer: B

Question No : 21

Quarterly financial reports typically include data for a given quarter compared to what?

- A. The previous quarter
- B. The budget
- C. The same quarter in the previous year, plus the current six-month or nine-month cumulative comparables
- D. The aggregate performance of the same quarter in the previous three years

Answer: C

Question No : 22

If employees have a significant impact on the bottom line, what type of pay mix is most appropriate?

- A. A varying mix depending on employee influence on goals to provide the necessary incentive to maximize profits
- B. 100% variable pay to motivate all employees to maximize productivity and sales
- C. 90/10 for the majority of employees (base/variable) to share in the company's success with increased variable pay for management/executives to motivate employees to seek higher positions
- D. High base pay and low variable pay to ensure predictability of total compensation expense

Answer: A

Question No : 23

You have been asked to develop a short-term incentive plan that motivates employees in business units to increase productivity. Your team has designed a plan that rewards managers and employees quarterly based on achievement against target on measures that should generate productivity increases that will self-fund the plan. When presenting the plan to senior management, what would be the best strategy to receive approval?

- A. Demonstrate how it is aligned to the rewards philosophy, principles and organizational business strategy
- B. Provide details on the plan design and measures and how they will be administered to employees at different levels
- C. Make the case that a self-funded plan poses no risk to the organization while creating

the potential for significant gains

D. Identify in advance the priorities of the various stakeholders and design your presentation to address any objections or perceptions they may have

Answer: A

Question No : 24

What is the primary reason why a compensation professional working for a multinational company should understand regulatory requirements and application of rewards globally?

A. Because legal compliance with compensation-related regulations is the responsibility of the compensation department

B. Because the compensation professional has a fiduciary responsibility to ensure that the financial resources of their organization are spent in a prudent manner

C. Because it is possible to pay significantly less for talent in different countries and compensation should advise management on when and where to locate various jobs within the company

D. They shouldn't. Due to the complexities of global regulations and practices, compensation administration outside of the home country should be outsourced.

Answer: B

Question No : 25

What most accurately describes a reason why organizations use financial reports?

A. To differentiate company financial data from industry competitors to prevent loss of proprietary information

B. To provide subjective information to key constituents that reflects the company's performance in the most favorable manner depending on stakeholder priorities

C. To create a historical record of financial performance and identify trends that may justify changes in strategy

D. To promote consistency of communication regarding company performance and value

Answer: D

Question No : 26

Understanding basic organization design principles is an example of what key competency for compensation professionals?

- A. Financial Management
- B. HR Management
- C. Resource Management
- D. Policy Management

Answer: B

Question No : 27

What metric should compensation professionals pay closest attention to for ensuring alignment between the compensation strategy and the HR and business strategies?

- A. Variable pay costs as a percent of total compensation
- B. Total compensation expense for the business, including base pay and variable pay
- C. Reward costs as a percent of total operating costs
- D. The organization's market compa-ratio

Answer: C

Question No : 28

Which of the following is the best example of a variable cost?

- A. Audit fees
- B. Rent
- C. Maintenance
- D. Shipping

Answer: D

Question No : 29

What best describes a necessary skill and/or behavior in relation to business acumen?

- A. An understanding of the culture and subcultures of your organization
- B. The capacity to manage multiple projects and priorities and meet deadlines
- C. A willingness to take on additional duties and responsibilities when resources are limited
- D. A thorough understanding of the products and/or services your organization provides

Answer: A

Question No : 30

What challenge is most likely faced by a business with low market share and high growth potential?

- A. Its ability to generate profits is unknown.
- B. It is in the worst market position and has insufficient resources to continue operations.
- C. It is unclear how to best utilize the high cash flow to sustain growth.
- D. Its excess resources are often used to develop other businesses that may not be mission-critical.

Answer: A

Question No : 31

Regarding fixed and variable costs, what tends to happen as revenue increases?

