ACFE.CFE-Financial-Transactions-and-Fraud-Schemes.v2024-09-23.q88

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NEW QUESTION: 1
Forced reconciliation of the account says:
A. to conceal shrinkage is to change the perpetual 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 write-offs is to change the perpetual inventory record so that it matches the physical inventory count.
D. to conceal shrinkage is to alter inventory record so that it matches the physical inventory count.
Answer: A (LEAVE A REPLY)

NEW QUESTION: 2
Placing any restriction in the solicitation documents that tend to restrict competition is called prebid solicitation.
A. True
B. False
Answer: A (LEAVE A REPLY)

NEW QUESTION: 3
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. Fair value
B. Going concern

C. Cost
D. Net realizable value
Answer: (SHOW ANSWER)

NEW QUESTION: 4
Which of the following are not of Basic types of non-sharable problems?
A. Business reversals
B. Physical Isolation
C. Larceny by Fraud
D. Violation of ascribed obligations
Answer: (SHOW ANSWER)

NEW QUESTION: 5
A ___________ occurs when an employee, manager or executive has an undisclosed economic or personal interest in a transaction that adversely affects the organization.
A. Illegal sale
B. Financial disclosure
C. Conflict of interest
D. Unauthorized purchase
Answer: (SHOW ANSWER)

NEW QUESTION: 6
____________ is a summary of the account balances carried in a ledger.
A. General journal
B. Financial statement
C. Income statement
D. Balance sheet
Answer: (SHOW ANSWER)

NEW QUESTION: 7
By removing a tangible asset from the business (a debit), the books will be ___________ by the exact amount of the tangible asset misappropriated.
A. None of all
B. Journal Entries
C. Out-of-balance
D. False debits
Answer: C (LEAVE A REPLY)

NEW QUESTION: 8
Which of the following is a method that might be used to fraudulently overstate the accounts receivable balance?

A. Failing to record bad debt expense
B. Failing to record depreciation expense
C. Overstating inventory
D. Understating net worth
Answer: (SHOW ANSWER)

NEW QUESTION: 9
A typical issue involving material and fraud would be:
A. Misappropriations
B. Quality control
C. Civil lawsuit
D. Fraudulent statement
Answer: (SHOW ANSWER)

NEW QUESTION: 10
Which of the following scenarios is an example of upcoding?
A. Dr. Johnson, a psychiatrist, regularly sees patients for sessions lasting less then forty minutes, but she submits the claims with a code that indicates the sessions were sixty minutes long.
B. Victor receives payment in exchange for undergoing an unnecessary medical procedure that is then billed to his health care program.
C. Margot inflates a medical bill she is seeking reimbursement for by adding an additional digit to the amount charged.
D. Dr. Hernandez uses four procedure codes when submitting a claim for a coronary bypass he performed that is supposed to be billed using a single procedure code.
Answer: (SHOW ANSWER)
Explanation/Reference: https://www.acfeinsights.com/acfe-insights/2018/12/12/health-care-fraud-5-common-billing-schemes

1. **Upcoding**

When a provider submits a bill to the government or a private insurer, the provider also includes medical codes to identify the medical services provided. These medical codes are used to determine the amount of the provider's reimbursement. In *upcoding* schemes, a provider intentionally submits an incorrect medical code for a higher level of service than actually rendered. For example, a hospital might administer a generic drug but bill the government for the more expensive, brand-name version of the drug.

NEW QUESTION: 11
Maintain the presence of a manager or supervisor near the area of the cash register as a deterrent to theft is a prevention for:
A. Register disbursement scheme
B. Larceny scheme
C. Asset misappropriation scheme
D. Fraudulent statement scheme
Answer: A (LEAVE A REPLY)

NEW QUESTION: 12
Inventory shrinkage is the unaccounted-for reduction in the company's inventory that does not results from theft.
A. True
B. False
Answer: B (LEAVE A REPLY)

NEW QUESTION: 13
"Anticipate possible losses and omit potential profits", this results in:

A. Symmetrical accounting
B. Bearing accounting
C. Playing accounting
D. Asymmetrical accounting
Answer: D (LEAVE A REPLY)

