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NEW QUESTION: 1

According to Marshall, _______ are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events.

A. Assets

B. Liabilities

C. Credentials

D. None of above

Answer: A (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

Explanation/Reference:

NEW QUESTION: 2

The essential elements of a _________ are an actual or constructive taking away of the goods or property of another with the without the consent and against the will of the owner and with a felonious intent.

A. Abuse

B. Larceny

C. Fiduciary

D. None of the above

Answer: B (LEAVE A REPLY)

NEW QUESTION: 3

__________ normally are carried on an organization's books as expenses because they tend to be consumed by the organization within a year of purchase.

A. Supplies

B. Expenses

C. Assets

D. Equity
Answer: A (LEAVE A REPLY)

NEW QUESTION: 4
When situational pressures and perceived opportunities are low and personal integrity is high, occupational fraud is much more likely to occur than when the opposite is true.
A. False
B. True
Answer: (SHOW ANSWER)

NEW QUESTION: 5
In ____________ scheme, a supplier pays an employee of the purchasing company to write specifications that will require amendments at a later date.
A. Deliberate writing of vague specifications
B. Need recognition
C. False specification
D. Bid-splitting
Answer: A (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 6
The act of an official or fiduciary person who unlawfully and wrongfully uses his station or character to procure some benefit, contrary to duty and rights of others is called:
A. Conflict of interest
B. Corruption
C. Bribery
D. Overbilling
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 7
SIMULATION
One of the simplest ways to justify unacceptable conduct and avoid guilt feelings is to invent a good reason for ________.
Answer:
Embezzling

NEW QUESTION: 8
Which of the following method is NOT used to detect conflicts of interest?
A. Review of vendor ownership files
B. Tips & Complaints

C. Underbillings of assets
D. Interviews with purchasing personnel
Answer: C (LEAVE A REPLY)

NEW QUESTION: 9
Which sale occurs when the accomplice of the employee-fraudster "buys" merchandise, but the employee does not ring up the sale, and the accomplice takes the merchandise without making any payment?
A. Preliminary sale
B. Fake sale
C. Whole sale
D. Fraudster sale
Answer: (SHOW ANSWER)

NEW QUESTION: 10
One reason employees might be hesitant to use PO boxes in shell company schemes is that some businesses are specially vary of sending checks to vendors that have street addresses only.
A. False
B. True
Answer: (SHOW ANSWER)

NEW QUESTION: 11
Maintain the presence of a manager or supervisor near the area of the cash register as a deterrent to theft is a prevention for:
A. Fraudulent statement scheme
B. Asset misappropriation scheme
C. Larceny scheme
D. Register disbursement scheme
Answer: D (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 12
Theft of incoming checks usually occurs when ________ is (are) in charge of opening the mail and recording the receipt of payments.
A. None of the above
B. Single employee
C. More than two employees
D. Two employees
Answer: (SHOW ANSWER)

NEW QUESTION: 13
Which of the following search is used for unusually high incidence of returns and allowances scheme?
A. Allowances by vendors
B. Disposals of allowances than reorders
C. Returns and allowances
D. None of the above
Answer: C (LEAVE A REPLY)
Section: Investigation

NEW QUESTION: 14
A ___________ occurs when an employee, manager or executive has an undisclosed economic or personal interest in a transaction that adversely affects the organization.
A. Conflict of interest
B. Illegal sale
C. Unauthorized purchase
D. Financial disclosure
Answer: (SHOW ANSWER)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 15
The amount of cash on hand in a register may be compared to the amount showing in the register tape in order to detect _______.
A. Occupational frauds
B. Internal audits
C. Employee theft
D. Recorded sales
Answer: (SHOW ANSWER)

NEW QUESTION: 16
The act of an official or fiduciary person who unlawfully and wrongfully uses his station or character to procure some benefit, contrary to duty and rights of others is called:
A. Overbilling
B. Conflict of interest
C. Bribery
D. Corruption
Answer: (SHOW ANSWER)

