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NEW QUESTION: 1

Which of the following should be established by management during implementation of big data systems to enable ongoing production monitoring?

- A. Reports of software customization
- B. Key performance indicators
- C. Master data management
- D. Change and patch management

Answer: B (LEAVE A REPLY)

NEW QUESTION: 2

Which of the following is an example of a physical control?

- A. Performing business continuity and disaster recovery planning
- B. Providing fire detection and suppression equipment
- C. Keeping an offsite backup of the organization's critical data
- D. Establishing a physical security policy and promoting it throughout the organization

Answer: B (LEAVE A REPLY)

NEW QUESTION: 3

Which of the following bring-your-own-device (BYOD) practices is likely to increase the risk of infringement on local regulations such as copyright or privacy laws?

- A. Jailbreaking a locked smart device.
- B. Updating operating software in a haphazard manner
- C. Not installing anti-malware software
- D. Applying a weak password for access to a mobile device

Answer: A (LEAVE A REPLY)

NEW QUESTION: 4

According to Porter's model of competitive strategy, which of the following is a generic strategy?

- 1 Differentiation.
- 2) Competitive advantage.
- 3) Focused differentiation.
- 4) Cost focus.

- A. 1, 2, 3, and 4
- B. 3 and 4 only
- C. 1, 3, and 4 only
- D. 2 only

Answer: C (LEAVE A REPLY)

NEW QUESTION: 5

An organization has a complex systems infrastructure consisting of multiple internally developed, off the shelf, and purchased but significantly customized applications. Some of these applications share databases or process data that is used by another stand-alone application, and interfaces have been written to move data between these applications as needed through batch processing Which of the following situations presents the greatest risk exposure given this environment?

- A. The job scheduling tool frequently malfunctions, causing scheduled jobs not to run. An error message is sent to IT personnel when a job fails.
- B. The implementation of a major update for a key application is delayed until any potential
- C. Documentation of each system and its interactions, interfaces, and dependencies with other systems and databases is not gathered and maintained.
- D. Batch processing jobs include key financial data that is not posted to the accounting system until the next day. preventing real-time queries.

Answer: (SHOW ANSWER)

interdependencies are identified and analyzed.

NEW QUESTION: 6

Which of the following statements is true regarding reversing entries in an accounting cycle

- A. Reversing entries are identical to the adjusting entries made in the previous period.
- B. Reversing all previous closing adjustments is a mandatory step in the accounting cycle
- C. Reversing entries should be completed at the end of the next accounting period after recording regular transactions of the period
- D. Reversing entries are the exact opposite of the adjustments made in the previous period.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 7

An organization's headquarters is centrally located and the organization runs numerous computer applications in multiple sites. Which of the following would be the most appropriate approach for conducting an audit of the mainframe computer?

- A.** Conduct a single consolidated audit of both the mainframe general controls and the application controls for all of the applications that use the mainframe
- B.** Conduct an individual audit of the mainframe general controls and separate application control audits of the individual applications in a phased manner
- C.** Conduct individual audits of each application and include in each audit the general controls of the mainframe relevant to the individual application
- D.** Conduct a series of location-based audits that cover both the general and application IT controls and systems across the location

Answer: D (LEAVE A REPLY)

NEW QUESTION: 8

The following transactions and events occurred during the year:

- \$300,000 of raw materials were purchased, of which \$20,000 were returned because of defects
- \$600,000 of direct labor costs were incurred.
- \$750,000 of manufacturing overhead costs were incurred.

What is the organization's cost of goods sold for the year?

- A.** \$1 500 000
- B.** \$1,610,000
- C.** \$1650 000
- D.** \$1.480.000

Answer: A (LEAVE A REPLY)

NEW QUESTION: 9

During the last year, an organization had an opening inventory of \$300,000, purchases of \$980,000, sales of \$1,850,000, and a gross margin of 40 percent. What is the closing inventory if the periodic inventory system is used?

- A.** \$300,000
- B.** \$540,000
- C.** \$170,000
- D.** \$280,000

Answer: (SHOW ANSWER)

NEW QUESTION: 10

Which of the following techniques would be least effective in resolving the conflict created by an internal audit client's perception of the audit report as a personal attack on his management performance?

- A. The auditor should make recommendations based on objective criteria, rather than based on a subjective assessment.
- B. The auditor should explore alternative solutions to address the audit problem, so the audit client has options.
- C. The auditor should take a flexible position on the recommendations and focus on resolving the issue by addressing the interests of the people concerned.
- D. The auditor should focus on the audit client as a person and understand him, rather than just concentrating on the problem.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 11

Which of the following network types should an organization choose if it wants to allow access only to its own personnel?

- A. An extranet
- B. A local area network.
- C. The internet
- D. An intranet

Answer: B (LEAVE A REPLY)

NEW QUESTION: 12

According to MA guidance on IT, which of the following controls the routing of data packets to link computers?

- A. Operating system.
- B. Application program code.
- C. Control environment.
- D. Network.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 13

Which of the following summarizes information about the cash receipts and cash payments for a specific time period?

