

Department of Accounting
College of Commerce
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Ph.D. Qualifying Exam- Managerial Accounting
March 27, 2008

PART 2

1. In professional era, interdependence may arise from the competitive or complementary nature of the demand for the products and services across company divisions. Assume there are two interdependent divisions of a company. Please express the impact of the presence of interdependence on the interrelation of performance measures and the incentive scheme for interdependent divisions. **(10%)**

2. After reading the following paper, please develop a related research from a motive of these three papers.

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; 79-97.

Gox, R. F. Capacity planning and pricing under uncertainty. *Journal of Management Accounting Research*, 2002, Vol.14: 59-78.

Arya, Anil; Mittendorf, Brian, Interacting Supply Chain Distortions: The Pricing of Internal Transfers and External Procurement. *Accounting Review*, May2007, Vol. 82 Issue 3, p551-580

Requirements: **(20%)**

(1) Explore your research questions.

(2) Develop your model from research questions and analyze the model.

3. Please explain the following terms and offer some examples for exploring these concepts used in management accounting research. **(20%)**

(i) Signalling

(ii) Controllability principle

(iii) Incentive compatibility constraint

(iv) Adverse selection