ACFE.CFE.v2026-03-12.q171

Exam Code:	CFE
Exam Name:	Certified Fraud Examiner
Certification Provider:	ACFE
Free Question Number:	171
Version:	v2026-03-12
# of views:	143
# of Questions views:	1710
https://www.freeqas.com/qa/ACFE/CFE/ACFE.CFE.v2026-03-12.q171.html	

NEW QUESTION: 1
Fill in Blank
__________ is defined as a person who works for the victim organization and who is primary culprit
Answer:
Principal perpetrator

NEW QUESTION: 2
Skimming cases can more likely to be detected by:
A. occupational frauds
B. Internal audits
C. Accidents
D. Internal controls
Answer: C (LEAVE A REPLY)

NEW QUESTION: 3
Which of the following is not the skimming scheme?
A. Unrecorded sales
B. Fraud & Cost
C. Theft of checks through the mail
D. Understand sales and receivables
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 4

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. Cost
B. Going concern
C. Fair value
D. Net realizable value
Answer: D (LEAVE A REPLY)

NEW QUESTION: 5
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. Register disbursement scheme
B. Fraudulent statement scheme
C. Larceny scheme
D. Asset misappropriation scheme
Answer: (SHOW ANSWER)

NEW QUESTION: 6
The principal way to detect omitted credits from books of account is through:
A. Forced Balance
B. Expense account
C. None of all
D. Trend analysis
Answer: D (LEAVE A REPLY)

NEW QUESTION: 7
__________ may be defined as the offering, giving, receiving or soliciting anything of value to influence an official act.
A. Diverting business to vendors
B. Corruption
C. Lacking approval authority
D. Bribery
Answer: D (LEAVE A REPLY)

NEW QUESTION: 8
Which of the following is NOT the method for stealing inventory and other assets?
A. Purchasing and receiving schemes
B. Asset requisition and transfer
C. Larceny schemes
D. Sales & Equipment handling

Answer: D (LEAVE A REPLY)

NEW QUESTION: 9

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

A. False

B. True

Answer: A (LEAVE A REPLY)

NEW QUESTION: 10

_________ 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: A (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 11

Collusion or bid-rigging between bidders is called

A. To withdraw low bids

B. Bid solicitation

C. Bribery receipt

D. Contract acceptance

Answer: (SHOW ANSWER)

NEW QUESTION: 12

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. Conservatism

B. Fraudulent statement

C. Matching

D. Misappropriations

Answer: A (LEAVE A REPLY)

NEW QUESTION: 13

The price of an asset on which the asset is selling at on the open market in a transaction between a willing buyer and a wiling seller is called:

A. Fair value

B. Absolute value

C. Cost value

D. material value

Answer: (SHOW ANSWER)

NEW QUESTION: 14

A person is said to be in ________ act, when the business which he transacts, or the money or property which he handles, is not for his own benefit, but for another person:

A. Fiduciary Capacity

B. Embezzlement

C. Conversion

D. None of the above

Answer: A (LEAVE A REPLY)

NEW QUESTION: 15

Which of the following offender types in which people who take the money and run away?

A. None of the above

B. Long-term violators

C. Absconders

D. Offender types

Answer: C (LEAVE A REPLY)

NEW QUESTION: 16

The scheme in which the same vendor is receiving favorable treatment can be found in purchases by vendor searches.

A. True

B. False

Answer: (SHOW ANSWER)

Section: Investigation

NEW QUESTION: 17

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

A. Meet personal performance criteria

B. Trigger performance related compensation

C. Show a pattern of growth to support sale of a business
D. Comply with debit covenants
Answer: D (LEAVE A REPLY)

NEW QUESTION: 18
Fill in Blank
______________ 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: 19
"Anticipate possible losses and omit potential profits", this results in:
A. Bearing accounting
B. Playing accounting
C. Symmetrical accounting
D. Asymmetrical accounting
Answer: D (LEAVE A REPLY)

NEW QUESTION: 20
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. None of the above
C. Abuse
D. Fiduciary
Answer: (SHOW ANSWER)