NEW QUESTION: 17
The most basic skimming scheme occurs when:
A. An employee sells goods or services to a customer, collects the customer's payment, but makes no record of the sale.
B. An employee buy goods or services from a customer, drop the customer's payment, but makes no record of the purchase.
C. An employee sells goods or services to a stakeholder, collects the stakeholder's payment and makes record of the sale too.
D. An employee buy goods or services from a stakeholder, drop the stakeholder's payment and makes record of the purchase too.
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 18
Which of the four basic measures, if properly installed and implemented may help prevent inventory fraud?
A. Proper documentation, segregation of duties, independent checks and physical safeguards
B. Proper documentation, segregation of duties, independent checks and inventory control
C. Proper documentation, physical padding, independent checks and physical safeguards
D. prenumbered affiliations, segregation of duties, independent checks and physical safeguards
Answer: A (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence
Explanation/Reference:

NEW QUESTION: 19
Larceny by Fraud or deception means that:
A. Fails to correct a false impression
B. All of the above
C. Creates or reinforce a false impression
D. Fails to disclose a known lien, adverse claim or other legal impediment
Answer: B (LEAVE A REPLY)

NEW QUESTION: 20

According to Hollinger and Clark for Policy development, management must pay attention to:

A. Neither A nor B

B. A clear understanding regarding theft behavior

C. Enforcement of sanctions

D. Both A & B

Answer: (SHOW ANSWER)

NEW QUESTION: 21

____________ is a process by which a bookkeeper records all transactions and can adjust the books.

A. Financial statement

B. Journal Entries

C. None of all

D. Accounting Cycle

Answer: (SHOW ANSWER)

NEW QUESTION: 22

By what accountant means that the financial figures presented by the company are at least as much as reflected in the statements, if not more.

A. Misappropriations

B. Fraudulent statement

C. Conservatism

D. Matching

Answer: C (LEAVE A REPLY)

NEW QUESTION: 23

One final means of concealing a register scheme, as with many kinds of fraud, is to destroy all records of the transaction.

A. True

B. False

Answer: A (LEAVE A REPLY)

NEW QUESTION: 24

Every bribe is a two-sided transaction, in which where a vendor bribes a purchaser, there is someone on the vendor's side of the transaction who is not making an illicit payment.

A. True

B. False

Answer: (SHOW ANSWER)

NEW QUESTION: 25

Which of the following is NOT the reason why senior management will overstate business statement?

A. Meet personal performance criteria

B. Show a pattern of growth to support sale of a business

C. Trigger performance related compensation

D. Comply with debit covenants

Answer: D (LEAVE A REPLY)

NEW QUESTION: 26

Conflict of interest cases are more easily prevented than detected.

A. False

B. True

Answer: B (LEAVE A REPLY)

NEW QUESTION: 27

Which of the following is NOT the aspect of inventory purchase?

A. might be some fraud scheme in inventory.

B. inventory for the year 2 will be much greater than year 1.

C. Inventory purchases purposely increase in year 1 only to be liquidated in year 2.

D. Increase sales in year 2 are unexpected and purchase of inventory does not keep pace with the sales.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 28

Which counts sometimes can give rise to inventory theft detection?

A. Perpetual inventory counts

B. Physical inventory counts

C. None of the above

D. Concealment inventory counts

Answer: B (LEAVE A REPLY)

NEW QUESTION: 29

The fraudsters' interest lies with an employer other than a company.

A. False

B. True

Answer: A (LEAVE A REPLY)

NEW QUESTION: 30

The forms that allow noncash assets to be moved from one location in a company to another can be used to facilitate the misappropriation of those assets are called:
A. Fake sales
B. All of the above
C. Inventory usages
D. Asset requisition
Answer: D (LEAVE A REPLY)

NEW QUESTION: 31
Multiple cashiers operate from a single cash drawer without separate access codes is a red flag for:
A. Fraudulent scheme
B. Force inventory scheme
C. Disbursement scheme
D. Register scheme
Answer: D (LEAVE A REPLY)

NEW QUESTION: 32
__________ assumes the business will go on indefinitely in the future.
A. Fair value
B. Materiality
C. Cost
D. Going concern
Answer: D (LEAVE A REPLY)

NEW QUESTION: 33
The principle behind full disclosure is:
A. Any material deviation from SAS must be explained to the writer oh the financial information.
B. Any material deviation from GAAP must be explained to the reader of the financial information.
C. None of above

