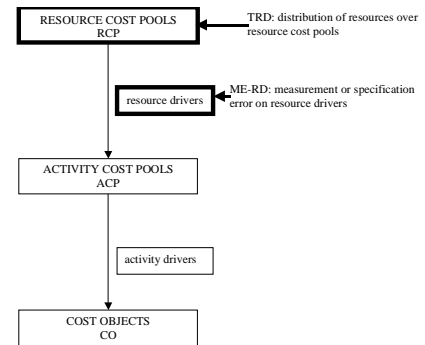


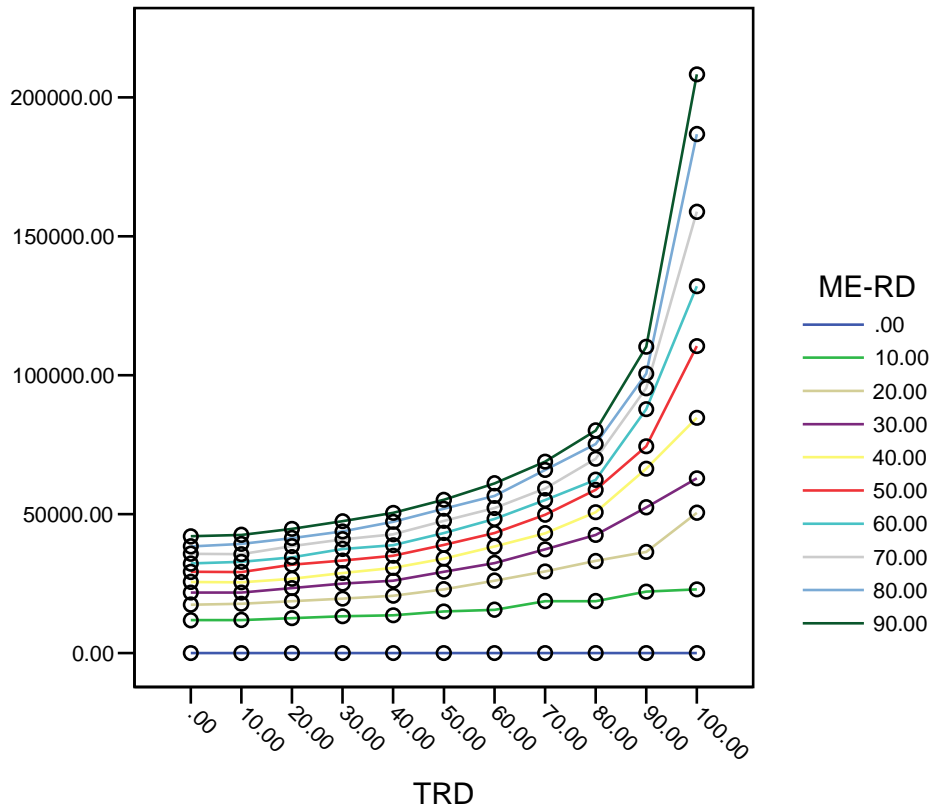
TABLE 1
Analysis of the distribution of resources over resource cost pools – measurement error on the resource driver effects^a

Panel A: Analysis of the EUCD error measure

Source of Variation	F	Partial η^2	Standardized regression coefficient β ^b
TRD	1680	0.203	0.329
ME-RD	1947	0.210	0.397
TRD*ME-RD	92	0.112	0.210
R-Squared	0.393		0.310



Panel B: Marginal Estimated Means Plot of EUCD



^a EUCD = square root of mean squared error, TRD = variance in the distribution of resources over resource cost pools, ME-RD = measurement error on resource drivers. Note that, as explained in Section 3, measurement error on the cost driver in this empirical setting can also be interpreted as specification error. All effects reported are significant at the 1% level.

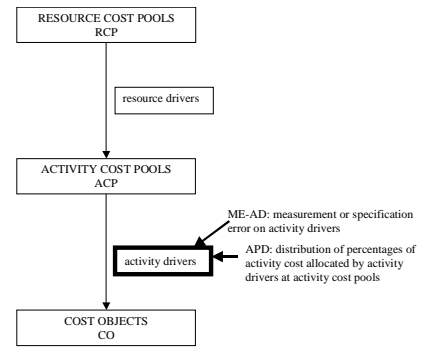
^b The independent variables in the regression are mean-centered to remove multicollinearity and to scale the interaction term.