NEW QUESTION: 14
Organizations that had external audits actually had higher median losses and longer lasting fraud schemes than those organizations that were not audited.
A. False
B. True
Answer: B (LEAVE A REPLY)

NEW QUESTION: 15
Which of the following is a recommended method for safeguarding an organization's proprietary information?
A. Changing locks and reprogramming door access codes every three to five years
B. Classifying data into categories according to value and sensitivity levels
C. Mandating that all employees sign noncompetition agreements
D. Requiring employees to take notes and keep drafts related to confidential projects
Answer: B (LEAVE A REPLY)

NEW QUESTION: 16
Which of the following statements about skimming is INCORRECT?
A. Skimming schemes can involve the theft of either cash sales or accounts receivable payments.
B. Skimming schemes are generally more difficult to detect than cash larceny schemes.
C. Skimming schemes involve stolen customer payments that have not yet been recorded.
D. Skimming schemes are considered on-book frauds because they leave an audit trail.
Answer: D (LEAVE A REPLY)
Explanation/Reference: https://www.acfe.com/uploadedFiles/Shared_Content/Products/Self-Study_CPE/Intro%20to%20Fraud-Chapter%20Excerpt.pdf

NEW QUESTION: 17
Which of the following is NOT a common channel through which an organization's proprietary information is compromised?
A. Mail delivered through a post office box
B. Company newsletters and contributions to industry publications
C. Information displayed at an employee's workstation
D. Staff biographies on company websites
Answer: (SHOW ANSWER)
Explanation/Reference:
https://www.acfe.com/uploadedfiles/acfe_website/content/documents/managing-business-risk.pdf

NEW QUESTION: 18
Which of the following statements describes a best practice for preventing contract and procurement fraud?
A. Companies should have vendor-monitoring procedures that are based on the red flags of the vendor schemes that pose the greatest risk.
B. Companies should not conduct background checks on vendors until after they are added to the vendor master file.
C. Companies should restrict the monitoring of their procurement activities to once a year to ensure comparability over time.
D. Companies should permit the person who maintains the vendor master file to have the authority to approve invoices for payment.
Answer: A (LEAVE A REPLY)
Explanation/Reference: https://www.fraudconference.com/31/post-cpf.aspx

NEW QUESTION: 19
Which of the following is the MOST APPROPRIATE technique for detecting a nonconforming goods or services scheme?
A. Determining if contract costs have exceeded or are expected to exceed the contract value
B. Comparing the direct and indirect labor account totals from the prior year to the current year
C. Examining change orders that increase the price of the existing contract
D. Interviewing procurement personnel about the presence of any red flags
Answer: (SHOW ANSWER)
Explanation/Reference:
https://www.acfe.com/uploadedFiles/ACFE_Website/Content/review/cpf/07-Performance-Schemes.pdf

NEW QUESTION: 20

The principle behind full disclosure is:
A. None of above
B. Any material deviation from GAAP must be explained to the reader of the financial information.
C. Any material deviation from GAAP must be explained to writer of the financial information.
D. Any material deviation from SAS must be explained to the writer oh the financial information.
Answer: B (LEAVE A REPLY)

NEW QUESTION: 21
Perceived certainty of detection is directly related to employee theft for respondents in all industry sectors, that is the stronger the perception that theft would be detected, the more the likelihood that the employee would engage in deviant behavior.
A. False
B. True
Answer: A (LEAVE A REPLY)

NEW QUESTION: 22
Which of the following are used in a short term skimming scheme?
A. Unrecorded sales, understated sales and theft of incoming checks
B. False company accounts, understated sales and theft of incoming checks
C. Unrecorded sales, understated sales and dual endorsements
D. Understated sales, theft of incoming checks and check-for-currency substitutions
Answer: A (LEAVE A REPLY)