- A. Balance sheet
- B. Income statement
- C. Owner's equity statement
- D. Statement of cash flows.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 14

Much of the following authentication device credentials is the most difficult to revoke when an employee's access rights need to be removed?

- A. A proximity device
- B. A biometric device.
- C. A traditional key lock
- D. A card-key system

Answer: D (LEAVE A REPLY)

NEW QUESTION: 15

According to IIA guidance, which of the following best describes the activities that occur during the conversion phase of an IT project?

- A. Conversion of user requirements into program codes
- B. Conversion of user requirements into system specifications
- C. Conversion of data from the old system into the new system
- D. Conversion of test data into production data

Answer: (SHOW ANSWER)

NEW QUESTION: 16

Which of the following best describes a detective control designed to protect an organization from cyberthreats and attacks?

- A. Monitoring for vulnerabilities based on industry intelligence
- B. Comprehensive service level agreements with vendors.
- C. Firewall and other network perimeter protection tools.
- D. A list of trustworthy good traffic and a list of unauthorized blocked traffic.

Answer: (SHOW ANSWER)

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NEW QUESTION: 17

A clothing company sells shirts for \$8 per shirt. In order to break even, the company must sell 25,000 shirts. Actual sales total \$300,000.

What is margin of safety sales for the company?

- A. \$275,000
- B. \$100,000

C. \$200,000

D. \$500,000

Answer: C (LEAVE A REPLY)

NEW QUESTION: 18

During an audit of the organization's annual financial statements, the internal auditor notes that the current cost of goods sold percentage is substantially higher than in prior years.

Which of the following is the most likely explanation for this increase?

A. Cost of raw material inventory items is decreasing.

B. Process to manufacture goods is more efficient.

C. Write-off of inventory is increasing.

D. Labor productivity to produce goods is increasing.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 19

Which of the following cost of capital methods identifies the time period required to recover the cost of the capital investment from the annual inflow produced?

A. Annual rate of return technique.

B. Net present value method.

C. Internal rate of return method.

D. Cash payback technique.

Answer: (SHOW ANSWER)

NEW QUESTION: 20

Which of the following attributes of data is the most significantly impacted by the internet of things?

A. Velocity.

B. Veracity.

C. Structurization.

D. Normalization.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 21

When writing a business memorandum, the writer should choose a writing style that achieves all of the following except:

A. Develops ideas without overstatement.

B. Treats all receivers with respect.

C. Suits the method of presentation and delivery.

D. Draws positive attention to the writing style.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 22

Which of the following statements pertaining to a market skimming pricing strategy is not true?

- A.** The strategy is favored when there is insufficient market capacity and competitors cannot increase market capacity.
- B.** The strategy is favored when buyers are relatively insensitive to price increases.
- C.** The strategy is favored when high price is perceived as high quality.
- D.** The strategy is favored when unit costs fall with the increase in units produced.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 23

If legal or regulatory standards prohibit conformance with certain parts of The IIA's Standards, the auditor should do which of the following?

- A.** Conform with all other parts of The IIA's Standards and provide appropriate disclosures.
- B.** Continue the engagement without conforming with the other parts of The IIA's Standards.
- C.** Withdraw from the engagement.
- D.** Conform with all other parts of The IIA's Standards; there is no need to provide appropriate disclosures.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 24

In creating a risk-based plan, which of the following best describes a top-down approach to understanding business processes?

- A.** Identifying the processes at the activity level.
- B.** Identifying the risks affecting the organization, the objectives, and then the processes concerned.
- C.** Analyzing the organization's objectives and identifying the processes needed to achieve the objectives.
- D.** Analyzing the organization's strategic plan where the business processes are defined.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 25

An organization had a gross profit margin of 40 percent in year one and in year two. The net profit margin was 18 percent in year one and 13 percent in year two.

Which of the following could be the reason for the decline in the net profit margin for year two?

- A.** Cost of sales increased relative to sales.
- B.** The organization had a higher dividend payout rate in year two.
- C.** Total sales increased relative to expenses.
- D.** The government increased the corporate tax rate.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 26

Organizational activities that complement each other and create a competitive advantage are called a:

- A. Joint venture.
- B. Strategic fit.
- C. Merger.
- D. Strategic goal.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 27

Which of the following is not a method for implementing a new application system?

- A. Direct cutover.
- B. Test.
- C. Pilot.
- D. Parallel.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 28

An internal auditor is trying to assess control risk and the effectiveness of an organization's internal controls.

Which of the following audit procedures would not provide assurance to the auditor on this matter?

- A. Observing the organization's operations.
- B. Inspecting manuals and documents.
- C. Interviewing the organization's employees.
- D. Reading the board's minutes.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 29

Which of the following should internal auditors be attentive of when reviewing personal data consent and opt-in/opt-out management process?

