



CMAS Exam – Sample Test Questions

The Certified M&A Specialist (CMAS) Exam has 60 questions. Once you begin the test, you'll have 72 hours to complete it, and you can sign in and out as often as you'd like. Test questions focus on the fundamentals of M&A. Your best study tools are the anthology of M&A textbooks you receive when you register for the CMAS program. Below you'll find sample questions, followed by the answer key.

1. When integrating the R&D function, what are typically sources of value?
 - a. Acceleration of product development life cycle from complementary R&D programs
 - b. Reduced R&D operating costs
 - c. Reduced capital requirements (e.g., equipment, land, buildings)
 - d. All of the above.

2. Which of the following is the greatest risk when rationalizing the sales function?
 - a. Loss of key customers
 - b. Loss of key talent
 - c. Long lead time in realizing financial benefits
 - d. Increased capital expense

3. Which of the following is LEAST likely to contribute to international deal failure?
 - a. Cultural differences
 - b. Regulatory compliance challenges
 - c. International business standards and regulation
 - d. Currency fluctuations

4. In what phase of M&A activity should integration planning begin?
 - a. Target identification
 - b. Start of due diligence
 - c. Closing of due diligence
 - d. One week before close

5. A chemical manufacturer has been acquired. Based on best practice, what areas of investigation should be given high priority during due diligence?
 - a. Finance and technology
 - b. Sales and human resources
 - c. Environmental and legal
 - d. R&D and sales



6. All of the following are assets that should be considered when studying the balance sheet during due diligence EXCEPT:
 - a. Intangibles that have been acquired and booked
 - b. Tangible assets
 - c. Cash
 - d. Earnings before interest, taxes, depreciation and amortization

7. Which is the most appropriate response if a public company is asked if merger negotiations have occurred with another public company, prior to any public announcement?
 - a. No comment
 - b. Must disclose that it is in negotiations
 - c. Should not disclose that it is in negotiations
 - d. It depends who is asking.

8. Which of the following is a primary reason for structuring an acquisition of assets rather than shares?
 - a. The process of transferring assets is risk-free.
 - b. Possible tax benefits
 - c. Foreign exchange rates
 - d. Industry-specific regulations

9. All of the following are factors that may result in antitrust regulators' challenging a transaction EXCEPT:
 - a. The level of product sophistication
 - b. The degree to which firms have access to information concerning their competitors' transactions
 - c. The degree to which the merging firms confront one another within the relevant market
 - d. Ease of entry into the market

10. Which of the following would be considered a best practice during the negotiation phase of acquisition?
 - a. Limit communication with the buyer.
 - b. Maintain friendly relations to continue the flow of information.
 - c. Do not allow due diligence to commence until the deal is closed.
 - d. Schedule a combined executive leadership dinner and meeting to discuss integration strategies.



Answer Key

1. D
2. A
3. D
4. B
5. C
6. D
7. A
8. B
9. A
10. B