

# Certified Management Accountant Practice Test Questions and Answers

## 1. In the CAPM, beta represents:

- A) The total risk (systematic + unsystematic) of a stock
- B) The stock's systematic risk relative to the overall market
- C) The firm-specific unsystematic risk that can be diversified away
- D) The annual dividend yield of the stock

## 2. Financial leverage amplifies:

- A) Only positive returns to equity holders when performance is good
- B) Only negative returns to equity holders when performance is poor
- C) Both positive and negative returns to equity holders
- D) The tax benefits of debt financing regardless of performance

## 3. The current ratio is calculated as:

- A) Current assets divided by total assets
- B) Current assets divided by current liabilities
- C) Cash plus receivables divided by current liabilities
- D) Total liabilities divided by current assets

## 4. What doesn't a balance sheet include?

- A) Patents
- B) Deposits
- C) Accrued expenses
- D) Taxes paid

**Answers: 1-B 2-C 3-B 4-D**

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