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**Question: 1**

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**

**Question: 2**

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**

**Question: 3**

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**

**Question: 4**

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
-

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**Answer: A**

**Question: 5**

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**

**Question: 6**

In Cressey's fraud triangle, its three of the legs are Opportunity, Pressure and

- A. Violation
- B. Isolation
- C. Rationalization
- D. None of the above

**Answer: C**

**Question: 7**

The seller's price to the buyer is not fixed or determinable when:

- A. When the price is not contingent on some future events
- B. The transaction includes an option to exchange the product for others.
- C. A service or membership fee is not subject predictable cancellation during the contract period.
- D. Payment terms are not extended for a substantial period.

**Answer: B**

**Question: 8**

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
-

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**Answer: D**

**Question: 9**

CORRECT TEXT

One of the simplest ways to justify unacceptable conduct and avoid guilt feelings is to invent a good reason for

**Answer: Embezzling**

**Question: 10**

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

- A. Absconders
- B. Long-term violators
- C. Offender types
- D. None of the above

**Answer: A**

**Question: 11**

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**

**Question: 12**

In Fraud scale pressure, opportunity and integrity variables all results in a list of possible red flags or indicators of occupational fraud and abuse.

- A. 81
- B. 82
- C. 83
- D. 84

**Answer: B**

**Question: 13**

can be defined as conduct detrimental to the organization and to the employee.

- A. Employee deviance

- 
- B. Employee theft
  - C. Employee fraud
  - D. All of the above

**Answer: A**

**Question: 14**

CORRECT TEXT

Inventory control 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

**Question: 15**

Perceived certainty of detection is directly related to employee theft for respondents in all industry sectors, that is the stronger the perception that theft would be detected, the more the likelihood that the employee would engage in deviant behavior.

- A. True
- B. False

**Answer: B**

**Question: 16**

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

- A. A clear understanding regarding theft behavior
- B. Enforcement of sanctions
- C. Both A & B
- D. Neither A nor B

**Answer: C**

**Question: 17**

CORRECT TEXT

Principal perpetrator is defined as a person who works for the victim organization and who is primary culprit

**Answer:**

Principal perpetrator

**Question: 18**

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**

**Question: 19**

Organizations that had external audits actually had higher median losses and longer lasting fraud schemes than those organizations that were not audited.

- A. True
- B. False

**Answer: A**

**Question: 20**

CORRECT TEXT

A \_\_\_\_\_ can be very costly for an organization to undertake, both in terms of money and time spent.

Civil lawsuit

**Answer:**

**Question: 21**

\_\_\_\_\_ involves purposeful misreporting of financial information about the organization that is intended to mislead those who read it.

- A. Fraudulent statement
- B. Corruption
- C. Asset misappropriations
- D. None of above

**Answer: A**

**Question: 22**

Asset misappropriation schemes were the “middle children” of the study; they were more common than fraudulent statements and more costly than corruption.

- A. True
- B. False

**Answer: B**

**Question: 23**

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**

**Question: 24**

Assets that are long-lived and that differ from property, plant and equipment that has been purchased outright or acquired under a capital lease are:

- A. Tangible Assets
- B. Intangible Assets
- C. Forced Assets
- D. None of above

**Answer: B**

**Question: 25**

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**

**Question: 26**

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

- A. Supplies
- B. Expenses
- C. Assets
- D. Equity

**Answer: A**

**Question: 27**

\_\_\_\_\_ are the amounts which are owned to other entities:

- A. Supplies
  - B. Expenses
-

- C. Assets
- D. Liabilities

**Answer: D**

**Question: 28**

Asset misappropriations have an effect on the liabilities and do also have an indirect effect on the equity account.

- A. True
- B. False

**Answer: B**

**Question: 29**

The seller's price to the buyer is not fixed or determinable when:

- A. When the price is not contingent on some future events
- B. The transaction includes an option to exchange the product for others.
- C. A service or membership fee is not subject predictable cancellation during the contract period.
- D. Payment terms are not extended for a substantial period.

**Answer: B**

**Question: 30**

The difference between assets and liabilities is called:

- A. Equity
- B. Expense
- C. Revenue
- D. Income statement

**Answer: A**

**Question: 31**

is to allow the owner, investors, creditors and others with an interest to know the appropriate book worth of the business at a particular date.

