

CMA Candidate Series Presents:

The CMA Exam: Navigating Multiple Choice Questions

Amy Ford, CMA, CPA

Mary Patterson

Sarah Reith, CMA

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The Association of
Accountants and
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Q&A

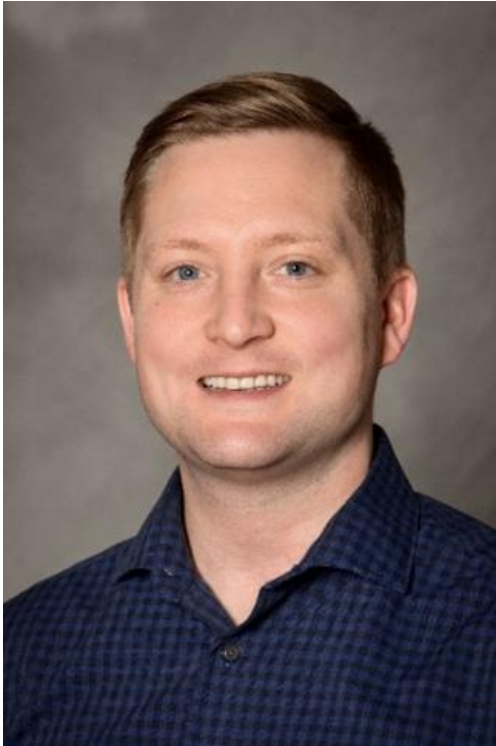
Asking Questions



?

Help

Moderator



Tyler Skelton
Academic Outreach Manager
IMA



Featured Presenter



Amy Ford, CMA, CPA
Senior Instructor
Western Illinois University



Amy Ford's Biography

- Amy Ford is an accounting instructor at Western Illinois University, where she teaches principles of financial and managerial accounting courses, advanced managerial accounting courses and accounting for managers in the MBA program. She is the faculty advisor for Western's student chapter of the IMA and was the 2011 IMA Ursel K. Albers Academic Mentor of the Year.
- Amy is a Certified Management Accountant (CMA) and won a 2011 Certificate of Distinguished Performance for earning one of the top overall scores on the CMA exam. Her work experience prior to teaching was at a public accounting firm.



Featured Presenter



Mary Patterson
Academic Outreach Manager
IMA

Mary Patterson's Biography

- Mary Patterson is an Academic Outreach Manager at IMA.
- She works with faculty and students in the eastern portion of the US.



Special Guest



Sarah Reith, CMA
Manager – Capital Markets & Investments
IBM Corporation

Sarah Reith's Biography

- Sarah Reith started at IBM shortly after graduating from Stony Brook University with a degree in Mathematics in 2009. During her 12 years in Accounting, she held various positions but most notably she was the lead for the Form 10 filing for IBM Credit, LLC and was the Project Manager leading the implementation of ASC 326.
- Since April of 2021 Sarah has joined the IBM Treasury organization, supporting the capitalization planning for Kyndryl, the spin-off company of IBM. She is currently a front office manager, responsible for capital markets and investments.



Learning Objectives

Upon completing this webinar, you will be able to:

1. Understand the content and topics that are tested on the CMA exam
2. Identify sections on the CMA exam for which you already have a good understanding
3. Explain how to proceed with your preparation plans to become a CMA



Agenda

- Welcome and Introduction
- The CMA designation
- Insights from a new CMA
- Test your knowledge with sample multiple choice questions
- Why should you pursue the CMA?
- How to become a CMA



What is the CMA?

- The CMA demonstrates a mastery of 12 core practice areas in management accounting
- CMAs bring strategic thinking, applied work experience, and the ability to convert data into dialogue



The CMA is a globally-recognized professional certification, not a license granted by a US state.



Polling Question 1

Do you plan to sit for the CMA exam within the next twelve months?

- a) Yes
- b) No



Polling Question 1 Results



What are CFOs looking for?







