

ACFE

Exam Questions CFE-Financial-Transactions-and-Fraud-Schemes

Certified Fraud Examiner - Financial Transactions and Fraud Schemes Exam



NEW QUESTION 1

Bank cut-off statements should be requested for 10-15 days after the closing date of the balance sheet.

- A. True
- B. False

Answer: A

NEW QUESTION 2

_____ may be defined as the offering, giving, receiving or soliciting anything of value to influence an official act.

- A. Corruption
- B. Diverting business to vendors
- C. Bribery
- D. Lacking approval authority

Answer: C

NEW QUESTION 3

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

NEW QUESTION 4

Bid-rigging scheme occurs when:

- A. an employee fraudulently assists a vendor in winning a contract through the competitive bidding process.
- B. an employee does not assist a vendor in winning a contract through the competitive bidding process.
- C. an employee once assists a vendor in winning a contract through a single competitive bidding process.
- D. an employee once assists a vendor in winning a contract through a single competitive bidding process.

Answer: A

NEW QUESTION 5

The most basic skimming scheme occurs when:

- A. An employee sells goods or services to a customer, collects the customer's payment, but makes no record of the sale.
- B. An employee buy goods or services from a customer, drop the customer's payment, but makes no record of the purchase.
- C. An employee sells goods or services to a stakeholder, collects the stakeholder's payment and makes record of the sale too.
- D. An employee buy goods or services from a stakeholder, drop the stakeholder's payment and makes record of the purchase too.

Answer: A

NEW QUESTION 6

Larceny by Fraud or deception means that:

- A. Creates or reinforce a false impression
- B. Fails to correct a false impression
- C. Fails to disclose a known lien, adverse claim or other legal impediment
- D. All of the above

Answer: D

NEW QUESTION 7

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

- A. Employee theft
- B. Recorded sales
- C. Internal audits
- D. Occupational frauds

Answer: A

NEW QUESTION 8

A running count that records how much inventory should be on hand is referred to:

- A. Altered inventory
- B. Perpetual inventory

- C. Shrinking inventory
- D. Fictitious inventory

Answer: B

NEW QUESTION 9

When employee committing the fraud removes cash from the register and also the item allegedly being returned is debited back into the inventory, this refers to:

- A. Registry destroying records
- B. Register false voids
- C. Fraudulent register occurrences
- D. Concealing register disbursement

Answer: D

NEW QUESTION 10

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

- A. Comply with debit covenants
- B. Meet personal performance criteria
- C. Trigger performance related compensation
- D. Show a pattern of growth to support sale of a business

Answer: A

NEW QUESTION 10

One reason employees might be hesitant to use PO boxes in shell company schemes is that some businesses are specially vary of sending checks to vendors that have street addresses only.

- A. True
- B. False

Answer: B

NEW QUESTION 13

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

NEW QUESTION 18

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

NEW QUESTION 21

The person or persons who have access to _____ are often the targets of unethical vendors seeking an advantage in the process.

- A. Bid-splitting
- B. Sealed bids
- C. General purchasing
- D. Tailor specifications

Answer: B

NEW QUESTION 22

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

- A. Revenue sources
- B. Recorded sales
- C. Internal audits
- D. Register manipulations

Answer: A

NEW QUESTION 27

Collusion or bid-rigging between bidders is called

- A. Bribery receipt
- B. Bid solicitation
- C. To withdraw low bids
- D. Contract acceptance

Answer: D

NEW QUESTION 30

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

NEW QUESTION 34

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

NEW QUESTION 38

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

- A. Journal Entries
- B. Debit
- C. Credit
- D. None of all

Answer: C

NEW QUESTION 39

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 willing seller is called:

- A. Absolute value
- B. Fair value
- C. Cost value
- D. material value

Answer: B

NEW QUESTION 41

When employee committing the fraud removes cash from the register and also the item allegedly being returned is debited back into the inventory, this refers to:

- A. Registry destroying records
- B. Register false voids
- C. Fraudulent register occurrences
- D. Concealing register disbursement

Answer: D

NEW QUESTION 44

Which of the following must be present for a fraud to exist?