NEW QUESTION: 21
Bank statement are diligently reviewed to ensure that amounts and signature have not been altered, is an activity for:
A. Check disbursement controls
B. Account analysis
C. Check tampering
D. Bank reconciliation
Answer: (SHOW ANSWER)

NEW QUESTION: 22
The fraudsters' interest lies with an employer other than a company.
A. True

B. False
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence
Explanation/Reference:

NEW QUESTION: 23
____________ corrupt employees can cause inventory to be fraudulently delivered to themselves or accomplices.
A. Fraudulent inventory slip
B. False packing slip
C. False credit slip
D. False shipping slip
Answer: B (LEAVE A REPLY)

NEW QUESTION: 24
A process by which several bidders conspire to split contracts up and ensure that each gets a certain amount of work is called:
A. Bid opening
B. Fictitious Bidding
C. Bid pooling
D. Bid log
Answer: (SHOW ANSWER)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 25
SIMULATION
The _______________ cost method of pricing would carry an asset's value on the financial statements as what it would currently cost, considering inflation.
Answer:
Price-level adjusted historical cost

NEW QUESTION: 26
________ increase assets and expenses and/or decrease liabilities and/or equity
A. Debit
B. Credit
C. Journal Entries
D. None of all
Answer: A (LEAVE A REPLY)

NEW QUESTION: 27

How many accounts are affected in fraudulent accounting entries and therefore same number of categories on the financial statement?

A. More than two

B. None of above

C. One

D. At least two

Answer: C (LEAVE A REPLY)

NEW QUESTION: 28

Which of the following is NOT standard of generally accepted accounting principles?

A. Quality control

B. Cost

C. Full disclosure

D. Conservatism

Answer: A (LEAVE A REPLY)

NEW QUESTION: 29

The more power a person has over the bidding process, the more likely the person can influence the selection of a supplier.

A. True

B. False

Answer: A (LEAVE A REPLY)

Section: Fraud Prevention and Deterrence

NEW QUESTION: 30

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. Financial record

D. Equity

Answer: A (LEAVE A REPLY)

NEW QUESTION: 31

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

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

B. might be some fraud scheme in inventory.

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

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

Answer: (SHOW ANSWER)

NEW QUESTION: 32
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: A (LEAVE A REPLY)

NEW QUESTION: 33
According to fraud tree, cash has three following schemes:
A. Skimming, cash larceny and fraudulent disbursements
B. Fraud analysis, skimming and cash misappropriations
C. Cash larceny, cash distribution and fraudulent disbursements
D. Cash distribution, skimming and fraud analysis
Answer: A (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 34
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: 35
The scheme in which the same vendor is receiving favorable treatment can be found in purchases by vendor searches.
A. False
B. True
Answer: B (LEAVE A REPLY)

NEW QUESTION: 36
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. Financial record
B. Depreciations
C. Accruals
D. Expenses
Answer: (SHOW ANSWER)

NEW QUESTION: 37
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: 38
According to Hollinger and Clark for Policy development, management must pay attention to:
A. Enforcement of sanctions
B. Both A & B
C. Neither A nor B
D. A clear understanding regarding theft behavior
Answer: B (LEAVE A REPLY)

NEW QUESTION: 39
Which of the following is NOT the reason to bribe employees of the purchaser?
A. To ensure receipt of a late bid
B. To extend the bid opening date
C. To ensure bid-splitting
D. To falsify the bid log
Answer: C (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 40
Asset misappropriation schemes were the "middle children" of the study; they were more common than fraudulent statements and more costly than corruption.
A. False
B. True
Answer: A (LEAVE A REPLY)

NEW QUESTION: 41

Which of the following is NOT the phase of the bidding process?

A. Postsolicitation

B. Submission

C. Presolicitation

D. Solicitation

Answer: A (LEAVE A REPLY)

NEW QUESTION: 42

____________ should be examined to see that all are properly documented and that inappropriate payments have not been made to employees.

