



**"Please note that these files may not be up to date. However, the questions will help you understand the exam format and typical question patterns."**

**[www.atmicnetworks.com](http://www.atmicnetworks.com)**

Warning: Keep connected with our support team  
for latest updates

---

**Question: 1**

Audit standards were developed and are followed for all of the following reasons EXCEPT:

- A. To provide uniform guidance to auditors and to establish a basis for conducting internal and external reviews of quality audits.
- B. To build credibility and confidence in the auditing profession.
- C. To inform customers (the public, public officials, management, stockholders, etc.) about the role of auditing.
- D. Audit staff qualifications and Quality control

**Answer: D**

**Question: 3**

All of the following groups benefit from the existence of audit standards in a variety of ways EXCEPT:

- A. Elected officials and the public receive increased assurance that public funds are being effectively used and monitored
- B. Government organization
- C. Management receives increased assurance that fraud or other organizational deficiencies will be detected and corrected.
- D. External parties and reviewers are provided with usable measurement guidelines.

**Answer: B**

**Question: 4**

Governmental auditing is distinctive and encompasses different requirements from auditing commercial or not-for-profit enterprises. The standards that apply specifically to government audits are all of the following EXCEPT:

- A. International Auditing and Assurance Standards Board (IAASB).
- B. International Standards for the Professional Practice of Internal Auditing (ISPPIA).
- C. International Standards on Auditing (ISA).
- D. International Organization of Supreme Audit Institutions (INTOSAI) Standards.

**Answer: A**

**Question: 5**

The \_\_\_\_\_ promulgates standards for government organizations. INTOSAI standards are a model for government audit standards, established and endorsed by the INTOSAI organization, but which must be adopted and/or modified by the \_\_\_\_\_ of any specific country in order to be used?

- 
- A. Supreme Audit Institution (SAI), International Organization of Supreme Audit Institutions (INTOSAI)
  - B. International Organization of Supreme Audit Institutions (INTOSAI), International Standards for the Professional Practice of Internal Auditing (ISPPPIA)
  - C. International Organization of Supreme Audit Institutions (INTOSAI), Supreme Audit Institution (SAI)
  - D. International Standards for the Professional Practice of Internal Auditing (ISPPPIA), Supreme Audit Institution (SAI)

**Answer: C**

**Question: 6**

The purpose of the external quality control review is to determine whether the organization's internal quality control system is in place and operating effectively to provide reasonable assurance that established policies and procedures and applicable auditing standards are being followed.

- A. Quality control, Quantity control
- B. Internal quality control system, External quality control
- C. External quality control, Internal quality control system
- D. Quantity control, Quantity control

**Answer: C**

**Question: 7**

One mechanism to help ensure the proper application of audit standards is through \_\_\_\_\_.

The purpose of \_\_\_\_\_ is to provide feedback to management on the effectiveness of the

quality control policies and procedures of an organization:

- A. An external quality review process
- B. An internal quality review process
- C. Organizational review process
- D. Audit review process

**Answer: B**

**Question: 8**

A \_\_\_\_\_ letter is usually developed with either a qualified or unqualified opinion. Obviously a qualified opinion will warrant significant remedial action by the audit organization:

- A. Opinion letter
  - B. Offer letter
  - C. Informal opinion letter
  - D. Formal opinion letter
-

---

**Answer: D**

**Question: 9**

The application of the appropriate audit standards is dependent on all of the following issues EXCEPT:

- A. Laws and policies of the audit organization.
- B. Regulations
- C. Audit requirements
- D. External control requirement

**Answer: D**

**Question: 10**

The application of appropriate standards depends on all of the following EXCEPT:

- A. The objective of the engagement
- B. Availability of information.
- C. Legally binding agreement
- D. Other mandates or local requirements relevant to the audit organization and the engagement itself.

**Answer: C**

**Question: 11**

Many \_\_\_\_\_ are conducted in accordance with established Standards, INTOSAI, or IFAC standards. The International Organization of Supreme Audit Institutions \_\_\_\_\_ promulgates standards for government organizations where as the International Federation of Accountants \_\_\_\_\_ provides additional guidance and standards:

- A. Government audits, (IFAC), (INTOSAI)
- B. Government audits, (INTOSAI), (IFAC)
- C. (IFAC), (INTOSAI), Government audits
- D. (IFAC), Government audits, (INTOSAI)

**Answer: B**

**Question: 12**

Section \_\_\_\_\_ will detail some specific audit planning steps that are often utilized to ensure that the appropriate legal and audit standards are applied in \_\_\_\_\_:

- A. Audit proposals, Audit engagements
  - B. Audit engagements, II.C.2 (Planning)
  - C. II.C.2 (Planning), Audit engagements
-

---

D. Audit engagements, Audit proposals

**Answer: C**

**Question: 13**

Standards must be reviewed and applied appropriately during the conduct of an audit. Following are some illustrations of situations that may arise during the course of an audit EXCEPT:

- A. Qualification
- B. Independence
- C. Communication
- D. Coordination

**Answer: D**

**Question: 14**

Although not a generally accepted practice by most audit organizations, some may not comply with audit standards and call the final product reviews or studies. The entire following are some specific examples where standards may not be used EXCEPT:

- A. An "assignment" may have an extremely short deadline, making it virtually impossible to comply with all appropriate audit standards.
- B. The organization doesn't follow the audit standards.
- C. Assignments that are strictly tied to compliance with contract terms, regulations, or grant requirements.
- D. The requesting body (legislature, for example) may not want standards to be applied to the assignment.

**Answer: B**

**Question: 15**

The IIA has developed the Professional Practices Framework (PPF). In general, a framework provides a structural blueprint of how a body of knowledge and guidance fits together. As a coherent system, it facilitates all of the following to a discipline or profession EXCEPT:

- A. Communication skills
- B. Application of concepts
- C. Consistent development
- D. Interpretation and methodologies

**Answer: A**

**Question: 16**

The purpose of the \_\_\_\_\_ is to organize the full range of internal audit guidance in a manner

---

that is readily accessible on a timely basis. By encompassing current internal audit practice as well as allowing for future expansion, the is intended to assist practitioners throughout the world in being responsive to the expanding market for high quality internal audit services.

- A. IIA, PPF
- B. PPF, IIA
- C. PPF, PPF
- D. IIA, IIA

**Answer: C**

**Question: 17**

is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

- A. Both C and D
- B. Compliance audit
- C. External auditing
- D. Internal auditing

**Answer: D**

**Question: 18**

The purpose of is to promote an ethical culture in the profession of internal auditing. A is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control, and governance:

- A. Code of ethics, The IIA's Code of Ethics
- B. The IIA's Code of Ethics, Code of ethics
- C. Code of ethics, PPF Code of Ethics
- D. PPF Code of Ethics, Code of ethics

**Answer: B**

**Question: 19**

Within the new framework, the Guidance Task Force called for the development of three sets of standards please mark the correct

**answer:**

- A. Attribute, Performance, and Implementation Standards.
  - B. Attribute, Quality, and Implementation Standards.
-

- 
- C. Attribute, Control, and Implementation Standards.
  - D. Attribute, Planning, and Implementation Standards.

Answer: A

### Question: 20

The \_\_\_\_\_ address the attributes of organizations and individuals performing internal audit services. The \_\_\_\_\_ describe the nature of internal audit services and provide quality criteria against which the performance of these services can be measured:

- A. Performance Standards, Control standards
- B. Control standards, Performance standards
- C. Performance standards, Attribute standards
- D. Attribute Standards, Performance Standards

**Answer: D**

### Question: 21

The \_\_\_\_\_ expand upon the Attribute and Performance Standards, providing guidance applicable in specific types of engagements. These standards ultimately may deal with industry-specific, regional, or specialty types of audit services:

- A. Control Standards
- B. Communication Standards
- C. Implementation Standards
- D. Quality Standards

**Answer: C**

### Question: 22

Many are \_\_\_\_\_ applicable to all internal auditors, while others may be developed to meet the needs of internal auditors in a specific industry, audit specialty, or geographic area.

- A. Hurricane Advisories
- B. Products & services security Advisories
- C. Practice Advisories
- D. Security Advisories

**Answer: C**

### Question: 23

All Practice Advisories are submitted to a formal review process by the \_\_\_\_\_ or other group designated by the Guidance Planning Committee.

- 
- A. PPF's Professional Issues Committee
  - B. IIA's Professional Issues Committee
  - C. INTOSAI's Professional Committee
  - D. IFAC's Professional Committee

**Answer: B**

**Question: 24**

The third category of guidance includes a variety of materials that are developed and/or endorsed by The IIA. This category includes research studies, books, seminars, conferences, and other products and services related to the professional practice of internal auditing that do not meet the criteria for inclusion in mandatory guidance or Practice Advisories:

- A. Products & services security Advisories
- B. Practice Advisories
- C. Security Advisories
- D. Development and Practice Aids

**Answer: D**

**Question: 25**

Which category of Professional Practices Framework can help to implement the guidance offered in the Code of Ethics, Standards, and Practice Advisories and also provide internal audit practitioners with the views of various experts on techniques and processes related to the professional practice of internal auditing?

- A. Mandatory Guidance
- B. Development and practice aids
- C. Practice Advisories
- D. Mandatory Guidance, Practice Advisories

**Answer: B**

**Question: 26**

The Professional Practices Framework consists of three categories of guidance which included all of the following EXCEPT:

- A. Mandatory Guidance
  - B. Development and practice aids
  - C. Practice Advisories
  - D. Security Advisories
-

---

**Answer: D**

**Question: 27**

\_\_\_\_\_ is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of \_\_\_\_\_ and governance processes.

- A. Internal auditing, risk management, control
- B. Internal auditing, risk management, planning
- C. Internal auditing, content management, control
- D. External auditing, risk management, control

**Answer: A**

**Question: 28**

Which services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system, or other subject matter?

- A. Accounting services
- B. Auditing services
- C. Assurance services
- D. Insurance services

**Answer: C**

**Question: 29**

All of the following are the components of The Professional Practices Framework which was approved by The IIA's Board of Directors in June 1999 EXCEPT:

- A. Definition of Internal Auditing and Standards
- B. Mandatory Guidance
- C. Code of Ethics (See Section I.D) and Practice Advisories
- D. Development and Practice Aids

**Answer: B**

**Question: 30**

Which services are advisory in nature, and are generally performed at the specific request of an engagement client and also the nature and scope of which services are subject to agreement with the engagement client?

- A. Auditing services
  - B. Consulting services
-

- C. Assurance services
- D. Accounting services

**Answer: B**

**Question: 31**

The Standards consist of Attribute Standards, Performance Standards, and Implementation Standards. The \_\_\_\_\_ address the characteristics of organizations and parties performing internal audit activities. The \_\_\_\_\_ describe the nature of internal audit activities and provide quality criteria against which the performance of these services can be evaluated. While the Attribute and Performance Standards apply to all internal audit services, the \_\_\_\_\_ apply to specific types of engagements.

- A. Implementation Standards, Attribute Standards, Performance Standards
- B. Attribute Standards, Implementation Standards, Performance Standards
- C. Attribute Standards, Performance Standards, Implementation Standards
- D. Performance Standards, Implementation Standards, Attribute Standards

**Answer: C**

**Question: 32**

There is \_\_\_\_\_ of Attribute and Performance Standards; however, there are \_\_\_\_\_ of Implementation Standards: a set for each of the major types of internal audit activity. The \_\_\_\_\_ have been established for assurance (A) and consulting (C) activities:

- A. One set, multiple sets, Attribution Standards
- B. One set, multiple sets, Implementation Standards
- C. One set, multiple sets, Performance Standards
- D. One set, multiple sets, Multiple Standards

**Answer: B**

**Question: 33**

Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system, or other subject matter. All of the following are the parties generally involved in assurance services EXCEPT:

- A. The team leader
- B. The person or group making the assessment — the internal auditor
- C. The person or group directly involved with the process, system, or other subject matter — the process owner.
- D. The person or group using the assessment — the user.

---

**Answer: A**

**Question: 34**

Consulting services are advisory in nature, and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client. All of the following are the parties generally involved in consulting services EXCEPT:

- A. The person or group using the assessment — the user.
- B. the person or group offering the advice — the internal auditor
- C. The person or group directly involved with the process, system, or other subject matter — the process owner.
- D. the person or group seeking and receiving the advice — the engagement client

**Answer: B , D**

**Question: 35**

The development and issuance of the Standards is an ongoing process. Which board engages in extensive consultation and discussion prior to the issuance of the Standards?

- A. Advisory board
- B. Quasi-Judicial Boards
- C. The Internal Auditing Standards Board
- D. The external auditing boards

**Answer: C**

**Question: 36**

Although some Practice Advisories may be applicable to all internal auditors, others may be developed to meet the needs of a \_\_\_\_\_, a \_\_\_\_\_, or \_\_\_\_\_ including guidance on topics such as environmental issues, control self assessment, information technology, government auditing, and guidance issued by other standard setting bodies and adopted by \_\_\_\_\_.

- A. Specific audit specialty, Specific geographic area, Specific industry, committees of The IIA
- B. Specific industry, Specific geographic area, committees of The IIA, Specific audit specialty
- C. Specific industry, Specific audit specialty, committees of The IIA, Specific geographic area,
- D. Specific industry, Specific audit specialty, Specific geographic area, committees of The IIA.

**Answer: D**

**Question: 37**

Which of the following Advisories are submitted to a formal review process by The IIA's Professional Issues Committee or other group designated by the Guidance Planning Committee?

- A. Hurricane Advisories

- 
- B. Products & services security Advisories
  - C. Practice Advisories
  - D. Security Advisories

**Answer: C**

**Question: 38**

As a part of the development of the Professional Practices Framework, significant portions of the information contained in the Guidelines have been converted to Practice Advisories. Omnibus Practice Advisories are based on information previously published in the but have been updated to be consistent with the new Standards and the Professional Practices Framework:

- A. "Yellow Book", 100-1 through 3600-1, "Red Book"
- B. "Red Book", 1000-1 through 2600-1, "Red Book"
- C. "Black Book", 2000-1 through 2600-1, "Red Book"
- D. "Blue Book", 1000-1 through 600-1, "Red Book"

**Answer: B**

**Question: 39**

Which institution plays a major role in auditing government accounts and operations and in promoting sound financial management and accountability in their governments?

- A. International Standards for the Professional Practice of Internal Auditing (ISPPA).
- B. Supreme Audit Institutions (SAIs)
- C. International Organization of Supreme Audit Institutions (INTOSAI) Standards.
- D. International Standards on Auditing (ISA).

**Answer: B**

**Question: 40**

All of the following are the standards common to auditors and SAIs EXCEPT:

- A. The auditor and the SAI must not be independent.
  - B. The auditor and the SAI must possess the required competence.
  - C. The auditor and the SAI must be independent.
  - D. The auditor and the SAI must exercise due care and concern in complying with the INTOSAI auditing standards.
-

---

**Answer: C**

**Question: 41**

The purpose of \_\_\_\_\_ is to establish the criteria or overall framework for the purposeful, systematic, and balanced steps or actions that the auditor has to follow. And they are related to the general \_\_\_\_\_, which set out the basic requirements for undertaking the tasks covered by the field standards:

- A. Control standards, Field standards
- B. Auditing standards, Field standards
- C. Field standards, Control standards
- D. Field standards, Auditing standards

**Answer: D**

**Question: 42**

Following are the field standards that are applicable to all types of audits EXCEPT:

- A. The controller, in determining the extent and scope of the audit, should study and evaluate the reliability of internal control.
- B. Competent, relevant, and reasonable evidence should be obtained to support the auditor's judgment and conclusions regarding the organization, program, activity, or function under audit.
- C. The auditor should plan the audit in a manner which ensures that an audit of high quality is carried out in an economic, efficient, and effective way and in a timely manner.
- D. The work of the audit staff at each level and audit phase should be properly supervised during the audit; and documented work should be reviewed by a senior member of the audit staff.