- A. Equity
- B. Balance sheet
- C. Income statement
- D. Financial record

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**Answer: B**

**Question: 32**

Occupational fraud and abuse is a (an) \_\_\_\_\_ of doing business, in much the same way that we pay expenses for electricity, taxes and wages.

- A. Equity
- B. Balance sheet
- C. Expense
- D. Financial record

**Answer: C**

**Question: 33**

When expenses used to produce income- all of them- should be matched in a consistent manner against that income, this is referred to:

- A. Equity
- B. Accrual basis accounting
- C. Expense
- D. Financial record

**Answer: B**

**Question: 34**

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**

**Question: 35**

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. Accruals
  - B. Depreciations
  - C. Expenses
  - D. Financial record
-

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**Answer: A**

**Question: 36**

The heart of book keeping system is the

- A. Asset
- B. Liability
- C. Checkbook
- D. Journal

**Answer: C**

**Question: 37**

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

- A. Asset
- B. Journal
- C. Checkbook
- D. Ledger

**Answer: B**

**Question: 38**

A journal in which all sales made on credit or cash are listed is:

- A. Disbursement journal
- B. Accounts receivable journal
- C. Accounts payable journal
- D. General journal

**Answer: B**

**Question: 39**

\_\_\_\_\_ is a summary of the account balances carried in a ledger.

- A. Balance sheet
  - B. Income statement
  - C. Financial statement
  - D. General journal
-

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**Answer: C**

**Question: 40**

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

- A. Journal Entries
- B. Accounting Cycle
- C. Financial statement
- D. None of all

**Answer: A**

**Question: 41**

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

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

**Answer: B**

**Question: 42**

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

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

**Answer: C**

**Question: 43**

The excess credits (or debits) on the income statement are used to decrease (or increase) the equity account.

- A. True
  - B. False
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**Answer: B**

**Question: 44**

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

- A. Until installation and customer testing and acceptance has occurred.
- B. A written order exists but contains a right of return.
- C. Both A & B
- D. Neither A nor B

**Answer: B**

**Question: 45**

\_\_\_\_\_ and \_\_\_\_\_ are used to increase (or decrease) the equity account.

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

**Answer: B**

**Question: 46**

By removing a tangible asset from the business (a debit), the books will be \_\_\_\_\_ by the exact amount of the tangible asset misappropriated.

- A. Journal Entries
- B. Out-of-balance
- C. False debits
- D. None of all

**Answer: B**

**Question: 47**

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

- A. True
- B. False

**Answer: A**

**Question: 48**

When an incorrect total is carried from the journal to the ledger or from ledger to the financial statements, this method is

called:

- A. Forced Balance
- B. Out-of-balance
- C. False balance
- D. None of all

**Answer: A**

**Question: 49**

The principal way to detect omitted credits from books of account is through:

- A. Forced Balance
- B. Trend analysis
- C. Expense account
- D. None of all

**Answer: B**

**Question: 50**

Skimming is:

- A. The removal of cash from a victim entity prior to its entry in an accounting system.
- B. The addition of cash from a victim entity prior to its entry in an accounting system.
- C. The removal of cash from a victim entity after its entry in an accounting system.
- D. None of above

**Answer: A**

**Question: 51**

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: B**

**Question: 52**

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**

**Question: 53**

Skimming cases can more likely to be detected by:

- A. Internal audits
- B. Accidents
- C. Internal controls
- D. occupational frauds

**Answer: B**

**Question: 54**

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**

**Question: 55**

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**

**Question: 56**

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

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

**Answer: A**

**Question: 57**

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

- A. Revenue sources and recording procedures
- B. Poor collection and recording procedures
- C. Internal audits and recording procedures
- D. Register manipulations and recording procedures

**Answer: B**

**Question: 58**

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**

**Question: 59**

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**

**Question: 60**

Theft of incoming checks usually occurs when \_\_\_\_\_ is (are) in charge of opening the mail and recording the receipt of payments.

- A. Single employee
  - B. Two employees
-

- 
- C. More than two employees
  - D. None of the above

**Answer: A**

**Question: 61**

Which of the following are used in a short term skimming scheme?