- A. Variable costs decrease
- B. Fixed costs decrease
- C. Variable costs increase and consume a higher percent of revenue

D. Fixed costs remain the same and consume a lower percent of revenue

Answer: D

Question No : 32

What do working capital metrics evaluate?

- A. The change in working capital over a specific period of time, typically one year
- B. A company's efficiency in converting short-term capital into cash
- C. A company's mean capital expenditure per employee
- D. The amount of cash needed to meet the company's short-term obligations

Answer: B

Question No : 33

What is the top line or starting point of an organization's income?

- A. Gross profit
- B. Revenue
- C. Net income
- D. Operating profit

Answer: B

Question No : 34

What is the most accurate statement regarding forecasting?

- A. It is a precise estimate of what the future holds for the organization.
- B. It is done primarily by using historical revenue and expense data.
- C. It is done primarily by evaluating market conditions and economic indicators.

D. It uses internal and external factors to help answer questions about business expectations for the future.

Answer: D

Question No : 35

Which of the following is the best example of applying business acumen to data analysis?

- A.** Compiling data needed to calculate salary budgets and merit increases
- B.** Identifying trends and key messages emerging over time
- C.** Reviewing historical trends to complete annual budgets
- D.** Providing quarterly incentive estimates for accruals

Answer: B

Question No : 36

What is the most accurate statement regarding the effect of compensation plans on the organization?

- A.** They typically have the greatest effect on net income and operating results of any organizational expense or program
- B.** Their success or failure is closely tied to the success or failure of organizationwide goals and objectives
- C.** They have very little effect as long as they are managed effectively and efficiently
- D.** They affect the organization's overall financial status and impact multiple stakeholders across most, if not all, business units

Answer: D

Question No : 37

What statement is most accurate regarding compensation communications with employees

at varying levels?

- A.** They tend to be fairly consistent because the elements of pay may differ, but the concerns are universal.
- B.** They generally require a greater degree of detail for lower level employees who have less of an understanding of pay plan design.
- C.** They usually require more detail for senior employees regarding plan details and performance and the needs from one employee group to another can vary greatly.
- D.** They should be kept to a minimum for employees at all levels to maximize efficiency and efforts can be focused only on those who have questions.

Answer: C

Question No : 38

The Alpha Company was once a strong company that commanded a high percentage of the market it operated in. In recent years, Alpha has been losing market share to competitors in its primary line of business and has been unable to find a competitive strategy to grow and return to profitability. Given its market position, how is Alpha most likely finding the monetary resources to continue operations?

- A.** By using cash from other segments of the business
- B.** By using its high credit rating from prior years to receive a line of credit until the strategy begins to work
- C.** By selling its products and services at a loss until revenue increases and slowly raising prices until it begins to break even
- D.** By identifying and duplicating the strategy used by its main competitor.

Answer: A

Question No : 39

What best describes the most effective approach for facilitating fact-based decisions?

- A.** Ensuring support from all internal and external stakeholders
- B.** Estimating results based on historical data

- C. Using statistical methods to predict outcomes
- D. Determining, sourcing and collecting appropriate data

Answer: D

Question No : 40

What statement is most accurate regarding communication of compensation information?

- A. Compensation professionals should anticipate the level of the audience and tailor messages to their needs.
- B. Compensation terms and practices are unclear to most individuals who do not work in this area and communication should be tailored to the least informed member of the target audience.
- C. The ready availability of information online has made it unnecessary for compensation professionals to tailor messages since individuals can research terms and concepts after the fact if they don't understand a communication.
- D. Compensation terms are well-known and easily understood by most stakeholders.

Answer: A

Question No : 41

Internal process metrics are most useful in which of the following situations?

- A. Assessing how well the business is running
- B. Determining employee satisfaction levels
- C. Measuring the financial success of the business
- D. Evaluating customer perceptions of products or services

Answer: A

Question No : 42

How is the purpose of a non-profit organization typically communicated?

