

# The CMA Exam: Navigating Multiple Choice Questions

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October 24, 2023



The Association of  
Accountants and  
Financial Professionals  
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# Featured Presenters



**Tyler Skelton**  
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Senior Instructor  
Western Illinois University



**Amy Lea DeBoer, CMA**  
Senior Director, Accounting &  
Financial Reporting  
BD

# Learning Objectives

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

1. Welcome and Introduction
2. The CMA designation
3. Insights from a new CMA
4. Test your knowledge with sample multiple choice questions
5. Why should you pursue the CMA?



# Why Should You Become a CMA?

- The CMA is a relevant and rigorous professional certification exam
- Confirms that an individual has a mastery of the critical skills and knowledge in planning, analysis, control and decision support
- IMA's Salary Surveys continue to show that CMA-certified individuals earn more than their non-certified peers

# 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 or specific country.**

## Poll Question 1:

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

- a. Yes
- b. No
- c. I'm not sure

# Poll Question 1 Results: (Placeholder)

# 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?

1. CMA certification can expand your career opportunities
2. 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
3. More than 100,000 CMA certifications awarded to date worldwide
4. 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

**Amy Lea DeBoer, CMA**

**Senior Director, Accounting & Financial  
Reporting**

**BD**



# 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

# 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
  - \$295 per year
- 2) Pay the CMA Exam Entrance Fee
  - \$300 one-time fee
- 3) Register to sit for an exam part
  - \$495 per part



Contact IMA Customer Service with any questions  
1-800-638-4427 or [ima@imanet.org](mailto: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: ~ 100 - 150 hours
  - Part 2: ~ 100 - 150 hours
- Select a study program
  - See IMA website for details on CMA preparation programs

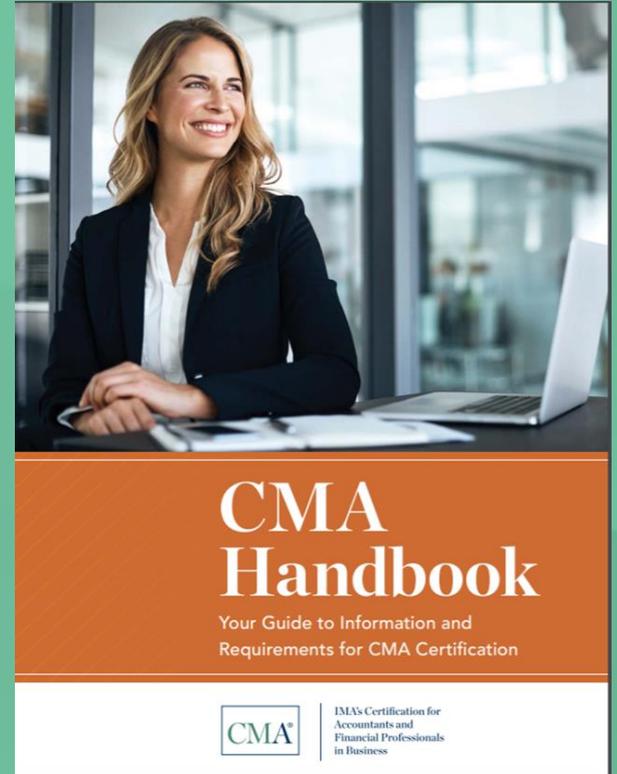
# CMA Handbook

- An important resource for CMA candidates is the **CMA Handbook**
- Find it on the IMA website

**[www.imanet.org](http://www.imanet.org)**

→ Certifications and look under CMA

→ Prepare for the CMA



Best of luck  
to you  
on the  
CMA Exam!



# Questions & Answers



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# Thank you!

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