- CFOs need to raise the competency of their teams
- There exists a skills gap at all levels, including the business analytical level
- Planning and analysis capabilities are needed in organizations
- There is a challenge identifying “advanced” or high potential finance and accounting staff

CMA Exam Structure

Part 1: Financial Planning, Performance, and Analytics

-  External financial reporting decisions
-  Planning, budgeting, and forecasting
-  Performance management
-  Cost management
-  Internal controls
-  Technology and analytics

Part 2: Strategic Financial Management

-  Financial statement analysis
-  Corporate finance
-  Decision analysis
-  Risk management
-  Investment decisions
-  Professional ethics

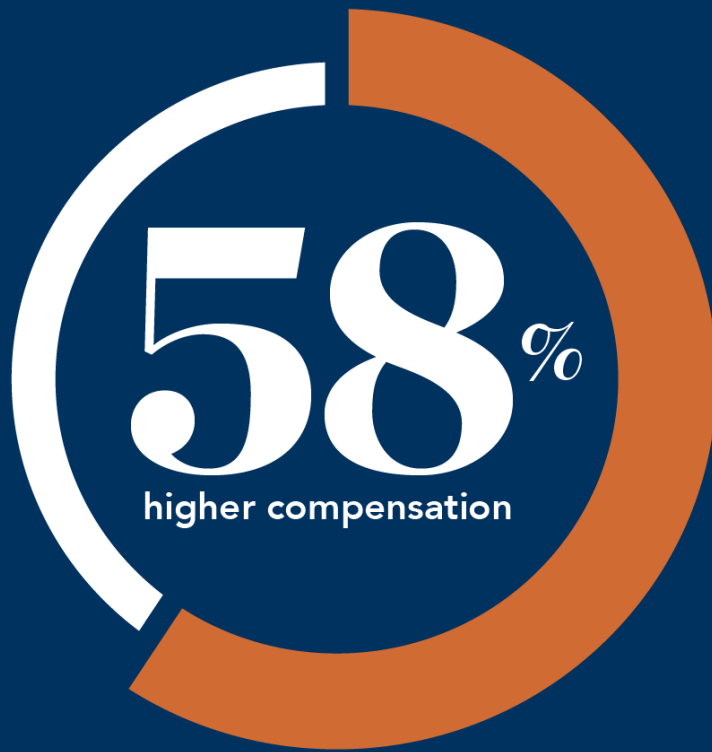
**Each exam part is four hours long:
100 multiple-choice questions, followed by two 30-minute essay scenarios.**

Why Pursue the CMA?

- CMA certification can expand your career opportunities
- Organizations of all types and sizes seek professionals with critical accounting and financial management skills
 - Multinational Corporations
 - Private Firms
 - Academic Institutions
 - Not-for-Profit Organizations
 - Government Organizations
- More than 100,000 CMA certifications awarded to date worldwide
- Enjoy greater earning power



The Difference is in the Numbers



Globally, the median total compensation is 58% higher for CMAs over non-CMAs.*

*IMA's 2021 Global Salary Survey



Praise for the CMA



“Financial analysis and decision support are central to management accounting practice, and the CMA focuses on these areas.”

–**David Burritt, CMA**
U.S. Steel
President and CEO



“Thanks to the CMA, I'm truly understanding what my clients need on a day-to-day basis.

–**Ashley Gibson, CMA, CSCA, CPA**
Accenture
Digital Finance Senior Manager



“For a large multinational company like J&J, the CMA provides a breadth of subjects that prove, once you’ve gotten the certification, that you’re both knowledgeable and competent.”

–**Christian Cuzick, CMA**
Johnson & Johnson Vision
VP and CFO



Insights from a Recent CMA



Sarah Reith, CMA
Manager – Capital Markets & Investments
IBM Corporation

Sample Multiple Choice Questions

How much do you *already* know
about the CMA exam topics?



Sample Multiple Choice Questions

The exam is academic in nature and you have studied many of the exam topics before.

Many of you are using knowledge of this material every day on the job.

YES, YOU CAN PASS THE CMA EXAM!



Sample Multiple Choice Questions

PASS = Score of 360 or higher

Passing is a minimum of 360 out of 500
total possible points
on a scaled scoring system



Sample Multiple Choice Questions

Let's see how well you would do on
some **conceptual*** questions

* The actual exam contains conceptual questions as well as computations in the multiple-choice portion of the exam.

Source: Retired CMA exam questions,
adapted Gleim CMA Review



Sample Multiple Choice Questions

- A good rule of thumb to finish the exam and have time to review challenging questions is to average about 1.5 minutes on each multiple choice question.