- A. Unrecorded sales, understated sales and theft of incoming checks
- B. Unrecorded sales, understated sales and dual endorsements
- C. False company accounts, understated sales and theft of incoming checks
- D. Understated sales, theft of incoming checks and check-for-currency substitutions

**Answer: A**

**Question: 62**

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**

**Question: 63**

Financial statement fraud is committed by:

- A. Organized criminals
- B. Mid and lower level employees
- C. Senior Management
- D. All of the above

**Answer: D**

**Question: 64**

Fraudsters use the accounting system as a tool to generate the results they want in approach:

- A. Organized accounting
  - B. Playing the accounting
  - C. beating accounting
  - D. All of the above
-

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**Answer: B**

**Question: 65**

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

- A. Organized accounting
- B. Playing the accounting
- C. Beating accounting
- D. Outside accounting system

**Answer: D**

**Question: 66**

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

- A. Conservatism
- B. Cost
- C. Full disclosure
- D. Quality control

**Answer: D**

**Question: 67**

A typical issue involving material and fraud would be:

- A. Fraudulent statement
- B. Misappropriations
- C. Civil lawsuit
- D. Quality control

**Answer: B**

**Question: 68**

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
-

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**Answer: C**

**Question: 69**

“Anticipate possible losses and omit potential profits”, this results in:

- A. Asymmetrical accounting
- B. Symmetrical accounting
- C. Playing accounting
- D. Bearing accounting

**Answer: A**

**Question: 70**

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**

**Question: 71**

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

- A. Comply with debt 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**

**Question: 72**

assumes the business will go on indefinitely in the future.

- A. Materiality
- B. Going concern
- C. Cost
- D. Fair value

**Answer: B**

**Question: 73**

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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**

**Question: 74**

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: Price-level  
adjusted historical**

**cost**

**Question: 75**

Accounting records are designed to be kept on subjective rather than objective evidence.

- A. True
- B. False

**Answer: B**

**Question: 76**

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 owning, operating and selling it?

- A. Net realizable value
- B. Going concern
- C. Cost
- D. Fair value

**Answer: A**

**Question: 77**

The principle behind full disclosure is:

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- A. Any material deviation from GAAP must be explained to the reader of the financial information.
  - B. Any material deviation from SAS must be explained to the writer of the financial information.
  - C. Any material deviation from GAAP must be explained to the writer of the financial information.
  - D. None of above

**Answer: A**

**Question: 78**

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**

**Question: 79**

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

- A. One
- B. At least two
- C. More than two
- D. None of above

**Answer: A**

**Question: 80**

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

- A. Fictitious or fabricated revenues
- B. Financial revenues
- C. Red flag revenues
- D. Concealed revenues

**Answer: A**

**Question: 81**

Revenue is recognized when it is:

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

**Question: 82**

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**

**Question: 83**

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**

**Question: 84**

According to accounting principles, \_\_\_\_\_ and \_\_\_\_\_ should be recorded or attached 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**

**Question: 85**

Persuasive evidence of an arrangement does not exist when:

- A. Revenue and corresponding expenses doesn't match each other.
  - B. No written or verbal agreement exists.
  - C. Timings not meet properly
  - D. Capitalized expenses and Liabilities will not be up to satisfied level
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**Answer: B**

**Question: 86**

Physical assets including \_\_\_\_\_ and \_\_\_\_\_ are the most commonly misappropriated noncash asset in our study.

- A. Interest & Collusion
- B. Inventory & Equipment
- C. Inventory & Purchase
- D. Sales & Equipment

**Answer: B**

**Question: 87**

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**

**Question: 88**

Larceny is the scheme in which an employee simply takes inventory from the company premises without attempting to conceal it in the books and records.

- A. True
- B. False

**Answer: A**

**Question: 89**

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. Whole sale
  - B. Fake sale
  - C. Fraudster sale
  - D. Preliminary sale
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**Answer: B**

**Question: 90**

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. Inventory usages
- B. Fake sales
- C. Asset requisition
- D. All of the above

**Answer: C**

**Question: 91**

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**

**Question: 92**

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

- A. Inventory larceny scheme
- B. Asset receiving scheme
- C. Fraudulent purchase
- D. Falsify shipping

**Answer: A**

**Question: 93**

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
-

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**Answer: B**

**Question: 94**

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

- A. Altered inventory
- B. Account receivable
- C. Shrinkage
- D. Write-offs

**Answer: C**

**Question: 95**

Inventory shrinkage is the unaccounted-for reduction in the company's inventory that does not result from theft.