D. Any material deviation from GAAP must be explained to writer of the financial information.
Answer: (SHOW ANSWER)

NEW QUESTION: 34
___________ and __________ are used to increase (or decrease) the equity account.
A. Journal Entries & transactions
B. Journal Entries & Debit
C. Journal Entries & Credit
D. None of all
Answer: A (LEAVE A REPLY)

NEW QUESTION: 35
False billing scheme states that:
A. employees cause their company to sale merchandise that the company does not need.
B. employees do not cause their company to purchase merchandise that the company does not need.
C. employees do not cause their company to sale merchandise that the company does not need.
D. employees cause their company to purchase merchandise that the company does not need
Answer: D (LEAVE A REPLY)

NEW QUESTION: 36
Financial statement fraud is committed by:
A. Organized criminals
B. Mid and lower level employees
C. Senior Management
D. All of the above
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 37
One reason employees might be hesitant to use PO boxes in shell company schemes is that some businesses are specially vary of sending checks to vendors that have street addresses only.
A. False
B. True
Answer: A (LEAVE A REPLY)

NEW QUESTION: 38

The difference between assets and liabilities is called:
A. Income statement
B. Revenue
C. Equity
D. Expense
Answer: C (LEAVE A REPLY)

NEW QUESTION: 39
Larceny by Fraud or deception means that:
A. Creates or reinforce a false impression
B. Fails to correct a false impression
C. Fails to disclose a known lien, adverse claim or other legal impediment
D. All of the above
Answer: D (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 40
The most common method of detection in corruption cases is:
A. Tips
B. Internal audits
C. Internal controls
D. By accident
Answer: A (LEAVE A REPLY)

NEW QUESTION: 41
A __________ is a day-by-day, or chronological, record of transactions
A. Journal
B. Asset
C. Ledger
D. Checkbook
Answer: (SHOW ANSWER)

NEW QUESTION: 42
The principle behind full disclosure is:
A. Any material deviation from GAAP must be explained to the reader of the financial information.
B. Any material deviation from GAAP must be explained to writer of the financial information.
C. Any material deviation from SAS must be explained to the writer oh the financial information.
D. None of above

Answer: A (LEAVE A REPLY)

NEW QUESTION: 43

SIMULATION

______________ is required not only for theft, but for procedures to detect errors, avoid waste and insure a proper amount of inventory is maintained.

Answer:

Inventory control

NEW QUESTION: 44

The difference between assets and liabilities is called:

A. Income statement

B. Expense

C. Equity

D. Revenue

Answer: C (LEAVE A REPLY)

NEW QUESTION: 45

The fraudsters' interest lies with an employer other than a company.

A. True

B. False

Answer: (SHOW ANSWER)

Section: Fraud Prevention and Deterrence

Explanation/Reference:

NEW QUESTION: 46

Bid-rigging scheme occurs when:

A. an employee fraudulently assists a vendor in winning a contract through the competitive bidding process.

B. an employee does not assist a vendor in winning a contract through the competitive bidding process.

C. an employee once assists a vendor in winning a contract through a single competitive bidding process.

D. an employee once assists a vendor in winning a contract through a single competitive bidding process.

Answer: A (LEAVE A REPLY)

Section: Fraud Prevention and Deterrence

NEW QUESTION: 47

____________ is a summary of the account balances carried in a ledger.

A. Financial statement

B. General journal

C. Income statement

D. Balance sheet

Answer: A (LEAVE A REPLY)

NEW QUESTION: 48

________ decrease assets and expenses and/or increase liabilities and/or equity

A. Journal Entries

B. Debit

C. Credit

D. None of all

Answer: C (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 49

A scheme is classified as a Conflict of interest:

A. when an employee must have some kind of ownership or employment interest in the vendor submitting the invoice.

B. when a salesman must have some kind of ownership or employment interest in the vendor submitting the sales.

C. when a dealer must have some kind of dealership interest in the vendor submitting the stock.

D. when a purchaser must have some kind of ownership or employment interest in the vendor submitting the purchase.

Answer: (SHOW ANSWER)