**Answer: A**

**Question: 43**

All of the following are the reporting standards in government auditing EXCEPT:

- A. The auditor should plan the audit in a manner which ensures that an audit of high quality is carried out in an economic, efficient, and effective way and in a timely manner.
  - B. It is for the SAI to which they belong to decide finally on the action to be taken in relation to fraudulent practices or serious irregularities discovered by the auditors.
  - C. At the end of each audit the auditor should prepare a written opinion or report, as appropriate, setting out the findings in an appropriate form; its content should be easy to understand and be independent, objective, fair, and constructive.
  - D. The work of the audit staff at each level and audit phase should be properly supervised during the audit; and documented work should be reviewed by a senior member of the audit staff.
-

---

**Answer: A , C**

**Question: 44**

With regard to \_\_\_\_\_, the auditor should prepare a written report, which may either be a part of the report on the \_\_\_\_\_ or a separate report on the tests of compliance with applicable laws and regulations. The report should contain a statement of positive assurance on those items tested for compliance and negative assurance on those items not tested:

- A. Income statements, financial audits
- B. Financial statements, regularity audits
- C. Regularity audits, financial statements
- D. operational audits, financial statements

**Answer: C**

**Question: 45**

The \_\_\_\_\_ mission is to serve the public interest, strengthen the global accountability of the accounting profession, and contribute to the development of strong international economies by establishing and promoting adherence to high-quality professional standards, furthering the international convergence of such standards, and speaking out on public interest issues where the profession's expertise is most relevant:

- A. International Standards for the Professional Practice of Internal Auditing (ISPPA).
- B. The International Federation of Accountants (IFAC)
- C. International Organization of Supreme Audit Institutions (INTOSAI) Standards.
- D. International Standards on Auditing (ISA).

**Answer: B**

**Question: 46**

Which committee of IFAC issues pronouncements aimed at developing and harmonizing public sector financial reporting, accounting, and auditing practices while "Public sector" refers to national governments, regional (state, provincial, territorial) governments, local (city, town) governments, and related governmental entities (agencies, boards, commissions, and enterprises)?

- A. Advisory committee
  - B. Ethic's committee
  - C. Public Sector Committee (PSC)
  - D. general rules and regulation committee
-

---

**Answer: C**

**Question: 47**

The auditors of public sector entities may be required to report on all of the following EXCEPT:

- A. reporting to the owners
- B. Compliance with legislative or regulatory requirements and related authorities;
- C. Adequacy of accounting and internal control systems;
- D. Economy, efficiency, and effectiveness of programs, projects, and activities.

**Answer: A**

**Question: 48**

All of the following are the objectives of an audit EXCEPT:

- A. Compliance with legislative or regulatory requirements and related authorities.
- B. the auditor's opinion enhances the credibility of the financial statements, the user cannot assume that the opinion is an assurance as to the future viability of the entity nor the efficiency or effectiveness with which management has conducted the affairs of the entity.
- C. The phrases used to express the auditor's opinion are "give a true and fair view" or "present fairly,

in all material respects," which are equivalent terms.

- D. The objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework.

**Answer: A**

**Question: 49**

The auditor should comply with the Code of Ethics for Professional Accountants issued by the International Federation of Accountants. All of the following are the ethical principles governing the auditor's professional responsibilities EXCEPT:

- A. Independence and integrity.
- B. Professional competence and due care and confidentiality.
- C. Professional behavior and Technical standards.
- D. No confidentiality;

**Answer: D**

**Question: 50**

The term \_\_\_\_\_ refers to the audit procedures deemed necessary in the circumstances to achieve the objective of the audit. The procedures required to conduct an audit in accordance with should be \_\_\_\_\_

---

---

determined by the auditor having regard to the requirements of ISAs, relevant professional bodies, legislation, and regulations:

- A. Scope of an audit, ISAs
- B. Purpose of an audit, ISAs
- C. Principle of an audit, ISAs
- D. Purpose of an audit, PSPs

**Answer: A**

**Question: 51**

An \_\_\_\_\_ serves as the audit department's statement of purpose, authority, and responsibility. Audit charters should be \_\_\_\_\_. These are usually brief documents written in general terms. Applicable governing statutes often dictate the specific elements to include in the charter for governmental entities:

- A. Audit report, not in writing
- B. Audit charter, in writing
- C. Financial report, in writing
- D. Financial report, not in writing

**Answer: B**

**Question: 52**

Following is the information that audit charters generally address please choose the correct

**answer:**

- A. Definition of the audit unit's responsibilities, goals, and objectives
- B. The auditor's opinion enhances the credibility of the financial statements, the user cannot assume that the opinion is an assurance as to the future viability of the entity nor the efficiency or effectiveness with which management has conducted the affairs of the entity.
- C. The phrases used to express the auditor's opinion are "give a true and fair view" or "present fairly, in all material respects," which are equivalent terms.
- D. The objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework.

Answer: A

**Question: 53**

Who should approve the charter for government entities?

- A. The governing body (e.g., legislature, city council, or board)
  - B. The head of the unit or agency
  - C. A director or chief
-

D. Government institutions

**Answer: D**

**Question: 54**

The form and content of written policies and procedures should be appropriate to the size and structure of the auditing department and the complexity of its work. Formal administrative and technical audit manuals help employees to consistently comply with established performance standards. Then who is responsible for developing and maintaining written policies and procedures to guide audit staff?

- A. The head of the audit unit
- B. The head of the department
- C. A director or chief
- D. Audit staff

**Answer: A**

**Question: 55**

All of The following items are often contained in written auditing policies and procedures in the management of an audit function EXCEPT:

- A. Definition of the audit unit's responsibilities, goals, and objectives and Legislative or other source of audit authority
- B. The reporting relationship between the audit unit and management and/or the governing Body and The process for hiring and dismissing auditors
- C. Access to information and people and the scope of work to be undertaken
- D. There must not be written rules.

**Answer: D**

**Question: 56**

What type of reviews are designed to determine whether the audit unit's internal quality control system is in place and operating effectively to provide reasonable assurance that established policies and procedures and applicable auditing standards are being followed or not?

- A. Formal reviews
- B. Quality assurance reviews
- C. Over-the-shoulder reviews
- D. E-mail pass-around reviews

---

**Answer: B**

**Question: 57**

are periodic assessments of audit quality by members of the audit staff. Where as are conducted periodically by qualified members outside the audit organization.

- A. external reviews, internal reviews
- B. formal reviews, external reviews
- C. internal reviews, external reviews
- D. periodic reviews, internal reviews

**Answer: C**

**Question: 58**

The purpose of an is to have an independent assessment of the quality of the audit unit's work. Also focus on assessing the extent the audit organization followed applicable standards in conducting its work:

- A. External reviews, internal reviews
- B. Formal reviews, external reviews
- C. Internal reviews, external reviews
- D. External reviews, external reviews

**Answer: D**

**Question: 59**

All of the following are the benefits of internal and external reviews EXCEPT:

- A. The audit unit can learn how well its work meets applicable standards and how well it compares to that of similar audit organizations.
- B. increases Professional competence and due care and confidentiality.
- C. Users of audit information can have greater confidence in the quality of work produced by an audit unit that is subject to quality reviews.
- D. The results of the review process enable audit department management to make necessary changes and improvements in the audit function. These adjustments might include areas such as changes in staffing policies or adjustments in training programs.

**Answer: B**

**Question: 60**

If the audit organization has done what is given below then in general, reviewers can conclude there is reasonable assurance that an internal quality control system is effective. please mark the correct option:

- 
- A. Not implemented adequate audit policies and procedures.
  - B. Followed applicable auditing standards.
  - C. Implemented adequate audit policies and procedures.
  - D. Not followed applicable auditing standards.

**Answer: B & C**

**Question: 61**

The characteristics of \_\_\_\_\_ will vary based on the of the audit unit and the nature of its work. Where as The frequency of required quality assurance reviews varies based on the of standards followed.

- A. Internal quality control systems, length, type
- B. External quality control systems, size, type
- C. External quality control systems, quality, type
- D. Internal quality control systems, size, type

**Answer: D**

**Question: 62**

All of the following are the Specific aspects of proper audit supervision EXCEPT:

- A. Ensuring that staff auditors are qualified to perform their assignments and Verifying that audit working papers adequately support audit findings, conclusions, and recommendations.
- B. Providing clear and timely instructions to staff so audit objectives are achieved.
- C. Approving the audit program and ensuring that it is followed, unless approved changes are made.
- D. Implemented adequate audit policies and procedures.

**Answer: D**

**Question: 63**

There are \_\_\_\_\_ of audit planning. The first type, which is the focus of this section, involves management's role in setting up \_\_\_\_\_, authorizing appropriate resources, and selecting the functional areas to be audited. The second type of audit planning, which is discussed in Section II.C.2, involves the \_\_\_\_\_ associated with specific audits.

- A. Three types, the audit function, controlling
  - B. Three types, the control function, planning
  - C. Two types, the audit function, planning
  - D. Two types, the planning function, planning
-

---

**Answer: C**

**Question: 64**

The plans developed for the audit function should be updated as circumstances dictate. All of the following are Specific types of plans included EXCEPT:

- A. Goals for the audit unit and Criteria to measure progress toward achieving goals.
- B. Followed applicable auditing standards.
- C. Staffing plans and financial budgets and Activity reports.
- D. Audit work schedules (e.g., activities to be audited, time frames for audit, resource estimates).

**Answer: B**

**Question: 65**

All of the following are the factors on which audit work schedules may be based on EXCEPT:

- A. Audit work schedules (e.g., activities to be audited, time frames for audit, resource estimates).
- B. The length of time since the area was last audited and the extent and type of findings in the last audit.
- C. Audits prioritized based on assessment of the degree of risk of potential loss (such as potential loss of dollars, lives, or of public trust) associated with the audit area.
- D. The occurrence of major recent changes in operations, programs, systems, or controls and the availability of audit staff resources.

**Answer: A**

**Question: 66**

\_\_\_\_\_ is the Risk in any activity, regardless of the existence or effectiveness of controls. Where as \_\_\_\_\_ is the extent of uncertainty remaining after the mitigating effects of the control system are in place. The extent to which an organization has implemented controls to minimize the actual occurrence of the risk determines the vulnerability to the risk actually occurring.

- A. Potential risk, quality risk
- B. Inherent risk, control risk
- C. Control risk, quality risk
- D. Internal risk, control risk

**Answer: B**

**Question: 67**

The risk analysis process involves all of the following given below EXCEPT:

- A. Identify auditable activities (e.g., programs, accounts, contracts, transactions).

- 
- B. Estimate the significance of a risk (e.g., magnitude of exposure in dollars or other type of measure, type of threat, duration, etc.).
  - C. do not Estimate the likelihood that a risk will occur and do not determine how to manage the risks.
  - D. Estimate the likelihood that a risk will occur and Prioritize risks.

**Answer: C**

**Question: 68**

All of the following are guidelines for effective personnel management EXCEPT:

- A. Plan for personnel needs and review hiring results periodically to determine whether personnel needs are being achieved.
- B. Estimate the significance of a risk (e.g., magnitude of exposure in dollars or other type of measure, type of threat, duration, etc.).
- C. Provide continuing education and training for staff (e.g., external or in-house training courses, professional conferences, or seminars).
- D. Develop procedures to identify sources of potential hires, methods of contacting and attracting potential hires, and methods of evaluating and selecting potential hires.

**Answer: B**

**Question: 69**

Which is the practice that an organization uses when the audit staff does not possess the needed skills, and management may temporally contract with a specialist to perform the needed function?

- A. Control
- B. Fraud risk assessment practice
- C. Outsourcing
- D. Accountancy practice

**Answer: C**

**Question: 70**

Government auditing serves a variety of customers. What are the three main types of customers which they serve please mark the correct one?

- A. Potential customers, secondary customers, and beneficiaries.
  - B. Primary customers, final customers, and beneficiaries.
  - C. Loyal customers, secondary customers, and beneficiaries.
  - D. Primary customers, secondary customers, and beneficiaries.
-

---

**Answer: D**

**Question: 71**

Secondary customers are those people whose systems or processes are influenced by implementing audit recommendations. Secondary customers also include people who make direct use of the information contained in the audit report. All of the Following are Examples of secondary customers EXCEPT:

- A. High-level managers of agencies or bureaus.
- B. Local/city governments.
- C. Operating managers of agencies or bureaus.
- D. Special interest groups (e.g., consumer advocacy groups, social service organizations, industry and trade groups, etc.).

**Answer: B**

**Question: 72**

All of the following are types of audit services EXCEPT:

- A. Audits of Compliance and Audits of Information and Related Technology
- B. Audits of Financial Statements and Audits of Financial Systems
- C. Audits of Performance/Value-for-Money/Operations (e.g., economy, efficiency, effectiveness).
- D. quality services

**Answer: D**

**Question: 73**

The purpose of compliance audits is to test the organization's conformity with some objective standard or criteria. All of the following are attributes that contribute to an effective compliance system EXCEPT:

- A. Requirements are documented and operating procedures are aligned with the requirements in such a manner as to ensure compliance and Staff and management are aware of applicable requirements.
- B. The organization has assigned adequate responsibility for such matters as monitoring organizational goals and objectives, operating functions, and regulatory requirements.
- C. Provide continuing education and training for staff (e.g., external or in-house training courses, professional conferences, or seminars).
- D. The organization has a policy regarding acceptable operating practices and codes of conduct.

**Answer: C**

**Question: 74**

The audit function within government provides all of the following benefits EXCEPT:

- A. Prompt implementation of audit recommendations.
- B. The audit function helps keep governments accountable to the public by measuring adherence to established

- 
- laws, regulations, and controls, and the effectiveness, economy, and efficiency of operations.
- C. The audit function provides objective assurance to oversight bodies about the reliability and credibility of financial and performance reports produced by management.
- D. Input from audits can help employees improve their overall job performance and adherence to establish controls.

**Answer: A**

**Question: 75**

Beneficiaries are people who may never read the audit report, but whose services are improved because the audit was conducted. All of the Following are Examples of beneficiaries EXCEPT:

- A. General public.
- B. Clients of the audited program.
- C. Special interest groups (e.g., consumer advocacy groups, social service organizations, industry and trade groups, etc.).
- D. Clients of the audited program and General public.

**Answer: C**

**Question: 76**

The \_\_\_\_\_ is where the audit determines whether process controls exist and are sufficient to provide reasonable assurance that the desired performance will be achieved. Where as The \_\_\_\_\_ is where the audit includes methodology for measuring performance either because the audited entity is not measuring its own performance or because its performance measurement efforts are or may be incomplete or unreliable.

- A. Measurement-based approach, process-based approach
- B. Process-based approach, measurement-based approach
- C. Planning-based approach, measurement-based approach
- D. Measurement-based approach, control-based approach

**Answer: B**

**Question: 77**

Primary customers are those individuals or groups that sponsor the audit. All of the following are examples of primary customers EXCEPT:

- A. University and research groups.
- B. Local/city governments.
- C. National governments.
- D. Regional/state governments.
-

---

**Answer: A**

**Question: 78**

Measurement criteria are considered relevant when they relate directly to the mission, goals, and objectives of the customer. All of the following are some possible examples of measurement criteria that could be used in performance audits EXCEPT:

- A. Legal or contractual requirements for specific performance (e.g., efficiency standards, quality standards or goals for outcomes to be achieved by a program).
- B. Benchmark performance by comparable public or private sector operations.
- C. Customers feedback will be given the first and foremost importance.
- D. Ad hoc criteria asserted by the auditors, such as comparisons to performance for a prior period, comparison of performance among branch offices or similar organizational divisions.

**Answer: C**

**Question: 79**

All of the following is the terminologies used to refer to audits of performance EXCEPT:

- A. Operational audit and program audit.
- B. Management audit and value for-money audit
- C. Comprehensive audit and broad-scope audit
- D. Control audit

**Answer: D**

**Question: 80**

Program audits are designed to assess whether a program, activity, or function is achieving the desired results or benefits established by the legislature or other authorizing body. Program audits consider all of the following effectiveness issues EXCEPT:

- A. Whether the program is achieving its intended objectives and is making its intended impact on stakeholders.
- B. Whether the organization has adequate systems for planning, managing, and monitoring to achieve its goals and objectives.
- C. Reported measures of economy and efficiency that are valid and reliable.
- D. Whether the program duplicates, overlaps, or conflicts with another program.

**Answer: C**

**Question: 81**

Management controls are the plans, methods, and procedures adopted by management for measuring, reporting, and monitoring program performance. All of the following are objectives of management control

---

---

EXCEPT:

- A. Program operations
- B. controlled operations
- C. Compliance with laws and regulations.
- D. Validity and reliability of data.