- A. Whether private data is processed in accordance with the purpose for which the consent was obtained.
- B. Whether customers have an opportunity to opt-out the right to be forgotten from organizational records and systems.
- C. Whether the organization has established explicit and entitywide policies on data transfer to third parties.
- D. Whether customers are asked to renew their consent for their data processing at least quarterly.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 30

Which of the following is an example of a physical control designed to prevent security breaches?

- A. Using encryption for data transmitted over the public internet.
- B. Preventing database administrators from initiating program changes.
- C. Restricting system programmers' access to database facilities.
- D. Blocking technicians from getting into the network room.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 31

When using data analytics during a review of the procurement process, what is the first step in the analysis process?

- A. Identify data anomalies and outliers
- B. Define questions to be answered
- C. Identify data sources available
- D. Determine the scope of the data extract.

Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 32

Which of the following factors would reduce dissatisfaction for a management trainee but would not particularly motivate the trainee?

- A. An incremental increase in salary.
- B. Promotion.
- C. Recognition.
- D. A sense of achievement.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 33

Refer to the exhibit.

The figure below shows the network diagram for the activities of a large project. What is the shortest number of days in which the project can be completed?

- A. 27 days.
- B. 51 days.
- C. 21 days.
- D. 22 days.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 34

An organization is considering mirroring the customer data for one regional center at another center. A disadvantage of such an arrangement would be:

- A. Lack of awareness of the state of processing.
- B. Confusion about where customer data are stored.
- C. Increased cost and complexity of network traffic.
- D. Interference of the mirrored data with the original source data.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 35

The management of working capital is most crucial for which of the following aspects of business?

- A. Liquidity.
- B. Profitability.
- C. Efficiency.
- D. Solvency.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 36

Capacity overbuilding is most likely to occur when management is focused on which of the following?

- A. Finance.
- B. Diversification.
- C. Production.
- D. Marketing.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 37

Which of the following statements is correct regarding corporate compensation systems and related bonuses?

- 1) A bonus system should be considered part of the control environment of an organization and should be considered in formulating a report on internal control.

2) Compensation systems are not part of an organization's control system and should not be reported as such.

3) An audit of an organization's compensation system should be performed independently of an audit of the control system over other functions that impact corporate bonuses.

A. 2 and 3 only

B. 3 only

C. 2 only

D. 1 only

Answer: D (LEAVE A REPLY)

NEW QUESTION: 38

Which of the following statements accurately describes the responsibility of the internal audit activity (IAA) regarding IT governance?

1) The IAA does not have any responsibility because IT governance is the responsibility of the board and senior management of the organization.

2) The IAA must assess whether the IT governance of the organization supports the organization's strategies and objectives.

3) The IAA may assess whether the IT governance of the organization supports the organization's strategies and objectives.

4) The IAA may accept requests from management to perform advisory services regarding how the IT governance of the organization supports the organization as strategies and objectives.

A. 1 only

B. 2 and 4

C. 4 only

D. 3 and 4

Answer: B (LEAVE A REPLY)

NEW QUESTION: 39

New data privacy laws require an organization to use collected customer information for the sole purpose of meeting the organization's business requirements. Which of the following best addresses the risk of the organization not complying with this objective?

A. Allocate access profiles for each end user of the information

B. Establish policies that discipline those who misuse customer information

C. Encrypt the customer information retained by the organization

D. Provide training on social engineering attacks

Answer: C (LEAVE A REPLY)

NEW QUESTION: 40

Which of the following is the best approach to overcome entry barriers into a new business?

- A. Invest in commodity or commodity-like product businesses.
- B. Use an established distribution relationship.
- C. Offer a standard product that is targeted in the recognized market.
- D. Enter into a slow-growing market.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 41

Which of the following purchasing scenarios would gain the greatest benefit from implementing electronic data interchange?

- A. A currently inefficient purchasing process.
- B. A time-sensitive just-in-time purchase environment.
- C. A variable volume sensitive to material cost.
- D. A large volume of custom purchases.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 42

An internal auditor is reviewing physical and environmental controls for an IT organization. Which control activity should not be part of this review?

- A. Ensure that at least one developer has access to both systems and operations.
- B. Develop and test the organization's disaster recovery plan.
- C. Install and test fire detection and suppression equipment.
- D. Restrict access to tangible IT resources.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 43

According to Porter, which of the following is associated with fragmented industries?

- A. Weak entrance barriers.
- B. Strong negotiation power with suppliers.
- C. Significant scale economies.
- D. Steep experience curve.

Answer: (SHOW ANSWER)

NEW QUESTION: 44

An internal auditor is assigned to perform data analytics. Which of the following is the next step the auditor should undertake after she has ascertained the value expected from the review?

- A. Analyze the data
- B. Obtain the data
- C. identify the risks
- D. Normalize the data

Answer: A (LEAVE A REPLY)

NEW QUESTION: 45

The greatest advantage of functional departmentalization is that it:

- A. Facilitates communication between primary functions.
- B. Accommodates geographically dispersed companies
- C. Provides for efficient use of specialized knowledge .
- D. Helps to focus on the achievement of organizational goals.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 46

In an organization where enterprise risk management practices are mature, which of the following is a core internal audit role?