MCQs Poll 1

Part 1: External Financial Reporting Decisions

A corporation acquires a 30% voting interest in another corporation. In this situation, the long-term investment is generally accounted for on the investor corporation's books using which of the following reporting methods?

- A. Lower-of-cost-or-market
- B. Cost
- C. Consolidated
- D. Equity



MCQs Poll 1 Results



MCQs Poll 2

Part 1: Performance Management

A favorable materials price variance coupled with an unfavorable materials usage variance most likely results from

- A. Machine efficiency problems.
- B. Product mix production changes.
- C. The purchase and use of higher-than-standard quality materials.
- D. The purchase of lower-than-standard quality materials.

MCQs Poll 2 Results



MCQs Poll 3

Part 1: Cost Management

Allocation of service department costs to the production departments is necessary to

- A. Control costs.
- B. Coordinate production activity.
- C. Determine overhead rates.
- D. Maximize efficiency.



MCQs Poll 3 Results



MCQs Poll 4

Part 1: Internal Controls

The primary responsibility for establishing and maintaining internal control rests with

- A. The external auditor.
- B. Management.
- C. The controller.
- D. The treasurer.



MCQs Poll 4 Results



MCQs Poll 5

Part 2: Corporate Finance

Which one of a firm's sources of new capital usually has the lowest after-tax cost?

- A. Retained earnings
- B. Bonds
- C. Preferred stock
- D. Common stock



MCQs Poll 5 Results



MCQs Poll 6

Part 2: Decision Analysis

In a make-versus-buy decision, the relevant costs include variable manufacturing costs as well as

- A. Factory management costs.
- B. General office costs.
- C. Avoidable fixed costs.
- D. Depreciation costs.



MCQs Poll 6 Results



MCQs Poll 7

Part 2: Investment Decisions

The capital budgeting model that is generally considered the **best** model for long-range decision making is the

- A. Payback model.
- B. Accounting rate of return model.
- C. Unadjusted rate of return model.
- D. Discounted cash flow model.



MCQs Poll 7 Results



Sample Multiple Choice Questions

How many did you answer correctly?

You CAN Pass the CMA Exam!



Program Requirements



Completion of two exams



Bachelor's degree from an accredited college or university (in any major)



Two years of relevant work experience



Active membership in IMA

Exam Testing



Exam is administered at hundreds of computer testing facilities worldwide



Three exam testing windows offered each year:

- January and February
- May and June
- September and October



Candidates schedule exams at their own pace:

- Part 1 and Part 2 can be taken in any order
- On average, candidates complete the program within 12-18 months

How to Get Started

- 1) Hold Membership in IMA
 - \$230 per year + \$15 one-time fee
- 2) Pay the CMA Exam Entrance Fee
 - \$250 one-time fee
- 3) Register to sit for an exam part
 - \$415 per part