A. counterfeit checks

B. Payable cash

C. Payable checks

D. Cash advances

Answer: (SHOW ANSWER)

NEW QUESTION: 43

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. Fraudster sale

D. Whole sale

Answer: B (LEAVE A REPLY)

NEW QUESTION: 44

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. Fraudulent statement

B. Misappropriations

C. Conservatism

D. Matching

Answer: C (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 45

The prime targets for skimming schemes which are hard to monitor and predict such as late fees and parking fees, are:

A. Recorded sales
B. Revenue sources
C. Register manipulations
D. Internal audits
Answer: B (LEAVE A REPLY)

NEW QUESTION: 46
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: 47
According to a survey, in principal perpetrator, males in a majority of cases, accounting for ___ percent of frauds versus ___ percent in which a female was the primary culprit.
A. 62 versus 36
B. 61 versus 39
C. 62 versus 37
D. None of the above
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 48
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. Fake sale
B. Preliminary sale
C. Fraudster sale
D. Whole sale
Answer: A (LEAVE A REPLY)

NEW QUESTION: 49
When a victim company purchases unnecessary goods or services from a supplier at the direction of the corrupt employee, this results in:
A. Need recognition scheme
B. Presolicitation scheme
C. Submission scheme
D. False sole-source scheme
Answer: A (LEAVE A REPLY)

NEW QUESTION: 50
The scheme which reduces victim companies to issue fraudulent payments for goods or services that they have not received is called:
A. Bogus claims
B. Billing scheme
C. Reliance billing
D. Misappropriate claims
Answer: A (LEAVE A REPLY)

NEW QUESTION: 51
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: 52
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: B (LEAVE A REPLY)

NEW QUESTION: 53
Which of the following are the classifications for the Corruption?
A. Bribery, economic extortion, illegal gratuities and conflicts of interest
B. Corruption, bribery, economic extortion, conflicts of interest
C. Overbilling, bribery, bid-ridding and illegal gratuities
D. economic extortion, bribery, illegal gratuities and corruption

Answer: A ([LEAVE A REPLY])
Section: Fraud Prevention and Deterrence

NEW QUESTION: 54
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: 55
A voucher is:
A. 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.
B. 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.
C. 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.
D. 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.
Answer: B ([LEAVE A REPLY])

NEW QUESTION: 56
The principal way to detect omitted credits from books of account is through:
A. None of all
B. Forced Balance
C. Trend analysis
D. Expense account
Answer: ([SHOW ANSWER])

NEW QUESTION: 57
In which of the following process, all bidders are legally supposed to be placed on the same plane of equality, bidding on the same terms and conditions?
A. Competitive bidding
B. Kickbacks
C. Bid-rigging

D. Bid solicitation
Answer: A (LEAVE A REPLY)

NEW QUESTION: 58
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. False
B. True
Answer: B (LEAVE A REPLY)

NEW QUESTION: 59
The most basic skimming scheme occurs when:
A. An employee buy goods or services from a customer, drop the customer's payment, but makes no record of the purchase.
B. An employee sells goods or services to a customer, collects the customer's payment, but makes no record of the sale.
C. An employee buy goods or services from a stakeholder, drop the stakeholder's payment and makes record of the purchase too.
D. An employee sells goods or services to a stakeholder, collects the stakeholder's payment and makes record of the sale too.
Answer: B (LEAVE A REPLY)

NEW QUESTION: 60
SIMULATION
__________ is defined as a person who works for the victim organization and who is primary culprit
Answer:
Principal perpetrator

NEW QUESTION: 61
According to a survey, in principal perpetrator, males in a majority of cases, accounting for ___ percent of frauds versus ___ percent in which a female was the primary culprit.
A. None of the above
B. 61 versus 39
C. 62 versus 37
D. 62 versus 36
Answer: B (LEAVE A REPLY)

NEW QUESTION: 62
The most common method for billing scheme is:
A. None of the above
B. Register
C. Tips
D. Accident
Answer: C (LEAVE A REPLY)

NEW QUESTION: 63
Which of the following is not the skimming scheme?
A. Fraud & Cost
B. Unrecorded sales
C. Understand sales and receivables
D. Theft of checks through the mail
Answer: A (LEAVE A REPLY)

NEW QUESTION: 64
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: 65
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. More than two employees
C. Single employee