NEW QUESTION: 50

________ decrease assets and expenses and/or increase liabilities and/or equity

A. Credit

B. Debit

C. Journal Entries
D. None of all
Answer: A (LEAVE A REPLY)

NEW QUESTION: 51
A journal in which all sales made on credit or cash are listed is:
A. Disbursement journal
B. Accounts receivable journal
C. Accounts payable journal
D. General journal
Answer: B (LEAVE A REPLY)
Section: Investigation

NEW QUESTION: 52
The behavior profile of employees who are involved in bribery schemes may include:
A. Gambling habit
B. Extravagant lifestyle
C. Drug and/or alcohol addiction
D. All of the above
Answer: D (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence
Explanation

NEW QUESTION: 53
Assets that are long-lived and that differ from property, plant and equipment hat has been purchased outright or acquired under a capital lease are:
A. Forced Assets
B. Intangible Assets
C. None of above
D. Tangible Assets
Answer: B (LEAVE A REPLY)

NEW QUESTION: 54
Skimming cases can more likely to be detected by:
A. Internal controls
B. Accidents
C. Internal audits
D. occupational frauds
Answer: B (LEAVE A REPLY)

NEW QUESTION: 55

Occupational fraud and abuse is a (an) __________ of doing business, in much the same way that we pay expenses for electricity, taxes and wages.
A. Equity
B. Expense
C. Balance sheet
D. Financial record
Answer: B (LEAVE A REPLY)

NEW QUESTION: 56
SIMULATION
A ____________ can be very costly for an organization to undertake, both in terms of money and time spent.
Answer:
Civil lawsuit

NEW QUESTION: 57
Any expenses that are incurred but not paid by the end of the year are counted in our records of profit and loss, are called:
A. Expenses
B. Financial record
C. Accruals
D. Depreciations
Answer: C (LEAVE A REPLY)

NEW QUESTION: 58
What is sometimes used to overcome well-designed internal controls of a victim company?
A. Shell company
B. Fraudulent invoices
C. Collusion
D. Rubber stamp supervisors
Answer: (SHOW ANSWER)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 59
The essential elements of a ________ are an actual or constructive taking away of the goods or property of another with the without the consent and against the will of the owner and with a felonious intent.
A. Larceny
B. Abuse
C. Fiduciary
D. None of the above

Answer: A (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 60
The fraudsters' interest lies with an employer other than a company.
A. False
B. True
Answer: A (LEAVE A REPLY)

NEW QUESTION: 61
A voucher is:
A. a figure that includes the sale order that was send to the dealer, the vendor invoice listing the cost and quantity of items sold, and the internal receiving reports that verify the purchased items have been delivered.
B. a report that includes the purchase order that was send to the vendor, the vendor invoice listing the quality and quantity of items purchased, and the external receiving reports that verify the items have been sold.
C. a file that includes the purchase order that was send to the vendor, the vendor invoice listing the cost and quantity of items purchased, and the internal receiving reports that verify the purchased items have been delivered.
D. a mammogram that includes the purchase order that was send to the purchaser, the purchaser invoice listing the benefits and quantity of items purchased, and the internal receiving reports that verify the purchased items have been sold.
Answer: (SHOW ANSWER)

NEW QUESTION: 62
In Cressey's fraud triangle, its three of the legs are Opportunity, Pressure and
A. Isolation
B. Violation
C. Rationalization
D. None of the above
Answer: C (LEAVE A REPLY)

NEW QUESTION: 63

A voucher is:

A. a file that includes the purchase order that was send to the vendor, the vendor invoice listing the cost and quantity of items purchased, and the internal receiving reports that verify the purchased items have been delivered.

B. a figure that includes the sale order that was send to the dealer, the vendor invoice listing the cost and quantity of items sold, and the internal receiving reports that verify the purchased items have been delivered.

C. a report that includes the purchase order that was send to the vendor, the vendor invoice listing the quality and quantity of items purchased, and the external receiving reports that verify the items have been sold.

D. a mammogram that includes the purchase order that was send to the purchaser, the purchaser invoice listing the benefits and quantity of items purchased, and the internal receiving reports that verify the purchased items have been sold.

