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## **Appendix A:**

### **Survey Questionnaire**

A. Production and Cost System Details. This section of the survey asks you to classify the type of production and cost system used in your plant. Please indicate the most appropriate box.

1. What is the main production method used in your plant?

small	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	continuous
customised								process

large batch

2. Are cost accounting practices (cost allocations, pricing, etc) in your plant essentially identical for all product units? Indicate whether:

identical for	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	significantly different
all line units								for all line units

3. Which practice of overhead allocation is utilised by your cost accounting system? Please read the descriptions below and classify your plant's cost system type on the continuum.

a) Volume Based cost system: Volume Based overhead cost allocation methods assume that individual products cause costs and therefore make the individual products the focus of the cost system. These systems use cost driver(s) that are attributes of the product item, such as direct labour hours, machine hours, or material cost. Typically, Volume Based systems collect costs in cost pools of similar cost type and then attribute those costs to products using product attributes like the ones mentioned above (direct labour hours, etc).

b) Activity Based cost system: an Activity Based system collects overhead costs into many separate cost pools. These cost pools represent activities like setups, number of inspections etc., rather than being defined as departments or work centres. In a second stage these costs are assigned to jobs and products according to the number of these activities required to complete the job or product.

volume based	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	activity based
system								system

4. How satisfied are you with the way your current cost system allocates overhead costs to products?

satisfied, no	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	dissatisfied, major
improvements								improvements
needed								needed

B. This section of the survey is asking you to judge the importance of the activities below to the success of your (main) plant. For every activity below please mark one box on the interval scale which best represents your judgement.

**Important activities for the success of my plant are:**

1. Deciding upon recommended selling prices for products:

relatively								extremely
unimportant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	important

2. Undertaking product profitability analysis:

relatively								extremely
unimportant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	important

3. Undertaking customer profitability analysis:

relatively								extremely
unimportant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	important

4. Determining whether required products and/or components be outsourced (contracted out):

relatively								extremely
unimportant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	important

5. Determining whether a currently produced product should be discontinued:  
 relatively unimportant        extremely important
6. Determining whether a potential product should be produced:  
 relatively unimportant        extremely important
7. Determining the source of actual production costs:  
 relatively unimportant        extremely important
8. Controlling production costs:  
 relatively unimportant        extremely important
9. Deciding upon objectives/goals/plans:  
 relatively unimportant        extremely important
10. Deciding upon major capital expenditures:  
 relatively unimportant        extremely important

C. This section of the survey is asking you to judge for your (main) production plant:

- a) the **actual current use** of your Management Accounting System (MAS) with regard to each activity below. (How much **use** is made of the MAS in current decision making with respect to the activity?);
- b) the **potential use** of the current MAS in assisting with each of the activities listed below. (How much **use could** be made of the current MAS for decision making?).

For every activity below please mark one box on the interval scale to indicate the choice which best represents your judgement. It is possible that your assessments on the scale for (a) Actual; and (b) Potential; will be dissimilar. This may result if current data and information from your MAS is not actually being used to the extent that it could be used in supporting the activities listed below.

**How much use is made of the current MAS, (a) actual use (b) potential use for:**

1. Deciding upon recommended selling prices for products:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

2. Undertaking product profitability analysis:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive



3. Undertaking customer profitability analysis:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

4. Determining whether required products and/or components be outsourced (contracted out):

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

5. Determining whether a currently produced product should be discontinued:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

6. Determining whether a potential product should be produced:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

7. Determining the source of actual production costs:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

8. Controlling production costs:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

9. Deciding upon objectives/goals/plans:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

10. Deciding upon major capital expenditures:

(a) <i>Actual:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive
(b) <i>Potential:</i>	none	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	very extensive

**D. Contextual factors in your Plant's Production Environment.**

[Competitiveness can be described as the risk and uncertainty of competitors actions.] For every item please mark the one box on the interval scale that indicates the choice which best represents your judgement. Mark the alternative box 'no opinion' if you have no opinion, do not know the answer to the question or it is irrelevant to your plant.

1. How competitive (eg discounts, additional warranties, special incentives) is finished product price competition in your industry:  
very low         very high |  no opinion
2. How competitive (eg price variation) is bidding for purchases or resources in your industry:  
very low         very high |  no opinion
3. How competitive is the market to attract and retain labour skills in your industry:  
very low         very high |  no opinion
4. How competitive do you classify the market activities (eg new products, product variations) of your competitors:  
very low         very high |  no opinion
5. How competitive do you classify your competitors' efforts to attract and retain profitable customers:  
very low         very high |  no opinion
6. Production time differences between the maximum and minimum lead times for your products are:  
very low         very high |  no opinion
7. The number of separate operations or processes in your production system is:  
very low         very high |  no opinion
8. The extent of problems with machine reliability (eg errors and breakdowns) for your plant's products is:  
very low         very high |  no opinion
9. The proportion of external outsourcing operations compared to resource usage is:  
very low         very high |  no opinion
10. The number of support functions (eg set-ups, retooling) for your plant's products is:  
very low         very high |  no opinion
11. The variation in production volumes for your products is:  
very low         very high |  no opinion
12. The number of inputs in your products is:  
very low         very high |  no opinion

## **Appendix B:**

### **Sample Data**



UNIVERSITY OF WESTERN SYDNEY

Macarthur

Faculty of Business & Technology

18 October, 1996

**RE: Survey of Financial Managers regarding your Management Accounting System [MAS].**

Dear Financial Manager

The enclosed questionnaire has been sent to randomly selected manufacturing companies to determine the use manufacturing companies make of their Management Accounting Systems [MAS] at plant level.

To date there is very little data in Australia that examines cost system use at the plant level. Your answers are, therefore, important in order for university lecturers to understand what is important to you about cost accounting systems. Your completion of the survey will assist in providing relevant and improved accounting education and training to people who may soon be working for you. The questionnaire will take under 15 minutes to answer.

The questions ask for your judgement on some activities and how they are important to the success of your manufacturing plant. You are also asked to judge the actual and potential use of your current MAS for decision making at your main plant. You do not need to search your records or require any technical details to answer these questions. Your answers are on a 7 point interval scale.

No answers will be examined individually in the analysis. Anonymity concerning your data is guaranteed and there is nothing that would identify your organisation. Your participation is invaluable and greatly appreciated. As a participating firm you may choose to receive a summary of the total survey results. If you do choose this option by filling in the accompanying form, I will send back your completed questionnaire so that you can compare your responses to the summary result.

Simply return your questionnaire when complete in the accompanying reply paid envelope.

Thank you in advance for your help. If you would like my assistance in completing the survey please contact me by any of the means provided below.

Yours sincerely

Michael Wilson

Lecturer Department of Accounting

Phone: (046) 20 3465; Facsimile: (046) 26 6683; e-mail: [mi.wilson@uws.edu.au](mailto:mi.wilson@uws.edu.au)

Dean of Faculty: Associate Professor Roger D. Alexander, BSc(Hons), PhD, MRACI, CChem.

University of Western Sydney, Macarthur, P.O. Box 555, Campbelltown, NSW 2560, Australia.  
Goldsmith Aveue, Campbelltown. Telephone: (046) 20 3100. Fax: (046) 26 6683.



