

The CMA Exam: Navigating Multiple Choice Questions

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Featured Presenters



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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

Preparing for the Exam

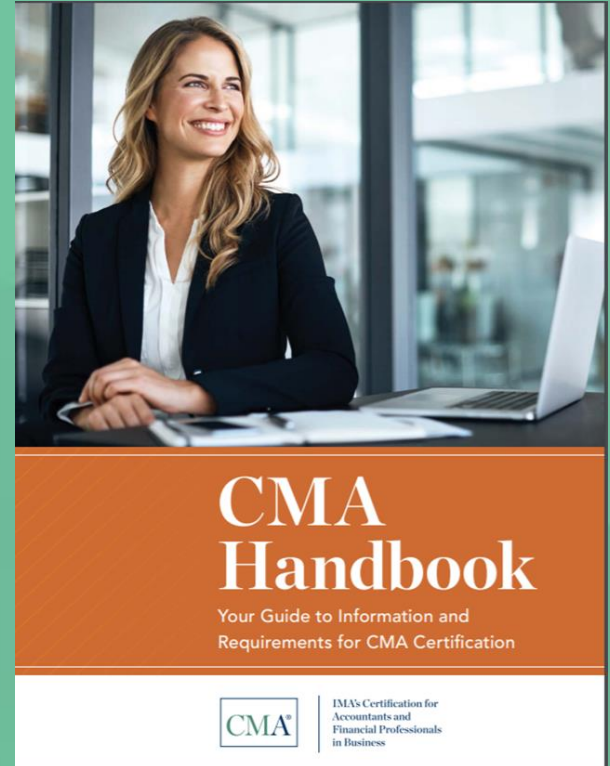
- Make a personal commitment to become a CMA
- Sharpen your knowledge of exam topics
- Maintain or improve your test-taking skills
- The CMA exam is very rigorous. Amount of study time varies by individual, but these guidelines are provided by IMA for the average candidate:
 - Part 1: ~ 100 - 150 hours
 - 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

- ➔ 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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