- A. Developing the risk management strategy for the board's approval.
- B. Facilitating the identification and evaluation of risks.
- C. Giving assurance that risks are evaluated correctly.
- D. Coaching management in responding to risk.

Answer: C (LEAVE A REPLY)

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NEW QUESTION: 47

Which of the following is a logical access control designed to enhance the security of a computer-based application system?

- A. User accounts will be locked after three unsuccessful attempts to access the system
- B. Users will automatically lose access to the system after 15 minutes of inactivity
- C. Users will not be allowed to use any of their last five passwords to access the system
- D. Users will be assigned rights to access the system based on their job responsibilities

Answer: (SHOW ANSWER)

NEW QUESTION: 48

A multinational organization allows its employees to access work email via personal smart devices. However, users are required to consent to the installation of mobile device management (MDM) software that will remotely wipe data in case of theft or other incidents.

Which of the following should the organization ensure in exchange for the employees' consent?

- A. That those employees who do not consent to MDM software cannot have an email account.
- B. That personal data on the device cannot be accessed and deleted by system administrators.
- C. That employee consent includes appropriate waivers regarding potential breaches to their privacy.
- D. That monitoring of employees' online activities is conducted in a covert way to avoid upsetting them.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 49

Which of the following performance measures includes both profits and investment base?

- A. Variance analysis.
- B. A flexible budget.
- C. A contribution margin income statement by segment.
- D. Residual income.

Answer: (SHOW ANSWER)

NEW QUESTION: 50

An internal auditor performed a review of IT outsourcing and found that the service provider was failing to meet the terms of the service level agreement. Which of the following approaches is most appropriate to address this concern?

- A. The organization should ensure that there is a clear management communication strategy and path for evaluating and reporting on all outsourced services concerns.
- B. The organization should review the skill requirements and ensure that the service provider is maintaining sufficient expertise and retaining skilled resources.
- C. The organization should work with the service provider to review the current agreement and
- D. The organization should proactively monitor the performance of the service provider, escalate concerns, and use penalty clauses in the contract where necessary.

Answer: D (LEAVE A REPLY)

expectations relating to objectives, processes, and overall performance.

NEW QUESTION: 51

According to MA guidance, which of the following best describes an adequate management (audit) trail application control for the general ledger?

- A. Report identifying general ledger transactions by time and individual
- B. Report identifying data that is outside of system parameters
- C. Report confirming that the general ledger data was processed without error.

D. Report comparing processing results with original input

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 52

An organization's balance sheet indicates that the total asset amount and the total capital stock amount remained unchanged from one year to the next, and no dividends were declared or paid. However, the organization reported a loss of \$200,000. Which of the following describes the most likely year-over-year change to the organization's total liabilities and total stockholder equity?

- A. The total liabilities and total stockholder equity both decreased.
- B. The total liabilities increased, and the total stockholder equity decreased.
- C. The total liabilities and total stockholder equity both increased.
- D. The total liabilities decreased, and the total stockholder equity increased.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 53

An employee's mobile device used for work was stolen in a home burglary. Which control, if already implemented by the organization, would best prevent unauthorized access to organizational data stored on the employee's device?

- A. Access control via swipe pattern authentication.
- B. Access control via security question authentication.
- C. Access control via biometric authentication.
- D. Access control via passcode authentication.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 54

According to HA guidance or IT which of the following spreadsheets is most likely to be considered a high-risk user-develop application?

- A. An asset retirement calculation spreadsheet comprised of multiple formulas and assumptions
- B. An ad-hoc inventory listing spreadsheet comprising details of written-off inventory quantities
- C. A revenue calculation spreadsheet supported with price and volume reports from the production department
- D. An accounts receivable reconciliation spreadsheet used by the accounting manager to verify balances.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 55

Which of the following phases of a business cycle are marked by an underuse of resources?

- 1) The trough.
- 2) The peak.
- 3) The recovery.
- 4) The recession.

- A. 2 and 4 only
- B. 1 and 4 only
- C. 2 and 3 only
- D. 1 and 3 only

Answer: B (LEAVE A REPLY)

NEW QUESTION: 56

An organization's board of directors is particularly focused on positioning the organization as a leader in the industry and beating the competition.

Which of the following strategies offers the greatest alignment with the board's focus?

- A. Divesting product lines expected to have negative profitability.
- B. Increasing investment in research and development for a new product.
- C. Increasing the diversity of strategic business units.
- D. Relocating the organization's manufacturing to another country.

Answer: (SHOW ANSWER)

NEW QUESTION: 57

Which of the following would best prevent unauthorized external changes to an organization's data?

