

# DUMPS ARENA

## Business Acumen for Compensation Professionals

WorldatWork C8

Version Demo

Total Demo Questions: 10

Total Premium Questions: 78

Buy Premium PDF

<https://dumpsarena.com>

[sales@dumpsarena.com](mailto:sales@dumpsarena.com)

dumpsarena.com

**QUESTION NO: 1**

Which of the following best describes present value?

- A. The current value of holdings
- B. The current value of holdings and how much it will grow over time at a given rate of return
- C. The desired value in the future and what needs to be invested today to realize that amount
- D. The difference between the desired value in the future and the current value as a percentage of the desired value

**ANSWER: C**

**QUESTION NO: 2**

What most accurately describes a reason why organizations use financial reports?

- A. To differentiate company financial data from industry competitors to prevent loss of proprietary information
- B. To provide subjective information to key constituents that reflects the company's performance in the most favorable manner depending on stakeholder priorities
- C. To create a historical record of financial performance and identify trends that may justify changes in strategy
- D. To promote consistency of communication regarding company performance and value

**ANSWER: D**

**QUESTION NO: 3**

Regarding key competencies for financial management, HR management and resource management, what sets top performers apart?

- A. The level of formal education in each area
- B. The ability to prioritize which is most critical in any given situation and allocate time and resources accordingly
- C. The ability to tie them together, distill key messages and make impactful decisions
- D. Effective interpersonal and communication skills that can overshadow minor deficiencies in any one area

**ANSWER: C**

**QUESTION NO: 4**

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  
The change during the reporting period in cash and cash equivalents
- C. The profitability of the company as of a specific date

**ANSWER: A**

**QUESTION NO: 5**

What is the primary reason why a compensation professional working for a multinational company should understand regulatory requirements and application of rewards globally?

- A. Because legal compliance with compensation-related regulations is the responsibility of the compensation department
- B. Because the compensation professional has a fiduciary responsibility to ensure that the financial resources of their organization are spent in a prudent manner
- C. Because it is possible to pay significantly less for talent in different countries and compensation should advise management on when and where to locate various jobs within the company
- D. They shouldn't. Due to the complexities of global regulations and practices, compensation administration outside of the home country should be outsourced.

**ANSWER: B**

**QUESTION NO: 6**

What best describes an effective core technique for communicating with executives?

- A. Focus on negative issues first, such as compensation costs exceeding budget, to get their attention
- B. Provide a wide range of facts and figures. With their high level of responsibility, executives must have all the data before they can make informed decisions.
- C. Assume they have little knowledge of the issue and make a detailed presentation leading up to the purpose of the meeting.
- D. Recommend a solution that will solve the issue and explain why it is the best solution available.

**ANSWER: D**

**QUESTION NO: 7**

Which of the following is the best example of applying business acumen to data analysis?

- A. Compiling data needed to calculate salary budgets and merit increases
- B. Identifying trends and key messages emerging over time
- C. Reviewing historical trends to complete annual budgets
- D. Providing quarterly incentive estimates for accruals

**ANSWER: B****QUESTION NO: 8**

The "return" represented by the Total Shareholder Return (TSR) metric is the increase in what?

- A. Earnings
- B. Shares
- C. Market capitalization
- D. Increased market value and reinvested dividends paid

**ANSWER: D****QUESTION NO: 9**

What best describes the primary purpose of budgeting?

- A. Limiting spending to a fixed percentage of organizational revenue
- B. Making choices about spending based on expectations of performance
- C. Increasing profitability of the business annually to maximize shareholder/owner value
- D. Complying with local legislation and maintaining accurate records to prepare financial reports and tax documents

**ANSWER: B****QUESTION NO: 10**

Using efficient and cost-effective approaches to integrate technology into the workplace is an example of what key competency for compensation professionals?

- A.** Financial Management
- B.** HR Management
- C.** Resource Management
- D.** Policy Management

**ANSWER: C**

DUMPS ARENA