TABLE 2

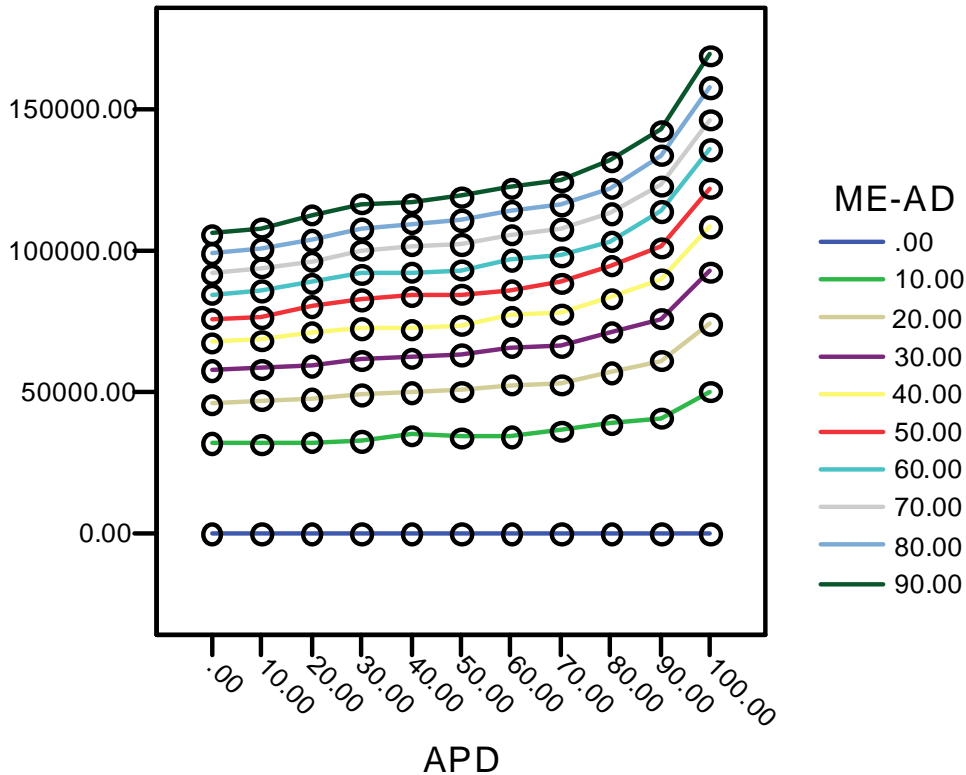
Analysis of the distribution of percentages of activity cost allocated by activity drivers at the activity cost pools – measurement / specification error on the activity driver effects^a

Panel A: Analysis of the EUCD error measure

Source of Variation	F	Partial η^2	Standardized regression coefficient β ^b
APD	3284	0.333	0.230
ME-AD	41374	0.850	0.857
APD*ME-AD	81	0.099	0.105
R-Squared	0.862		0.798



Panel B: Marginal Estimated Means Plot of EUCD



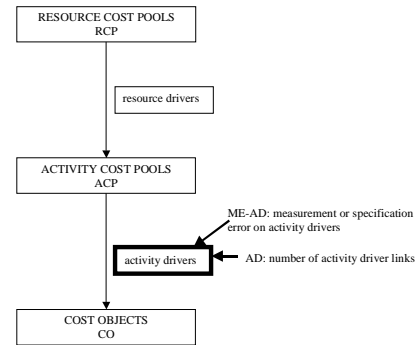
^a EUCD = square root of mean squared error, APD = variance in the distribution of percentages allocated by activity drivers at activity cost pools, ME-AD = measurement / specification error on activity drivers. All effects reported are significant at the 1% level.

^b The independent variables in the regression are mean-centered to remove multicollinearity and to scale the interaction term.

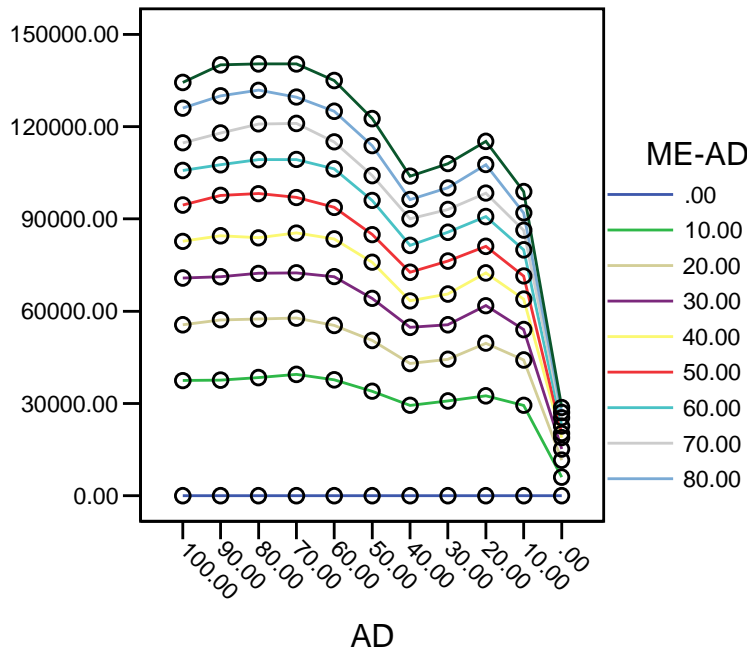
TABLE 3
Analysis of the number of activity drivers – measurement / specification error on the activity driver effects ^a