- A. Antivirus software, data encryption, change logs.
- B. Firewall, data encryption, backup procedures.
- C. Antivirus software, firewall, data encryption.
- D. Antivirus software, firewall, backup procedures.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 58

The market price is the most appropriate transfer price to be charged by one department to another in the same organization for a service provided when:

- A. The purchasing department has more negotiating power than the selling department.
- B. There is an external market for that service.
- C. The selling department operates at 50 percent of its capacity.
- D. There is no external market for that service.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 59

A multinational organization involved in online business has planned to set up a help desk service. Which of the following best describes the role performed by the help desk?

- A. Monitoring access to the online database.
- B. Maintaining and assuring network security.
- C. Responding to customer inquiries.
- D. Backing up and maintaining archived data.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 60

What must be monitored in order to manage risk of consumer product inventory obsolescence?

- 1) Inventory balances.
- 2) Market share forecasts.
- 3) Sales returns.
- 4) Sales trends.

- A. 4 only
- B. 1, 2, and 3 only
- C. 1 and 4 only
- D. 1 only

Answer: C (LEAVE A REPLY)

NEW QUESTION: 61

According to IIA guidance, which of the following is a broad collection of integrated policies, standards, and procedures used to guide the planning and execution of a project?

- A. Project management methodologies.
- B. Project governance.
- C. Project portfolio.
- D. Project development.

Answer: A (LEAVE A REPLY)

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NEW QUESTION: 62

Which of the following is the most appropriate test to assess the privacy risks associated with an organization's workstations?

- A. Social engineering test.

- B. Physical control test.
- C. Penetration test.
- D. Vulnerability test.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 63

A bicycle manufacturer incurs a combination of fixed and variable costs with the production of each bicycle. Which of the following statements is true regarding these costs?

- A. If the number of bicycles produced is increased by 30 percent, the fixed cost per unit will decline.
- B. If the number of bicycles produced is increased by 15 percent, the variable cost per unit will increase proportionally.
- C. The total variable cost will vary proportionally and inversely with the number of bicycles produced during a production run.
- D. The fixed cost per unit will vary directly based on the number of bicycles produced during the production cycle.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 64

The audit committee of a global corporation has mandated a change in the organization's business ethics policy. Which of the following approaches describes the best way to accomplish the policy's diffusion worldwide?

- A. Send the board-approved version of the policy to each country's senior leadership and empower them to tailor the policy to the local language and culture.
- B. Deploy the policy in the corporate headquarters' language, so everyone gets an unfiltered version simultaneously.
- C. Consult with legal and operational management in each affected country to ensure the final version can be implemented globally, following audit committee approval.
- D. Introduce the policy region by region, using any lessons learned to change the subsequent version of the policy for the next area.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 65

An internal auditor computed that one of the organization's accounting divisions is processing 30 travel reports per hour while another accounting division is processing 22 travel reports per hour.

Which of the following efficiency measures did the internal auditor most likely employ?

- A. Resource utilization rate.
- B. Asset efficiency rate.
- C. Operating rate.
- D. Productivity rate.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 66

While auditing an organization's customer call center, an internal auditor notices that key performance indicators show a positive trend, despite the fact that there have been increasing customer complaints over the same period.

Which of the following audit recommendations would most likely correct the cause of this inconsistency?

- A.** Review the call center script used by customer service agents to interact with callers, and update the script if necessary.
- B.** Increase the incentive for call center employees to complete calls quickly and raise the number of calls completed daily.
- C.** De-emphasize the importance of call center employees completing a certain number of calls per hour.
- D.** Retrain call center staff on area processes and common technical issues that they will likely be asked to resolve.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 67

For a multinational organization, which of the following is a disadvantage of an ethnocentric staffing policy?

- 1) It significantly raises compensation and staffing costs.
- 2) It produces resentment among the organization's employees in host countries.
- 3) It limits career mobility for parent-country nationals.
- 4) It can lead to cultural myopia.

- A.** 1, 2, and 3 only
- B.** 2 and 3 only
- C.** 1 and 4 only
- D.** 1, 2, and 4 only

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 68

Which of the following application controls checks the integrity of data entered into a business application?

- A.** Output controls
- B.** Integrity controls
- C.** Input controls.
- D.** Processing controls

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 69

According to Herzberg's Two-Factor Theory of Motivation, which of the following factors are mentioned most often by satisfied employees?

- A. Responsibility and advancement
- B. Peer relationships and personal life
- C. Work conditions and security
- D. Salary and status

Answer: A (LEAVE A REPLY)

NEW QUESTION: 70

Which of the following statements is false regarding the internal audit approach when a set of standards other than The IIA's Standards is applicable to a specific engagement?

- A. If the other standards are government-issued, the internal auditor should apply them in conjunction with The IIA's Standards.
- B. The internal auditor may cite the use of other standards during audit communications.
- C. If there are inconsistencies between the other standards and The IIA's Standards, the internal auditor must use the more restrictive standards.
- D. If there are inconsistencies between the other standards and The IIA's Standards, the internal auditor must use the less restrictive standards.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 71

According to IIA guidance on IT auditing, which of the following would not be an area examined by the internal audit activity?