**Answer: B**

**Question: 82**

involves interviews, observations, and inspections appropriate to the audit objectives. Auditors often design tests of specific management controls based on information gained in previous audits:

- A. Market control management
- B. Bureaucratic control management
- C. Clan control
- D. Testing management controls

**Answer: D**

**Question: 83**

An assessment of management controls can influence all of the following elements of the audit program EXCEPT:

- A. Objectives:
- B. Structure
- C. Methodology.
- D. Scope

**Answer: B**

**Question: 84**

All of the following are the Aspects of control activities that would help an auditor assess vulnerability EXCEPT:

- A. Planning about future events
- B. Inadequate performance monitoring by high-level management and prolonged understaffing.
- C. Lack of competence and integrity of management and staff.
- D. Acceptance of audit findings and corrective action taken.

**Answer: A**

**Question: 85**

Which of The following two approaches can be used to evaluate management controls in Performance audits

---

---

please choose the correct option?

- A. measurement based approach
- B. Targeted approach
- C. Planning based approach
- D. Comprehensive approach

**Answer: C**

**Question: 86**

The goal of the comprehensive approach is to identify potential significant control weaknesses for

further review. All of the following are the general steps in the process EXCEPT:

- A. Document and evaluate work processes and controls.
- B. Acceptance of audit findings and corrective action taken.
- C. Select a sample of transactions and determine if processes and controls are functioning as intended.
- D. Determine or estimate the effect of control weakness of program goals and objectives.

**Answer: C**

**Question: 87**

In what ways Performance auditors provide information to government policymakers please choose the correct option

- A. By not performing investigative work.
- B. Developing conclusions about the economy, efficiency, and effectiveness of government programs and making recommendations for improvement.
- C. by giving informal reports
- D. Developing methods and approaches to evaluate a new or a proposed program.

**Answer: B, D**

**Question: 88**

The purpose of \_\_\_\_\_ audits of is to issue an opinion on the fairness of the financial statements and to evaluate the following assertions (explicit or implicit) by management:

- A. Income statement
- B. Financial statements
- C. Bank reconciliation statement
- D. Both A & B

---

**Answer: B**

**Question: 89**

Financial statements which are fairly presented meet all of the following guide lines EXCEPT:

- A. Generally accepted accounting principles are used.
- B. Financial statements classify and summarize information in a reasonable manner.
- C. Financial statements reflect underlying transactions and events in a way that facilitates the presentation of the financial position, results of operations, and cash flows.
- D. Ensuring that staff auditors are qualified to perform their assignments and Verifying that audit working papers adequately support audit findings, conclusions, and recommendations

**Answer: D**

**Question: 90**

All of following areas of financial information should be Considered by the auditors and Auditors must need to be familiar with the customer's controls related to financial reporting, safeguarding financial transactions, and compliance with laws and regulations affecting the financial statements if they plan to rely on them in order to reduce substantive testing on the financial statement audit EXCEPT:

- A. who maintains the accounting records?
- B. How transactions are classified and how transactions are initiated.
- C. How accounting records are maintained. And what accounting processes are used.
- D. What methods are used to communicate financial information within the entity?

**Answer: A**

**Question: 91**

A material misstatement is one that the auditor determines would change or influence the opinion of a reasonable person relying on the financial statements for information. Material misstatements may result from the following please choose the correct option:

- A. Misapplication of accounting principles.
- B. Inaccurate or misleading information.
- C. Omission of necessary information.
- D. All of the above

**Answer: D**

**Question: 92**

Which of the the following factors may influence the auditors' assessment of control risk please choose the correct option:

- 
- A. Assignment of responsibility and delegation of authority to deal with such matters as organizational goals and objectives, operating functions, and regulatory requirements.
  - B. Customer policy regarding such matters as acceptable operating practices and codes of conduct.
  - C. Management's awareness or lack of awareness of applicable laws and regulations.
  - D. All of the above

**Answer: D**

**Question: 93**

\_\_\_\_\_ are the framework that management establishes to ensure that it meets its responsibilities in a variety of areas. The objectives \_\_\_\_\_ of are that all transactions should be authorized, accounted for accurately and completely, and in the correct time frame.

- A. accounting controls, internal controls
- B. Internal controls, accounting controls
- C. Internal controls, external controls
- D. External controls, internal controls

**Answer: D**

**Question: 94**

All of the following are the General questions auditors need to answer when auditing an organization's control environment please chooses the correct option:

- A. Does management communicate its support for controls throughout the organization?
- B. Does management establish and maintain effective policies and procedures related to control?
- C. Does management provide a favorable control environment in the organization?
- D. All of the above

**Answer: D**

**Question: 95**

All of The following are questions auditors may ask when testing controls of safeguards over assets and records please choose the correct option:

- A. Does management communicate its support for controls throughout the organization?
  - B. Does management establish and maintain effective policies and procedures related to control?
  - C. Does management provide a favorable control environment in the organization?
  - D. none of the above
-

---

**Answer: D**

**Question: 96**

All of The following are questions auditors may ask when testing controls of safeguards over assets and records please choose the correct option:

- A. Is confidential or sensitive information kept separate from other records?
- B. Does management provide a favorable control environment in the organization?
- C. Does adequate physical security exist over assets and records? Are storerooms locked? Are equipment and inventories properly recorded? Are there adequate environmental controls over assets (e.g., appropriate temperature)?
- D. Only A & C

**Answer: D**

**Question: 97**

When evaluating whether an organization understands its information needs, auditors should obtain an overview of each computer application that is significant to the financial statements or to achieving the mission and objectives. Information that an auditor should be interested in includes all of the following EXCEPT:

- A. employees pay slips
- B. Listing of significant communication networks.
- C. Listing of applications, including a description of the general purpose, impact on the financial statements, and importance to organizational objectives.
- D. Narrative summary of the operating environment and types of computer processing performed (stand-alone, distributed, networked, etc.).

**Answer: A**

**Question: 98**

Security controls reduce or prevent disruption of service, loss of assets, and unauthorized access to equipment. An effective physical security program is necessary to protect the system and data. All of the following are techniques for security control please chooses the correct option:

- A. Establish control over access to and within the facility.
- B. Ensure that there are adequate backup power sources, alarms, and prevention equipment.
- C. Implement a written and tested disaster contingency plan.
- D. all of the above

**Answer: D**

**Question: 99**

Security administration is responsible for security over the computer facility, including all aspects of physical and

---

---

data security. Following is a list of Control techniques for security administration please chooses the correct option:

- A. Ensuring that the computer security administration function is independent of computer operations.
- B. Ensure that there are adequate backup power sources, alarms, and prevention equipment
- C. A & D
- D. Ensuring that users and employees are counseled on security considerations.

**Answer: C**

**Question: 100**

Who control the operation of the computer system and for the efficient use of computer resources which is responsible?

- A. The smart-and-gets-things-done programmer
- B. System programmers
- C. software programmer
- D. the smart programmer

**Answer: B**

**Question: 101**

Which of the following are the two broad classifications of management styles please mark the correct option:

- A. Autocratic management
- B. Consultative management
- C. Participative management.
- D. Directing management

**Answer: A, C**

**Question: 102**

\_\_\_\_\_ make decisions themselves and issue orders to subordinates without seeking their input and without regard to their feelings where as \_\_\_\_\_ use a more democratic approach to leadership. Practitioners of participative management seek out and incorporate input from subordinates when making decisions.

- A. consultative managers, directing managers
  - B. Autocratic managers, Participative managers
  - C. Participative managers, Autocratic managers
  - D. directing managers, consultative managers
-

---

**Answer: B**

**Question: 103**

Strategic planning in government is the process of making decisions about how to achieve an entity's mandates and goals and determining the resources required to accomplish those goals. Where as Strategic plans should be updated on a regular basis and are long-term in nature:

- A. Strategic plans, long-term Strategic, planning, B. Strategic planning, Strategic plans, short-term C. Strategic planning, Strategic plans, long-term
- D. Strategic planning, Short-term, Strategic plans,

**Answer: C**

**Question: 104**

All of the following are major steps in the strategic planning process EXCEPT:

- A. To develop the general outline.
- B. Develop one or more general statements that address what the entity aims to achieve.
- C. Develop specific plans, a method for achieving those plans, and resource allocations. The plans should contain measurable objectives and implementation or achievement time frames.
- D. Communicate the plan to affected staff. Consider sharing early drafts of the plan with staff to obtain their input and to ensure their support of the plan.

**Answer: A**

**Question: 105**

The basic elements of effective decision-making are also used as standard guidelines for information technology project management practices. All of the following are the basic steps in decision-making EXCEPT:

- A. Identify possible solutions that will address the problem. Consider how each possible solution will influence affected groups.
- B. Define the problem.
- C. Identify the interests and values of individuals and groups affected by the problem.
- D. Monitor the plan and its effectiveness. Strategic plans are dynamic tools, not static documents. Management should constantly monitor the effect of changes in the entity's external environment and modify the strategic initiatives as necessary.

**Answer: D**

**Question: 106**

German sociologist Max Weber coined the term bureaucracy. All of the following are positive functions bureaucracies have EXCEPT:

- 
- A. A division of labor that allows each employee to have specific functions and duties.
  - B. A framework of rules that give employees direction about what they are supposed to do.
  - C. Appointments to office are based on technical qualifications, not political contacts.
  - D. Levels of authority that enables decisions to be made.

**Answer: C**

**Question: 107**

Change is a basic fact of life in all organizations. Managers must be able to respond to change in a quick and effective manner. All of the following are categories of change that government managers should consider EXCEPT:

- A. Changes in the physical environment (e.g., increased population) can create an increased demand for services.
- B. Changes in technology can result in a need to change policies, procedures, staffing levels, or goals.
- C. Changes in the political environment (e.g., new administrations, new legislation) can result in a need to change or increase areas of emphasis.
- D. No Changes in the moral environment (e.g., increased emphasis of ethics in government) can result in the need for tighter controls and performance measures.

**Answer: D**

**Question: 108**

The COSO report suggests that organizations should plan to the extent possible for change. All of the following are Specific elements related to planning for change EXCEPT:

- A. Look toward the future when developing missions and goals.
- B. Not to maintain effective management controls.
- C. Assess the effectiveness of programs on a continuous basis.
- D. Develop strong communication channels within the organization.

**Answer: B**

**Question: 109**

Groups may be informal (e.g., peer groups) or formal (e.g., work groups defined by management). Members of the group can have either assigned or adopted roles. Groups also develop a set of norms, or accepted standards of behavior, which group members are expected to follow.

- A. informal, formal, organization members
  - B. informal, formal, community members
  - C. formal, informal, group members
  - D. informal, formal, group members
-

---

**Answer: D**

**Question: 110**

All of the following are the goals of a well-functioning group EXCEPT:

- A. Time should be spent solving major problems instead of petty personal conflicts and concerns.
- B. The group should recognize that individuals have different strengths and weaknesses. Roles and assignments of group members should take these strengths and weaknesses into account.
- C. Achieving the overall goals of the group should not be the priority of all group members.
- D. The group should make decisions based on sound logic and evidence. Input from all group members, regardless of rank or experience level, should be heard and evaluated fairly.

**Answer: C**

**Question: 111**

All of the following are objectives of a centralized function EXCEPT:

- A. Establishing reporting requirements to ensure that common budget and financial reports have similar characteristics and can be used for comparative analysis.
- B. Reducing the need for the development of guidelines for each individual agency.
- C. Summarizing reports to collect, analyze, and provide summary reports to the oversight body.
- D. Not reducing the need for the development of guidelines for each individual agency.

**Answer: D**

**Question: 112**

A \_\_\_\_\_ creates an additional layer of bureaucracy and potentially creates a new base of political power that can impede progress. Where as \_\_\_\_\_ can become extremely powerful as they can impact the speed and delivery of government services with requirements and enforcement actions:

- A. centralized function, Centralized agencies
- B. decentralized function, Centralized agencies
- C. centralized function, decentralized agencies
- D. decentralized function, decentralized agencies

**Answer: A**

**Question: 113**

The customer-driven approach operates under the “business” model where all efforts are geared toward developing and retaining the customer base. This approach promotes the ability to react and adapt to customer needs and to provide services in an efficient and effective manner:

- 
- A. customer-driven, act and adapt
  - B. Bureaucratic, react and adapt
  - C. autocratic, react and adapt
  - D. customer-driven, react and adapt

**Answer: D**

**Question: 114**

A centralized purchasing agency organizes purchasing efforts and procurement decisions. All of the following are advantages of central purchasing EXCEPT:

- A. Increased control over purchases, since all purchases are made through a single source.
- B. Difficulties in receiving products to meet specific needs.
- C. Reducing the administrative burden of individual agencies, departments, or units.
- D. Receiving better price and payment terms.

**Answer: B**

**Question: 115**

The budgeting cycle incorporates all of the following components EXCEPT:

- A. Executive preparation
- B. Legislative consideration
- C. Audit and evaluation
- D. controlling

**Answer: D**

**Question: 116**

Most governments have some form of a centralized budgeting agency. All of the following are areas addressed by budget offices EXCEPT:

- A. Developing a budget document that incorporates all agency requests into a government wide request or plan.
  - B. Not developing a budget document that incorporates all agency requests into a government wide request or plan.
  - C. Assessing the national economy and the impact it will have on finances.
  - D. Assessing financial performance — reviewing and analyzing the revenues, expenditures, and cash balances at various times throughout the year.
-

---

**Answer: B**

**Question: 117**

The primary purpose of budgeting is to allocate resources among government activities. all of the includes the basic framework for budgeting EXCEPT:

- A. Control.
- B. Accountability.
- C. Evaluation
- D. planning

**Answer: D**

**Question: 118**

have been developed to address historical concerns regarding government employment selection and compensation. Abuses of patronage systems in which the victor of political elections hired political allies led to the introduction of merit systems:

- A. Government regulatory systems
- B. Government personnel systems
- C. private personnel systems
- D. public personnel systems

**Answer: B**

**Question: 119**

Personnel systems and central personnel offices typically provide all of the following services EXCEPT:

- A. Recruiting
- B. Selection
- C. Training
- D. planning

**Answer: D**

**Question: 120**

Recruiting is the process of advertising job openings and encouraging candidates to Apply. Where as The primary objective of it is to provide an adequate number of qualified candidates from which a selection can be made.

- A. training, primary objective

- 
- B. selection, primary objective
  - C. Recruiting, primary objective
  - D. planning, primary objective

**Answer: C**

**Question: 121**

\_\_\_\_\_ is the formal method where an employee's work product is appraised. Where as There should be formal guidelines that promote fair and equitable \_\_\_\_\_ and help ensure that

employees are made aware of behavioral problems and have the option to modify their behavior.

- A. termination, evaluation
- B. discipline, Evaluation
- C. Evaluation, discipline
- D. Discipline, evaluation

**Answer: C**

**Question: 122**

The ultimate penalty is generally \_\_\_\_\_, and guidelines are developed to ensure that the termination is warranted and that the employee has been adequately apprised of his or her behavioral problem:

- A. termination, formal
- B. evaluation, informal
- C. discipline, formal
- D. discipline, informal

**Answer: A**

**Question: 123**

\_\_\_\_\_ is defined as the ongoing monitoring and reporting of program accomplishments, particularly progress toward established goals.

- A. control measurement
  - B. Performance measurement
  - C. Quality measurement
  - D. quantity measurement
-

---

**Question: 124**

quantify the amount of resources used or planned for a specific service or program. Where as report quantities of products or services delivered by a program or agency.

- A. Output measures Input measures
- B. Input measures Output measures
- C. Output measures control measures
- D. quality measures Output measures

**Answer: B**

**Answer: B**

**Question: 125**

Process measures provide a means for evaluating the use of inputs to achieve outputs. where as Outcome measures report the results associated with the products or services delivered by a program or agency program, both qualitative and quantitative.

- A. Process measures Outcome measures
- B. Outcome measures Process measures
- C. Output measures Input measures
- D. Input measures Output measures

**Answer: A**

**Question: 126**

All of the Following are the major categories of performance measures EXCEPT:

- A. Input measures
- B. Process measures
- C. Output measures
- D. control measures

**Answer: D**

**Question: 127**

are measures of inputs. These input measures include both financial items such as salaries and equipment costs, as well as nonfinancial items such as the number of staff hours allocated to a particular function.

are defined as outputs and outcomes.