Answer: A (LEAVE A REPLY)

Section: Fraud Prevention and Deterrence

NEW QUESTION: 64

When employees avoid detection in a refund scheme to keep the sizes of the disbursement low, is referred to:

A. Small disbursements

B. Very small disbursements

C. None of the above

D. Simple disbursements

Answer: (SHOW ANSWER)

NEW QUESTION: 65

Which of the following is the amount of money that would be realized upon the sale of the asset at some point in the future, less the costs associated with owing, operating and selling it?

A. Net realizable value

B. Fair value

C. Cost

D. Going concern

Answer: (SHOW ANSWER)

NEW QUESTION: 66

A technique by which checks are numbered using a new technique that is revealed by a colored highlighter pen or by a bright light held behind the check is called:

A. None of the above

B. Embossed pearlescent numbering
C. Microline numbering
D. Holographic safety border
Answer: D (LEAVE A REPLY)

NEW QUESTION: 67
According to Marshall, ______ are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events.
A. Assets
B. Liabilities
C. None of above
D. Credentials
Answer: A (LEAVE A REPLY)

NEW QUESTION: 68
How many accounts are affected in fraudulent accounting entries and therefore same number of categories on the financial statement?
A. One
B. At least two
C. More than two
D. None of above
Answer: A (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 69
_________ revenues involve the recording sales of goods or services hat did not occur.
A. Financial revenues
B. Concealed revenues
C. Red flag revenues
D. Fictitious or fabricated revenues
Answer: D (LEAVE A REPLY)

NEW QUESTION: 70
By removing a tangible asset from the business (a debit), the books will be ___________ by the exact amount of the tangible asset misappropriated.
A. Out-of-balance
B. False debits
C. Journal Entries
D. None of all
Answer: A (LEAVE A REPLY)

NEW QUESTION: 71

A process by which several bidders conspire to split contracts up and ensure that each gets a certain amount of work is called:

A. Fictitious Bidding

B. Bid log

C. Bid pooling

D. Bid opening

Answer: (SHOW ANSWER)

NEW QUESTION: 72

Which check tampering red flag may indicate employees have embezzled cash and charged the embezzlement to expense accounts?

A. Payable checks

B. Duplicate checks

C. Voided checks

D. Missing checks

Answer: (SHOW ANSWER)

NEW QUESTION: 73

Which of the following can constitute a bribe, even if the illicit payment is never actually made?

A. Offering a payment

B. Corruption in payment

C. kickback payment

D. Overbilling in payment

Answer: A (LEAVE A REPLY)

Section: Fraud Prevention and Deterrence

NEW QUESTION: 74

Financial statement fraud is committed by:

A. Senior Management

B. All of the above

C. Organized criminals

D. Mid and lower level employees

Answer: B (LEAVE A REPLY)

NEW QUESTION: 75

A ___________ is a day-by-day, or chronological, record of transactions

A. Journal

B. Ledger

C. Asset

D. Checkbook
Answer: (SHOW ANSWER)

NEW QUESTION: 76
__________ inventory and other assets is relatively common way for fraudsters to remove assets from the books before or after they are stolen.
A. False shipping slip
B. Perpetual
C. Altered
D. Write-offs
Answer: A (LEAVE A REPLY)

NEW QUESTION: 77
Employees with the authority to grant discounts in order to skim revenues may use which authority?
A. Recording a discount on sale procedure
B. False discounts
C. Internal discount sales audits
D. None of the above
Answer: B (LEAVE A REPLY)

NEW QUESTION: 78
The prime targets for skimming schemes which are hard to monitor and predict such as late fees and parking fees, are:
A. Revenue sources
B. Recorded sales
C. Internal audits
D. Register manipulations
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 79

In ___________ scheme, an employee creates false vouchers or submits false invoices to the employer.
A. Cash generating
B. Voucher handling
C. Purchase requisition
D. Sale requisition
Answer: A (LEAVE A REPLY)

NEW QUESTION: 80
In physical tampering prevention technique, hidden images can be seen only when the check is held at an angle through:
A. High-resolution sprays
B. Watermark backers
C. Holographic safety inks
D. Chrome coloring
Answer: (SHOW ANSWER)