Panel A: Analysis of the EUCD error measure

Source of Variation	F	Partial η^2	Standardized regression coefficient β
AD	11874	0.643	0.347
ME-AD	44002	0.857	0.787
AD*ME-AD	317	0.302	0.171
R-Squared	11874	0.643	0.347



Panel B: Marginal Estimated Means Plot of EUCD



Panel C: Correlation analysis for the split samples

Pearson ^c correlation of EUCD with	Sub-sample with AD ≥ 80 and ME-AD ≤ 40	Sub-sample with AD ≥ 80 and ME-AD ≥ 50	Sub-sample with $40 \leq AD \leq 80$	Sub-sample with $20 \leq AD \leq 40$	Sub-sample with AD ≤ 20
AD	-0.017*	-0.089	0.184	-0.086	0.582
ME-AD	0.897	0.638	0.892	0.893	0.624

^a EUCD = square root of mean squared error, APD = variance in the distribution of percentages allocated by activity drivers at activity cost pools, ME-AD = measurement / specification error on activity drivers. All effects reported are significant at the 1% level.

^b The independent variables in the regression are mean-centered to remove multicollinearity and to scale the interaction term.

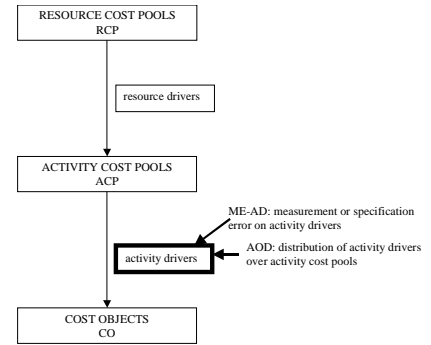
^c Spearman correlations are consistent with this analysis.

TABLE 4

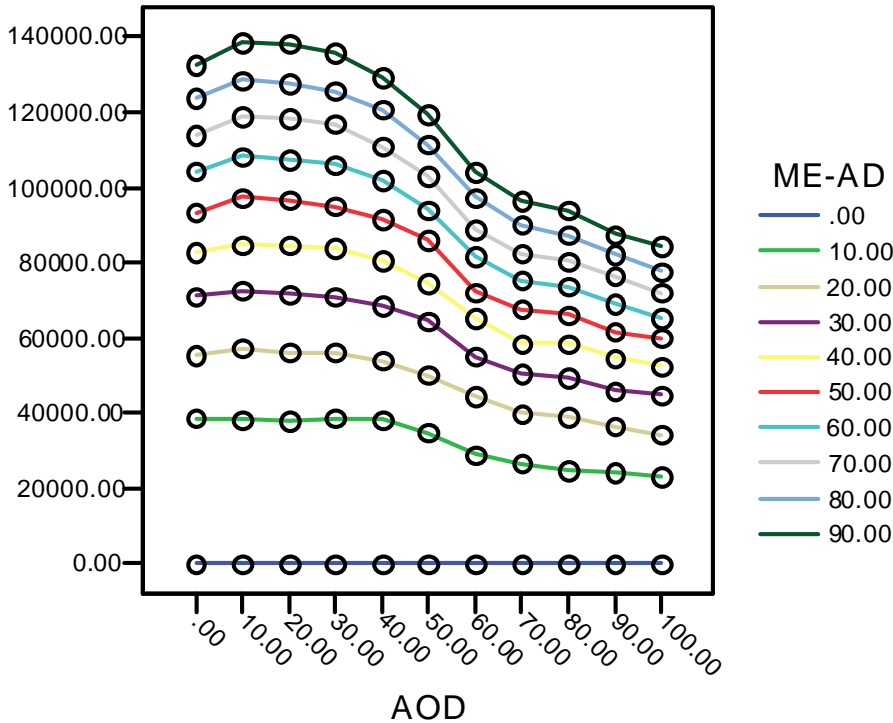
Analysis of the distribution of activity drivers *over* activity cost pools – measurement / specification error on the activity driver effects ^a