- A. Explained throughout the mission, vision, values and strategy
- B. Implied in the mission, vision and strategy and specifically explained on the organization's website
- C. Reflected in the mission, vision, values and strategy although often not stated directly
- D. Documented internally but not released to the public to protect trade secrets and maintain competitive advantage

Answer: C

Question No : 43

What happens to the marginal cost if revenue accelerates slower than variable costs but fixed costs remain the same?

- A. It remains the same.
- B. It decreases because variable costs are increasing.
- C. It increases at the same rate as variable costs.
- D. It becomes increasingly higher as revenues increase.

Answer: D

Question No : 44

An organization whose focus is on obtaining capital, marketing products or services, sales growth and cash conservation is most likely to be in what stage of the business lifecycle?

- A. Start-up
- B. Growth
- C. Mature
- D. Decline

Answer: A

Question No : 45

What is a “profit model?”

- A. The intention or purpose of the business
- B. A descriptor for how the company works
- C. The financial objectives of the organization
- D. The plan for how the organization generates revenue and makes money

Answer: D

Question No : 46

What best describes a key competency of compensation professionals regarding HR management of the organization’s employees?

- A. Ensuring they are appropriately selected, developed, appraised and rewarded
- B. Monitoring individual employee career paths and succession planning
- C. Communicating regularly with line management on performance management
- D. Ensuring that all regulatory and voluntary payroll deductions are properly administered

Answer: A

Question No : 47

Regarding compensation communications with executives, where do they tend to need the greatest level of understanding?

- A. In the methods and processes used to make pay decisions
- B. In the details of their individual compensation packages
- C. In the overall program objectives
- D. In the differences in pay levels for the different levels of the organization

Answer: C

Question No : 48

Administering budgets is an example of what key competency for compensation professionals?

- A. Financial Management
- B. HR Management
- C. Resource Management
- D. Policy Management

Answer: A

Question No : 49

The XYZ Company opened a new manufacturing facility with a capital investment of 10,000,000. The cost to obtain the capital was 8%. In its first year of operations, the facility's net operating profit after taxes was 10,500,000. What was the economic value added (EVA) using the EVA formula?

- A. 500,000
- B. 840,000
- C. 8,000,000
- D. 9,700,000

Answer: D

Question No : 50

Regarding presentations to executives, which of the following is most accurate?

- A. Keep them brief

- B. Use multiple media
- C. Include all details related to the issue
- D. Leave backup data out of the presentation so there is time to develop an effective response to unexpected questions

Answer: A

Question No : 51

The XYZ Company focuses on maintaining/increasing market share and its products tend to be more evolutionary than revolutionary. What stage of the business lifecycle is XYZ most likely in?

- A. Start-up
- B. Growth
- C. Mature
- D. Decline

Answer: C

Question No : 52

What is the term for the skills, technologies, applications and practices of continuous iterative exploration and investigation of past business performance used to gain insight and drive business planning?

- A. Business forecasting
- B. Business analytics
- C. Predictive modeling
- D. Statistical analysis

Answer: B

Question No : 53

The “Value Store” retail company offers its customers low prices and ease of purchase by minimizing waste and striving for high efficiency. What strategy is the “Value Store” using?

- A. Operational excellence
- B. Product/service leadership
- C. Customer intimacy
- D. Brand loyalty

Answer: A

Question No : 54

What question is answered by the organization’s mission statement?

- A. What direction will we take?
- B. How do we work?
- C. Why are we in business?
- D. How will we achieve our objectives?

Answer: C

Question No : 55

A fine jewelry chain distinguishes itself from the competition by focusing on carefully selected customers and building bonds to meet or exceed their needs and expectations. What strategy is this company using?

- A. Operational excellence
- B. Product/service leadership
- C. Customer intimacy
- D. Brand loyalty

Answer: C

Question No : 56

“Cost-benefit thinking” is most useful in the context of financial management for purposes of what?