- A. Service accomplishments, Service efforts
  - B. Service efforts, control efforts
  - C. Service efforts, Service accomplishments
  - D. service effort, management efforts
-

---

**Answer: C**

**Question: 128**

addresses performance measures by requiring all major federal agencies to prepare a financial statement that reflects not only the agency's financial position, but also the results of operations of the agency's offices, bureaus, and activities.

- A. British Trade Boards Acts. (2009).
- B. Small Business Act (1953)
- C. The Chief Financial Officers Act of 1990 (CFO)
- D. The Government Management Reform Act of 1994 (GMRA)

**Answer: D**

**Question: 129**

addresses performance measures by requiring agencies to maintain an integrated accounting and financial management system that provides for the systematic measurement of performance.

- A. British Trade Boards Acts. (2009).
- B. Small Business Act (1953)
- C. The Chief Financial Officers Act of 1990 (CFO)
- D. The Government Management Reform Act of 1994 (GMRA)

**Answer: C**

**Question: 130**

a number of states and local governments have implemented initiatives for performance measurement and performance budgeting. Examples include all of the following EXCEPT:

- A. City of Portland Service Efforts and Accomplishments: 1991.
- B. Commonwealth of Australia.
- C. City of Austin "Performance Measurement and Reporting" resolution, (September 1992).
- D. Prince William County, Virginia.

**Answer: B**

**Question: 131**

To evaluate the reliability of performance data in cases where a performance measurement system exists. All of the following are the steps that are included in the process EXCEPT:

- A. Document (map) component's existing performance measurement system.
- B. Assess reliability, accuracy, and validity of data supporting the existing systems.

- 
- C. Determine if the reports produced by the existing system are adequate.
  - D. Test availability, reliability, and validity of existing data to support measures.

**Answer: D**

**Question: 132**

All of The following are the steps that should be followed to evaluate the reliability of performance data in cases where a performance measurement system does not exist EXCEPT:

- A. Select appropriate performance criteria and measures.
- B. If existing data are inadequate, design and implement a data collection instrument.
- C. Collect, present, and interpret data to describe conditions based on measures.
- D. Develop recommendations to improve the existing system and issue audit report.

**Answer: D**

**Question: 133**

Managers must measure and track performance because citizens and legislative bodies are increasingly demanding evidence of the appropriate use of public resources and the achievement of public goals. Auditors must understand performance measurement because their audit objectives may call for independent measurement of organizational performance.

- A. organizers, leaders
- B. Managers, Auditors
- C. Auditors, Managers
- D. planners, organizers

**Answer: B**

**Question: 134**

The Canadian Comprehensive Auditing Foundation (CCAF) lists the following 12 attributes that management should be reporting on regarding the effectiveness of their organizations please choose the correct option:

- A. Management direction (e.g., clarity of objectives), continued relevance of a program, Appropriateness of program design and Achievement of intended results.
  - B. Satisfaction of clients or stakeholders, Secondary impacts, Costs and productivity, Responsiveness to changed circumstances and financial results.
  - C. Quantify effect (difference between condition and criteria).
  - D. The extent to which the organization provides an appropriate work environment for its Employees, Safeguarding of assets and Monitoring and reporting of performance
-

---

**Answer: A, B, D**

**Question: 135**

All of The following are the areas that should be considered when identifying specific performance to measure EXCEPT:

- A. Identify stakeholder needs.
- B. do not Identify processes within the program.
- C. Determine if recommendations for improvement or change are warranted.
- D. Assess performance through benchmarking or best practice reviews.

**Answer: B**

**Question: 136**

All of the following are Methods of measuring performance EXCEPT:

- A. Manual tracking and summarizing of activity.
- B. Periodic sampling, such as through citizen surveys, random time studies, or random sampling of agency data.
- C. Calculations based on current trends.
- D. Routine collection of data either through entry or upload into automated systems.

**Answer: C**

**Question: 137**

Criteria to use for selection of performance measures and data collection procedures include all of the following EXCEPT:

- A. Appropriateness and Validity.
- B. Uniqueness, Completeness and Comprehensibility.
- C. Controllability and Timeliness of Feedback.
- D. planning, controlling and organizing

**Answer: D**

**Question: 138**

\_\_\_\_\_ enables managers and auditors to directly link the costs of program resources to the objects produced, whether the objects are products or services. The link is established through the costing of the activities performed in producing the object.

- A. Activity-based costing (ABC)
- B. Life-Cycle costing
- C. process costing

D. batch costing

**Answer: A**

**Question: 139**

The steps in developing an activity-based costing system are as follows EXCEPT:

- A. Identify which areas (e.g., programs or services) will be subjected to activity based costing and determine how the results of activity-based costing will be used.
- B. control the costs
- C. Define the activities in the organization that produce the program or service being subjected to activity-based costing.
- D. Link the cost of resources to specific activities through the use of resource drivers.

**Answer: B**

**Question: 140**

\_\_\_\_\_ can be defined as A set of tasks to be costed or analyzed as a group, having both inputs and outputs. Where as \_\_\_\_\_ can be defined as the mechanism that links an object with the frequency and intensity of the performance of an activity for the object.

- A. Activity, activity driver
- B. activity driver, cost driver
- C. cost driver, activity
- D. activity, cost driver

**Answer: A**

**Question: 141**

\_\_\_\_\_ can be defined as the Equipment, facilities, people, supplies, or services used to produce a product or service. Where as \_\_\_\_\_ is the mechanism that links the costs of resources to the activities that use the resources.

- A. Activity, activity driver
- B. resource, resource driver
- C. cost driver, activity
- D. activity, cost driver

**Answer: B**

**Question: 142**

All of the following are the examples of Resources (and resource drivers) EXCEPT:

- 
- A. Central data processing equipment (equipment cost for time generating license renewal notices).
  - B. Licensing staff (payroll costs for time spent receiving/processing renewal applications).
  - C. Facilities (cost per square foot of space allocated to licensing function, times percent of renewals received).
  - D. Determine eligibility (number of applications reviewed for eligibility).

**Answer: D**

**Question: 143**

All of the following are the examples of Activities (and activity drivers) EXCEPT:

- A. Determine eligibility (number of applications reviewed for eligibility).
- B. Applications corrected (number of applications corrected).
- C. Facilities (cost per square foot of space allocated to licensing function, times percent of renewals received).
- D. Renewal applications (number of applications received).

**Answer: C**

**Question: 144**

All of The following are guidelines for developing adequate performance measures EXCEPT:

- A. Use a "family" of measures to capture multiple dimensions of performance.
- B. Measures used should focus on measurable aspects of performance.
- C. Performance measures should be comprehensive enough to reach valid conclusions about the program.
- D. Renewal applications (number of applications received).

**Answer: D**

**Question: 145**

In addition to the characteristics described above, performance measurement information should have all of the following characteristics EXCEPT:

- A. Relevant (i.e., related to program's objectives).
- B. easily accessible
- C. Easy to understand and use (i.e., free of jargon and with key terms defined).
- D. Accurate (i.e., complete and error free).

**Answer: B**

**Question: 146**

The following are guidelines for using performance data to evaluate performance EXCEPT:

- 
- A. Concentrate on developing ideas to improve performance in areas that are most important to the organization's goals and objectives.
  - B. Try to determine reasons for deviations from expected values. Look for relationships between variables such as constituency satisfaction and processing time. Consider other factors such as equipment changes or disruptions caused by weather during the period.
  - C. Was the performance information collected in a cost-effective manner (i.e., do the benefits of a performance report justify its cost)?
  - D. Compare performance reports to those used by other divisions or similar operations outside the entity. Benchmark with best practices as appropriate.

**Answer: C**

**Question: 147**

The following are guidelines for evaluating performance reports EXCEPT:

- A. Are the reports available in a timely manner for decision making?
- B. Was the reported performance reported aggregated or disaggregated at a meaningful level?
- C. Was the performance information collected in a cost-effective manner (i.e., do the benefits of a performance report justify its cost)?
- D. Concentrate on developing ideas to improve performance in areas that are most important to the organization's goals and objectives.

**Answer: D**

**Question: 148**

\_\_\_\_\_ assess the overall effect of the program and are typically conducted on a periodic or as-needed basis, in contrast to performance measurement, which is performed on an ongoing basis.

- A. performance evaluation
- B. Program evaluations
- C. evaluate performance
- D. evaluate employees

**Answer: B**

**Question: 149**

\_\_\_\_\_ focus on the results of the program in order to determine the program's effect. The net effect of a program can be analyzed by studying its outputs and outcomes in relation to the program's objectives.

- A. Summative program evaluations
  - B. performance program evaluations
  - C. formative program evaluations.
  - D. employee's evaluation
-

---

**Answer: A**

**Question: 150**

Typical methodologies used to conduct summative evaluations include all of the following

EXCEPT:

- A. Case studies
- B. Examination of documents or data analysis.
- C. Experimental and quasi-experimental, and interrupted time-series measurements
- D. Interviews.

**Answer: A, C**

**Question: 151**

Data collection techniques for summative evaluations include all of the following EXCEPT:

- A. Observation.
- B. Experiments
- C. Interviews.
- D. Examination of documents or data analysis.

**Answer: B**

**Question: 152**

Methods of analyzing data in summative evaluations include all of the following EXCEPT:

- A. Content analysis
- B. Experiments
- C. Interviews.
- D. Contact summary form

**Answer: A, D**

**Question: 153**

\_\_\_\_\_ considers the processes associated with the program or factors in the program environment to determine which components adversely affect effectiveness or do not add value to the program's goals.

- A. Summative program evaluations
- B. performance program evaluations
- C. employee's program evaluation
- D. Formative program evaluation

---

**Answer: D**

**Question: 154**

Techniques involved in conducting formative evaluations include all of the following EXCEPT:

- A. controlling and planning
- B. Program modeling and Equipment trials
- C. Direct observation by evaluators and Expert judgment
- D. Focus groups and Ethnographic analysis

**Answer: D**

**Question: 155**

The term descriptive statistics refers to methods designed to describe or summarize the characteristics of a data set. All of The following analysis procedures are associated with descriptive statistics EXCEPT:

- A. Collection and organization of raw data.
- B. collection of company records
- C. collection of employee's records
- D. Classification and graphic presentation of the data in a frequency distribution format.

**Answer: A, D**

**Question: 156**

All of The following are the guidelines that apply to the construction of a frequency distribution EXCEPT:

- A. Divide classes to ensure that the smallest and largest values in the array are shown.
- B. Assign each item in the array to only one class.
- C. make graph
- D. Keep the size of each interval the same.

**Answer: C**

**Question: 157**

The \_\_\_\_\_ is the sum of the values of a group of items divided by the number of those items.

Arithmetic mean is the most commonly used type of average. Where as \_\_\_\_\_ is a widely used measure of dispersion. The standard deviation represents the deviations of individual observations from the mean.

- A. arithmetic mean, Standard deviation
  - B. Standard deviation, arithmetic mean
  - C. mean, median
  - D. median, mode
-

---

**Answer: A**

**Question: 158**

\_\_\_\_\_ is the middle position in an array of values. The median value can be misleading in small data sets, so it is usually used to characterize a large number of values. Whereas The \_\_\_\_\_ is the most commonly occurring value in an array. The mode is a less frequently used measure of average because a mode may not exist in some sets of data, or there may be more than one mode in the data set.

- A. arithmetic mean, Standard deviation
- B. mean, median
- C. Standard deviation, arithmetic mean
- D. median, mode

**Answer: D**

**Question: 159**

The term \_\_\_\_\_ refers to methods designed to describe or summarize the characteristics of a data set. The term \_\_\_\_\_ refers to methods designed to allow inferences or estimates to be made about the characteristics of a data set.

- A. inferential statistics, descriptive statistics
- B. standard deviation, mean
- C. descriptive statistics, inferential statistics
- D. median, arithmetic mean

**Answer: C**

**Question: 160**

All of the following are the general steps to follow when testing a hypothesis EXCEPT:

- A. State the null and alternative hypotheses.
- B. Establish the criterion for rejecting or accepting the null hypothesis.
- C. Analyze the data. Data analysis involves collecting sampled items, estimating the parameter, and calculating the value of the sample mean.
- D. Accept the null hypothesis only.

**Answer: D**

**Question: 161**

The concept of performance management shifts the focus of government decision-making and accountability away from monetary aspects to the activities undertaken to achieve results. And also

Effective performance management establishes programs and resources within the organization that address its agency-wide objectives and administers them through four phases:

---

“plan, do, check, and act.” Guiding principles include long-range planning, collaborative input, a “results” orientation, decisions based upon measurable data, and continuous improvement in **Outcomes**.

- A. Effective performance management, performance management B. autocratic management, Effective performance management
- C. performance management, Effective performance management D. consultative management, Effective performance management

**Answer: C**

**Question: 162**

The first step in managing performance is a structured, cohesive planning approach. During the managers set performance expectations based upon objectives and available resources. Where as during the \_\_\_\_\_, the program is implemented and operations commence.

- A. plan” phase, “do” phase,
- B. “do” phase, plan” phase, C. “check” phase, “act” phase D. “act” phase, “check” phase

**Answer: A**

**Question: 163**

During the \_\_\_\_\_, the data are aggregated and formatted in a manner to facilitate management oversight of key measures. Where as the \_\_\_\_\_ involves management decision-making based upon the program evaluation.

- A. plan” phase, “do” phase,
- B. “do” phase, plan” phase, C. “check” phase, “act” phase
- D. “act” phase, “check” phase

**Answer: C**

**Question: 164**

Inputs are the measurement of efforts or economic resources that are put into a program activity. This category includes both financial and nonfinancial information. Where as Processes are the measurements that relate efforts to accomplishments, generally reporting on efficiency and cost of providing a specific unit of service.

- A. processes, inputs
- B. outputs, processes
- C. processes, outputs
- D. inputs, processes

---

**Answer: D**

**Question: 165**

refers to accomplishments of services provided. These are generally measured by quantity and quality. Where as refers to results that occurs because of services provided and these measures are particularly useful when making comparisons to previous years, to other similar organizations, or to established missions and goals.

- A. outcome, output
- B. outputs, processes
- C. output, outcome
- D. inputs, processes

**Answer: C**

**Question: 166**

Crosscutting performance goals are other factors that managers are responsible for across all phases of the service provision process. While these factors cannot always be measured in quantifiable terms, they definitely impact how and why services are provided. Factors to consider include all of the following EXCEPT:

- A. Compliance with Laws and Regulations.
- B. Reliability, Validity, and Availability of Information.
- C. Maintaining Underlying Values.
- D. No Continuous Improvement.

**Answer: D**

**Question: 167**

Surrogate measures that can be used to measure a fire prevention program's success can be documented by the number of classes and students, or a test or survey identifying knowledge gained from the class. Other prevention programs that are challenged by linking programs to surrogate outcomes include all of the following EXCEPT:

- A. Continuous Improvement.
- B. Teen pregnancy prevention.
- C. Drug and alcohol prevention programs.
- D. Early education intervention programs.

**Answer: A**

**Question: 168**

Information used in reporting should be reviewed for accuracy and contain all of the following characteristics EXCEPT:

- 
- A. Relevance and Understandability
  - B. Comparability and Timeliness
  - C. Consistency and Reliability
  - D. planning an organizing

**Answer: D**

**Question: 169**

Circumstances that contribute to the difficulty of measuring experimental programs include all of the following EXCEPT:

- A. The program can be very small.
- B. The program may not be large enough to draw useful inferences from the results.
- C. Lack of baseline data to compare program results with.
- D. Some outcomes can be hard to measure either from the lack of measurement instruments, such as changes in self-esteem, or from the logistical difficulty in measuring.

**Answer: A**

**Question: 170**

Financial management in the public sector differs significantly from its private-sector counterpart. The foundation of the public financial management system is based on the following principles EXCEPT:

- A. Democratic consent
- B. accessibility
- C. Probity and Prudence
- D. Equity and Transparency

**Answer: B**

**Question: 171**

The audit process helps ensure transparency, probity, prudence, and, of course, accountability in public financial management. Following are examples of transparency, where public knowledge and scrutiny may change management decisions EXCEPT:

- A. Public employee salaries
  - B. Other perks
  - C. Private employee salaries
  - D. Travel expenses
-

---

**Answer: C**

**Question: 172**

The mission of the \_\_\_\_\_ is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports, and guide and educate the public, including issuers, auditors, and users of those financial reports. \_\_\_\_\_ establishes new requirements for the annual financial reporting for state and local government.