Panel A: Analysis of the EUCD error measure

Source of Variation	F	Partial η^2	Standardized regression coefficient β ^b
AOD	5626	0.461	-0.306
ME-AD	45627	0.862	0.845
AOD*ME-AD	145	0.165	-0.143
R-Squared	0.879		0.829



Panel B: Marginal Estimated Means Plot of EUCD



Panel C: Correlation analysis for the split samples

Pearson ^c correlation of EUCD with	Sub-sample with AOD ≤ 10	Sub-sample with AOD ≥ 10
AOD	0.033	-0.318
ME-AD	0.918	0.842

^a EUCD = square root of mean squared error, AOD = variance in the distribution of activity drivers *over* activity cost pools, ME-AD = measurement / specification error on activity drivers. All effects reported are significant at the 1% level.

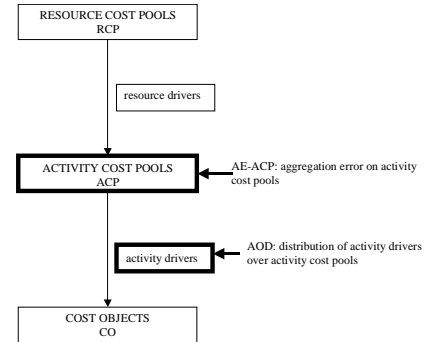
^b The independent variables in the regression are mean-centered to remove multicollinearity and to scale the interaction term.

^c Spearman correlations are consistent with this analysis.

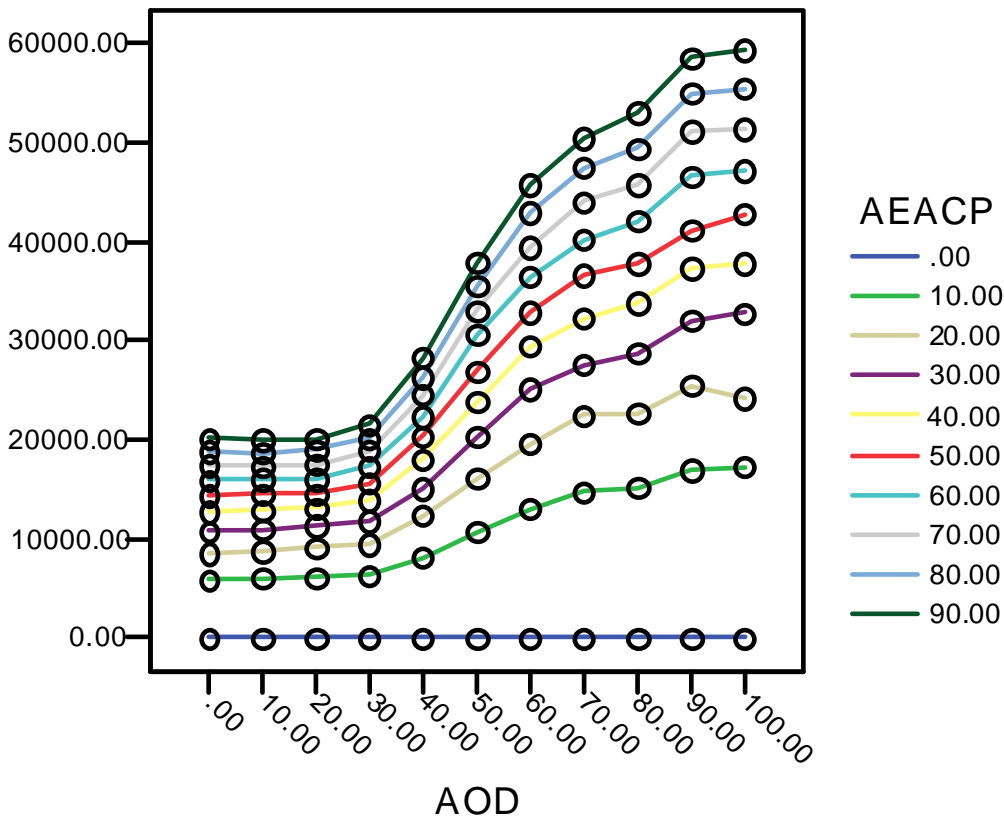
TABLE 5
Analysis of the distribution of activity drivers *over* activity cost pools
– aggregation error on the activity cost pools effects ^a

Panel A: Analysis of the EUCD error measure

Source of Variation	F	Partial η^2	Standardized regression coefficient β ^b
AOD	9706	0.596	0.581
AE-ACP	14638	0.667	0.625
AOD*AE-ACP	249	0.254	0.255
R-Squared	0.792		0.743



Panel B: Marginal Estimated Means Plot of EUCD



^a EUCD = square root of mean squared error, AOD = variance in the distribution of activity drivers *over* activity cost pools, AE-ACP = aggregation error on activity cost pools. All effects reported are significant at the 1% level.

