

401-Enterprise Performance Management

1. What is the primary purpose of Performance Management?

- a) Maximizing profits
- b) Enhancing employee satisfaction
- c) Aligning organizational goals with individual goals
- d) Minimizing operational costs

Answer: c) Aligning organizational goals with individual goals

2. Which of the following is NOT a responsibility center?

- a) Revenue center
- b) Expense center
- c) Profit center
- d) Liability center

Answer: d) Liability center

3. What is the formula for Return on Investment (ROI)?

- a) Net Profit / Total Assets
- b) Operating Income / Total Equity
- c) Net Income / Total Revenue
- d) Net Profit / Total Investment

Answer: d) Net Profit / Total Investment

4. Which of the following is a limitation of financial measures in performance evaluation?

- a) Subjectivity
- b) Incomparability
- c) Lack of precision
- d) All of the above

Answer: d) All of the above

5. What framework is commonly used for non-financial performance measures?

- a) Balanced Scorecard
- b) DuPont Analysis
- c) ROI Analysis
- d) NPV Analysis

Answer: a) Balanced Scorecard

6. What is the main objective of Transfer Pricing?

- a) Minimize taxes
- b) Maximize profits
- c) Facilitate goal congruence
- d) Control expenses

Answer: c) Facilitate goal congruence

7. Which of the following is NOT a method of Transfer Pricing?

- a) Cost-based
- b) Market price-based
- c) Negotiation-based
- d) Performance-based

Answer: d) Performance-based

8. What is the process of Capital Budgeting primarily concerned with?

- a) Short-term financial decisions
- b) Long-term investment decisions
- c) Day-to-day operational decisions
- d) Human resource management

Answer: b) Long-term investment decisions

9. What is the purpose of a post-completion audit in Capital Expenditure Control?

- a) To assess the performance of the project manager
- b) To evaluate the accuracy of the initial budget
- c) To identify lessons learned for future projects
- d) All of the above

Answer: d) All of the above

10. Which of the following is NOT a performance evaluation parameter for Banks?

- a) Customer Base
- b) Gross Margin Return on Investment
- c) Non-Performing Assets (NPAs)
- d) Return on Investment (ROI)

Answer: b) Gross Margin Return on Investment

11. What does GMROI stand for?

- a) Gross Margin Return on Investment
- b) Gross Margin Revenue on Investment
- c) Growth Margin Return on Investment
- d) Growth Margin Revenue on Investment

Answer: a) Gross Margin Return on Investment

12. What is the primary feature of Non-profit organizations?

- a) Maximizing shareholder wealth
- b) Generating profits for owners
- c) Serving a social or humanitarian mission
- d) None of the above

Answer: c) Serving a social or humanitarian mission

13. What is the purpose of fund accounting in Non-profit organizations?

- a) To track investment returns
- b) To ensure compliance with tax regulations
- c) To monitor the use of restricted funds
- d) To calculate earnings per share

Answer: c) To monitor the use of restricted funds

14. What are the metrics used for performance evaluation in E-Commerce?

- a) Business metrics, Traffic metrics, Conversion matrix
- b) Financial metrics, Customer metrics, Employee metrics
- c) Revenue metrics, Inventory metrics, Cost metrics
- d) Production metrics, Sales metrics, Marketing metrics

Answer: a) Business metrics, Traffic metrics, Conversion matrix

15. What is the main purpose of an Internal Audit?

- a) Ensure compliance with external regulations
- b) Identify opportunities for cost reduction
- c) Evaluate the effectiveness of internal controls
- d) All of the above

Answer: c) Evaluate the effectiveness of internal controls