NEW QUESTION: 81
The excess credits (or debits) on the income statement are used to decrease (or increase) the equity account.
A. True
B. False
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes
Explanation/Reference:

NEW QUESTION: 82
The heart of book keeping system is the ___________.
A. Asset
B. Liability
C. Checkbook
D. Journal
Answer: C (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 83
Which are check tempering frauds in which an employee prepares a fraudulent check and submits it usually along with legitimate checks to an authorized maker who signs it without a proper review?
A. Endorse check scheme
B. Legitimate check scheme

C. Payable check scheme

D. Concealed check scheme

Answer: (SHOW ANSWER)

Section: Fraud Prevention and Deterrence

NEW QUESTION: 84

Delivery has not occurred or services have not been rendered when:

A. A written order exists but contains a right of return.

B. Both A & B

C. Neither A nor B

D. Until installation and customer testing and acceptance has occurred.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 85

Once the expense account is closed, it becomes a historical item and probably will never be reviewed again.

A. False

B. True

Answer: B (LEAVE A REPLY)

NEW QUESTION: 86

A variation between the physical inventory and the perpetual inventory totals is called:

A. Shrinkage

B. Account receivable

C. Altered inventory

D. Write-offs

Answer: A (LEAVE A REPLY)

NEW QUESTION: 87

According to Hollinger and Clark for Policy development, management must pay attention to:

A. A clear understanding regarding theft behavior

B. Enforcement of sanctions

C. Both A & B

D. Neither A nor B

Answer: (SHOW ANSWER)

Section: Investigation

NEW QUESTION: 88

__________ are the amounts which are owned to other entities:

A. Liabilities

B. Expenses
C. Supplies
D. Assets
Answer: A (LEAVE A REPLY)

NEW QUESTION: 89
In Fraud scale pressure, opportunity and integrity variables all results in a list of ___ possible red flags or indicators of occupational fraud and abuse.
A. 81
B. 82
C. 83
D. 84
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 90
Employees steal an incoming payment and then place the incoming funds in an interest bearing account for:
A. All of the above
B. Short-term skimming
C. Converting stolen checks
D. Concealing the fraud
Answer: B (LEAVE A REPLY)

NEW QUESTION: 91
Which check tampering red flag may indicate employees have embezzled cash and charged the embezzlement to expense accounts?
A. Voided checks
B. Payable checks
C. Missing checks
D. Duplicate checks
Answer: C (LEAVE A REPLY)
Section: Investigation

NEW QUESTION: 92

What can make it easy for an employee to skim sales or receivables?

A. Internal audits and recording procedures

B. Revenue sources and recording procedures

C. Register manipulations and recording procedures

D. Poor collection and recording procedures

Answer: (SHOW ANSWER)

NEW QUESTION: 93

__________ revenues involve the recording sales of goods or services hat did not occur.

A. Fictitious or fabricated revenues

B. Financial revenues

C. Red flag revenues

D. Concealed revenues

Answer: (SHOW ANSWER)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 94

Depreciation is especially applicable when companies try to overvalue their assets and net worth; the lower their depreciation expense, the higher the company's profits.

A. True

B. False

Answer: (SHOW ANSWER)

NEW QUESTION: 95

The amount of cash on hand in a register may be compared to the amount showing in the register tape in order to detect ________.

A. Employee theft

B. Recorded sales

C. Internal audits

D. Occupational frauds

Answer: A (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 96

Which of the following is NOT the reason why senior management will overstate business statement?

A. Trigger performance related compensation
B. Comply with debit covenants
C. Meet personal performance criteria
D. Show a pattern of growth to support sale of a business
Answer: (SHOW ANSWER)

NEW QUESTION: 97
A special scheme in which employees know their employer is seeking to purchase a certain asset and take advantage of the situation by purchasing the asset themselves is:
A. Written sale of unique assets
B. Conflict of interest in sale
C. Unauthorized sale
D. Turnaround sale or flip
Answer: D (LEAVE A REPLY)