^b The independent variables in the regression are mean-centered to remove multicollinearity and to scale the interaction term.

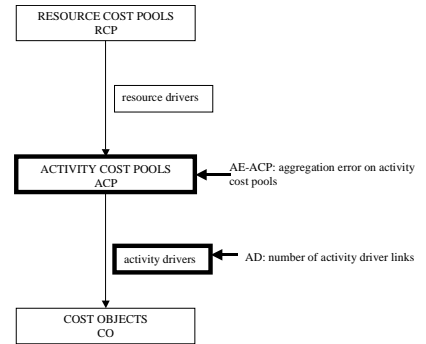
^c Spearman correlations are consistent with this analysis.

TABLE 6

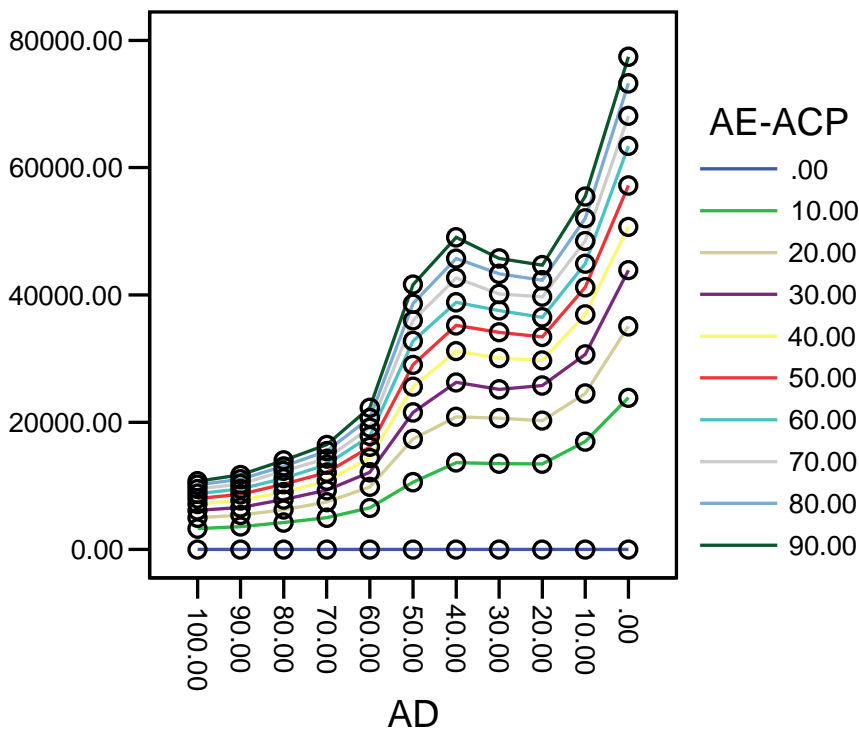
Analysis of the number of activity drivers – aggregation error on the activity cost pools effects^a

Panel A: Analysis of the EUCD error measure

Source of Variation	F	Partial η^2	Standardized regression coefficient β ^b
AD	22344	0.772	-0.648
AE-ACP	15917	0.685	0.527
AD*AE-ACP	551	0.430	-0.293
R-Squared	0.863		0.783



Panel B: Marginal Estimated Means Plot of EUCD



Panel C: Correlation analysis for the split samples

Pearson ^c correlation of EUCD with	Sub-sample with AD ≥ 40	Sub-sample with $20 \leq AD \leq 40$	Sub-sample with AD ≤ 20
AD	-0.609	0.044	-0.379
AE-ACP	0.524	0.815	0.760

^a EUCD = square root of mean squared error, AD = number of activity drivers, AE-ACP = aggregation error on activity cost pools. All effects reported are significant at the 1% level.

^b The independent variables in the regression are mean-centered to remove multicollinearity and to scale the interaction term.

^c Spearman correlations are consistent with this analysis.

