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**Vendor:**WorldatWork

**Exam Code:**C8

**Exam Name:**Business Acumen for Compensation  
Professional

**Version:**Demo

### QUESTION 1

What best describes a benefit of business acumen with regard to career development?

- A. The ability to display confidence and decisiveness that will inspire others and make you a better leader
- B. A greater likelihood of promotion, especially when you are competing with individuals with more experience
- C. Increased marketability, which will lead to qualification for opportunities outside of human resources
- D. It is critical to your career development and a deficiency is very likely to hinder career advancement and success.

Correct Answer: A

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### QUESTION 2

What information is found on the balance sheet?

- A. A list of what is owned, what is owed and the equity of an entity
- B. The revenues and expenses incurred by an entity over a period of time
- C. The change during the reporting period in cash and cash equivalents
- D. The profitability of the company as of a specific date

Correct Answer: A

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### QUESTION 3

What is a "profit model?"

- A. The intention or purpose of the business
- B. A descriptor for how the company works
- C. The financial objectives of the organization
- D. The plan for how the organization generates revenue and makes money

Correct Answer: D

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### QUESTION 4

The Alpha company ships an order to a customer on March 1st and invoices the customer for the product with the shipment, with payment terms of net 30 days. The customer's payment is received on April 5th. The payment clears the bank and shows on Alpha's account on April 8th. If Alpha is using accrual accounting, when does it record the revenue for this sale?

- A. March 1st
- B. March 31st
- C. April 5th
- D. April 8th

Correct Answer: A

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#### **QUESTION 5**

What is the most accurate definition of organizational vision?

- A. A description of who the organization is, where it is headed and what it wants for the future
- B. A written explanation of the intention or purpose of the organization and why it is in business
- C. A statement of what kind of organization it wants to be and the guiding principles and/or beliefs shared by stakeholders
- D. A detailed account of the organization's goals, directions to achieve them and how it will compete

Correct Answer: A

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#### **QUESTION 6**

Regarding compensation communications with executives, where do they tend to need the greatest level of understanding?

- A. In the methods and processes used to make pay decisions
- B. In the details of their individual compensation packages
- C. In the overall program objectives
- D. In the differences in pay levels for the different levels of the organization

Correct Answer: C

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#### **QUESTION 7**

What is the term for the skills, technologies, applications and practices of continuous iterative exploration and investigation of past business performance used to gain insight and drive business planning?

- A. Business forecasting
- B. Business analytics
- C. Predictive modeling

D. Statistical analysis

Correct Answer: B

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**QUESTION 8**

Internal process metrics are most useful in which of the following situations?

- A. Assessing how well the business is running
- B. Determining employee satisfaction levels
- C. Measuring the financial success of the business
- D. Evaluating customer perceptions of products or services

Correct Answer: A

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**QUESTION 9**

How do quarterly reports most commonly compare to the annual report?

- A. The cumulative information on the four quarterly reports adds up to the information on the annual report.
- B. The quarterly reports are more detailed. The annual report provides similar data in summary form.
- C. The annual report is required and the quarterly reports, while commonly used, are optional.
- D. The quarterly reports are not as detailed as annual reports, and might not match due to changing accounting estimates over the year.

Correct Answer: D

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**QUESTION 10**

Regarding fixed and variable costs, what are Finance's primary concerns?

- A. Fixed costs must be kept to a minimum, but variable costs can fluctuate since they tend to correlate with revenue.
- B. Variable costs often have a heavier focus than fixed costs, which applies to all areas, including compensation.
- C. Fixed costs and variable costs are equally important and both should be kept to a minimum.
- D. Fixed costs are not a concern because they cannot be changed, so the focus is primarily on variable costs.

Correct Answer: B

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**QUESTION 11**

Which of the following best describes the guiding principles and/or beliefs shared by stakeholders in an organization?

- A. Mission
- B. Vision
- C. Values
- D. Strategy

Correct Answer: C

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#### **QUESTION 12**

What choices are most commonly faced by companies in the decline phase of the business lifecycle?

- A. Whether to improve productivity, obtain new operating capital or generate new sales growth
- B. Whether to reinvest in existing products, create new products or maximize profits with current products as long as possible
- C. Whether to acquire competitors with greater market share or merge with more successful companies
- D. Whether to increase sales, maximize distribution capacity or increase efficiency to meet growing demand

Correct Answer: B