NEW QUESTION: 98
___________ and ___________ are used to increase (or decrease) the equity account.
A. Journal Entries & Debit
B. Journal Entries & transactions
C. Journal Entries & Credit
D. None of all
Answer: B (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 99
___________ can be defined as conduct detrimental to the organization and to the employee.
A. Employee deviance
B. Employee theft
C. Employee fraud
D. All of the above
Answer: A (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 100
Which of the following method is NOT used to detect conflicts of interest?
A. Tips & Complaints
B. Review of vendor ownership files
C. Underbillings of assets
D. Interviews with purchasing personnel
Answer: (SHOW ANSWER)

Section: Fraud Prevention and Deterrence
Explanation/Reference:

NEW QUESTION: 101
The seller's price to the buyer is not fixed or determinable when:
A. When the price is not contingent on some future events
B. The transaction includes an option to exchange the product for others.
C. A service or membership fee is not subject predictable cancellation during the contract period.
D. Payment terms are not extended for a substantial period.
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 102
Entering a sales total lower than the amount actually paid by the customer is called:
A. Internal sales audits
B. Underrings a sale
C. All of the above
D. Recording a sale procedure
Answer: B (LEAVE A REPLY)

NEW QUESTION: 103
In which phase of competitive bidding process, fraudsters attempt to influence the selection of a contractor by restricting the pool of competitors from whom bids are sought?
A. Need recognition
B. Submission
C. False specification
D. Solicitation
Answer: D (LEAVE A REPLY)

NEW QUESTION: 104
____________ is a process by which a bookkeeper records all transactions and can adjust the books.
A. Accounting Cycle
B. Financial statement
C. None of all
D. Journal Entries
Answer: (SHOW ANSWER)

NEW QUESTION: 105
Which of the following factors is NOT included in most financial statement schemes?

A. Fictitious revenues
B. Persuasive Evidence
C. Concealed liabilities and expenses
D. Improper asset valuations
Answer: B (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 106
Which of the following search is used for unusually high incidence of returns and allowances scheme?
A. Disposals of allowances than reorders
B. None of the above
C. Allowances by vendors
D. Returns and allowances
Answer: D (LEAVE A REPLY)

NEW QUESTION: 107
Placing any restriction in the solicitation documents that tend to restrict competition is called prebid solicitation.
A. True
B. False
Answer: A (LEAVE A REPLY)

NEW QUESTION: 108
Inventory shrinkage is the unaccounted-for reduction in the company's inventory that does not results from theft.
A. False
B. True
Answer: (SHOW ANSWER)

NEW QUESTION: 109

If the assets are intentionally purchased by the company but simply misappropriated by the fraudster, this is referring to as:
A. Inventory larceny scheme
B. Falsify shipping
C. Fraudulent purchase
D. Asset receiving scheme
Answer: A (LEAVE A REPLY)

NEW QUESTION: 110
Forced reconciliation of the account says:
A. to conceal shrinkage is to alter inventory record so that it matches the physical inventory count.
B. to conceal write-offs is to change the perpetual inventory record so that it matches the physical inventory count.
C. to conceal shrinkage is to change the perpetual inventory record so that it matches the physical inventory count.
D. to conceal inventory is to alter shrinkage record so that it matches the physical inventory count.
Answer: C (LEAVE A REPLY)

NEW QUESTION: 111
The person or persons who have access to ___________ are often the targets of unethical vendors seeking an advantage in the process.
A. Bid-splitting
B. Sealed bids
C. General purchasing
D. Tailor specifications
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 112
Which of the following method is NOT used to detect conflicts of interest?
A. Tips & Complaints
B. Review of vendor ownership files
C. Underbillings of assets
D. Interviews with purchasing personnel
Answer: C (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 113
__________ revenues involve the recording sales of goods or services hat did not occur.