NEW QUESTION: 23
The most basic skimming scheme occurs when:
A. An employee sells goods or services to a customer, collects the customer's payment, but makes no record of the sale.
B. An employee sells goods or services to a stakeholder, collects the stakeholder's payment and makes record of the sale too.
C. An employee buy goods or services from a customer, drop the customer's payment, but makes no record of the purchase.
D. An employee buy goods or services from a stakeholder, drop the stakeholder's payment and makes record of the purchase too.
Answer: A (LEAVE A REPLY)

NEW QUESTION: 24
According to fraud tree, cash has three following schemes:
A. Cash distribution, skimming and fraud analysis
B. Fraud analysis, skimming and cash misappropriations
C. Cash larceny, cash distribution and fraudulent disbursements
D. Skimming, cash larceny and fraudulent disbursements

Answer: D (LEAVE A REPLY)

NEW QUESTION: 25

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

Answer:

Inventory control

NEW QUESTION: 26

The most common method for billing scheme is:

A. Accident

B. None of the above

C. Tips

D. Register

Answer: C (LEAVE A REPLY)

NEW QUESTION: 27

Which of the following would NOT be considered a conflict of interest?

A. Jane hires her cousin, Rita, to provide shipping and packaging services for her company, but she does not disclose their relationship.

B. Jenny purchases materials from Great Oaks Lumber for her employer to use in projects; Jenny's husband works for Great Oaks Lumber, and she has not informed her employer of this.

C. James works for the Muscle Factory Gym on weekdays and Earthworks Lawn Mowing on weekends, but he does not tell either employer about the other job.

D. Josh owns a significant amount of stock in a company he regularly buys office supplies from, and his employer is unaware of this fact.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 28

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

Answer:

Civil lawsuit

NEW QUESTION: 29

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

A. False

B. True

Answer: A (LEAVE A REPLY)

NEW QUESTION: 30

Green, an employee of ABC Corporation, formed a company called Acme Consulting. He opened a bank account in Acme's name and used his home computer to create invoices from Acme for "consulting services." In reality, Acme does not provide any services at all. It is a company in name only. Green submitted the invoices from Acme Consulting to his employer, ABC Corporation. When ABC made payment on the false invoices, Green collected and deposited them. What type of scheme has Green committed?

A. A shell company scheme
B. A pay and return scheme
C. A cash larceny scheme
D. A pass-through scheme

Answer: (SHOW ANSWER)

Explanation/Reference: https://www.millerkaplan.com/is-your-business-inadvertently-paying-a-shell-company

NEW QUESTION: 31

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

A. True
B. False

Answer: (SHOW ANSWER)

NEW QUESTION: 32

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 (LEAVE A REPLY)

NEW QUESTION: 33
The more power a person has over the bidding process, the more likely the person can influence the selection of a supplier.
A. True
B. False
Answer: A (LEAVE A REPLY)

NEW QUESTION: 34
Asset misappropriation schemes were the "middle children" of the study; they were more common than fraudulent statements and more costly than corruption.
A. True
B. False
Answer: (SHOW ANSWER)

NEW QUESTION: 35
Which of the following is a red flag that might indicate the existence of a need recognition scheme?
A. The purchasing entity's materials are being ordered at the optimal reorder point.
B. The purchasing entity has a large list of backup suppliers.
C. The purchasing entity has unusually high requirements for stock and inventory levels.
D. The purchasing entity has few surplus items written off as scrap.
Answer: C (LEAVE A REPLY)
Explanation/Reference:
https://www.fraudconference.com/uploadedFiles/Fraud_Conference/Content/Course-Materials/presentations/23rd/ppt/post-05-Collusion-Between-Contractors-and-Employees.pdf

NEW QUESTION: 36
Physical tampering prevention is a check tampering technique that is used to secure bankassisted controls.
A. False
B. True
Answer: A (LEAVE A REPLY)

NEW QUESTION: 37
Which of the following factors is NOT included in most financial statement schemes?
A. Fictitious revenues
B. Persuasive Evidence
C. Improper asset valuations
D. Concealed liabilities and expenses
Answer: B (LEAVE A REPLY)

NEW QUESTION: 38

Larceny by Fraud or deception means that:

A. All of the above

B. Creates or reinforce a false impression

C. Fails to disclose a known lien, adverse claim or other legal impediment

D. Fails to correct a false impression

Answer: A (LEAVE A REPLY)

NEW QUESTION: 39

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

Answer:

Embezzling

NEW QUESTION: 40

Which of the following is NOT a distinguishing feature of a Ponzi scheme?