- A. True
- B. False

**Answer: B**

**Question: 96**

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**

**Question: 97**

Forced reconciliation of the account says:

- A. to conceal shrinkage is to alter inventory record so that it matches the physical inventory count.
- B. to conceal inventory is to alter shrinkage record so that it matches the physical inventory count.
- C. to conceal shrinkage is to change the perpetual inventory record so that it matches the physical inventory count.
- D. to conceal write-offs is to change the perpetual inventory record so that it matches the physical inventory count.

**Answer: C**

**Question: 98**

inventory and other assets is relatively common way for fraudsters to remove assets from the books before

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or after they are stolen.

- A. Altered
- B. Perpetual
- C. False shipping slip
- D. Write-offs

**Answer: C**

**Question: 99**

CORRECT TEXT

allows the fraud examiner to inspect key attributes on a smaller portion (or sample) of those documents.

**Answer: Statistical  
sampling**

**Question: 100**

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**

**Question: 101**

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**

**Question: 102**

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

- A. Inventory purchases purposely increase in year 1 only to be liquidated in year 2.
  - B. inventory for the year 2 will be much greater than year 1.
  - C. Increase sales in year 2 are unexpected and purchase of inventory does not keep pace with the sales.
  - D. might be some fraud scheme in inventory.
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**Answer: B**

**Question: 103**

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

- A. True
- B. False

**Answer: A**

**Question: 104**

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**

**Question: 105**

Which of the four basic measures, if properly installed and implemented may help prevent inventory fraud?

- A. Proper documentation, segregation of duties, independent checks and physical safeguards
- B. Proper documentation, segregation of duties, independent checks and inventory control
- C. Proper documentation, physical padding, independent checks and physical safeguards
- D. prenumbered affiliations, segregation of duties, independent checks and physical safeguards

**Answer: A**

**Question: 106**

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
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**Answer: B**

**Question: 107**

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**

**Question: 108**

\_\_\_\_\_ 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**

**Question: 109**

CORRECT TEXT

\_\_\_\_\_ means that traditional bribery statutes proscribe only payments made to influence the decisions of government agents or employees.

**Answer: Official act**

**Question: 110**

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

- A. Offering a payment
- B. Corruption in payment
- C. kickback payment
- D. Overbilling in payment

**Answer: A**

**Question: 111**

The most common method of detection in corruption cases is:

- A. Internal audits
  - B. Internal controls
-

- C. Tips
- D. By accident

**Answer: C**

**Question: 112**

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**

**Question: 113**

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**

**Question: 114**

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**

**Question: 115**

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. Bid-rigging
- B. Kickbacks
- C. Competitive bidding
- D. Bid solicitation

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**Answer: C**

**Question: 116**

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**

**Question: 117**

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

- A. Presolicitation
- B. Postsolicitation
- C. Solicitation
- D. Submission

**Answer: B**

**Question: 118**

When a victim company purchases unnecessary goods or services from a supplier at the direction of the corrupt employee, this results in:

- A. Presolicitation scheme
- B. Need recognition scheme
- C. False sole-source scheme
- D. Submission scheme

**Answer: B**

**Question: 119**

In \_\_\_\_\_ scheme, a supplier pays an employee of the purchasing company to write specifications that will require amendments at a later date.

- A. Deliberate writing of vague specifications
  - B. Need recognition
  - C. False specification
  - D. Bid-splitting
-

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**Answer: A**

**Question: 120**

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**

**Question: 121**

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: C**

**Question: 122**

Another way to eliminate competition in the solicitation phase of the selection process is to:

- A. Solicit bid from fictitious suppliers
- B. Solicit transaction from fictitious vendors
- C. Solicit bid-splitting from fictitious vendors
- D. None of the above

**Answer: A**

**Question: 123**

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
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**Answer: B**

**Question: 124**

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**

**Question: 125**

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

- A. True
- B. False

**Answer: A**

**Question: 126**

Which of the following is the criterion for bid solicitation?

