

## ***PREREQUISIT TEST***

Which of the following statements is true?

- a. Management accounting information is flexible.
- b. . Financial accounting information is private.
- c. Financial accounting information can be highly diverse and detailed.
- d. Management accounting information is highly aggregated.

Which of the following statements correctly reflects a step cost?

- (a) The total cost increases in steps as the level of inflation increases.
- (b) The cost per unit increases in steps as the level of inflation increases.
- (c) The cost per unit increases in steps as the level of activity increases.
- (d) The total cost increases in steps as the level of activity increases.