- A. Generally Accepted Accounting Principles (GAAP), GASB's Statement No. 34
- B. GASB's Statement No. 34, Generally Accepted Accounting Principles (GAAP),
- C. UNIFORM BUDGETING AND ACCOUNTING ACT Act 2 of 1968, GASB's Statement No. 34
- D. Governmental Accounting Standards Board (GASB), GASB's Statement No. 34

**Answer: D**

**Question: 173**

If the state and local governments are not ready to meet the guidelines of GASB 34, the consequences may be serious and costly. The implications of noncompliance include all of the following EXCEPT:

- A. Qualified or adverse opinion on financial statements from external auditors.
- B. improves financial credibility.
- C. Possible regulatory violations and Diminished public trust.
- D. Decrease in bond rating and corresponding increase in cost of financing debt.

**Answer: B**

**Question: 174**

Governments must have a means to finance public services, with the primary means being taxation. All of the following are the primary methods of revenue generation in public administration EXCEPT:

- A. Taxation, This includes federal and state income taxes, along with sales and property taxes.
  - B. User charges — as individuals become increasingly less receptive to taxes, user fees or charges have been used to finance some services.
  - C. employee charges
  - D. Transfer payments — State and local governments receive transfer payments from the federal government.
-

---

**Answer: C**

**Question: 175**

Financial management in the public sector differs significantly from its private-sector counterpart. All of the following are the basic fundamentals of public financial management EXCEPT:

- A. Spending
- B. Saving
- C. Budgeting
- D. Taxing

**Answer: C**

**Question: 176**

Taxation is the most common form of revenue generation for governments; however, there are other sources. All of the following are some of the common forms of revenue generation EXCEPT:

- A. Property tax — this is the mainstay of most local governments and is a tax on land and improvements such as buildings.
- B. Income taxes that are paid as a percentage of your income.
- C. Flat tax — The same tax rate is charged to all taxpayers.
- D. all the liabilities

**Answer: D**

**Question: 177**

The policies that promote and support revenue generation often have an impact on auxiliary areas such as the economy. The economic policy of a central government generally consists of three dimensions which are given below please choose the correct option:

- A. budgeting policy
- B. Monetary policy
- C. Fiscal policy
- D. Policies with economic implications

**Answer: B, C, D**

**Question: 178**

A budget is a financial plan that serves as a guide to control and oversee future activities. The budgeting cycle incorporates all of the following components EXCEPT:

- 
- A. Executive preparation and Execution
  - B. Legislative consideration
  - C. leading and controlling
  - D. Audit and evaluation

**Answer: C**

**Question: 179**

All budgets, whether national, regional, or local, should be tied to specific objectives. All government revenue raising and spending should fall into one of the following objectives given below please choose the correct option:

- A. Allocation — ensuring that an appropriate level of funding flows into sectors of the economy where it is required.
- B. Legislative consideration
- C. Audit and evaluation
- D. Growth — Using the power of government spending to facilitate economic growth and wealth creation.

**Answer: A, D**

**Question: 180**

The budget authority is generally a “ceiling” provided by law for obligations and expenditures. Some common forms of budget authority include all of the following EXCEPT:

- A. Appropriation — this is the most common form of budget authority, which permits agencies to incur obligations and expend funds.
- B. legal restrictions on an organization
- C. Public debt authority — Funds derived from the sale public debt securities of the federal government.
- D. Contract authority — statutory authority under which obligations may be entered into prior to receiving an appropriation.

**Answer: B**

**Question: 181**

All of the Following are the additional terms that, although not mutually exclusive, help define budget authority EXCEPT:

- A. temporary authority
  - B. Definite appropriation authority
  - C. Indefinite appropriation authority
  - D. Current authority
-

---

**Answer: A**

**Question: 182**

attempts to use strategic planning to set the mission, goals, and objectives of programs; measure programs' outcomes; and set benchmarks to be met by programs.

- A. Performance-based budgeting
- B. personal budgets
- C. business budgets
- D. house hold budgets

**Answer: A**

**Question: 183**

Authorization — A statute or legislation that establishes or continues a national program or agency. Where as  
Advance appropriation — Budget authority provided in an appropriation act that is first available in a fiscal year beyond the fiscal year for which the appropriation is enacted.

- A. Advance appropriation, Authorization
- B. Authorization, Advance appropriation
- C. Budget authority, Appropriation act
- D. Appropriation act, Budget authority

**Answer: B**

**Question: 184**

is one in which each specific budgetary account is allocated to a narrow purpose (such as travel, supplies, personnel). where as are the entity's efforts to tie the results of the activities or programs to the cost of operating the programs.

- A. The line-item budget, Performance budgets
- B. Performance budgets, the line-item budget
- C. Zero-based Budget, Integrated Budget
- D. Program Budget, Executive Budget

**Answer: A**

**Question: 185**

The primary purpose of was to promote planning activities. Where as was developed to alleviate this problem by reevaluating the complete budget and starting from zero on each new budget year.

- 
- A. Zero-based budgeting, program budgeting
  - B. program budgeting, Zero-based budgeting
  - C. Zero-based Budget, Integrated Budget
  - D. Program Budget, Executive Budget

**Answer: B**

**Question: 186**

An integrated budget provides the mechanism to review spending activities and make judgments on the appropriateness of those expenditures. Where as Capital budgeting is often based on the issuance of capital debt.

- A. Zero-based budgeting, program budgeting
- B. program budgeting, Zero-based budgeting
- C. Zero-based Budget, Integrated Budget
- D. integrated budget, Capital budgeting

**Answer: D**

**Question: 187**

Capital budgeting is often based on the issuance of capital debt. Capital debt (based on GASB 11) includes all of the following debt that are issued EXCEPT:

- A. Finance the acquisition or construction of fixed assets reported on the balance sheet.
- B. No Refund existing capital debt.
- C. Finance capital grants to other governments.
- D. Finance certain nonrecurring projects or activities that have a long-term economic benefit.

**Answer: B**

**Question: 188**

Although a government can have as many funds as it wishes, all of the funds must be classified into ONE of the following fund types EXCEPT.

- A. Proprietary Funds
- B. property funds
- C. general funds
- D. Governmental Funds

**Answer: B, C**

**Question: 189**

General Funds are The chief operating fund for a government is called the general fund.where as Special

---

---

Revenue Funds are The funds that are used when the revenue sources are earmarked for a specific purpose (special tax or grant requirement);

- A. Special Revenue Funds, General Funds
- B. program budgeting, Zero-based budgeting
- C. General Funds, Special Revenue Funds
- D. integrated budget, Capital budgeting

**Answer: C**

**Question: 190**

Debt Service Fund is Money set aside to meet current and future debt service requirements are placed in debt service funds. Where as Capital Projects Fund can be defined as the funds that Governments often prefer to account for significant capital expenditures separately from their regular operations.

- A. Special Revenue Funds, General Funds
- B. program budgeting, Zero-based budgeting
- C. General Funds, Special Revenue Funds
- D. Debt Service Fund, Capital Projects Fund

**Answer: D**

**Question: 191**

Permanent Fund is the Endowment-like arrangements available to support the operations or programs of the government (e.g., cemetery perpetual care funds).where as \_\_\_\_\_ are used when a government wants to recoup all or a portion of the cost of providing a service (i.e., utility charges, mass transit fees).

- A. permanent fund, enterprise fund
- B. program budgeting, Zero-based budgeting
- C. General Funds, Special Revenue Funds
- D. Debt Service Fund, Capital Projects Fund

**Answer: A**

**Question: 192**

\_\_\_\_\_ are used to allocate and account for the costs associated with providing a centralized service, such as printing, data processing, or motor pools. Where as \_\_\_\_\_ is the fund where government holds or manages financial resources in a fiduciary capacity.

- A. permanent fund, enterprise fund
  - B. Internal service funds, Fiduciary Fund
  - C. General Funds, Special Revenue Funds
  - D. Debt Service Fund, Capital Projects Fund
-

---

**Answer: A**

**Question: 193**

The last fund type is a fiduciary fund, where government holds or manages financial resources in a fiduciary capacity. Although considered a single fund type, there are four sub-fund types given below please choose the correct option:

- A. Proprietary Funds
- B. Non-expendable Trust Fund
- C. Expendable Trust Fund
- D. Governmental Funds

**Answer: B, C**

**Question: 194**

The primary purpose of financial reporting is accountability. All of the following are The basic elements of financial reporting EXCEPT:

- A. Understandability
- B. Reliability and Relevance
- C. Timeliness and Comparability
- D. planning and leading

**Answer: D**

**Question: 195**

Comprehensive annual financial report (CAFR) is the report that encompasses all funds and account groups of the primary government (including its blended component units). The CAFR should also encompass all discretely presented component units of the reporting entity. Every CAFR must contain three basic sections are given below please choose the correct option:

- A. Introductory — Provides general information on the government's structure, personnel, and finances.
- B. Comparability — Reports should be generally consistent to provide a comparison between entities.
- C. Financial — Provides information on fund types, individual funds, and account groups.
- D. Statistical — Provides trend and demographic data to present financial indicators and other useful information to assess a government's financial condition.<sup>39</sup>

**Answer: B**

**Question: 196**

The introductory section contains information that is not necessarily related to the financial statement. The introductory section is outside of the audit scope; however, it must be reviewed by the independent auditors to

---

---

ensure that it does not contain misleading information or contradict the financial information. Components of the introductory section include all of the following EXCEPT:

- A. Report cover
- B. Title page
- C. Certificate of achievement
- D. offer letter

**Answer: D**

**Question: 197**

The financial section contains summarized and detailed financial information and is organized in a financial reporting pyramid format. Components of the financial section include all of the following given below EXCEPT:

- A. The report of the independent auditor
- B. work sheets
- C. Combined balance sheets
- D. Basic financial statements

**Answer: B**

**Question: 198**

The statistical section contains provides trend data and other nonfinancial information to assist in assessing a government's financial condition. All of the following are the components of this section EXCEPT:

- A. General governmental expenditures and revenues for the past 10 years.
- B. Special assessments and collections for the past 10 years.
- C. Property tax levies and assessed value information for the past 100 years.
- D. Revenue bond coverage for the past 10 years.

**Answer: C**

**Question: 199**

In the public sector, there are generally eight types of auditor's reports to be included in the financial statements, these are given below please choose the correct option:

- A. Auditor's report on the fair presentation of the financial statements.
  - B. Auditor's report on compliance with general requirements for both major and non-major federal financial assistance programs.
  - C. Auditor's report on compliance with specific requirements related to major federal financial assistance programs.
  - D. All of the above.
-

---

**Answer: D**

**Question: 200**

All of The following are considered abuses of public debt EXCEPT:

- A. Borrowing to finance operating expenditures.
- B. Borrowing beyond ability to repay.
- C. Not borrowing where corruption is widespread.
- D. Borrowing to finance no-return projects or speculative facilities.

**Answer: C**

**Question: 201**

\_\_\_\_\_ is a concept relating to the accumulation of the audit evidence necessary for the auditor to conclude that there are no material misstatements in the financial statements taken as a whole. While the \_\_\_\_\_ is responsible for forming and expressing an opinion on the financial statements, the responsibility for preparing and presenting the financial statements is that of the management of the entity.

- A. Reasonable assurance, auditor
- B. Audit policy, controller
- C. Reasonable assurance, trainer
- D. Audit record, auditor

**Answer: A**

**Question: 202**

\_\_\_\_\_ is a foundation of a democratic society. Elected officials are ultimately accountable to the \_\_\_\_\_; however, all government employees are publicly accountable for their actions.

- A. Accountability, debtors
- B. Accountability, voters
- C. credibility, creditors
- D. controllability, voters

**Answer: B**

**Question: 203**

\_\_\_\_\_ is the fulfillment of responsible ownership on behalf of the community and it is the exercise of authority, direction, and control over an organization.

- A. credibility
  - B. controllability
  - C. governance
  - D. Accountability
-

---

**Answer: C**

**Question: 204**

All of the following are characteristics of good governance EXCEPT:

- A. Involve people with the necessary knowledge, ability, and commitment to fulfill their responsibilities.
- B. Are not prepared to ensure that the organization's objectives are met and that performance is satisfactory.
- C. Fulfill their accountability obligations to those whose interests they represent by reporting on the organization's performance.
- D. Are prepared to ensure that the organization's objectives are met and that performance is satisfactory.

**Answer: B**

**Question: 205**

From a government perspective, accountability involves all of the following interrelated groups EXCEPT:

- A. The general public and particularly those receiving public services.
- B. Service providers whose objectives and interests often differ from the first two.
- C. Political leaders and officials who manage service providers to be accountable for a mixture of public and private interests.
- D. Involve people with the necessary knowledge, ability, and commitment to fulfill their responsibilities.

**Answer: D**

**Question: 206**

The nature of accountability means the governing body (agent) must make an accounting back to the public and/or service recipient (principal) regarding the achievement of objectives and the stewardship of resources.

All of the following are certain elements of risk that exist in the principal-agent relationship EXCEPT:

- A. Consequence of error — the cost/impact to the principal is greater than that to the agent if errors OCCUR undetected.
- B. Moral hazards — potential for the agent to develop a conflict of interest between the agent's own interests and those of the principal.
- C. physical hazards
- D. Complexity — the possibility that operations to achieve established objectives are too complex for the principal to readily understand.

**Answer: C**

**Question: 207**

Elements of public accountability Include all of the following EXCEPT:

---

- 
- A. Performance budgeting and reporting.
  - B. Financial reporting and open government.
  - C. Remoteness and Complexity
  - D. Evaluations and Monitoring

**Answer: D**

**Question: 208**

Peter Drucker, one of the foremost authorities on management theory, described why public sector accountability was so critically important. He described all of the following factors that distinguish service organization activities from private-sector activities EXCEPT:

- A. Role of the annual operating budget (as a controlling factor that sets policy, instead of such things as net profit or market share to guide decision-making).
- B. Domination of organization-related legal and contractual provisions
- C. Absence of a significant performance assessment capacity (few governmental entities can be evaluated by a single measure — profit — for effectiveness).
- D. Absence of a “harmony of purpose” control factor. Since not every division is working toward the same goal (profit), other means of control must be established to ensure that the principal’s interests are the driving motivators.

**Answer: B**

**Question: 209**

Auditing plays an important role in ensuring accountability. Through its various forms (internal and external), auditing provides a method of control to help ensure that objectives are realized in an appropriate manner.

Some broad areas covered by audits include all of the following EXCEPT:

- A. The accuracy and completeness of records.
- B. Compliance with laws, regulations, contract terms, policies, and procedures.
- C. complexity of objectives.
- D. Economy and efficiency of operations.

**Answer: C**

**Question: 210**

\_\_\_\_\_ serves in a unique capacity as an important communication link among external and internal auditors and operating management, and as a means of reducing the risk of management override of key elements of a public sector entity’s internal control structure:

- A. The audit committee
  - B. cabinet committees
  - C. official committees
  - D. standing committees
-

---

**Answer: A**

**Question: 211**

The audit committee should be made up of individuals who are independent of the day-to-day management of the public sector entity and who have the necessary program and /or management expertise to perform their review function effectively. The responsibilities of the audit committee should be stated in a \_\_\_\_\_ or \_\_\_\_\_ that is approved by the full board or governing body of the public sector entity, as appropriate.

- A. informal, written charter or equivalent document
- B. legal, written charter or equivalent document
- C. formal, verbal charter or equivalent document
- D. formal, written charter or equivalent document

**Answer: D**

**Question: 212**

All of the following are levels of ethics, each of which has its own sets of responsibilities EXCEPT:

- A. Organizational ethics — The environment or culture of an organization and formal and informal rules of conduct. These can also include specific laws and regulations.
- B. Personal morality — The basic sense of right and wrong is a function of social mores, parental influence, religious background, and personal experiences.
- C. Corporate social responsibility or CSR: an umbrella term under which the ethical rights and duties existing between companies and society is debated.
- D. Professional ethics — Professional norms and rules that govern a profession. Some professions, such as auditing, have professional codes of conducts (such as The IIA's Code of Ethics).