A. Participants attempt to recruit as many new members as possible.

B. Previous investors are paid with money from new members.

C. Participants believe that they are making a legitimate investment.

D. Promoters of Ponzi schemes engage in little or no valid commerce or investments.

Answer: (SHOW ANSWER)

Explanation/Reference: https://www.acfe.com/ponzi-schemes.aspx#:~:text=A%20Ponzi%20scheme%20is%20an,actually%20a%20distribution%20of%20capital

NEW QUESTION: 41

Which of the following is not the skimming scheme?

A. Unrecorded sales

B. Theft of checks through the mail

C. Fraud & Cost

D. Understand sales and receivables

Answer: C (LEAVE A REPLY)

NEW QUESTION: 42

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

A. Balance sheet

B. Income statement

C. Financial record

D. Equity

Answer: A (LEAVE A REPLY)

NEW QUESTION: 43

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

A. Submission scheme

B. False sole-source scheme

C. Presolicitation scheme

D. Need recognition scheme

Answer: D (LEAVE A REPLY)

NEW QUESTION: 44

What is sometimes used to overcome well-designed internal controls of a victim company?

A. Shell company

B. Fraudulent invoices

C. Rubber stamp supervisors

D. Collusion

Answer: (SHOW ANSWER)

NEW QUESTION: 45

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

A. Reliance on the fast statement by the victim

B. A material false statement

C. Knowledge that the statement was false when it was uttered

D. All of the above

Answer: D (LEAVE A REPLY)

NEW QUESTION: 46

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

A. Perpetrator check

B. Accomplice residence

C. Cash generator

D. Shell company

Answer: D (LEAVE A REPLY)

NEW QUESTION: 47
Hamed works as an intelligence professional for Iriam intelligence, a competitive intelligence firm. He is tasked with gathering intelligence about Dripcore Inc., the major competitor of Iriam's biggest client. To gather the intelligence, Hamed poses as an applicant for a high-level position with Dripcore and obtains a job interview through which he elicits sensitive information from Dripcore's employee. Hamed's approach is an example of:
A. Open-source intelligence
B. Human intelligence
C. Competitive data analysis
D. Scavenging
Answer: D (LEAVE A REPLY)
Explanation/Reference: https://www.acfe.com/selfstudy.aspx?zid=2c92a0076a07e3be016a27279abe2776

NEW QUESTION: 48
To detect health care provider fraud, a fraud examiner should be alert for which of the following red flags?
A. Consistently low percentage of coding outliers present
B. Unusually low profits compared to similar businesses in the same region
C. Lack of supporting documentation for claims under review
D. Details in supporting documentation that match the health care claim
Answer: C (LEAVE A REPLY)
Explanation/Reference:
https://www.acfe.com/uploadedfiles/acfe_website/content/documents/insurance-fraud-handbook.pdf (18)

NEW QUESTION: 49
Which of the following is NOT the method for stealing inventory and other assets?
A. Purchasing and receiving schemes
B. Larceny schemes
C. Sales & Equipment handling
D. Asset requisition and transfer
Answer: C (LEAVE A REPLY)

NEW QUESTION: 50

When an employee processes a fictitious refund of goods, the victim company's inventory is overstated.
A. True
B. False
Answer: (SHOW ANSWER)
Explanation/Reference:
https://www.acfe.com/uploadedFiles/ACFE_Website/Content/documents/excerpt-from-2010-fem.pdf

NEW QUESTION: 51
Which of the following is MOST ACCURATE concerning common methods that identity thieves use to steal information?
A. Vishing involves using an imitation website to trick targets into revealing personal or business information.
B. Stealing a credit card number by watching someone enter it on a computer is an example of shoulder surfing.
C. Searching for sensitive personal information on used mobile phones purchased from a reseller is an example of dumpster diving.
D. Baiting is defined as the practice of manipulating people into revealing personal or business information.
Answer: (SHOW ANSWER)
Explanation/Reference: https://www.pandasecurity.com/en/mediacenter/mobile-security/what-is-vishing/