- A. Procurement
- B. Recruiting
- C. Setting priorities
- D. Plan administration

Answer: C

Question No : 57

What do profits, equity and debt all have in common?

- A. They are all reported on the balance sheet.
- B. They are all sources of capital.
- C. They all incur the same costs to the business.
- D. Nothing. Each of these is a different financial metric.

Answer: B

Question No : 58

As a general rule, what are individual contributors most likely to ask about their compensation?

- A. What the take-home pay will be
- B. How their pay compares to co-workers
- C. How the company sets compensation budgets
- D. How the company makes pay decisions that affect them

Answer: D

Question No : 59

The XYZ Company produces innovative products and brings them to market in advance of their competitors. What strategy is XYZ using?

- A. Operational excellence
- B. Product/service leadership
- C. Customer intimacy
- D. Brand loyalty

Answer: B

Question No : 60

What best describes a use of strategic analysis?

- A. Pricing your products appropriately
- B. Understanding your business and its competitive strengths and weaknesses
- C. Forecasting profit, growth and investment performance to develop realistic budgets
- D. Evaluating prior year performance for the narrative portion of annual financial reports

Answer: B

Question No : 61

Who are you most likely to hear from if there are questions about an employee's compensation?

- A. The employee
- B. A concerned co-worker
- C. The employee's manager

D. The employee's department head

Answer: C

Question No : 62

The Delta Company has experienced increased turnover in the past two years. Data from exit interviews indicate that most of those leaving did so for better opportunities and higher compensation. If Delta pays at the highest percentile of the market for their peer group, what data analysis should they do?

- A. Additional quantitative analysis to determine whether pay rates are truly competitive or existing data are unreliable
- B. Qualitative data collection to talk to key stakeholders and employees and determine whether the exit interviews accurately reflect their concerns
- C. Qualitative data collection in the form of an employee survey with questions about employee satisfaction with pay levels
- D. No additional data analysis is needed. Delta should increase pay rates based on the existing data to decrease turnover.

Answer: B

Question No : 63

Your company has had a strong fiscal year with a 15% increase in net income over the prior fiscal year. Share prices are at an all time high. Working with Finance, you have arrived at a 2.5% merit increase budget for the next fiscal year, a smaller increase than the last fiscal year. Finance has indicated that some large capital expenditures will be needed next year, so the company needs to conserve resources. Additionally, Legal is in final negotiations on a lawsuit that may be very costly to the company. Word of the smaller increases has line management concerned that they will lose their best performers. Given all of these factors, what is your best course of action?

- A. Implement the merit increase budget as is because the anticipated financial obligations have made it necessary
- B. Meet with Finance and make a case for a larger merit increase budget because the loss of key talent will cost more over the long term than the savings from the smaller merit

increases

- C.** Gather the perspectives of all stakeholders, analyze their individual concerns and meet to determine whether a compromise solution is possible
- D.** Recommend a reduction in force to eliminate poor performers, which will increase the merit budget by reducing headcount

Answer: C

Question No : 64

Which financial statement or combination of statements provide(s) the most comprehensive view of the company's financial situation?

- A.** The balance sheet
- B.** The income statement
- C.** The cash flow statement and the income statement
- D.** The cash flow statement, along with the balance sheet and income statement

Answer: D

Question No : 65

How do quarterly reports most commonly compare to the annual report?

- A.** The cumulative information on the four quarterly reports adds up to the information on the annual report.
- B.** The quarterly reports are more detailed. The annual report provides similar data in summary form.
- C.** The annual report is required and the quarterly reports, while commonly used, are optional.
- D.** The quarterly reports are not as detailed as annual reports, and might not match due to changing accounting estimates over the year.

Answer: D

Question No : 66

What best describes an effective approach for balancing multiple priorities and perspectives regarding compensation?