**Answer: C**

**Question: 213**

Beyond blatant illegal activities there are more subtle situations that can taint the public's perception of government. All of the following are the areas of ethical concerns EXCEPT:

- A. Disclosure — If any benefit from an activity is to be accrued by an employee, the relationship and benefit must be disclosed to management prior to the transaction.
  - B. Organizational ethics — The environment or culture of an organization and formal and informal rules of conduct. These can also include specific laws and regulations.
  - C. Gratuities and kickbacks — A payment or inducement to promote a specific transaction or procurement activity.
  - D. Conflict of interest — Where an employee or family member has a financial interest in procurement activity or government transaction.
-

**Answer: B**

**Question: 214**

The right of the public to protect its own interests by seeking information, and also limiting the manner in which personal records can be used, has affected government practices in all of the following areas listed below EXCEPT.

- A. Agency responsibilities — each agency should provide guidance to the public that describes its policies and procedures and steps required to request information. Upon receiving a valid request, a government agency must provide the relevant record(s) in a prompt, no solicitous manner.
- B. Elected or appointed officials — Sunshine laws have done away with private “behind closed doors” meetings where decisions, which directly impact citizens, were once made.
- C. Confidential or inside information — Using a government position and knowledge of government initiatives to make financial gain. For example, purchasing a piece of property that will be adjacent to a proposed government project.
- D. Customer/client privacy — Some information is exempt from the public, and conversely, individuals have the opportunity to amend any errant information with regard to themselves.

**Answer: C**

**Question: 215**

Freedom of information legislation has set the tone for public officials that all decisions and actions are subject to review. \_\_\_\_\_ and \_\_\_\_\_ require that all official meetings are publicized and the general public is invited so that individuals interested in public affairs might attend.

- A. Regulatory laws and open meetings acts
- B. Sunshine laws and open meetings acts
- C. Property laws and open meetings acts
- D. Sunshine laws and closed meetings acts

**Answer: B**

**Question: 216**

Who gather and analyze information and control structures in order to evaluate whether public agencies are accomplishing their objectives or not?

- A. controllers
- B. planners
- C. Auditors
- D. leaders

---

**Answer: C**

**Question: 217**

In the U.S., \_\_\_\_\_ certainly has expanded the amount of documented procedures for auditors to review. In addition to \_\_\_\_\_, auditors also access information that might otherwise be exempt from public disclosure. Protecting the confidential status of information during the audit process and after the release of an audit is very important.

- A. freedom of speech, private documents
- B. freedom of information legislation, public documents
- C. freedom of information legislation, private documents
- D. freedom of speech, public documents

**Answer: B**

**Question: 218**

\_\_\_\_\_ generally have provisions for removing sensitive information from audit files. The \_\_\_\_\_ provides that before an audit is issued to the public, auditors are responsible for removing any confidential information from the work papers.

- A. policy guidelines, Illinois State Auditing Act
- B. Audit guidelines, Illinois State Auditing Act
- C. Audit guidelines, public audit act 2001
- D. Policy guidelines, public audit act 2001

**Answer: B**

**Question: 219**

Internal control is defined as the process effected by an entity's board of directors, management, and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the all of the following categories EXCEPT:

- A. Compliance controls — relating to the entity's compliance with applicable laws and Regulations.
- B. Operations controls — relating to the effective and efficient use of the entity's resources.
- C. Information and communication.
- D. Financial reporting controls — relating to the preparation of reliable published financial statements

**Answer: C**

**Question: 220**

The AICPA professional standards identify all of the following internal control components EXCEPT:

- 
- A. Control environment and Risk assessment
  - B. assessing diversification risk
  - C. Control activities and Monitoring<sup>1</sup>
  - D. Information and communication

**Answer: B**

**Question: 221**

Management must continually \_\_\_\_\_ and develop clearly defined control objectives. The \_\_\_\_\_ are the policies and procedures that help ensure that management's objectives are followed.

- A. assess diversification risk, planning activities
- B. assess price risk, organizing activities
- C. assess business risk, Control activities
- D. assess credit risk, planning activities

**Answer: C**

**Question: 222**

Both \_\_\_\_\_ and \_\_\_\_\_ stress the concept of self-assessment and responsibility of management \_\_\_\_\_ in maintaining and monitoring the internal control environment. The primary goals of maintaining the effectiveness and efficiency of operations, ensuring the reliability of financial reporting and complying with applicable laws and regulations, are the same for both:

- A. The Institute of Internal Auditors (IIA) Standards, the Committee of Sponsoring Organizations of the Treadway Commission (COSO),
- B. the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Canadian Institute of Chartered Accountants' Criteria of Control (CoCo)
- C. International Organization of Supreme Audit Institutions (INTOSAI) Standards, the Canadian Institute of Chartered Accountants' Criteria of Control (CoCo)
- D. The Institute of Internal Auditors (IIA) Standards, the Committee of Sponsoring Organizations of the Treadway Commission (COSO),

**Answer: B**

**Question: 223**

COSO was a private-sector initiative started in the 1980s to address the problem of fraudulent financial reporting. Problems continued to persist in the 1980s and the private sector was wary of additional government intervention, so all of the following five organizations banded together to form COSO please choose the correct option:

- A. American Institute of Certified Public Accountants
  - B. Financial Executives Institute and American Accounting Association
  - C. Institute of Management Accountants and the Institute of Internal Auditors
-

---

D. All of the above

**Answer: D**

**Question: 224**

All of the Following are the major goals of COSO EXCEPT:

- A. Establish a common definition of internal control.
- B. Provide a standard against which organizations can assess their control systems.
- C. Create and track Specific, Measurable, Achievable, Results-Oriented and Time Sensitive goals.
- D. Provide a straight-forward line-of-sight view of cascaded organizational goals for both managers and employees.

**Answer: A, B**

**Question: 225**

Internal controls consist of all of the following interrelated components please choose the correct option:

- A. Control Environment and Risk Assessment
- B. Control Activities and Information and Communication
- C. Monitoring
- D. All of the above

**Answer: D**

**Question: 226**

Enterprise risk management enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value. Value is maximized when management sets strategy and objectives to strike an optimal balance between growth and return goals and related risks, and efficiently and effectively deploys resources in pursuit of the entity's objectives. Enterprise risk management encompasses all of the following EXCEPT:

- A. Aligning risk appetite and strategy
- B. Enhancing risk response decisions and Seizing opportunities
- C. Reducing operational surprises and losses
- D. Risk Assessment

**Answer: D**

**Question: 227**

includes objectives related to an organization's goals, such as customer service, the safeguarding and efficient use of resources, profitability, and meeting social obligations. Where as includes objectives related to matters such as the maintenance of proper accounting records, the reliability of information used within the

---

organization, and of information published for third parties.

- A. Reliability of internal and external reporting, Effectiveness and efficiency of operations.
- B. Reliability of external and external reporting, Effectiveness and efficiency of operations.
- C. Reducing operational surprises, Effectiveness and efficiency of operations.
- D. Effectiveness and efficiency of operations, Reliability of internal and external reporting.

**Answer: D**

**Question: 228**

Ultimately any system of control is the responsibility of the governing board. The Canadian Institute of Chartered Accountants' (CICA) publication, Guidance for Directors – Governance Processes for Control, describes all of the following control responsibilities for boards given below EXCEPT:

- A. Establishing and monitoring the organization's ethical values.
- B. Overseeing external communications.
- C. Establish a common definition of internal control.
- D. Approval and monitoring of mission, vision, and strategy.

**Answer: C**

**Question: 229**

Internal auditors are expected to apply and uphold all of the following principles please choose the correct option:

- A. Integrity and Objectivity
- B. Confidentiality
- C. Competency
- D. All of the above

**Answer: D**

**Question: 230**

A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control, and governance. The IIA's Code of Ethics extends beyond the definition of internal auditing to include the following essential Components please chooses the correct option:

- A. Rules of Conduct that describe behavior norms expected of internal auditors
  - B. Principles that is relevant to the profession and practice of internal auditing
  - C. All of the above
  - D. None of the above
-

---

**Answer: C**

**Question: 231**

Telecommunication systems control the transmission of messages between users and the computer. Control over the telecommunication network is necessary to ensure that only authorized users have access to the computer facilities. Control techniques for telecommunication include all of the following EXCEPT:

- A. Implementing procedures for testing and approving telecommunication software changes.
- B. Analyzing response time, detecting problems, and documenting problem resolutions.
- C. Selecting available security options built into the telecommunications software (i.e., data encryption).
- D. Implementing standards, policies, and procedures for administering the systems programming function.

**Answer: D**

**Question: 232**

Systems software consists of computer programs and related routines that control computer processing. Control techniques for systems software include all of the following EXCEPT:

- A. Securing dial-up lines for access to computer resources.
- B. Setting appropriate system parameters and security options for operating systems.
- C. Controlling procurement and maintenance of software licenses.
- D. Using the security features of security software effectively.

**Answer: A**

**Question: 233**

Application controls are designed to prevent, detect, and correct errors and irregularities as transactions flow through the application. Application controls are classified into all of the following categories EXCEPT:

- A. Output controls
- B. Input controls
- C. internal controls
- D. Processing controls

**Answer: C**

**Question: 234**

A systems development methodology should include standards on all of the following EXCEPT:

- A. Approval process for initiating system development and implementation of systems developed.
- B. Studying the organization.
- C. Change control procedures for new system developments and modifications to existing systems to ensure that only authorized changes are moved to production.

- 
- D. Testing requirements, including requirements for user and programmer testing.

**Answer: B**

**Question: 235**

An audit of systems development activities may include a review of all of the following EXCEPT:

- A. Adequacy of systems development standards and methodology.
- B. Testing requirements for new systems and major modifications to existing systems.
- C. Testing requirements, including requirements for user and programmer testing.
- D. Controls associated with placing authorized programs into production.

**Answer: C**

**Question: 236**

\_\_\_\_\_ covers strategy and tactics and concerns the identification of the way information technology can best contribute to the achievement of objectives. Where as \_\_\_\_\_ covers the identification, development or acquisition, and integration of IT solutions into the business process.

- A. Acquisition and Implementation (AI), Planning and Organization (PO)
- B. Planning and Organization (PO), Acquisition and Implementation (AI)
- C. Delivery and Support (DS), Monitoring (MN)
- D. Monitoring (MN), Delivery and Support (DS)

**Answer: B**

**Question: 237**

\_\_\_\_\_ covers the delivery of required services such as staff training. The necessary support processes required to deliver services under this domain include the actual processing of data by application systems, often classified under application controls. Where as \_\_\_\_\_ covers all IT processes need to be assessed regularly to monitor their quality and compliance with control requirements.

- A. Acquisition and Implementation (AI), Planning and Organization (PO)
- B. Planning and Organization (PO), Acquisition and Implementation (AI)
- C. Delivery and Support (DS), Monitoring (MN)
- D. Monitoring (MN), Delivery and Support (DS)

**Answer: C**

**Question: 238**

All of the following given below are the purposes of the Federal Information System Controls Audit Manual EXCEPT:

- 
- A. Inform financial auditors about computer-related controls and related audit issues so that they can better plan their work and integrate the work of information systems (IS) auditors with other aspects of the financial audit.
  - B. Pull together information on the historic environment analyses it and present it on a dedicated website.
  - C. Establish a stakeholder advisory group to facilitate sharing of knowledge and co-ordinate a report on the “state of the historic environment”.
  - D. Provide guidance to IS auditors on the scope of issues that generally should be considered in any review of computer-related controls over the integrity, confidentiality, and availability of computerized data associated with federal agency systems.

**Answer: A, D**

**Question: 239**

A three-step general methodology to use in assessing computer related controls consist of all of the following please choose the correct option:

- A. Evaluate general controls at the entity or installation level.
- B. Evaluate general controls as they are applied to the application(s) being examined, such as a payroll system or a loan accounting system.
- C. Evaluate application controls, which are the controls over input, processing, and output of data associated with individual applications.
- D. All of above.

**Answer: D**

**Question: 240**

During the \_\_\_\_\_, the auditor gains an understanding of the entity’s computer-related operations and controls and related risks. Whereas the \_\_\_\_\_ focuses primarily on substantive tests. These tests generally involve examining source documents that support transactions to determine if they were recorded, processed, and reported properly and completely.

- A. Testing phase, planning phase
- B. Planning phase, testing phase
- C. Reporting phase, Testing phase
- D. Reporting phase, planning phase

**Answer: B**

**Question: 241**

Some of the assistance services auditors may be called on to perform, in addition to conducting audits, include all of the following given below please choose the correct option:

- A. Consulting
- B. Control Self-assessment

- 
- C. Training
  - D. All of the above.

**Answer: D**

**Question: 242**

Control self-assessments help identify internal control weaknesses and solutions. Where as Auditors

can assist in this process by providing direct assistance or specific information related to such areas as establishing and monitoring effective internal controls, risk assessments, and sampling.

- A. Control self-assessments, creditors
- B. Audit self-assessments, debtor
- C. Control self-assessments, Auditors
- D. Control self-assessments, owners

**Answer: C**

**Question: 243**

Integrity violations can have an effect on an organization's performance and reports of performance, as well as on the financial statements. Specific categories of integrity violations include all of the following given below please choose the correct option:

- A. Abuse is distinct from illegal acts and noncompliance. Abuse occurs when conduct falls short of societal expectations for prudent behavior. Because determining abuse is subjective, auditors are not expected to provide reasonable assurance of detecting it.
- B. Noncompliance includes illegal acts, as well as violations of provisions of contract or grant agreements.
- C. Fraud is a type of illegal act that involves obtaining something of value through willful misrepresentation.
- D. All of the above.

**Answer: D**

**Question: 244**

If specific integrity violations are suspected or detected, auditors may find it necessary to seek guidance from legal counsel, investigative staff, or law enforcement officials to get all of the following information EXCEPT:

- A. Identify applicable laws and regulations.
  - B. Design specific tests of compliance with applicable laws and regulations.
  - C. Changing the results of the audit or investigation.
  - D. Assist with areas of the audit or investigation requiring special expertise.
-

---

**Answer: C**

**Question: 245**

Some areas where auditors can assist in fraud prevention activities include all of the following given below please choose the correct option:

- A. Reviewing the adequacy of the organization's integrity violations policy.
- B. A & D only
- C. All of the above
- D. Confirming that related policies include specific references to prohibited activities and that the policies are properly distributed and effectively communicated to all employees.

**Answer: B**

**Question: 246**

The integrity violations policy should be developed based on input from the chief executive officer and the heads of the following departments: fiscal, information processing, legal, and security. Integrity violations policies should do all of the following given below please choose the correct option:

- A. State management's position against integrity violations — the organization should make it clear that integrity violations will not be tolerated and those perpetrators will be prosecuted.
- B. Establish consistent penalties — the policy should specify what types of action will result in reprimand, termination, or other consequences.
- C. A & B only.
- D. All of the above.

**Answer: C**

**Question: 247**

Staff must be properly guided and supervised throughout the audit process. Supervision is the process by which the objectives of quality control and individual responsibility are balanced. All of the following given below are the Goals of supervision please choose the correct option:

- A. Keep staff motivated by giving them a level of responsibility commensurate with their experience and performance.
  - B. Provide sufficient oversight of work to provide reasonable assurance that the work meets quality standards.
  - C. All of the above.
  - D. None of the above.
-

---

**Answer: C**

**Question: 248**

Some important elements of supervision include all of the following given below please choose the correct option:

- A. Instructing staff members and Developing staff performance expectations..
- B. Planning audit work and reviewing work performed.
- C. A & B only.
- D. All of the above.

**Answer: C**

**Question: 249**

Project management involves the considerations and activities audit managers undertake when conducting an audit. A \_\_\_\_\_ is defined as an endeavor in which resources are organized to undertake a unique scope of work, of a given specification, within the constraints of cost and time, so as to achieve a change defined by quantitative and qualitative objectives.

- A. Business plan
- B. Audit plan
- C. Tactical plans
- D. Project

**Answer: D**

**Question: 250**

All of the following are The distinguishing features of a project EXCEPT:

- A. It is characterized by phases or milestones (e.g., needs analysis/feasibility assessment of options, project plan, project implementation, completion/post-project evaluation).
- B. Making organizational charts.
- C. It is defined by a specific objective.
- D. It has a beginning and an end.

**Answer: B**

**Question: 251**

The major considerations in project management can be modified to fit specific projects, but generally include the following:

- A. Clarify understanding about the audit mandate
-

- 
- B. Develop budgets and Assign staff to the project
  - C. Develop and assign specific tasks
  - D. All of the above.