- A. Access system security.
- B. Operations processes.
- C. Policy development.
- D. Change management.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 72

An organization has a total asset turnover of 3.0 times and a total debt-to-total assets ratio of 80 percent. If the organization has total debt of \$1 000 000 what is the organization's sales level?

- A. \$3.750.000
- B. \$416,667
- C. \$5 000.000
- D. \$266.667

Answer: A (LEAVE A REPLY)

NEW QUESTION: 73

Which of the following practices impacts copyright issues related to the manufacturer of a smart device?

- A. Eavesdropping.
- B. Authentication.
- C. Jailbreaking.
- D. Session hijacking.

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 74

An organization uses the management-by-objectives method, whereby employee performance is based on defined goals Which of the following statements is true regarding this approach?

- A. It is a more successful approach when adopted by mechanistic organizations
- B. It is particularly successful in environments that are prone to having poor employer-employee relations
- C. It is particularly helpful to management when the organization is facing rapid change
- D. It is more successful when goal-setting is performed not only by management, but by an team members, including lower-level staff.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 75

Which is the least effective form of risk management?

- A. Systems-based preventive control.
- B. People-based preventive control.
- C. Systems-based detective control.
- D. People-based detective control.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 76

Which of the following statements regarding database management systems is not correct?

- A. The database management system acts as a layer between the application software and the operating system.
- B. Database management systems handle data manipulation inside the tables, rather than it being done by the operating system itself in files.
- C. Applications pass on the instructions for data manipulation which are then executed by the database management system.
- D. The data within the database management system can only be manipulated directly by the database management system administrator.

Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 77

Which of the following describes a third-party network that connects an organization specifically with its trading partners?

- A. Metropolitan area network (MAN).
- B. Wide area network (WAN).
- C. Local area network (LAN).
- D. Value-added network (VAN).

Answer: B (LEAVE A REPLY)

NEW QUESTION: 78

According to IIA guidance, which of the following corporate social responsibility (CSR) activities is appropriate for the internal audit activity to perform?

- A. Integrate CSR activities into the organization's decision-making process.
- B. Determine the optimal amount of resources for the organization to invest in CSR.
- C. Determine whether the organization has an appropriate policy governing its CSR activities.
- D. Align CSR program objectives with the organization's strategic plan.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 79

Which of the following statements is true concerning the basic accounting treatment of a partnership?

- A. A partner's capital only changes due to net income or net loss.
- B. The ownership ratio identifies the basis for dividing net income and net loss.
- C. The basis for sharing net incomes or net losses must be fixed.
- D. The initial investment of each partner should be recorded at book value.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 80

With regard to disaster recovery planning, which of the following would most likely involve stakeholders from several departments?

- A. Assigning who in the IT department would be involved in the recovery procedures.

- B. Assessing the resources needed to meet the data recovery objectives
- C. Prioritizing the order in which business systems would be restored.
- D. Determining the frequency with which backups will be performed.

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 81

A chief audit executive (CAE) was asked to participate in the selection of an external auditor. Which of the following would not be a typical responsibility for the CAE?

- A. Monitor the work of the external auditors.
- B. Recommend criteria to be used in the selection process.
- C. Develop appropriate performance metrics.
- D. Evaluate the proposed external auditor fee.

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 82

Which of the following is an example of a key systems development control typically found in the in-house development of an application system?

- A. A record is maintained to track the process of data from input, to output, to storage
- B. Logical access controls monitor application usage and generate audit trails.
- C. Business users' requirements are documented, and their achievement is monitored
- D. The development process is designed to prevent, detect and correct errors that may occur

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 83

As it relates to the data analytics process, which of the following best describes the purpose of an internal auditor who cleaned and normalized data?

- A. The auditor organized data to minimize useless information.
- B. The auditor made data usable for a specific purpose by ensuring that anomalies were identified and corrected.
- C. The auditor ensured data fields were consistent and that data could be used for a specific purpose.
- D. The auditor eliminated duplicate information.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 84

Which of the following statements regarding program change management is not correct?

- A. All changes should be tested in a non-production environment before migrating to the production environment.
- B. The goal of the change management process is to sustain and improve organizational operations.

C. In order to protect the production environment, changes must be managed in a repeatable, defined, and predictable manner.

D. The degree of risk associated with a proposed change determines if the change request requires authorization.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 85

When granting third parties temporary access to an entity's computer systems, which of the following is the most effective control?

A. Access is approved by the supervising manager.

B. User accounts are deleted when the work is completed.

C. User accounts specify expiration dates and are based on services provided.

D. Administrator access is provided for a limited period.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 86

According to MA guidance, which of the following would indicate poor change management control?

1) Low change success rate

2) Occasional planned outages

3) Low number of emergency changes.

4) Instances of unauthorized changes

A. 2 and 3

B. 2 and 4

C. 1 and 3

D. 1 and 4

Answer: D (LEAVE A REPLY)

NEW QUESTION: 87

Which of the following is not a common feature of cumulative preferred stock?