- A. A material false statement
- B. Knowledge that the statement was false when it was uttered
- C. Reliance on the false statement by the victim
- D. All of the above

Answer: D

NEW QUESTION 47

Statistical sampling enables the examiner to predict the occurrence rate for the population and therefore determine with some accuracy the error rate, or the potential for fraud.

- A. True

B. False

Answer: A

NEW QUESTION 52

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

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Inventory control

NEW QUESTION 53

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

- A. Microline numbering
- B. Holographic safety border
- C. Embossed pearlescent numbering
- D. None of the above

Answer: B

NEW QUESTION 58

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

NEW QUESTION 61

According to SAB 104, for the revenue to be typically considered realized or realizable and earned, which of the following criteria is NOT met:

- A. Persuasive evidence of an arrangement exists
- B. Services has been rendered
- C. Timings have been met
- D. Collectability is reasonably assured

Answer: C

NEW QUESTION 64

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

NEW QUESTION 67

Which of the following is NOT the method for stealing inventory and other assets?

- A. Larceny schemes
- B. Asset requisition and transfer
- C. Purchasing and receiving schemes
- D. Sales & Equipment handling

Answer: D

NEW QUESTION 71

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

NEW QUESTION 75

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

NEW QUESTION 77

Bank statement are diligently reviewed to ensure that amounts and signature have not been altered, is an activity for:

- A. Account analysis
- B. Bank reconciliation
- C. Check disbursement controls
- D. Check tampering

Answer: C

NEW QUESTION 78

Which are check tempering frauds in which an employee prepares a fraudulent check and submits it usually along with legitimate checks to an authorized maker who signs it without a proper review?

- A. Endorse check scheme
- B. Legitimate check scheme
- C. Payable check scheme
- D. Concealed check scheme

Answer: D

NEW QUESTION 82

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: A

NEW QUESTION 83

_____, one of the Fraud synonyms implies that deceiving so thoroughly as to obscure the truth:

- A. Deceive
- B. Delude
- C. Mislead
- D. Beguile

Answer: B

NEW QUESTION 88

Revenue is recognized when it is:

- A. Realized and Earned
- B. Fictitious and Earned
- C. Realized and Evidenced
- D. All of the above

Answer: A

NEW QUESTION 90

Employees steal an incoming payment and then place the incoming funds in an interest bearing account for:

- A. Converting stolen checks
- B. Concealing the fraud
- C. Short-term skimming
- D. All of the above

Answer: C

NEW QUESTION 93

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

NEW QUESTION 95

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

- A. Voided checks
- B. Payable checks
- C. Missing checks
- D. Duplicate checks

Answer: C

NEW QUESTION 98

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

- A. Payable cash
- B. Cash advances
- C. counterfeit checks
- D. Payable checks

Answer: B

NEW QUESTION 101

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

NEW QUESTION 102

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

NEW QUESTION 107

In _____ scheme, an employee creates false vouchers or submits false invoices to the employer.

- A. Sale requisition
- B. Purchase requisition
- C. Voucher handling
- D. Cash generating

Answer: D

NEW QUESTION 109

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

NEW QUESTION 111

.....

Thank You for Trying Our Product

We offer two products:

1st - We have Practice Tests Software with Actual Exam Questions

2nd - Questions and Answers in PDF Format

CFE-Financial-Transactions-and-Fraud-Schemes Practice Exam Features:

- * CFE-Financial-Transactions-and-Fraud-Schemes Questions and Answers Updated Frequently
- * CFE-Financial-Transactions-and-Fraud-Schemes Practice Questions Verified by Expert Senior Certified Staff
- * CFE-Financial-Transactions-and-Fraud-Schemes Most Realistic Questions that Guarantee you a Pass on Your FirstTry
- * CFE-Financial-Transactions-and-Fraud-Schemes Practice Test Questions in Multiple Choice Formats and Updatesfor 1 Year

100% Actual & Verified — Instant Download, Please Click
[Order The CFE-Financial-Transactions-and-Fraud-Schemes Practice Test Here](#)