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# Management Accounting Skills & Knowledge Test Report

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Date: 29/10/2015

**Time taken: 22:41**

Started on: 29/10/2015 20:35

Ended on: 29/10/2015 20:58

### **Introduction**

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The Management Accounting Test is designed for candidates who are Management Accountants and are likely to be members of a professional accounting body (e.g. CPA, ICAEW, CIMA, CAANZ etc).

### **Waiver & Limitations**

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Accountests reports are an indicator of Accounting and Bookkeeping knowledge and skills only. These tools work at their best in conjunction with competency based interview questions to both the candidate and their referees, personality profiles, and ability tests to reach a strong decision on whether to appoint the candidate into a role. Because successful candidate selection is based on personality and ability as well as skills and knowledge, Accountests Ltd accepts no responsibility for selection or other decisions made using this tool and cannot be held liable for the consequences of doing so.

### **Unsupervised Test Scores**

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All online screening tests provide an estimate of the candidate's abilities, knowledge and skills. However, they do so on the assumption that the tests were completed unassisted and under standard conditions. These conditions cannot be assured if these tests have been completed unsupervised.

For a more reliable assessment, it is recommended that if this screening test was completed unsupervised, it is followed up by supervised test at a later stage in the selection process.

### **Context**

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This report is generated from the candidate's responses to 40 questions covering Budgeting and Cashflow Forecasting, Organisation Financial Health, Decision Making Support and Capital Budgeting. Questions are also divided into Basic, Intermediate and Advanced categories to test the extent of each candidate's skills and knowledge.

### **Norm Group**

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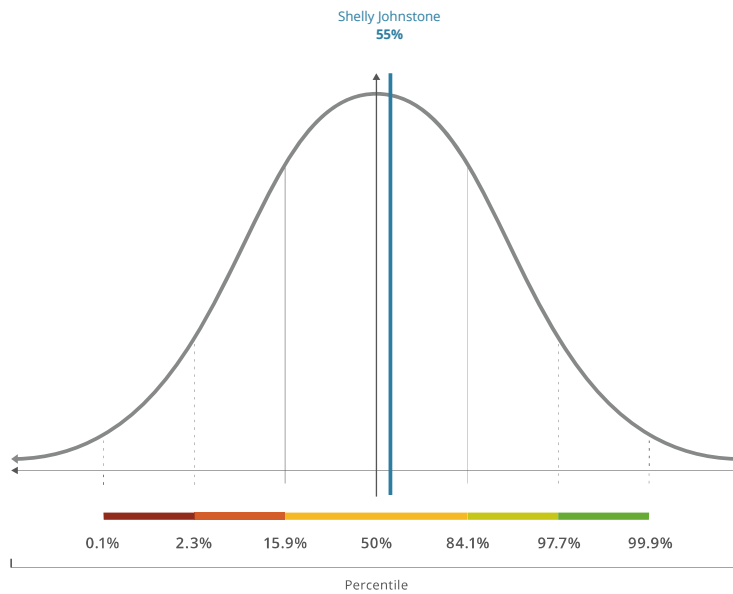
The report also compares a candidate's performance in this test against a norm group of other International Management Accountants to provide an estimate of skills and knowledge in comparison with their peers.

### **Content**

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1. Overall test score compared to International Management Accountants Norm Group
2. Overall test score as Questions Correct, Incorrect and Omitted
3. Test performance in Basic, Intermediate and Advanced Questions
4. Test performance in Costing Theory, Variances, Practical Situations and Accounting
5. Performance in each of the 40 Questions
6. Interpreting test scores

**Comparative Performance**



(likely discrepancies in percentage may be observed due to number rounding off of decimal places)

When compared to the existing norm group, Shelly Johnstone scored in the 55<sup>th</sup> percentile on this test, suggesting that she would achieve a greater than or equal score to 55 in 100 Management Accountants.

