

ACFE

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

Certified Fraud Examiner - Financial Transactions and Fraud Schemes Exam



NEW QUESTION 1

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

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

Answer: A

NEW QUESTION 2

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

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

Answer: B

NEW QUESTION 3

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

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

Answer: C

NEW QUESTION 4

False billing scheme states that:

- A. employees do not cause their company to purchase merchandise that the company does not need.
- B. employees cause their company to sale merchandise that the company does not need.
- C. employees do not cause their company to sale merchandise that the company does not need.
- D. employees cause their company to purchase merchandise that the company does not need

Answer: D

NEW QUESTION 5

The principle behind full disclosure is:

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

Answer: A

NEW QUESTION 6

Which of the following is the amount of money that would be realized upon the sale of the asset at some point in the future, less the costs associated with owing, operating and selling it?

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

Answer: A

NEW QUESTION 7

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

- A. True
- B. False

Answer: A

NEW QUESTION 8

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

- A. True

B. False

Answer: B

NEW QUESTION 9

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

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

Answer: A

NEW QUESTION 10

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

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Embezzling

NEW QUESTION 10

Bid-rigging scheme occurs when:

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

Answer: A

NEW QUESTION 13

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

- A. Check disbursement
- B. Bank confirmation
- C. Bank confirmation
- D. Cut-off statements

Answer: C

NEW QUESTION 15

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

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

Answer: A

NEW QUESTION 17

Larceny by Fraud or deception means that:

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

Answer: D

NEW QUESTION 19

Forced reconciliation of the account says:

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

Answer: C

NEW QUESTION 24

According to fraud tree, cash has three following schemes:

- A. Skimming, cash larceny and fraudulent disbursements
- B. Fraud analysis, skimming and cash misappropriations
- C. Cash larceny, cash distribution and fraudulent disbursements
- D. Cash distribution, skimming and fraud analysis

Answer: A

NEW QUESTION 26

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

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

Answer: D

NEW QUESTION 27

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

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

Answer: A

NEW QUESTION 28

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

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

Answer: B

NEW QUESTION 32

When employees avoid detection in a refund scheme to keep the sizes of the disbursement low, is referred to:

- A. Small disbursements
- B. Very small disbursements
- C. Simple disbursements
- D. None of the above

Answer: A

NEW QUESTION 36

A typical issue involving material and fraud would be:

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

Answer: B

NEW QUESTION 37

According to Marshall, _____ are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events.

- A. Assets
- B. Liabilities
- C. Credentials
- D. None of above

Answer: A

NEW QUESTION 42

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

- A. Inventory larceny scheme
- B. Asset receiving scheme

- C. Fraudulent purchase
- D. Falsify shipping

Answer: A

NEW QUESTION 45

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

- A. True
- B. False

Answer: A

NEW QUESTION 47

According to a survey, in principal perpetrator, males in a majority of cases, accounting for _____ percent of frauds versus _____ percent in which a female was the primary culprit.

- A. 62 versus 36
- B. 61 versus 39
- C. 62 versus 37
- D. None of the above

Answer: B

NEW QUESTION 48

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

- A. Fiduciary Capacity
- B. Embezzlement
- C. Conversion
- D. None of the above

Answer: A

NEW QUESTION 51

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

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

Answer: C

NEW QUESTION 53

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

- A. True
- B. False

Answer: A

NEW QUESTION 55

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

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

Answer: B

NEW QUESTION 56

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

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

Answer: B

NEW QUESTION 61

In which of the following process, all bidders are legally supposed to be placed on the same plane of equality, bidding on the same terms and conditions?

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

Answer: C

NEW QUESTION 63

Collusion or bid-rigging between bidders is called

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

Answer: D

NEW QUESTION 67

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

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

Answer: D

NEW QUESTION 72

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

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

Answer: D

NEW QUESTION 73

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

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

Answer: A

NEW QUESTION 77

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

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

Answer: B

NEW QUESTION 78

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

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

Answer: D

NEW QUESTION 82

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

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:
Inventory control

NEW QUESTION 86

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

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

Answer: C

NEW QUESTION 90

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

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

Answer: B

NEW QUESTION 94

Which of the following is NOT the type of billing scheme?

- A. Invoicing via shell companies
- B. Invoicing via non-accomplice companies
- C. Invoicing via accomplice companies
- D. Personal purchases with company funds

Answer: C

NEW QUESTION 97

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

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

Answer: A

NEW QUESTION 99

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

- A. Check disbursement
- B. Bank confirmation
- C. Bank confirmation
- D. Cut-off statements

Answer: C

NEW QUESTION 100

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

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

Answer: C

NEW QUESTION 105

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

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

Answer: C

NEW QUESTION 108

Which of the following is not the skimming scheme?

- A. Unrecorded sales
- B. Fraud & Cost
- C. Theft of checks through the mail
- D. Understand sales and receivables

Answer: B

NEW QUESTION 111

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

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

Answer: C

NEW QUESTION 112

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

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

Answer: D

NEW QUESTION 117

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

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

Answer: C

NEW QUESTION 121

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

- A. True
- B. False

Answer: B

NEW QUESTION 123

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

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

Answer: B

NEW QUESTION 126

_____ are the amounts which are owned to other entities:

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

Answer: D

NEW QUESTION 127

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

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

Answer: B

NEW QUESTION 131

When situational pressures and perceived opportunities are low and personal integrity is high, occupational fraud is much more likely to occur than when the opposite is true.

- A. True
- B. False

Answer: B

NEW QUESTION 135

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

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

Answer: B

NEW QUESTION 140

_____ corrupt employees can cause inventory to be fraudulently delivered to themselves or accomplices.

- A. False shipping slip
- B. False packing slip
- C. Fraudulent inventory slip
- D. False credit slip

Answer: B

NEW QUESTION 144

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

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

Answer: D

NEW QUESTION 148

.....

Thank You for Trying Our Product

We offer two products:

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

2nd - Questions and Answers in PDF Format

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

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

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