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NEW QUESTION: 1

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 2

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

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 3

What best describes a use of strategic analysis?

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

D. Understanding your business and its competitive strengths and weaknesses

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 4

What type of equity incentive gives employees the right to purchase company shares at a specified price?

- A. Stock/share grants
- B. Restricted stock/shares
- C. Stock/share options
- D. Performance units

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 5

Which of the following is a type of variable pay?

- A. Pay for time not worked
- B. Piece rate
- C. Hourly pay
- D. Bonuses

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 6

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

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 7

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 8

Cash compensation is a reward intended to provide what type of motivation?

- A. Extrinsic
- B. Intrinsic

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 9

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

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 10

Which type of variable pay is best described by this statement: Criteria are discretionary and often defined in broad terms such as "exceptional customer service"?

- A. Commission
- B. Recognition
- C. Bonus
- D. Profit-sharing

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 11

What is the most accurate definition of organizational vision?

- A. A detailed account of the organization's goals, directions to achieve them and how it will compete
- B. A statement of what kind of organization it wants to be and the guiding principles and/or beliefs shared by stakeholders
- C. A description of who the organization is, where it is headed and what it wants for the future
- D. A written explanation of the intention or purpose of the organization and why it is in business

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 12

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

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

D. The employee's department head

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 13

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 14

Which of the following best describes present value?

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 15

Which of the following statements is most accurate regarding pay grades/bands?

- A. They identify the actual compensation paid to each employee
- B. They include incentives that are paid out at certain times of the year
- C. They may overlap with minimums and maximums falling within adjoining grades
- D. They represent the difference between the midpoint and the maximum of a given salary grade

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 16

What best describes what forecasting helps the organization to do?

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

Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 17

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

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 18

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

- A. It is in the worst market position and has insufficient resources to continue operations.
- B. Its ability to generate profits is unknown.
- 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: ([SHOW ANSWER](#))

NEW QUESTION: 19

How do commissions typically differ from annual incentives for non-executive employees?

- A. They are offered to motivate employee performance.
- B. They tend to make up the larger portion of an employee's total compensation.
- C. They are based on a predetermined performance and reward schedule.
- D. They are intended to align the interests of the employee with those of the organization.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 20

Which of the following is a type of variable pay?

- A. Salary
- B. Hourly rate
- C. Piece rate
- D. Commissions

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 21

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

- A. Demonstrate broad understanding of principles of financial management and business expertise
- B. Partner with multiple departments and external consultants and vendors
- C. Possess a high level of education and competency in accounting principles
- D. Determine which programs are crucial to the enterprise and which programs are expendable

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 22

Which of the following is primarily focused on giving special attention to employee actions, efforts, behavior or performance?

- A. Benefits
- B. Recognition
- C. Compensation
- D. Career opportunities

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 23

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

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

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 24

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

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 25

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

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 26

What is a primary objective of profit-sharing and performance-sharing variable pay plans?

- A. To reward individual employees for some significant contribution
- B. To increase employee identification with the organization's success
- C. To achieve organizational cost savings through base pay reductions
- D. To defer compensation expenses to future reporting periods

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 27

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 28

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 29

What type of pay increase is given when an organization finds that its compensation program is behind competitive market rates?

- A. Merit
- B. Automatic
- C. General
- D. Cost of living

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 30

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

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 31

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

Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 32

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

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

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 33

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. The consensus of HR management and line management estimates
- C. The opinions of senior leaders in the organization
- D. A combination of organizational goals and budget realities

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 34

What best describes the primary purpose of budgeting?

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

Answer: ([SHOW ANSWER](#))

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