NEW QUESTION: 52
Schemes in which an employee physically misappropriates cash that has already appeared on the victim organization's books are known as:
A. Understated sales skimming schemes
B. Cash larceny schemes
C. Unrecorded sales skimming schemes
D. General ledger schemes
Answer: (SHOW ANSWER)
Explanation/Reference: https://www.acfe.com/uploadedFiles/Shared_Content/Products/Self-Study_CPE/Intro%20to%20Fraud-Chapter%20Excerpt.pdf

NEW QUESTION: 53
The ________________ cost method of pricing would carry an asset's value on the financial statements as what it would currently cost, considering inflation.
Answer:
Price-level adjusted historical cost

NEW QUESTION: 54
How many accounts are affected in fraudulent accounting entries and therefore same number of categories on the financial statement?
A. More than two
B. None of above
C. One
D. At least two
Answer: (SHOW ANSWER)

NEW QUESTION: 55
The amount of cash on hand in a register may be compared to the amount showing in the register tape in order to detect _______.
A. Employee theft
B. Internal audits
C. Recorded sales
D. Occupational frauds
Answer: A (LEAVE A REPLY)

NEW QUESTION: 56
Linda, an assistant bank manager, purchases a new car that she cannot afford on her salary. To make her car payments, she takes money from a customer's account and then adjusts the bank's general ledger to cover the missing amount. Which of the following BEST describes Linda's scheme?
A. False accounting entry
B. Unauthorized withdrawal
C. Moving money from dormant accounts
D. Unauthorized disbursement of funds
Answer: A (LEAVE A REPLY)
Explanation/Reference: https://www.actionfraud.police.uk/a-z-of-fraud/false-accounting-fraud

NEW QUESTION: 57
One reason employees might be hesitant to use PO boxes in shell company schemes is that some businesses are specially vary of sending checks to vendors that have street addresses only.
A. True
B. False
Answer: B (LEAVE A REPLY)

NEW QUESTION: 58
Jones is an accounts payable clerk at Smith Company. He intentionally sent the wrong vendor a check for some supplies. He then called the vendor, explained his "mistake", and requested that

the vendor mail back the check. Jones then intercepted the returned check and deposited it in his own account. What type of scheme did he commit?

A. A shell company scheme

B. A pay and return scheme

C. An altered payee scheme

D. A pass-through scheme

Answer: B (LEAVE A REPLY)

Explanation/Reference: https://www.gma-cpa.com/blog/billing-schemes-3-ways-fraudsters-can-cash-in-on-your-nonprofit#:~:text=Also%20known%20as%20a%20%E2%80%9Cpay,doesn't%20know%20it's%20occurring

NEW QUESTION: 59

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

A. Forced Balance

B. None of all

C. Expense account

D. Trend analysis

Answer: D (LEAVE A REPLY)

NEW QUESTION: 60

Which of the following is NOT a justifiable reason to depart from generally accepted accounting principles (GAAP)?

A. Adherence to GAAP would produce misleading results.

B. Departing from GAAP will make the company appear more profitable.

C. The transaction at issue is considered to be immaterial.

D. It is a common industry practice to give particular transactions a specific accounting treatment.

Answer: (SHOW ANSWER)

NEW QUESTION: 61

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

A. A clear understanding regarding theft behavior

B. Neither A nor B

C. Both A & B

D. Enforcement of sanctions

Answer: C (LEAVE A REPLY)

NEW QUESTION: 62
Which of the following is NOT the type of billing scheme?
A. Invoicing via accomplice companies
B. Invoicing via non-accomplice companies
C. Invoicing via shell companies
D. Personal purchases with company funds
Answer: A (LEAVE A REPLY)

NEW QUESTION: 63
_________ assumes the business will go on indefinitely in the future.
A. Fair value
B. Cost
C. Going concern
D. Materiality
Answer: C (LEAVE A REPLY)