A. Red flag revenues
B. Financial revenues
C. Concealed revenues
D. Fictitious or fabricated revenues
Answer: D ([LEAVE A REPLY])

NEW QUESTION: 114
Assets that are long-lived and that differ from property, plant and equipment hat has been purchased outright or acquired under a capital lease are:
A. Forced Assets
B. Tangible Assets
C. Intangible Assets
D. None of above
Answer: C ([LEAVE A REPLY])

NEW QUESTION: 115
False billing scheme states that:
A. employees cause their company to sale merchandise that the company does not need.
B. employees do not cause their company to purchase merchandise that the company does not need.
C. employees do not cause their company to sale merchandise that the company does not need.
D. employees cause their company to purchase merchandise that the company does not need
Answer: D ([LEAVE A REPLY])

NEW QUESTION: 116
Fraudsters use the accounting system as a tool to generate the results they want in ____________ approach:
A. Organized accounting
B. All of the above
C. beating accounting
D. Playing the accounting
Answer: D ([LEAVE A REPLY])

NEW QUESTION: 117
The most common method of detection in corruption cases is:
A. Internal controls
B. Tips
C. By accident
D. Internal audits

Answer: (SHOW ANSWER)

NEW QUESTION: 118

According to Marshall, ______ are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events.

A. Assets

B. Liabilities

C. Credentials

D. None of above

Answer: A (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 119

Which sale occurs when the accomplice of the employee-fraudster "buys" merchandise, but the employee does not ring up the sale, and the accomplice takes the merchandise without making any payment?

A. Fraudster sale

B. Preliminary sale

C. Whole sale

D. Fake sale

Answer: D (LEAVE A REPLY)

NEW QUESTION: 120

The difference between assets and liabilities is called:

A. Equity

B. Expense

C. Revenue

D. Income statement

Answer: A (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

Explanation

NEW QUESTION: 121

Physical tampering prevention is a check tampering technique that is used to secure bank assisted controls.

A. False

B. True

Answer: (SHOW ANSWER)

NEW QUESTION: 122
Which of the following is NOT the reason to bribe employees of the purchaser?
A. To extend the bid opening date
B. To ensure bid-splitting
C. To ensure receipt of a late bid
D. To falsify the bid log
Answer: B (LEAVE A REPLY)

NEW QUESTION: 123
When expenses used to produce income- all of them- should be matched in a consistent manner against that income, this is referred to:
A. Accrual basis accounting
B. Expense
C. Equity
D. Financial record
Answer: A (LEAVE A REPLY)

NEW QUESTION: 124
Which of the following are used in a short-term skimming scheme?
A. Unrecorded sales, understated sales and theft of incoming checks
B. False company accounts, understated sales and theft of incoming checks
C. Understated sales, theft of incoming checks and check-for-currency substitutions
D. Unrecorded sales, understated sales and dual endorsements
Answer: A (LEAVE A REPLY)

NEW QUESTION: 125
CORRECT TEXT
__________ is defined as a person who works for the victim organization and who is primary culprit
Answer:
Pending

NEW QUESTION: 126

Statistical sampling enables the examiner to predict the occurrence rate for the population and therefore determine with some accuracy the error rate, or the potential for fraud.
A. True
B. False
Answer: (SHOW ANSWER)

NEW QUESTION: 127
When a victim company purchases unnecessary goods or services from a supplier at the direction of the corrupt employee, this results in:
A. False sole-source scheme
B. Submission scheme
C. Presolicitation scheme
D. Need recognition scheme
Answer: D (LEAVE A REPLY)

NEW QUESTION: 128
Forced reconciliation of the account says:
A. to conceal shrinkage is to alter inventory record so that it matches the physical inventory count.
B. to conceal inventory is to alter shrinkage record so that it matches the physical inventory count.
C. to conceal shrinkage is to change the perpetual inventory record so that it matches the physical inventory count.
D. to conceal write-offs is to change the perpetual inventory record so that it matches the physical inventory count.
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 129
Larceny is the scheme in which an employee simply takes inventory from the company premises without attempting to conceal it in the books and records.
A. False
B. True
Answer: B (LEAVE A REPLY)

NEW QUESTION: 130
Which of the following offender types in which people who take the money and run away?
A. Offender types
B. Absconders
C. None of the above
D. Long-term violators

Answer: B (LEAVE A REPLY)

NEW QUESTION: 131

The scheme which reduces victim companies to issue fraudulent payments for goods or services that they have not received is called:

A. Billing scheme

B. Misappropriate claims

C. Reliance billing

D. Bogus claims

Answer: D (LEAVE A REPLY)