D. Two employees
Answer: (SHOW ANSWER)

NEW QUESTION: 66
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 inventory is to alter shrinkage record so that it matches the physical inventory count.
D. to conceal shrinkage is to change the perpetual inventory record so that it matches the physical inventory count.
Answer: D (LEAVE A REPLY)

NEW QUESTION: 67
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: 68
What can make it easy for an employee to skim sales or receivables?
A. Revenue sources and recording procedures
B. Register manipulations and recording procedures
C. Internal audits and recording procedures
D. Poor collection and recording procedures
Answer: D (LEAVE A REPLY)

NEW QUESTION: 69
Which of the following is true for Red flags associated with fictitious revenues?
A. A significant volume of sales to entries whose substance and ownership is not known.
B. Usual growth in the number of days purchase in receivables
C. Slow growth or usual profitability, when not compared to other companies in the same industry.
D. A usual surge in purchase by a majority of units within a company, or of purchase recorded by corporate headquarters.
Answer: A (LEAVE A REPLY)

NEW QUESTION: 70

The most common method of detection in corruption cases is:
A. Internal audits
B. Internal controls
C. Tips
D. By accident
Answer: C (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 71
____________ corrupt employees can cause inventory to be fraudulently delivered to themselves or accomplices.
A. False shipping slip
B. False packing slip
C. Fraudulent inventory slip
D. False credit slip
Answer: B (LEAVE A REPLY)

NEW QUESTION: 72
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. Overbilling
D. Bribery
Answer: B (LEAVE A REPLY)

NEW QUESTION: 73
Conflict of interest cases are more easily prevented than detected.
A. True
B. False
Answer: A (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 74
According to Hollinger and Clark for Policy development, management must pay attention to:
A. Enforcement of sanctions
B. Neither A nor B
C. A clear understanding regarding theft behavior
D. Both A & B
Answer: D (LEAVE A REPLY)

NEW QUESTION: 75
Which of the following is not the skimming scheme?
A. Unrecorded sales
B. Theft of checks through the mail
C. Fraud & Cost
D. Understand sales and receivables
Answer: C (LEAVE A REPLY)

NEW QUESTION: 76
CORRECT TEXT
One of the simplest ways to justify unacceptable conduct and avoid guilt feelings is to invent a good reason for ________.
Answer:
Pending

NEW QUESTION: 77
CORRECT TEXT
__________ is defined as a person who works for the victim organization and who is primary culprit
Answer:
Pending

NEW QUESTION: 78
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. Bribery
B. Conflict of interest
C. Overbilling
D. Corruption
Answer: D (LEAVE A REPLY)

NEW QUESTION: 79
When employees avoid detection in a refund scheme to keep the sizes of the disbursement low, is referred to:
A. Simple disbursements
B. Very small disbursements
C. None of the above
D. Small disbursements
Answer: D (LEAVE A REPLY)

NEW QUESTION: 80
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. Fiduciary
C. Abuse
D. None of the above
Answer: A (LEAVE A REPLY)

NEW QUESTION: 81
Which counts sometimes can give rise to inventory theft detection?
A. Concealment inventory counts
B. Physical inventory counts
C. Perpetual inventory counts
D. None of the above
Answer: B (LEAVE A REPLY)

NEW QUESTION: 82
The behavior profile of employees who are involved in bribery schemes may include:
A. Extravagant lifestyle
B. All of the above
C. Gambling habit
D. Drug and/or alcohol addiction
Answer: B (LEAVE A REPLY)

NEW QUESTION: 83
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. Going concern

C. Cost

D. Fair value

Answer: A (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 84

Persuasive evidence of an arrangement does not exist when:

A. Timings not meet properly

B. No written or verbal agreement exists.

C. Revenue and corresponding expenses doesn't match each other.

D. Capitalized expenses and Liabilities will not be up to satisfied level

Answer: B (LEAVE A REPLY)

NEW QUESTION: 85

Which of the following is NOT the example of bribery prevention policies?

A. Reporting gifts

B. Discounts

C. Business meetings

D. Resource diversions

Answer: (SHOW ANSWER)

Section: Fraud Prevention and Deterrence

NEW QUESTION: 86

Employees with the authority to grant discounts in order to skim revenues may use which authority?