NEW QUESTION: 64
__________ can be defined as conduct detrimental to the organization and to the employee.
A. All of the above
B. Employee fraud
C. Employee theft
D. Employee deviance
Answer: D (LEAVE A REPLY)

NEW QUESTION: 65
The behavior profile of employees who are involved in bribery schemes may include:
A. All of the above
B. Gambling habit
C. Drug and/or alcohol addiction
D. Extravagant lifestyle
Answer: A (LEAVE A REPLY)

NEW QUESTION: 66
Which of the following can constitute a bribe, even if the illicit payment is never actually made?

A. Offering a payment
B. Overbilling in payment
C. kickback payment
D. Corruption in payment
Answer: A (LEAVE A REPLY)

NEW QUESTION: 67
Sinead has lost her job and can no longer afford the luxury car that she recently purchased. Instead of allowing her car to be repossessed by her bank, Sinead decides to leave her car in a high-crime area with the keys in the ignition, hoping that it will be stolen so that she can make an insurance claim for the loss. Sinead is planning to commit which of the following insurance scams?
A. Staged accident
B. Past posting
C. Phantom vehicle
D. Ditching
Answer: A (LEAVE A REPLY)
Explanation/Reference:
https://www.acfe.com/uploadedfiles/acfe_website/content/documents/insurance-fraud-handbook.pdf (15)

NEW QUESTION: 68
Which of the following is a common red flag of procurement fraud schemes involving collusion among contractors?
A. More competitors than usual submit bids on a project or product.
B. Bid prices rise when a new contractor enters the competition.
C. The winning bidder does not subcontract any work to a third party.
D. There is a pattern where the last party to bid wins the contract.
Answer: (SHOW ANSWER)
Explanation/Reference: https://iacrc.org/procurement-fraud/the-most-common-procurement-fraud-schemes-and-their-primary-red-flags/

NEW QUESTION: 69
Which of the following would NOT be helpful in the prevention of expense reimbursement schemes?
A. Requiring all receipts to be submitted electronically
B. Comparing current expenses to budgeted expense amounts
C. Requiring employees to explain the specific business purpose of each expense
D. Comparing current expenses to historical expenditure amounts
Answer: B (LEAVE A REPLY)

Explanation/Reference: https://www.acfe.com/uploadedFiles/Shared_Content/Products/Self-Study_CPE/FundamentalsofComputerandInternetFraud2019_Extract.pdf

NEW QUESTION: 70
Which of the following search is used for unusually high incidence of returns and allowances scheme?
A. Disposals of allowances than reorders
B. None of the above
C. Allowances by vendors
D. Returns and allowances
Answer: D (LEAVE A REPLY)

NEW QUESTION: 71
Which of the following is NOT standard of generally accepted accounting principles?
A. Full disclosure
B. Quality control
C. Cost
D. Conservatism
Answer: B (LEAVE A REPLY)

NEW QUESTION: 72
The most common method of detection in corruption cases is:
A. Internal audits
B. Tips
C. By accident
D. Internal controls
Answer: B (LEAVE A REPLY)

NEW QUESTION: 73
Which of the following is NOT the reason why senior management will overstate business statement?
A. Comply with debit covenants
B. Trigger performance related compensation
C. Meet personal performance criteria
D. Show a pattern of growth to support sale of a business
Answer: A (LEAVE A REPLY)

NEW QUESTION: 74
All of the following measures would help prevent the theft of company inventory EXCEPT:
A. Restricting inventory access to authorized personnel only
B. Having different people responsible for receiving inventory and shipping it

C. Having the purchasing supervisor perform the physical inventory count
D. Using prenumbered inventory receiving reports
Answer: D (LEAVE A REPLY)

NEW QUESTION: 75
A shell company scheme in which actual goods or services are sold to the victim company is known as:
A. Pass-through scheme
B. Maintenance scheme
C. Allocation scheme
D. Distribution scheme
Answer: A (LEAVE A REPLY)