Whilst percentile scores give a valuable indication of a candidate's score in relation to their peers, using this test in making a strong decision on whether to recruit or promote the candidate requires a deeper analysis of the candidates score in elements of accounting most applicable to the job. The following pages provide that depth of analysis.

**Score Summary**

40 Questions (100%)

21 Correct (53%)

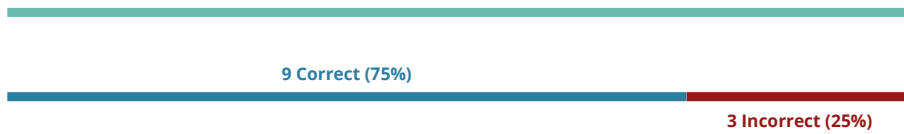
19 Incorrect (48%)

**Analysis By Difficulty**

**Basic**

Performance in Basic questions covering Budgeting and Cashflow Forecasting, Organisation Financial Health, Decision Making Support and Capital Budgeting. Management Accountants at any level...

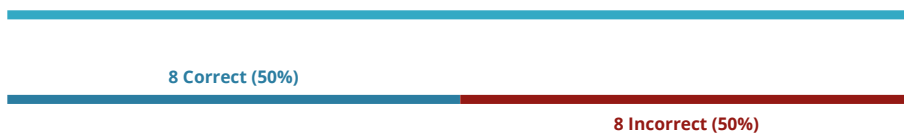
12 Questions (100%)



**Intermediate**

Performance at the level expected of competent mid tier Management Accountants.

16 Questions (100%)



**Advanced**

Performance above the level expected of most Management Accountants, or at the level of senior and experienced Management Accountants.

12 Questions (100%)



**Management Accountant test – Areas within this test cover:**

**Budgeting & Forecasting**

Budgeting and Cashflow Forecasting. Budgeting and cash flow forecasting preparation and reporting including variances

**10 Questions (100%)**

**5 Correct (50%)**

**5 Incorrect (50%)**

**Financial Health**

Organisation Financial Health Analysis of management accounts including ratios

**10 Questions (100%)**

**7 Correct (70%)**

**3 Incorrect (30%)**

**Decision Support**

Decision Making Support. Using analysis and accounting knowledge to assist an organisation to make operating decisions

**10 Questions (100%)**

**5 Correct (50%)**

**5 Incorrect (50%)**

**Capital Budgeting**

Capital Budgeting. Analysis to support decisions on capital projects

**10 Questions (100%)**

**4 Correct (40%)**

**6 Incorrect (60%)**

**Performance in each of the individual questions**

1	Budgeting	Budgeting & Forecasting	Basic	✓
2	Variance terminology	Budgeting & Forecasting	Basic	✗
3	Cash forecasting	Budgeting & Forecasting	Basic	✓
4	Cashflow methods	Budgeting & Forecasting	Int	✓
5	Cash forecasting	Budgeting & Forecasting	Int	✗
6	Variance investigation	Budgeting & Forecasting	Int	✓
7	Variance reporting	Budgeting & Forecasting	Int	✗
8	Working capital	Budgeting & Forecasting	Adv	✗
9	Cashflow forecasting	Budgeting & Forecasting	Adv	✓
10	Types of budgets	Budgeting & Forecasting	Adv	✗
11	Debtor collection periods	Financial Health	Basic	✓
12	Analysis of management accounts	Financial Health	Basic	✓
13	Balance sheet analysis	Financial Health	Basic	✓
14	Return on investment	Financial Health	Int	✓
15	Interest cover ratio	Financial Health	Int	✗
16	Inventory management	Financial Health	Int	✓
17	Divisional margins	Financial Health	Int	✗
18	Working capital	Financial Health	Adv	✓
19	Value of new projects	Financial Health	Adv	✓
20	Return on investment	Financial Health	Adv	✗