- A. Being firm and uncompromising in your decision-making
- B. Representing your view with data and relating it to business results
- C. Finding a compromise that may not appease all stakeholders but does not give any one group or person everything they are seeking
- D. Giving priority to perspectives based on the job or influence level of the stakeholders

Answer: B

Question No : 67

What information is found on the balance sheet?

- A. A list of what is owned, what is owed and the equity of an entity
- B. The revenues and expenses incurred by an entity over a period of time
- C. The change during the reporting period in cash and cash equivalents
- D. The profitability of the company as of a specific date

Answer: A

Question No : 68

Regarding cost analysis of compensation expense, which job is most likely to incur fixed costs for the company?

- A. Production worker
- B. Account executive
- C. IT contractor
- D. HR Director

Answer: D

Question No : 69

In what stage of the business lifecycle do companies typically begin standardizing procedures through policy creation?

- A. Start-up
- B. Growth
- C. Mature
- D. Decline

Answer: B

Question No : 70

Information on the annual report shows results for what time period?

- A. The calendar year from January 1 to December 31
- B. The fiscal year, which matches the calendar year from January 1 to December 31
- C. The fiscal year, which shows results from July 1 to June 30
- D. The fiscal year, which may match the calendar year or may be a different 12-month period, depending on the company

Answer: D

Question No : 71

What best describes a benefit of business acumen with regard to career development?

- A. The ability to display confidence and decisiveness that will inspire others and make you a better leader
- B. A greater likelihood of promotion, especially when you are competing with individuals

with more experience

C. Increased marketability, which will lead to qualification for opportunities outside of human resources

D. It is critical to your career development and a deficiency is very likely to hinder career advancement and success.

Answer: A

Question No : 72

To ensure appropriate funding levels, the compensation professional must generally do which of the following?

A. Possess a high level of education and competency in accounting principles

B. Determine which programs are crucial to the enterprise and which programs are expendable

C. Partner with multiple departments and external consultants and vendors

D. Demonstrate broad understanding of principles of financial management and business expertise

Answer: D

Question No : 73

Using efficient and cost-effective approaches to integrate technology into the workplace is an example of what key competency for compensation professionals?

A. Financial Management

B. HR Management

C. Resource Management

D. Policy Management

Answer: C

Question No : 74

Regarding market position, a business with a high market share but low growth potential is typically referred to as what?

- A. A Star
- B. A Question Mark
- C. A Market Leader
- D. A Cash Cow

Answer: D

Question No : 75

Regarding key competencies for financial management, HR management and resource management, what sets top performers apart?

- A. The level of formal education in each area
- B. The ability to prioritize which is most critical in any given situation and allocate time and resources accordingly
- C. The ability to tie them together, distill key messages and make impactful decisions
- D. Effective interpersonal and communication skills that can overshadow minor deficiencies in any one area

Answer: C

Question No : 76

Which of the following best describes the guiding principles and/or beliefs shared by stakeholders in an organization?

- A. Mission
- B. Vision
- C. Values
- D. Strategy

Answer: C

Question No : 77

Regarding fixed and variable costs, what are Finance's primary concerns?

- A.** Fixed costs must be kept to a minimum, but variable costs can fluctuate since they tend to correlate with revenue.
- B.** Variable costs often have a heavier focus than fixed costs, which applies to all areas, including compensation.
- C.** Fixed costs and variable costs are equally important and both should be kept to a minimum.
- D.** Fixed costs are not a concern because they cannot be changed, so the focus is primarily on variable costs.

Answer: B

Question No : 78

What best describes the most effective tactic for getting stakeholders' attention and buy-in?

- A.** Ask them to review or provide feedback, especially on something you have done for them
- B.** Talk to the individuals they report to in advance and gain their support so the stakeholders realize upper management already supports your position
- C.** Schedule a meeting of all stakeholders and make a strong case that overcomes all of their objections
- D.** Explain in precise terms to each stakeholder how your position is the most realistic approach to the issue or concern

Answer: A