A. False discounts

B. Recording a discount on sale procedure

C. Internal discount sales audits

D. None of the above

Answer: (SHOW ANSWER)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 87

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: 88

Multiple cashiers operate from a single cash drawer without separate access codes is a red flag for:

A. Force inventory scheme

B. Register scheme

C. Fraudulent scheme

D. Disbursement scheme

Answer: B (LEAVE A REPLY)

NEW QUESTION: 89

Placing any restriction in the solicitation documents that tend to restrict competition is called prebid solicitation.

A. False

B. True

Answer: B (LEAVE A REPLY)

NEW QUESTION: 90

The principle behind full disclosure is:

A. None of above

B. Any material deviation from GAAP must be explained to the reader of the financial information.

C. Any material deviation from SAS must be explained to the writer oh the financial information.

D. Any material deviation from GAAP must be explained to writer of the financial information.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 91

Which counts sometimes can give rise to inventory theft detection?

A. Perpetual inventory counts

B. Physical inventory counts

C. Concealment inventory counts

D. None of the above

Answer: B (LEAVE A REPLY)

Section: Investigation

NEW QUESTION: 92
A ___________ occurs when an employee, manager or executive has an undisclosed economic or personal interest in a transaction that adversely affects the organization.
A. Financial disclosure
B. Unauthorized purchase
C. Illegal sale
D. Conflict of interest
Answer: D (LEAVE A REPLY)

NEW QUESTION: 93
Which of the following is the criterion for bid solicitation?
A. Allowing the purchaser to discuss possible employment with the contractor
B. Containing false statements
C. To withdraw low bids
D. To falsify the bid log
Answer: A (LEAVE A REPLY)

NEW QUESTION: 94
Which of the following are not of Basic types of non-sharable problems?
A. Violation of ascribed obligations
B. Business reversals
C. Physical Isolation
D. Larceny by Fraud
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 95
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. Conflict of interest in sale
B. Turnaround sale or flip
C. Unauthorized sale
D. Written sale of unique assets
Answer: B (LEAVE A REPLY)

NEW QUESTION: 96

People commit financial statement fraud to:

A. Conceal false business performances

B. Preserve personal status/control

C. Maintain personal income

D. Stand outside the accounting system

Answer: B (LEAVE A REPLY)

NEW QUESTION: 97

_________ assumes the business will go on indefinitely in the future.

A. Materiality

B. Fair value

C. Cost

D. Going concern

Answer: (SHOW ANSWER)

NEW QUESTION: 98

If the assets are intentionally purchased by the company but simply misappropriated by the fraudster, this is referring to as:

A. Asset receiving scheme

B. Inventory larceny scheme

C. Falsify shipping

D. Fraudulent purchase

Answer: (SHOW ANSWER)

NEW QUESTION: 99

A tangible asset is one which is:

A. capable of being perceived

B. capable of being appraised

C. Both A & B

D. Neither A nor B

Answer: C (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 100

Most of the shell company schemes involve the purchase of goods rather than services.

A. True

B. False

Answer: (SHOW ANSWER)

Section: Fraud Prevention and Deterrence

NEW QUESTION: 101

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

A. Debit

B. None of all

C. Credit

D. Journal Entries

Answer: C (LEAVE A REPLY)

NEW QUESTION: 102

Which of the following is NOT the phase of the bidding process?

A. Presolicitation

B. Postsolicitation

C. Submission

D. Solicitation

Answer: B (LEAVE A REPLY)

NEW QUESTION: 103

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. Going concern

C. Cost

D. Fair value

Answer: A (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

Explanation

NEW QUESTION: 104

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

A. Accounting Cycle

B. None of all

C. Journal Entries

D. Financial statement

Answer: (SHOW ANSWER)

NEW QUESTION: 105

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

A. Both A & B

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

C. A written order exists but contains a right of return.
D. Neither A nor B
Answer: C (LEAVE A REPLY)

NEW QUESTION: 106
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. True
B. False
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 107
Fill in Blank
___________ means that traditional bribery statutes proscribe only payments made to influence the decisions of government agents or employees.
Answer:
Official act