- A. Containing false statements
- B. Allowing the purchaser to discuss possible employment with the contractor
- C. To withdraw low bids
- D. To falsify the bid log

**Answer: B**

**Question: 127**

Collusion or bid-rigging between bidders is called

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

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**Answer: D**

**Question: 128**

The behavior profile of employees who are involved in bribery schemes may include:

- A. Gambling habit
- B. Extravagant lifestyle
- C. Drug and/or alcohol addiction
- D. All of the above

**Answer: D**

**Question: 129**

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

- A. Reporting gifts
- B. Discounts
- C. Business meetings
- D. Resource diversions

**Answer: D**

**Question: 130**

A \_\_\_\_\_ occurs when an employee, manager or executive has an undisclosed economic or personal interest in a transaction that adversely affects the organization.

- A. Conflict of interest
- B. Illegal sale
- C. Unauthorized purchase
- D. Financial disclosure

**Answer: A**

**Question: 131**

A scheme is classified as a Conflict of interest:

- A. when an employee must have some kind of ownership or employment interest in the vendor submitting the invoice.
  - B. when a salesman must have some kind of ownership or employment interest in the vendor submitting the sales.
  - C. when a purchaser must have some kind of ownership or employment interest in the vendor submitting the purchase.
  - D. when a dealer must have some kind of dealership interest in the vendor submitting the stock.
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**Answer: A**

**Question: 132**

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

- A. True
- B. False

**Answer: B**

**Question: 133**

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**

**Question: 134**

\_\_\_\_\_ 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: C**

**Question: 135**

Which of the following method is NOT used to detect conflicts of interest?

- A. Tips & Complaints
  - B. Review of vendor ownership files
  - C. Underbillings of assets
  - D. Interviews with purchasing personnel
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**Answer: C**

**Question: 136**

Conflict of interest cases are more easily prevented than detected.

- A. True
- B. False

**Answer: A**

**Question: 137**

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**

**Question: 138**

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**

**Question: 139**

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**

**Question: 140**

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

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accounts?

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

**Answer: C**

**Question: 141**

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**

**Question: 142**

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**

**Question: 143**

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

- A. True
- B. False

**Answer: B**

**Question: 144**

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**

**Question: 145**

In physical tampering prevention technique, hidden images can be seen only when the check is held at an angle through:

- A. High-resolution sprays
- B. Holographic safety inks
- C. Watermark backers
- D. Chrome coloring

**Answer: C**

**Question: 146**

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**

**Question: 147**

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**

**Question: 148**

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

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- 
- A. True
  - B. False

**Answer: A**

**Question: 149**

can be detected by closely examining the documentation submitted with the cash receipts.

- A. Voided purchases
- B. Fictitious refunds
- C. Approved transaction
- D. None of the above

**Answer: B**

**Question: 150**

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

- A. Fraudulent scheme
- B. Disbursement scheme
- C. Register scheme
- D. Force inventory scheme

**Answer: C**

**Question: 151**

Maintain the presence of a manager or supervisor near the area of the cash register as a deterrent to theft is a prevention for:

- A. Fraudulent statement scheme
- B. Asset misappropriation scheme
- C. Larceny scheme
- D. Register disbursement scheme

**Answer: D**

**Question: 152**

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**

**Question: 153**

The most common method for billing scheme is:

- A. Register
- B. Tips
- C. Accident
- D. None of the above

**Answer: B**

**Question: 154**

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**

**Question: 155**

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**

**Question: 156**

A voucher is:

- A. a file that includes the purchase order that was sent 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 sent 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.
-

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- 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**

**Question: 157**

A fabricated name and the post office box that an employee uses to collect disbursements from false billings is called:

- A. Accomplice residence
- B. Shell company
- C. Perpetrator check
- D. Cash generator

**Answer: B**

**Question: 158**

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**

**Question: 159**

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**

**Question: 160**

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

- A. True
  - B. False
-

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**Answer: B**

**Question: 161**

A shell company scheme in which actual goods or services are sold to the victim company is known as:

- A. Maintenance scheme
- B. Allocation scheme
- C. Distribution scheme
- D. Pass-through scheme

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