

**Department of Accounting  
College of Commerce  
National Chengchi University**

**Ph.D. Qualifying Exam- Managerial Accounting  
October 16, 2006**

**PART 2**

1. Please discuss the effect of long-term capacity investment on the decisions of product costing and pricing by comparing *the model* in Banker and Hughes (1994) with *the model* in Banker et al. (2002). What is the main implication of the such effect ? (25%)  
\*Banker, R.D. and I. Hwang, B.K. Mishra, Product costing and pricing under long-term capacity commitment, *Journal of Management Accounting Research*. Sarasota: 2002. Vol. 14; p. 79 (19 pages)  
Banker, Rajiv D, and John S. Hughes, Product costing and pricing, *The Accounting Review*. Jul 1994. Vol. 69, Iss. 3; p. 479 (16 pages)
  
2. Many firms use accounting measures as a major part of performance evaluation. The challenge work is how to use the suitable set of accounting measures to motivate managers to accomplish the goal of company in the long run. Please establish a model and analyze the work in the model to explain that the use of financial and nonfinancial performance measure can avoid the manager's myopia behaviors. (25%)