NEW QUESTION: 108
_______________ can be detected by closely examining the documentation submitted with the cash receipts.
A. None of the above
B. Voided purchases
C. Fictitious refunds
D. Approved transaction
Answer: C (LEAVE A REPLY)

NEW QUESTION: 109
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: 110
Collusion or bid-rigging between bidders is called
A. Bribery receipt
B. Bid solicitation
C. To withdraw low bids
D. Contract acceptance
Answer: D (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 111
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. Journal Entries
C. False debits
D. None of all
Answer: A (LEAVE A REPLY)

NEW QUESTION: 112
Which of the following is NOT the reason to bribe employees of the purchaser?
A. To falsify the bid log
B. To ensure receipt of a late bid
C. To extend the bid opening date
D. To ensure bid-splitting
Answer: D (LEAVE A REPLY)

NEW QUESTION: 113
CORRECT TEXT
__________ means that traditional bribery statutes proscribe only payments made to influence the decisions of government agents or employees.
Answer:
Pending

NEW QUESTION: 114
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: 115
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: C (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 116
Which of the following is NOT the reason why senior management will overstate business statement?
A. Comply with debit covenants
B. Show a pattern of growth to support sale of a business
C. Meet personal performance criteria
D. Trigger performance related compensation
Answer: A (LEAVE A REPLY)

NEW QUESTION: 117
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)

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

NEW QUESTION: 120
According to fraud tree, cash has three following schemes:
A. Cash larceny, cash distribution and fraudulent disbursements
B. Fraud analysis, skimming and cash misappropriations
C. Cash distribution, skimming and fraud analysis
D. Skimming, cash larceny and fraudulent disbursements
Answer: (SHOW ANSWER)

NEW QUESTION: 121
__________ inventory and other assets is relatively common way for fraudsters to remove assets from the books before or after they are stolen.
A. Altered
B. Perpetual
C. False shipping slip
D. Write-offs
Answer: C (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes
Explanation/Reference:

NEW QUESTION: 122
Which of the following method is NOT used to detect conflicts of interest?
A. Review of vendor ownership files

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

NEW QUESTION: 123
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: 124
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. True
B. False
Answer: B (LEAVE A REPLY)

NEW QUESTION: 125
___________ and __________ are used to increase (or decrease) the equity account.
A. Journal Entries & transactions
B. None of all
C. Journal Entries & Debit
D. Journal Entries & Credit
Answer: A (LEAVE A REPLY)

NEW QUESTION: 126
__________ 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. Altered
C. Perpetual
D. Write-offs
Answer: A (LEAVE A REPLY)

NEW QUESTION: 127
Which of the following is NOT the phase of the bidding process?
A. Presolicitation
B. Postsolicitation
C. Solicitation
D. Submission
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 128
Which of the following is true for Red flags associated with fictitious revenues?
A. Slow growth or usual profitability, when not compared to other companies in the same industry.
B. Usual growth in the number of days purchase in receivables
C. A significant volume of sales to entries whose substance and ownership is not known.
D. A usual surge in purchase by a majority of units within a company, or of purchase recorded by corporate headquarters.
Answer: C (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 129
Asset misappropriations have an effect on the liabilities and do also have an indirect effect on the equity account.
A. True
B. False
Answer: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 130
____________ should be examined to see that all are properly documented and that inappropriate payments have not been made to employees.
A. counterfeit checks
B. Cash advances
C. Payable checks
D. Payable cash
Answer: (SHOW ANSWER)

NEW QUESTION: 131

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. None of all

C. Journal Entries

D. False debits

Answer: A (LEAVE A REPLY)

NEW QUESTION: 132

Which of the following are not of Basic types of non-sharable problems?

A. Business reversals

B. Larceny by Fraud

C. Violation of ascribed obligations

D. Physical Isolation

Answer: (SHOW ANSWER)

NEW QUESTION: 133

Which of the following search is used for unusually high incidence of returns and allowances scheme?