**Answer: D**

**Question: 252**

Managers should develop budgets for time and dollars. Variables to consider when preparing budgets include all of the following EXCEPT:

- A. Goals of the project and Availability of data.
- B. Cooperation level of customer management and Projected travel (e.g., whether customer information is centralized or decentralized).
- C. None of the above.
- D. All of the above.

**Answer: D**

**Question: 253**

The major areas to consider the audit planning process include all of the following given below please choose the correct option:

- A. Collect and analyze background information on area to be audited.
- B. Determine resources available and needed to conduct audit.
- C. Develop audit criteria (criteria should be reasonable, attainable, and relevant).
- D. A & C only

**Answer: D**

**Question: 254**

The following is a list of background items auditors should review to determine their impact on audit objectives please choose the correct option:

- A. The purpose and goals for a specific program or the entire organization.
- B. Organizational data (e.g., organizational charts, job descriptions, policy and procedure manuals, information system manuals).
- C. A & B only.
- D. None of the above.

**Answer: C**

**Question: 255**

A survey is a process for gathering information, without detailed verification, on the activity being examined. A

---

survey may involve use of all of the following procedures EXCEPT:

- A. Interviews with individuals affected by the activity, e.g., users of the activity are output.
- B. Review of management reports and studies.
- C. Document key control activities and Discussions with the customer.
- D. Study organizational structures.

**Answer: D**

**Question: 256**

Using U.S. processes as an example, the following three distinct processes of creating laws are discussed in this section. All three processes impact the audit process as auditors must understand and be aware of applicable laws and regulations to effectively test for compliance. Given below are the processes please choosing the correct option?

- A. Legislative, Regulatory and judicial.
- B. Judicial, regularity of laws.
- C. Regulatory and judicial.
- D. None of the above.

**Answer: A**

**Question: 257**

is the form used for most legislation, whether permanent or temporary, general or special, public or private. Bills are presented to the president for action when approved in identical form by both the House of Representatives and the Senate. Where may originate either in the House of Representatives or in the Senate. There is little practical difference between a bill and a joint resolution.

- A. Bill, joint resolution
- B. joint resolution, bill
- C. Concurrent resolutions, Simple resolutions
- D. Simple resolutions, joint resolution

**Answer: A**

**Question: 258**

covers Matters affecting the operations of both the House of Representatives and Senate are usually initiated by means of concurrent resolutions. On approval by both the House of Representatives and Senate, they are signed by the clerk of the House and the secretary of the Senate. Where as covers a matter concerning the operation of either the House of Representatives or Senate alone is initiated by a simple resolution. They are not presented to the president for action.

- A. Bill, joint resolution

- 
- B. Joint resolution, bill
  - C. Concurrent resolutions, Simple resolutions
  - D. Simple resolutions, joint resolution

**Answer: C**

**Question: 259**

\_\_\_\_\_ covers matters affecting the operations of both the House of Representatives and Senate are usually initiated by means of concurrent resolutions. Where as \_\_\_\_\_ is a matter concerning the operation of either the House of Representatives or Senate alone is initiated by a simple resolution. They are not presented to the president for action.

- A. Bill, joint resolution
- B. Joint resolution, bill
- C. Concurrent resolutions, Simple resolutions
- D. Simple resolutions, joint resolution

**Answer: C**

**Question: 260**

All of the following is a list of principles for formulating well-stated audit objectives EXCEPT:

- A. Phrase objectives either as precisely worded questions or as items to determine (e.g., "To determine whether...").
- B. Clearly identify the type of performance to be audited and separate objectives if more than one element of performance is to be reviewed.
- C. There is no need to clearly identify the customer.
- D. Review the audit objectives with management or others requesting the audit and Frame objectives that consider a realistic scope and methodology.

**Answer: C**

**Question: 261**

The scope of the audit defines the boundaries of the audit by addressing such items as the audit period or number of locations to be reviewed. Some important considerations when defining the scope of an audit include all of the following given below EXCEPT:

- A. Program or management objectives (e.g., the audit may be limited to a specific program within an organization).
  - B. Determine how audit findings should be formulated.
  - C. Risks identified (inherent and control risks), also called level of risks and extent of vulnerability to the risk/strength of control activities.
  - D. Type and extent of problems found in prior years' audit reports and Preliminary judgment about materiality levels.
-

---

**Answer: B**

**Question: 262**

Risk assessment allows organizations to identify potential effects and their significance.

Management should continually monitor and assess potential risks that could keep the organization from achieving its goals in all of the following key areas EXCEPT:

- A. Effectiveness — whether the organization is meeting its objectives.
- B. Compliance — whether the organization is meeting laws and regulations or not exceeding appropriated budgets.
- C. Completeness.
- D. Safeguarding of assets — whether the organization is protecting its assets against integrity violations.

**Answer: C**

**Question: 263**

is the risk that can be controlled by various preventative measures such as adding personnel to a function, installing burglar alarms, increasing the frequency and level of management review, or implementing tighter standards. Where as is the Risk that can be transferred by purchasing insurance policies to cover losses of several types such as cash, property, or facilities.

- A. Control the risk, Transfer the risk
- B. Accept the risk, Transfer the risk
- C. Transfer the risk, Control the risk
- D. Control the risk, accept the risk

**Answer: A**

**Question: 264**

The control environment sets the tone of an organization and influences the control consciousness of its employees. The characteristics of an effective control environment are all of the following EXCEPT:

- A. Management communicates the importance of internal controls to all employees.
- B. A system is in place to monitor controls on a regular basis.
- C. Employees are held accountable for their performance.
- D. Employees don not have clearly defined responsibilities.

**Answer: D**

**Question: 265**

All of the following factors influence the state of an organization's control environment EXCEPT:

- 
- A. An inconsistent or unfair employee performance evaluation, compensation, and promotion system.
  - B. Whether the code of conduct and ethics policy are communicated to employees and enforced by management in a sound and consistent manner.
  - C. Employees are held accountable for their performance.
  - D. Whether management emphasizes and values competence, integrity, and ethical behavior.

**Answer: C**

**Question: 266**

\_\_\_\_\_ are designed to deter undesirable events from occurring. Where as \_\_\_\_\_ are designed to identify and correct undesirable events that have occurred.

- A. Preventative controls, Detective controls
- B. Detective controls, Preventative controls
- C. Corrective controls, Preventative controls
- D. Preventative controls, Detective controls

**Answer: A**

**Question: 267**

Control activities are policies and procedures used by the organization to address identified risks. All of the following are some examples of control activities EXCEPT:

- A. Internal accounting controls (e.g., segregation of duties, monitoring, reconciliation).
- B. Management controls (e.g., the plan, methods, and procedures adopted by management to ensure its goals are met, including systems for measuring, reporting, and monitoring program performance).
- C. Detective controls are designed to identify and correct undesirable events that have occurred.
- D. Information technology controls (e.g., access security controls, data center operation controls).

**Answer: C**

**Question: 268**

\_\_\_\_\_ supports a finding with the greatest degree of certainty. This type of evidence provides direct proof of a fact without requiring additional inference or presumption. \_\_\_\_\_ provides less certainty than direct evidence. This type of evidence generally requires the use of additional evidence to develop and support conclusions.

- A. Corroborative evidence, Primary or direct evidence
  - B. Primary or direct evidence, Secondary evidence
  - C. Secondary evidence, Primary or direct evidence
  - D. Corroborative evidence, Primary or direct evidence
-

---

**Answer: B**

**Question: 269**

Auditors should monitor the results from previous audit findings and recommendations to ensure that the customer has taken corrective action or consciously accepted the risk of not implementing corrective measures. The level of appropriate follow-up on prior findings is determined by the following:

- A. The amount of time management has had to correct the problem.
- B. The amount and quality of interim feedback the auditor has received from the customer regarding the status of correcting the finding since the prior audit.
- C. The amount of risk and exposure involved if corrective actions fail to correct the problem.
- D. All of above.

**Answer: D**

**Question: 270**

Audit reports should state the audit objectives, scope, and methodology. If appropriate, the report should describe any performance aspects examined (e.g., outputs, outcomes). The audit scope should describe as necessary all of the following EXCEPT:

- A. The kinds and sources of evidence used.
- B. Organizational structure
- C. The depth and coverage of work performed to accomplish the audit objectives, including a description of specific controls tested.
- D. Confidential information omitted from the report.

**Answer: B**

**Question: 271**

The \_\_\_\_\_ is the total number of units being studied and \_\_\_\_\_ is a characteristic of the population. Where as A \_\_\_\_\_ is a characteristic of the sample.

- A. Parameter, Population, statistics
- B. Population, parameter, statistics
- C. Statistics, Parameter, Population,
- D. Population, statistics, parameter

**Answer: B**

**Question: 272**

Statistical sampling allows the auditor to limit sampling risk to an acceptable level. Following are major classifications of sample selection are all of the following EXCEPT:

- 
- A. Judgment samples
  - B. Probability samples
  - C. Random sample
  - D. Both A & B

**Answer: D**

**Question: 273**

In \_\_\_\_\_ Specific items are selected based on the auditor's knowledge about the population. Where as in \_\_\_\_\_ the probability of selecting each item in the population is known before the sample is chosen. Types of probability samples commonly used by auditors include:

- A. Random sample, Probability samples
- B. Stratified sample, Probability samples
- C. Judgment samples, Probability samples
- D. Probability samples, Stratified sample

**Answer: C**

**Question: 274**

Samples can be made more efficient by using either of the following methods please choose the correct option:

- A. Sequential or stop-or-go sampling and Discovery sampling
- B. Stratified sample and Probability samples
- C. Judgment samples and Probability samples
- D. Probability samples and Stratified sample

**Answer: A**

**Question: 275**

Generally, sample size needs to be increased under the following circumstances EXCEPT:

- A. As the population increases.
- B. As the expected error rate increases.
- C. when the population increases.
- D. As variability within the population increases.

**Answer: C**

**Question: 276**

Properly conducted samples can be used to make inferences or generalizations about the entire population. The following four principles should guide sampling design:

- 
- A. A sampling technique should be used in which the probability for selecting any unit in the population can be calculated.
  - B. A sample should be drawn that is of appropriate size relative to the size of the population to which generalization is desired. And always test samples to ensure that they are truly representative of the population to which the evaluators hope to generalize on variables of critical interest.
  - C. All of the above.
  - D. None of the above.

**Answer: C**

**Question: 277**

is usually applied to testing systems of internal control and is concerned with estimating the number of errors in the population. This sampling calls for an answer on a twoway scale (e.g., Yes or No, Right or Wrong). Where as can be used for values such as dollar values, time periods, or weights. Estimates are based on a sample of items such as the value of inventories, the value of disallowances of travel vouchers, or the value of accounts receivable.

- A. Judgment samples, Probability samples
- B. Attributes sampling, Variables sampling
- C. Variables sampling, Attributes sampling
- D. Probability samples, Judgment samples

**Answer: B**

**Question: 278**

Analytical reviews are audit tests that involve a comparison of some type. There are several types of analytical reviews please choose the correct option:

- A. Regression analysis
- B. Ratio analysis and Cost-effectiveness analysis,
- C. Cost/benefit analysis
- D. All of above

**Answer: D**

**Question: 279**

involves the comparison of projected costs and projected dollar value of benefits associated with a project or decision. , in contrast to cost/benefit, compares the cost of a program or activity to a measurable unit of output or outcome (rather than to the estimated or actual dollar benefits).

- A. Cost/benefit analysis, Cost-effectiveness analysis
  - B. Cost-effectiveness analysis, Cost/benefit analysis
  - C. Ratio analysis, Cost-effectiveness analysis
  - D. Regression analysis, Cost-effectiveness analysis
-

---

**Answer: A**

**Question: 280**

\_\_\_\_\_ is a method of measuring the statistical relationship that exists between two or more variables. Auditors might use regression to estimate the effects of a particular program on its target population. Where \_\_\_\_\_ measures performance. Data envelopment analysis (DEA) expands the single-input/single-output model of efficiency measurement to the real-world environment of multiple-input/multiple-output organizations.

- A. Regression analysis, Data envelopment analysis
- B. Cost-effectiveness analysis, Cost/benefit analysis
- C. coding operation, Cost-effectiveness analysis
- D. Regression analysis, Cost-effectiveness analysis

**Answer: A**

**Question: 281**

\_\_\_\_\_ is a form of quasi-experimental design that allows auditors or evaluators to compare observations (such as behavioral indicators, outcomes, or other observations) from before a specific intervention to observations from after the intervention. Where as \_\_\_\_\_ is the process of identifying best practices and comparing them to one's own organization. Benchmarking allows organizations to apply state-of-the-art practices to establish goals and improve operations.

- A. Regression analysis, Data envelopment analysis
- B. Interrupted time series, Benchmarking
- C. Ratio analysis, Cost-effectiveness analysis
- D. Regression analysis, Cost-effectiveness analysis

**Answer: B**

**Question: 282**

All of the following are the construction issues while developing a questionnaire EXCEPT:

- A. The questions should be as simple, direct, and unambiguous as possible.
- B. Any unique or seldom used terms should be clearly defined.
- C. Response choices should be consistent (avoid use of the most positive choice first in one question, followed by a question where the most negative response choice is first).
- D. Avoid asking leading questions such as, "Do you believe that minority quotas are an unfair means

of allocating political favors to specific voter groups?"

---

**Answer: D**

**Question: 283**

Auditors and evaluators develop \_\_\_\_\_ to obtain information from customers or other stakeholders that is not readily available in the organization's data sources. Where as \_\_\_\_\_ allow auditors to obtain testimonial evidence regarding a customer's operations, activities, concerns, and initiatives.

- A. observation, interviews
- B. Interviews, questionnaires
- C. questionnaires, Interviews
- D. surveys, Interviews

**Answer: C**

**Question: 284**

A flowchart is a visual representation of how a process works. All of The following are general rules that apply to flowcharting EXCEPT:

- A. Connectors should be used to connect breaks in the flowchart (e.g., from one page to another).
- B. Ask questions in a low-key, professional style.
- C. The exit point for all flowchart symbols should be at the bottom, except for the decision symbol. The decision symbol should have two exit points; these can be on the sides or on the bottom and one side.
- D. Flowcharts generally flow from top to bottom and from left to right.

**Answer: B**

**Question: 285**

\_\_\_\_\_ is an analytic method that investigates the meaning of data. And It is primarily a where any form of communication is coded or classified in line with some conceptual framework. Important considerations are dealing with interpretation of meanings, the unit of analysis, coding categories, and the actual coding techniques.

- A. Content analysis, coding operation
- B. Cost/benefit analysis, coding operation
- C. Cost-effectiveness analysis, coding operation
- D. Regression analysis, coding operation

**Answer: A**

**Question: 286**

The objective of interrogatory interviews is to obtain formal evidence in a written format. The following are guidelines for effective interrogatory interviews:

- 
- A. Keep documents of vital significance in a transparent document cover so the suspect cannot mutilate them; never leave a suspect alone in a room with important documents.
  - B. Enlarge and pin to the walls any pieces of particularly incriminating evidence (e.g., forged documents, altered accounts).
  - C. None of the above.
  - D. All of the above.

**Answer: D**

**Question: 287**

There are two major categories of questions interviewers can ask. \_\_\_\_\_ require the subject to give a detailed reply. \_\_\_\_\_ usually call for Yes/No replies or suggest a possible answer.

- A. Open-ended questions, interrogative questions
- B. Open-ended questions, Closed-ended questions
- C. interrogative questions, Closed-ended questions
- D. Closed-ended questions, Open-ended questions

**Answer: B**

**Question: 288**

All of the following are the examples of Cash/Accounts Receivable Red Flags please choose the correct option:

- A. Employee lifestyle changes: expensive cars, jewelry, homes, clothes.
- B. Behavioral changes: may be indication of drug, alcohol, or gambling problem.
- C. None of the above.
- D. All of the above.

**Answer: C**

**Question: 289**

All of the following are the examples of employee's red flags EXCEPT:

- A. Employee lifestyle changes: expensive cars, jewelry, homes, clothes.
- B. Behavioral changes: may be indication of drug, alcohol, or gambling problem.
- C. High employee turnover, especially in areas that are more vulnerable to fraud.
- D. Excessive number of year-end transactions (particularly if backed out in the next period).