A. Priority over common stock with regard to earnings.

B. Priority over common stock with regard to assets.

C. Priority over common stock with regard to dilution of shares.

D. Priority over common stock with regard to dividend payment.

Answer: (SHOW ANSWER)

NEW QUESTION: 88

Which of the following should be included in a company's year-end inventory valuation?

A. Company goods for sale on consignment at a consignment shop

B. Company goods that were sold during the year free on board shipping point that have been shipped but not yet received by the customer

C. Goods purchased by the company free on board destination mat have not yet been received

D. Goods on consignment, which the company is trying to sell for its customers

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 89

A manager decided to build his team's enthusiasm by giving encouraging talks about employee empowerment, hoping to change the perception that management should make all decisions in the department.

The manager is most likely trying to impact which of the following components of his team's attitude?

A. Affective component.

B. Behavioral component.

C. Cognition component.

D. Thinking component.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 90

Senior management is trying to decide whether to use the direct write-off or allowance method for recording bad debt on accounts receivables.

Which of the following would be the best argument for using the direct write-off method?

A. It states receivables at net realizable value on the balance sheet.

B. It is the preferred method according to The IIA.

C. It provides a better alignment with revenue.

D. It is useful when losses are considered insignificant.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 91

Which of the following types of data analytics would be used by a hospital to determine which patients are likely to require readmittance for additional treatment?

A. Predictive analytics

B. Prescriptive analytics

C. Diagnostic analytics

D. Descriptive analytics

Answer: A ([LEAVE A REPLY](#))

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NEW QUESTION: 92

A large hospital has an existing contract with a vendor in another country to provide software support and maintenance of the hospital's patient records information system. From the hospital management's perspective, which of the following controls would be most effective to address privacy risks related to this outsourcing arrangement?

- A. Develop an incident monitoring and response plan to track breaches from internal and external sources
- B. Conduct periodic reviews of the privacy policy to ensure that the existing policy meets current legislation requirements in both regions.
- C. Implement mandatory privacy training for management to help with identifying privacy risks when outsourcing services
- D. Include a "right to audit" clause in the contract and impose detailed security obligations on the outsourced vendor

Answer: D (LEAVE A REPLY)

NEW QUESTION: 93

Which of the following is an example of a nonfinancial internal failure quality cost?

- A. Foregone contribution margin on lost sales.
- B. Excessive time to convert raw materials into finished goods.
- C. Decreasing gross profit margins over time.
- D. Defective units shipped to customers.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 94

When attempting to devise creative solutions to problems, team members initially should do which of the following?

- A. Provide documentation to support their positions
- B. Suspend assumptions and negative feedback
- C. Discuss the details of all options presented
- D. Weight suggestions based on the speaker's level of authority.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 95

When management uses the absorption costing approach, fixed manufacturing overhead costs are classified as which of the following types of costs?

- A. Indirect product costs
- B. Direct period costs

C. Indirect period costs.

D. Direct product costs

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 96

An internal auditor is reviewing the organization's performance appraisal process. Which of the following methods would be most effective to identify stereotyping?

A. Analyze the number and percentages of employee appraisals that fall into each rating category

B. Use a behaviorally anchored rating scale to Break down jobs into their components.

C. Compare the ratings of selective employees with their previous appraisals.

D. Analyze and compare the ratings for different classes or groupings of employees.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 97

An internal auditor reviewed Finance Department records to obtain a list of current vendor addresses The auditor then compared the vendor addresses to a record of employee addresses maintained by the Payroll Department Which of the following types of data analysis did the auditor perform?

A. Joining data sources

B. Duplicate testing.

C. Classification

D. Gap analysis

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 98

Which of the following distinguishes the added-value negotiation method from traditional negotiating methods?

A. Each party adopts one initial position from which to start.

B. Each party's negotiator presents a menu of options to the other party.

C. Each negotiator minimizes the information provided to the other party.

D. Each negotiator starts with an offer, which is optimal from the negotiator's perspective.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 99

Which of the following situations best applies to an organization that uses a project rather than a process to accomplish its business activities?

A. A city department sets up a new firefighter training program.

B. A manufacturing organization acquires component parts from a contracted vendor

C. A clothing company designs makes and sells a new item.

D. A commercial constructor company is hired to build a warehouse.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 100

Which of the following is true of bond financing, compared to common stock, when all other variables are equal?

- A. Higher company earnings per share.
- B. Lower shareholder control.
- C. Higher overall company earnings.
- D. Lower indebtedness.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 101

Which of the following application controls, implemented by management, monitors data being processed to ensure the data remains consistent and accurate?

- A. Input controls.
- B. Management trail controls.
- C. Output controls.
- D. Integrity controls.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 102

Which of the following statements is true regarding the resolution of interpersonal conflict?

- A. Deferring action should be used until there is sufficient time to fully deal with the issue.
- B. Unrealized expectations can be avoided with open and honest discussion.
- C. Reorganization would probably not help ambiguous or overlapping jurisdictions.
- D. Timely and unambiguous clarification of roles and responsibilities will eliminate most interpersonal conflict.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 103

An organization requires an average of 58 days to convert raw materials into finished products to sell. An average of 42 additional days is required to collect receivables. If the organization takes an average of 10 days to pay for the raw materials, how long is its total cash conversion cycle?