A. None of the above

B. Disposals of allowances than reorders

C. Returns and allowances

D. Allowances by vendors

Answer: C (LEAVE A REPLY)

NEW QUESTION: 134

___________ is required if and when officers, executives or other persons in trusted positions become subjects of a criminal indictment.

A. Disclosure

B. Conflict of interest

C. Turnaround sale or flip

D. Resource diversion

Answer: A (LEAVE A REPLY)

NEW QUESTION: 135

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. Simple disbursements
D. None of the above
Answer: A (LEAVE A REPLY)
Section: Investigation

NEW QUESTION: 136
Another way to eliminate competition in the solicitation phase of the selection process is to:
A. Solicit transaction from fictitious vendors
B. Solicit bid from fictitious suppliers
C. Solicit bid-splitting from fictitious vendors
D. None of the above
Answer: B (LEAVE A REPLY)

NEW QUESTION: 137
Larceny by Fraud or deception means that:
A. All of the above
B. Fails to correct a false impression
C. Fails to disclose a known lien, adverse claim or other legal impediment
D. Creates or reinforce a false impression
Answer: A (LEAVE A REPLY)

NEW QUESTION: 138
A typical issue involving material and fraud would be:
A. Civil lawsuit
B. Misappropriations
C. Quality control
D. Fraudulent statement
Answer: (SHOW ANSWER)

NEW QUESTION: 139
Financial statement fraud is committed by:
A. All of the above

B. Organized criminals
C. Mid and lower level employees
D. Senior Management
Answer: A (LEAVE A REPLY)

NEW QUESTION: 140
The most basic skimming scheme occurs when:
A. An employee sells goods or services to a stakeholder, collects the stakeholder's payment and makes record of the sale too.
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 buy goods or services from a stakeholder, drop the stakeholder's payment and makes record of the purchase too.
D. An employee sells goods or services to a customer, collects the customer's payment, but makes no record of the sale.
Answer: (SHOW ANSWER)

NEW QUESTION: 141
False billing scheme states that:
A. employees do not cause their company to purchase merchandise that the company does not need.
B. employees cause their company to sale 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)
Section: Financial Transactions and Fraud Schemes
Explanation

NEW QUESTION: 142
Fill in Blank
____________ allows the fraud examiner to inspect key attributes on a smaller portion (or sample) of those documents.
Answer:
Statistical sampling

NEW QUESTION: 143
Which of the following is NOT the type of billing scheme?
A. Invoicing via shell companies
B. Invoicing via non-accomplice companies

C. Invoicing via accomplice companies
D. Personal purchases with company funds
Answer: C (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 144
A __________ is a day-by-day, or chronological, record of transactions
A. Ledger
B. Checkbook
C. Journal
D. Asset
Answer: C (LEAVE A REPLY)

NEW QUESTION: 145
__________ 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. Write-offs
D. Altered
Answer: (SHOW ANSWER)

NEW QUESTION: 146
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: (SHOW ANSWER)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 147
SIMULATION
A ____________ can be very costly for an organization to undertake, both in terms of money and time spent.
Answer:
Civil lawsuit

NEW QUESTION: 148
________, one of the Fraud synonyms implies that deceiving so thoroughly as to obscure the truth:

A. Deceive
B. Mislead
C. Beguile
D. Delude
Answer: D (LEAVE A REPLY)

NEW QUESTION: 149
Undisclosed payments made by vendors to employees of purchasing companies are referred to as:
A. Bid-rigging
B. Kickbacks
C. Presolicitaion
D. None of the above
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence
Explanation/Reference:

NEW QUESTION: 150
In Cressey's fraud triangle, its three of the legs are Opportunity, Pressure and
A. None of the above
B. Isolation
C. Violation
D. Rationalization
Answer: D (LEAVE A REPLY)

NEW QUESTION: 151
____________ is a summary of the account balances carried in a ledger.
A. Balance sheet
B. Income statement
C. Financial statement
D. General journal
Answer: C (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 152

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: A (LEAVE A REPLY)

Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 153

Verify supporting documentation on outstanding checks written for a material amount is a test used to conduct for:

A. Check disbursement

B. Bank confirmation

C. Bank confirmation

D. Cut-off statements

Answer: C (LEAVE A REPLY)

Section: Investigation

NEW QUESTION: 154

In which approach, fraudsters produce whatever financial statements they wish, perhaps using just a typewriter or a personal computer.