Contact IMA Customer Service with any questions
1-800-638-4427 or ima@imanet.org

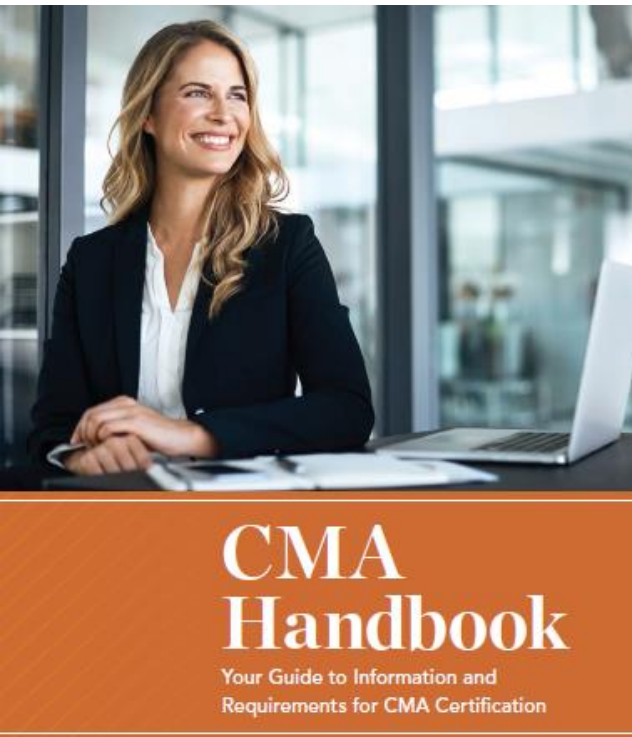


Preparing for the Exam

- Make a personal commitment to become a CMA
- Sharpen your knowledge of exam topics
- Maintain or improve your test-taking skills
- The CMA exam is very rigorous. Amount of study time varies by individual, but these guidelines are provided by IMA for the average candidate:
 - Part 1: ~ 150 hours
 - Part 2: ~ 150 hours
- Select a study program
 - See IMA website for details on CMA preparation programs



CMA Handbook



IMA's Certification for
Accountants and
Financial Professionals
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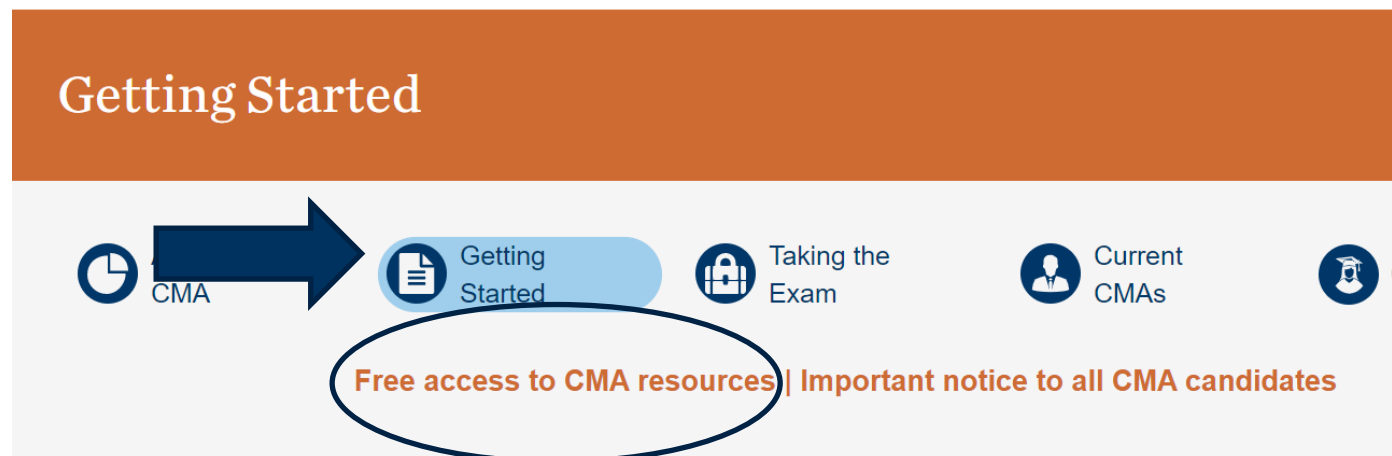
- An important resource for CMA candidates is the CMA Handbook
- Find this on the IMA website:
www.imanet.org → CMA Certification → Getting Started

CMA Resources Webpage

- Access to Free CMA Resources
- Go to IMA website:

www.imanet.org → CMA Certification → Getting Started

Click on [Free Access to CMA resources](#)



Videos from Prometric Testing Centers

- Helpful videos
- Go to IMA website:

www.imanet.org → CMA Certification → Taking the Exam (scroll down)
Click on [What to Expect on Exam Day](#) and [Demo](#) links

Things you should know before you take the exam:

- Take Part 1 and Part 2 in any order
- For exam details and policies, please see [The CMA Handbook](#).
- Testing windows are offered in January/February, May/June, and September/October
- Check out these videos on [what to expect on exam day](#) and to see a [demo](#) of the actual test-taking experience.

- Each exam registration is valid for only one exam window
- Secure facilities with computerized exams and biometric scanners (fingers) protect the validity of the exam
- Students may take the exam before graduating
[View Exam FAQ's](#)

[REGISTER FOR AN EXAM](#)



**Best of luck
to you
on the
CMA Exam!**



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Questions & Answers

Use the Q & A Panel to send your questions to our panelists.



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