Basic
 Basic
 Int
 Intermediate
 Adv
 Advanced

✓ Correct
 ✗ Incorrect
 ○ Omitted

21	Fixed and variable costs	Decision Support	Basic	✓
22	Inventory turnover	Decision Support	Basic	✓
23	Finance vs operating leases	Decision Support	Basic	✗
24	Inventory valuation	Decision Support	Int	✗
25	Asset leasing decisions	Decision Support	Int	✓
26	Outsourcing	Decision Support	Int	✗
27	Bottlenecks	Decision Support	Int	✓
28	Outsourcing	Decision Support	Adv	✗
29	Option pricing	Decision Support	Adv	✓
30	Cost capitalisation	Decision Support	Adv	✗
31	By-Product costing	Capital Budgeting	Basic	✗
32	Depreciation	Capital Budgeting	Basic	✓
33	Business value	Capital Budgeting	Basic	✓
34	Project funding analysis	Capital Budgeting	Int	✗
35	NPV analysis	Capital Budgeting	Int	✓
36	Internal rate of return	Capital Budgeting	Int	✓
37	Depreciation start date	Capital Budgeting	Int	✗
38	Project costing analysis	Capital Budgeting	Adv	✗
39	Business value	Capital Budgeting	Adv	✗
40	Business value	Capital Budgeting	Adv	✗

Basic
 Basic
 Int
 Intermediate
 Adv
 Advanced

✓ Correct
 ✗ Incorrect
 ○ Omitted

### Interpreting Test Scores

The following information provides a guide on how to interpret the results of a candidate test.

#### Percentile Scores

Percentile scores measure your candidate against a norm group of other Management Accountants worldwide.

Percentile Scores rank your candidate against the norm group of other Management Accountants. For example, if your candidate achieves a 65th Percentile Score, then you can expect them to achieve a higher score than 64 in 100 Management Accountants. A 20th Percentile Score would suggest they would achieve a higher score than 19 in 100 Management Accountants.

The higher the percentile score achieved by your candidate, the better they have performed against that norm group.

Some high volume recruiters will decide that all new recruits must be at least as skilled and knowledgeable as most of the norm group and will set a benchmark of 50th Percentile. All candidates scoring below this benchmark are rejected. Employers with smaller numbers of candidates, or the time to thoroughly assess each candidate, tend to analyse pages 4 to 7 of this report to determine whether each candidate exceeds the knowledge benchmark for selection into their vacant position, falls substantially short of that benchmark to the extent that they should be rejected, or has clearly identified current shortfalls that need to be addressed as a priority during the induction and on-boarding process.

#### Overall Scores

An overview of test performance provides a summary of on how many questions your candidate completed in the allocated time of 30 minutes, in terms of how many questions they got correct, incorrect and the number of questions omitted.

You can use this information to identify candidates with lower percentile scores, but high degrees of accuracy, suggesting they worked slowly but accurately in the test, which may keep them in the selection process.

### Omitted Questions

Attention should be paid to the number of questions omitted. Because the test is timed, questions are omitted where a candidate chooses to skip a question and also where they run out of time.

To determine whether your candidate ran out of time, look at the cover page to see the time they took to complete the test. If the time is 30:00, then the candidate was still working on the test when their time expired.

### Basic, Intermediate & Difficult Questions

This page lists the number of questions categorised as Basic, Intermediate and Advanced across the 40 questions of the test, with your candidates performance in each category.

This can provide value in determining the skill and knowledge levels your candidate possesses now against the skill level required to perform the job they have applied for.

### Management Accounting Areas

For each of the four Topics in this test, you can see the number of questions the candidate answered correctly, incorrectly and questions omitted.

Hiring managers only interested in one or two topics can concentrate on a candidate's performance in topics essential to success in the role.

### Individual Questions

The most detailed level of the report lists all 40 questions topics, whether they were answered correctly, incorrectly or omitted, allowing selection panels to drill down to explore particular elements of accounting most important to their organisation, and their candidates performance against those questions.