A. Outside accounting system

B. Organized accounting

C. Beating accounting

D. Playing the accounting

Answer: A (LEAVE A REPLY)

NEW QUESTION: 155

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

A. Income statement

B. Financial statement

C. General journal

D. Balance sheet

Answer: B (LEAVE A REPLY)

NEW QUESTION: 156

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. Conflict of interest in sale
B. Turnaround sale or flip
C. Written sale of unique assets
D. Unauthorized sale
Answer: B (LEAVE A REPLY)

NEW QUESTION: 157
In which approach, fraudsters produce whatever financial statements they wish, perhaps using just a typewriter or a personal computer.
A. Outside accounting system
B. Beating accounting
C. Organized accounting
D. Playing the accounting
Answer: (SHOW ANSWER)

NEW QUESTION: 158
________ decrease assets and expenses and/or increase liabilities and/or equity
A. None of all
B. Credit
C. Journal Entries
D. Debit
Answer: B (LEAVE A REPLY)

NEW QUESTION: 159
Conflict of interest cases are more easily prevented than detected.
A. False
B. True
Answer: B (LEAVE A REPLY)

NEW QUESTION: 160
Conflict of interest cases are more easily prevented than detected.
A. True
B. False
Answer: A (LEAVE A REPLY)

NEW QUESTION: 161
__________ is required if and when officers, executives or other persons in trusted positions become subjects of a criminal indictment.
A. Conflict of interest

B. Turnaround sale or flip
C. Disclosure
D. Resource diversion
Answer: (SHOW ANSWER)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 162
CORRECT TEXT
The ________________ cost method of pricing would carry an asset's value on the financial statements as what it would currently cost, considering inflation.
Answer:
Pending

NEW QUESTION: 163
Entering a sales total lower than the amount actually paid by the customer is called:
A. Underrings a sale
B. Recording a sale procedure
C. Internal sales audits
D. All of the above
Answer: A (LEAVE A REPLY)

NEW QUESTION: 164
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. Solicitation
C. False specification
D. Submission
Answer: B (LEAVE A REPLY)
Section: Fraud Prevention and Deterrence

NEW QUESTION: 165
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: 166
According to accounting principles, _________ and _________ should be recorded or atched in the same accounting period; failing to do so violates the matching principle of AAP.

A. Revenue and corresponding expenses
B. Revenue and Income statement
C. Income statement and Long-term contracts
D. Capitalized expenses and Liabilities
Answer: A (LEAVE A REPLY)
Section: Financial Transactions and Fraud Schemes

NEW QUESTION: 167
A running count that records how much inventory should be on hand is referred to:
A. Perpetual inventory
B. Altered inventory
C. Shrinking inventory
D. Fictitious inventory
Answer: A (LEAVE A REPLY)

NEW QUESTION: 168
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 inventory control
B. Proper documentation, physical padding, independent checks and physical safeguards
C. Proper documentation, segregation of duties, independent checks and physical safeguards
D. prenumbered affiliations, segregation of duties, independent checks and physical safeguards
Answer: C (LEAVE A REPLY)

NEW QUESTION: 169
Which of the following are used in a short-term skimming scheme?
A. Unrecorded sales, understated sales and theft of incoming checks
B. Understated sales, theft of incoming checks and check-for-currency substitutions
C. Unrecorded sales, understated sales and dual endorsements
D. False company accounts, understated sales and theft of incoming checks

Answer: (SHOW ANSWER)

NEW QUESTION: 170

___________ and __________ are used to increase (or decrease) the equity account.

A. Journal Entries & Credit

B. Journal Entries & Debit

C. None of all

D. Journal Entries & transactions

Answer: D (LEAVE A REPLY)

NEW QUESTION: 171

The difference between assets and liabilities is called:

A. Income statement

B. Expense

C. Revenue

D. Equity

Answer: D (LEAVE A REPLY)