NEW QUESTION: 76
Which of the following scenarios is MOST indicative of a loan fraud scheme?
A. A change order for a large project
B. High turnover in the developer's personnel
C. A draw request for a construction loan
D. No missing documents in the loan file
Answer: A (LEAVE A REPLY)

NEW QUESTION: 77
Statistical sampling enables the examiner to predict the occurrence rate for the population and therefore determine with some accuracy the error rate, or the potential for fraud.
A. False
B. True
Answer: B (LEAVE A REPLY)

NEW QUESTION: 78

Which of the following statements is FALSE with regard to counterfeit credit and debit cards?
A. Counterfeit credit and debit card schemes often involve collusion with merchants or a merchant's employees.
B. The production of counterfeit credit and debit cards is too complicated for the use of high-speed printing facilities.
C. Credit and debit card holograms are difficult to reproduce.
D. Counterfeiters create phone credit and debit cards through the use of what is commonly referred to as
"blank plastic".
Answer: B (LEAVE A REPLY)
Explanation/Reference: https://www.usatoday.com/story/news/nation/2014/09/03/stolen-credit-cards-fenced-on-the-dark-web/15020053/

NEW QUESTION: 79
Financial statement fraud is committed by:
A. Organized criminals
B. Senior Management
C. Mid and lower level employees
D. All of the above
Answer: D (LEAVE A REPLY)

NEW QUESTION: 80
Depreciation is especially applicable when companies try to overvalue their assets and net worth; the lower their depreciation expense, the higher the company's profits.
A. True
B. False
Answer: (SHOW ANSWER)

NEW QUESTION: 81
June, a 76-year-old woman, receives a phone call from a man impersonating one of her relatives. He claims to have a lot of debt and asks her to secretly send him money so that the rest of the family will not find out. June has MOST LIKELY been victimized by which of the following schemes?
A. Pretexting fraud
B. Grandparent scheme
C. Missing-heir scheme
D. Affinity fraud
Answer: (SHOW ANSWER)
Explanation/Reference: https://www.acfe.com/article.aspx?id=504

NEW QUESTION: 82

Which of the following is a red flag that might indicate that someone is attempting to commit insurance fraud?
A. A fire loss claim includes numerous personal items and family heirlooms.
B. The insured made one other insurance claim within the past five years.
C. A claim is made a short time after a change in policy coverage.
D. A theft claim includes recently purchased items with their receipts.
Answer: C (LEAVE A REPLY)
Explanation/Reference:
https://www.acfe.com/uploadedfiles/acfe_website/content/documents/insurance-fraud-handbook.pdf

NEW QUESTION: 83
A special scheme in which employees know their employer is seeking to purchase a certain asset and take advantage of the situation by purchasing the asset themselves is:
A. Conflict of interest in sale
B. Written sale of unique assets
C. Unauthorized sale
D. Turnaround sale or flip
Answer: (SHOW ANSWER)

NEW QUESTION: 84
A ___________ is a day-by-day, or chronological, record of transactions
A. Journal
B. Checkbook
C. Ledger
D. Asset
Answer: A (LEAVE A REPLY)

NEW QUESTION: 85
Which of the following is one of the categories on the statement of cash flows?
A. Cash flows from investing activities
B. Cash flows from supply chain activities
C. Cash flows from revenue activities
D. Cash flows from strategic activities
Answer: (SHOW ANSWER)

NEW QUESTION: 86
Which of the following is a method for gaining unauthorized access to a computer system whereby the attacker deceives victims into disclosing personal information or convinces them to commit acts that facilitate the attacker's intended scheme?
A. Shoulder surfing

B. Spoofing
C. Scavenging
D. Social engineering
Answer: (SHOW ANSWER)
Explanation/Reference: https://www.forcepoint.com/cyber-edu/spoofing

NEW QUESTION: 87
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 (LEAVE A REPLY)

NEW QUESTION: 88
Undisclosed payments made by vendors to employees of purchasing companies are referred to as:
A. None of the above
B. Bid-rigging
C. Kickbacks
D. Presolicitaion
Answer: C (LEAVE A REPLY)