**Answer: D**

**Question: 290**

All of the following are the examples management's red flags EXCEPT:

- 
- A. Excessive number of year-end transactions (particularly if backed out in the next period).
  - B. Unexpected overdrafts or declines in cash balance.
  - C. Reluctance to provide information to auditors.
  - D. High employee turnover, especially in areas that are more vulnerable to fraud.

**Answer: D**

**Question: 291**

In testing the controls established by management, auditors should be able to identify if there are high-risk areas for integrity violations. Auditor responsibilities for detecting integrity violations include all of the following EXCEPT:

- A. Auditors should evaluate the evidence and determine the appropriate course of action. An investigation may be warranted if indicators strongly suggest that integrity violations occurred.
- B. When significant control weaknesses are found, the auditor should conduct sufficient tests to determine if these weaknesses resulted in integrity violations. The level of testing should increase as the number or significance of control weaknesses increases.
- C. Auditors must not have the knowledge and skills to adequately identify when violations occurred.
- D. Auditors should notify the proper legal authorities, if warranted.

**Answer: C**

**Question: 292**

All of the following are the examples Purchasing/Inventory Red Flags EXCEPT:

- A. Increase in purchasing inventory but no increase in productivity.
- B. Customer complaints that they are not receiving notices for nonpayment on account.
- C. Payments to vendors who are not on approved vendor list.
- D. Vendors without physical addresses.

**Answer: B**

**Question: 293**

\_\_\_\_\_ result when evidence is used incorrectly. Where as result from a failure to follow the logic of a series of statements. Deductive arguments are based on a series of statements or premises. Deductive logic states that if a series of premises is true, then the conclusion must also be

true.

- A. Inductive fallacies, Deductive fallacies
  - B. Deductive fallacies, Inductive fallacies
  - C. All of the above.
  - D. None of the above.
-

---

**Answer: A**

**Question: 294**

Activity-based costing (ABC) enables managers and auditors to directly link the costs of program resources to the objects produced, whether the objects are products or services. In addition, activity based costing can be used to obtain cost information to use in the following ways:

- A. Fee setting — Government organizations often develop fee or payment schedules for units of service.
- B. Making contracting-out decisions — many organizations are attempting to cut costs either by outsourcing various operations or by consolidating services.
- C. All of the above.
- D. None of the above.

**Answer: C**

**Question: 295**

The most common form of service delivery is via government employees. It is this approach that has created bureaucracies at the national, regional, and, in some cases, local level. There are numerous fixed and variable costs associated with this approach. All of the following are types of costs EXCEPT:

- A. Personnel compensation (salary, retirement, insurance, accident compensation, etc.).
- B. Variable cost.
- C. Administrative costs (travel, training, employee relations, etc.).
- D. Facility costs (workplace, equipment, office supplies, etc.).

**Answer: B**

**Question: 296**

Investment risk refers to the likelihood of a loss. All of the following given below are types of investment risk EXCEPT.

- A. Liquidity risk — Losses resulting because invested dollars cannot be accessed. Losses may occur from penalties for early withdrawal, for example.
- B. Economic Risks One of the most obvious risks of investing is that the economy can go bad.
- C. Default risk — the possibility of a loss resulting from the bankruptcy of an organization in which funds were invested.
- D. Market risk — the possibility of a loss resulting from choosing a relatively poor investment from a large pool of investments.

---

**Answer: B**

**Question: 297**

All of the following are the examples Payroll Red Flags EXCEPT:

- A. Customer complaints that they are not receiving notices for nonpayment on account.
- B. Inconsistent overtime hours for a cost center.
- C. Overtime charged during a slack period.
- D. Inconsistent overtime hours for a cost center.

**Answer: A**

**Question: 298**

Some specific problems that can occur with secondary data and suggested methods to correct those problems include all of the following EXCEPT:

- A. Incomplete data
- B. Irrelevant data
- C. Incomparable data
- D. Complete data

**Answer: D**

**Question: 299**

Auditors must master a variety of techniques for gathering information. All of the techniques, which involve both manual and electronic means, are described below EXCEPT:

- A. Planning and controlling.
- B. Reviewing management reports
- C. Direct observation — Auditors can obtain valuable information and evidence by directly observing the customer's operations and work processes.
- D. Interviews — it is important to meet with personnel involved in the processes being audited to discuss key issues.

**Answer: A**

**Question: 300**

The final investigative report serves all of the following major purposes please choose the correct option:

- A. Management overview or a brief summary of the case and details of the people involved and recommended actions.

- 
- B. To provide a format for recording the essential details of the integrity violation.
  - C. All of the above.
  - D. To recommend improved management and security policies.

**Answer: B, D**

**Question: 301**

The most common form of service delivery is via government employees. It is this approach that has created bureaucracies at the national, regional, and, in some cases, local level. All of the following given below are some of the advantages of direct delivery of services by government employees EXCEPT:

- A. Existing government employees might be expected to have a more thorough understanding of program objectives than a private-sector contractor hired for a one-year contract.
- B. Often viewed as a more economical approach (for example, a new program is assigned to existing staff and indirect costs are not included in the analysis).
- C. Increased lead time for deployment of new programs as internal staff resources are allocated among current and proposed programs.
- D. Existing government employees might be expected to have increased knowledge of government regulations and requirements and the environment surrounding the program.

**Answer: C**

**Question: 302**

Grants are used by governments to operate programs and provide services. Common types of grant classifications include the following given below please choose the correct option:

- A. Formula grants — legally mandated funding levels and restrictions on eligible grantees, with little or no discretion being exercised by the grantor.
- B. Project grants — Similar to contracts because grantors agree to pay the grantee for services, performance, or a specific project.
- C. Construction grants — Awarded only for construction of permanent facilities.
- D. All of the above.
- E. None of the above.

**Answer: D**

**Question: 303**

Grants are used by governments to operate programs and provide services. Following are some of the some of the disadvantages of using grants please choose the correct option:

- A. Increased control over program design and types of services, since specific requirements can be included in grant agreements.
- B. Increased control over expenditure categories, since only specific expenditures may be permitted in the

---

grant agreement.

- C. Ability to place limits on costs (such as overhead costs) that will be reimbursed.
- D. None of the above.
- E. All of the above.

**Answer: D**

**Question: 304**

Grants are used by governments to operate programs and provide services. Following are some of the some of the advantages of using grants please choose the correct option:

- A. Use of resources for monitoring compliance with grant terms.
- B. Decrease in control over specific program activities.
- C. Limitations on consistency of program implementation and leadership.
- D. All of the above.
- E. None of the above.

**Answer: E**

**Question: 305**

Contracts are written agreements (in most cases) that obligate the government to expenditure of money upon delivery of goods or performance of services. Following are various contract types available to ensure cost-effective delivery of services please choose the correct option:

- A. Fixed-price
- B. Firm fixed-price
- C. Cost-plus-award-fee
- D. A & C only.
- E. All of above.

**Answer: E**

**Question: 306**

The most common form of service delivery is via government employees. It is this approach that has created bureaucracies at the national, regional, and, in some cases, local level. All of the following given below are some of the disadvantages of direct delivery of services by government employees EXCEPT:

- A. Increased lead time for deployment of new programs as internal staff resources are allocated among current and proposed programs.
  - B. Indirect ("hidden") costs to program (pension, benefits, training, etc.).
  - C. Direct ("hidden") costs to program (pension, benefits, training, etc.).
  - D. Decreased flexibility to make changes/reductions (due to constraints on hiring, layoffs, and position reclassification).
-

---

**Answer: C**

**Question: 307**

\_\_\_\_\_ is a cost-reimbursement contract that provides for payment to the contractor of a negotiated fee that is fixed at the inception of the contract. Where as \_\_\_\_\_ is a costreimbursement contract that provides for the initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs:

- A. Cost sharing, Cost-plus-incentive-fee
- B. Cost-plus-fixed-fee is, Cost-plus-incentive-fee
- C. Cost-reimbursement, Cost sharing
- D. Cost-plus-incentive-fee, Cost sharing

**Answer: B**

**Question: 308**

\_\_\_\_\_ is a contract that provides for payment of allowable incurred costs to the extent prescribed in the contract. Where as \_\_\_\_\_ a cost-reimbursement contract in which the contractor receives no fee and is reimbursed only for an agreed-upon portion of its allowable costs:

- A. Cost sharing, Cost-plus-incentive-fee
- B. Cost-plus-fixed-fee is, Cost-plus-incentive-fee
- C. Cost-reimbursement, Cost sharing
- D. Cost-plus-incentive-fee, Cost sharing

**Answer: C**

**Question: 309**

\_\_\_\_\_ is a contract for a supply that does not procure or specify a firm quantity of supplies (other than a minimum or maximum quantity), and that provides for the issuance of orders for the delivery of supplies during the period of the contract. Where as \_\_\_\_\_ is a contract that may be used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award.

- A. Delivery order, indefinite quantity
  - B. Cost-plus-fixed-fee is, Cost-plus-incentive-fee
  - C. Cost-reimbursement, Cost sharing
  - D. Cost-plus-incentive-fee, Cost sharing
-

---

**Answer: A**

**Question: 310**

Government entities generally have the authority and responsibility to issue and require adherence to their policies and regulations relating to contracts. Accounting and control considerations for contracts include the following given below please choose the correct option:

- A. Development and approval of a pre-award form to ensure unobligated funds equal to the estimated amount of the contract.
- B. Specifications or statement of work describing goods and services to be obtained (including quality standards).
- C. Settlement of any advances of money and inventories of property in a manner consistent with agency policy or contract conditions.
- D. All of the above.
- E. None of the above.

**Answer: D**

**Question: 311**

Some forms or documents that may assist in the contracting process are given below please choose the correct option:

- A. Procurement request or authorization — prepared by internal managers.
- B. Proposal — submitted by interested, prospective contractors.
- C. Contract document — executed only by authorized internal procurement personnel.
- D. A & B only.
- E. All of the above.

**Answer: E**

**Question: 312**

Examples of standards language in contracts cover the following areas please choose the correct option:

- A. Conflict of interest disclosure.
- B. Anti-kickback or non-bribery clause.
- C. Property rights of the end product.
- D. B & C only.
- E. All of the above.

**Answer: E**

**Question: 313**

can be defined as Contractual agreements can end either naturally (i.e., by reaching the termination

---

---

date or delivery of the final product) or by other means. Where as can be define as the contractor shall maintain adequate accounting records and supporting documents to verify the amounts, recipients, and uses of all payments and funds received in conjunction with the contract for a designated period of time:

- A. Anti-kickback or non-bribery clause, Right to audit
- B. Conflict of interest disclosure, Anti-kickback or non-bribery clause
- C. Contract termination, Right to audit
- D. Right to audit, Property rights of the end product

**Answer: C**

### **Question: 314**

Privatization can be defined as the process of returning to the private sector property or functions previously owned or performed by government. All of the Following are basic forms of government privatization EXCEPT:

- A. Sale of government assets (such as selling public housing units to tenants).
- B. Private financing of public facilities (examples are toll highways in Virginia and California).
- C. Voucher privatization - shares of ownership are distributed to all citizens, usually for free or at a very low price.
- D. Private provision of services (such as trash collection, prisons, or auditing).

**Answer: C**

### **Question: 315**

Following are the advantages of privatization listed below please choose the correct option:

- A. Increased potential for corruption and fraud as services are outsourced to multiple firms.
- B. Reduced control over services as services are outsourced to multiple firms.
- C. Limited numbers of potential vendors (increased costs).
- D. More responsiveness to service consumers and more metrics to measure performance as profit incentives are introduced.

**Answer: D**

### **Question: 316**

Following are the disadvantages of privatization listed below please choose the correct option:

- A. More responsiveness to service consumers and more metrics to measure performance as profit incentives are introduced.
  - B. Increased potential for corruption and fraud as services are outsourced to multiple firms.
  - C. More flexibility to obtain services, since multiple contractors may exist.
  - D. Avoidance of expensive start-up costs by contracting governments.
-

---

**Answer: B**

**Question: 317**

Following are examples of the intersection of public information with privacy include please choose the correct option:

- A. Private-sector contractors' proposals or unit cost information (proprietary information related to a business that was disclosed in a proposal to provide services to a unit of government).
- B. A & C only.
- C. Income levels of clients to determine eligibility for a service (for example, free an reduced price lunch programs).
- D. Mental health data, medical records, social services provided to clients (personal information retained for specific government programs).
- E. All of the above.

**Answer: E**

**Question: 318**

Position classifications are formal descriptions that categorize all jobs in terms of duties, responsibilities, and salary schedules. Following are the basic principles of position classification EXCEPT:

- A. The duties and responsibilities pertaining to a position constitute the outstanding characteristics that distinguish it from, or mark its similarity to, other positions.
- B. Persons holding positions in the same class should be considered equally qualified for any other position in that class.
- C. Qualifications in respect to education, experience, knowledge, and skill necessary for the performance of certain duties are determined by the nature of these duties.
- D. individuals should be classified.

**Answer: D**

**Question: 319**

There are some compensating benefits that the public sector can offer its workforce to offset the generally higher salaries available in the private sector.<sup>62</sup> These can include all of the following EXCEPT:

- A. Benefits — Generous amount of paid days off per year as holidays, plus accrued vacation and reasonable health insurance.
  - B. Training and development — Generally at par with the private sector.
  - C. Incentives — Cash awards given to employees with significant cost effective suggestions.
  - D. None of the above.
  - E. All of the above.
-

---

**Answer: E**

**Question: 320**

are a contracting method employing competitive undisclosed bids, public bid opening, and awards contracts when:

- A. Sealed bids
- B. Open bids
- C. None of the above.
- D. All of the above.

**Answer: D**

**Question: 321**

can be defined as Bids shall be evaluated without discussions. Evaluations should be fairly apparent since price and price-related factors are the prevalent criteria. Where as can be defined as bidders must submit sealed bids to be opened at the time and place stated in the solicitation for the public opening of bids:

- A. Publicizing the invitation for bids, Preparation of invitations for bids.
- B. Evaluation of bids, Submission of bids
- C. Preparation of invitations for bids, Submission of bids
- D. All of the above.

**Answer: B**

**Question: 322**

The makes policies, procedures, and guidelines for procurement of necessary supplies and services by uniform and consistent among and within agencies in order to facilitate participation in procurements, encourage competition, and ensure that procurements are conducted in a fair and open manner:

- A. Government Agencies, CPO
- B. President, government agencies
- C. CPO, government agencies
- D. government agencies, CPO

**Answer: C**

**Question: 323**

Embedded controls over purchase cards can include all of the following EXCEPT:

---

- 
- A. Types of transactions (prohibiting cash advances, personal items, etc.).
  - B. Transaction limits per day/per month.
  - C. Monthly cardholder dollar limit.
  - D. Minimum dollars per transaction.

**Answer: D**

**Question: 324**

Following are the arenas of services into which a government might enter please choose the correct option:

- A. Architect-engineer services
- B. Building service contract
- C. Facilities contract
- D. All of the above.
- E. None of the above.

**Answer: D**

**Question: 325**

\_\_\_\_\_ is a contract for recurring services related to the maintenance of a public building (i.e. janitorial, custodial, security, window washing, housekeeping).where as \_\_\_\_\_ is a contract in which Government facilities are provided to a contractor or subcontractor by the government for use in connection with performing one or more related contracts for supplies or services.

- A. Facilities contract, Building service contract
- B. Professional and consultant services, Transportation term contracts
- C. Building service contract, Facilities contract
- D. Professional and consultant services, Transportation term contracts

**Answer: C**

**Question: 326**

\_\_\_\_\_ are the Services rendered by persons who are members of a particular profession or possess a special skill and who are not officers or employees of the contractor. Where as \_\_\_\_\_ are indefinite delivery requirement contracts for transportation or for transportationrelated services.

- A. Facilities contract, Building service contract
  - B. Professional and consultant services, Transportation term contracts
  - C. Building service contract, Facilities contract
  - D. Professional and consultant services, Transportation term contracts
-

**Answer: D**

**Question: 327**

A subcontract is a contract or contractual action entered into by a prime contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

Where as in multiple awards are given for certain contracts to more than one responsible bid. Generally, the contracts are similar in conditions and amounts.

- A. subcontract, Multi-award contracts
- B. Multi-award contracts, subcontract
- C. Building service contract, Facilities contract
- D. Professional and consultant services, Transportation term contracts

**Answer: A**