- A. 26 days.
- B. 110 days.
- C. 100 days.
- D. 90 days.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 104

Which of the following statements is true regarding an investee that received a dividend distribution from an entity and is presumed to have little influence over the entity?

- A. The investee must record the cash dividends as dividend revenue.
- B. The investee must adjust the investment account by the ownership interest.
- C. The cash dividends received increase the investee investment account accordingly.
- D. The investment account is adjusted downward by the percentage of ownership.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 105

All of the following are true with regard to the first-in, first-out inventory valuation method except:

- A. It approximates the physical flow of goods.
- B. It values inventory close to current replacement cost.
- C. It minimizes current-period income taxes.
- D. It generates the highest profit when prices are rising.

Answer: (SHOW ANSWER)

NEW QUESTION: 106

A manager has allowed a subordinate employee to have greater control and responsibility over the tasks that he performs. This is an example of which of the following?

- A. Job enlargement.
- B. Job rotation
- C. Horizontal loading of the job.
- D. Job enlargement.

Answer: A (LEAVE A REPLY)

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NEW QUESTION: 107

Which of the following is a characteristic of big data?

- A. Big data is often structured.
- B. Big data comes from internal sources kept in data warehouses.
- C. Big data analytic results often need to be visualized.
- D. Big data is often generated slowly and is highly variable.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 108

An internal auditor is evaluating an organization's business continuity management program According to the guidance on IT. which of the following tests would best demonstrate the ability to perform Key processes without significant problems?

- A. Desk check testing
- B. Tabletop or boardroom-style testing
- C. End-to-end testing
- D. IT systems and application walkthrough

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 109

Which of the following are appropriate reasons for internal auditors to document processes as part of an audit engagement?

- 1) To determine areas of primary concern.
- 2) To establish a standard format for process mapping.
- 3) To define areas of responsibility within the organization.
- 4) To assess the performance of employees.

- A. 2 and 4 only
- B. 1 and 2 only
- C. 1 and 3 only
- D. 2 and 3 only

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 110

Which of the following roles would be least appropriate for the internal audit activity to undertake with regard to an organization's corporate social responsibility (CSR) program?

- A. Consult on project design and implementation of the CSR program.
- B. Serve as an advisor on internal controls related to CSR.
- C. Evaluate the effectiveness of the organization's CSR efforts.
- D. Identify and prioritize the CSR issues that are important to the organization.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 111

An internal auditor is trying to assess control risk and the effectiveness of an organization's internal controls. Which of the following audit procedures would not provide assurance to the auditor on this matter?

- A. Reading the board's minutes.
- B. Interviewing the organization's employees.
- C. Inspecting manuals and documents.

D. Observing the organization's operations.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 112

An internal auditor was asked to review an equal equity partnership. In one sampled transaction, Partner A transferred equipment into the partnership with a self-declared value of \$10,000 and Partner B contributed equipment with a self-declared value of \$15,000. The capital accounts of each partner were subsequently credited with \$12,500. Which of the following statements is true regarding this transaction?

- A. The capital accounts should be increased using a weighted average based on the current percentage of ownership.
- B. The capital accounts of the partners should be increased by the fair market value of their contribution.
- C. No action is needed as the capital account of each partner was increased by the correct amount.
- D. The capital accounts of the partners should be increased by the original cost of the contributed equipment.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 113

Which of the following is the best reason for considering the acquisition of a non-domestic organization?

- A. Opportunity to influence local government policy.
- B. Improved cash flow of the acquiring organization.
- C. Increased diversity of corporate culture.
- D. Relatively fast market entry.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 114

Multinational organizations generally spend more time and effort to identify and evaluate:

- A. Internal strengths and weaknesses.
- B. Break-even points.
- C. Internal risk factors.
- D. External trends and events.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 115

According to the ISO 14001 standard, which of the following is not included in the requirements for a quality management system?

- A. The entity must have processes for inspections, testing, measurement, analysis, and improvement.

- B.** Management must review the quality policy, analyze data about quality management system performance, and assess opportunities for improvement and the need for change.
- C.** Key processes across the entity which impact quality must be identified and included.
- D.** The quality management system must be documented in the articles of incorporation, quality manual, procedures, work instructions, and records.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 116

An organization has started allowing employees to use their personal smart devices to accept vendor payments. What should the organization's bring-your-own-device (BYOD) policy include to specifically address security and privacy required by the Payment Card Data Security Standard (PCI DSS)?

- A.** Backups and transfers
- B.** Data storage.
- C.** Mobile applications
- D.** Approved devices

Answer: (SHOW ANSWER)

NEW QUESTION: 117

A company's financial balance sheet is presented below:

The company has net working capital of:

- A.** \$490
- B.** \$350
- C.** \$210
- D.** \$160

Answer: C (LEAVE A REPLY)

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