



**IIA**

## **Exam Questions IIA-CIA-Part3**

Certified Internal Auditor - Part 3, Business Analysis and Information Technology

#### NEW QUESTION 1

- (Exam Topic 1)

Which of the following is true regarding an organization's relationship with external stakeholders?

- A. Specific guidance must be followed when interacting with nongovernmental organizations.
- B. Disclosure laws tend to be consistent from one jurisdiction to another.
- C. There are several internationally recognized standards for dealing with financial donors.
- D. Legal representation should be consulted before releasing internal audit information to other assurance providers.

**Answer: D**

#### NEW QUESTION 2

- (Exam Topic 1)

Which of the following application-based controls is an example of a programmed edit check?

- A. Reasonableness check.
- B. Transaction log.
- C. Input error correction.
- D. Authorization for access.

**Answer: A**

#### NEW QUESTION 3

- (Exam Topic 1)

An internal auditor is reviewing physical and environmental controls for an IT organization. Which control activity should not be part of this review?

- A. Develop and test the organization's disaster recovery plan.
- B. Install and test fire detection and suppression equipment.
- C. Restrict access to tangible IT resources.
- D. Ensure that at least one developer has access to both systems and operations.

**Answer: D**

#### NEW QUESTION 4

- (Exam Topic 1)

A key advantage of developing a computer application by using the prototyping approach is that it:

- A. Does not require testing for user acceptance.
- B. Allows applications to be portable across multiple system platforms.
- C. Is less expensive since it is self-documenting.
- D. Better involves users in the design process.

**Answer: D**

#### NEW QUESTION 5

- (Exam Topic 1)

For an engineering department with a total quality management program, important elements of quality management include all of the following except:

- A. Basing performance evaluations on the number of projects completed.
- B. Comparing results with those of other engineering departments.
- C. Creating a quality council within the engineering department.
- D. Conducting post-project surveys on performance.

**Answer: A**

#### NEW QUESTION 6

- (Exam Topic 1)

Which of the following is an element of effective negotiating?

- A. Ensuring that the other party has a personal stake in the agreement.
- B. Focusing on interests rather than on obtaining a winning position.
- C. Considering a few select choices during the settlement phase.
- D. Basing the agreement on negotiating power and positioning leverage.

**Answer: B**

#### NEW QUESTION 7

- (Exam Topic 1)

The market price is the most appropriate transfer price to be charged by one department to another in the same organization for a service provided when:

- A. There is an external market for that service.
- B. The selling department operates at 50 percent of its capacity.
- C. The purchasing department has more negotiating power than the selling department.
- D. There is no external market for that service.

**Answer:** A

#### NEW QUESTION 8

- (Exam Topic 1)

Which of the following would best prevent unauthorized external changes to an organization's data?

- A. Antivirus software, firewall, data encryption.
- B. Firewall, data encryption, backup procedures.
- C. Antivirus software, firewall, backup procedures.
- D. Antivirus software, data encryption, change logs.

**Answer:** A

#### NEW QUESTION 9

- (Exam Topic 1)

Which of the following describes a typical desktop workstation used by most employees in their daily work?

- A. Workstation contains software that prevents unauthorized transmission of information into and out of the organization's network.
- B. Workstation contains software that controls information flow between the organization's network and the Internet.
- C. Workstation contains software that enables the processing of transactions and is not shared among users of the organization's network.
- D. Workstation contains software that manages user's access and processing of stored data on the organization's network.

**Answer:** C

#### NEW QUESTION 10

- (Exam Topic 1)

Which of the following techniques is the most relevant when an internal auditor conducts a valuation of an organization's physical assets?

- A. Observation.
- B. Inspection.
- C. Original cost.
- D. Vouching.

**Answer:** B

#### NEW QUESTION 10

- (Exam Topic 1)

Senior management has decided to implement the Three Lines of Defense model for risk management. Which of the following best describes senior management's duties with regard to this model?

- A. Ensure compliance with the model.
- B. Identify management functions.
- C. Identify emerging issues.
- D. Set goals for implementation.

**Answer:** A

#### NEW QUESTION 12

- (Exam Topic 1)

Which of the following statements accurately describes one of the characteristics that distinguishes a multinational company from a domestic company?

- A. A multinational company has stockholders in other countries.
- B. A multinational company exports its products to other countries.
- C. A multinational company operates outside of its country of origin.
- D. A multinational company uses raw materials and components from more than one country.

**Answer:** C

#### NEW QUESTION 15

- (Exam Topic 1)

In an organization where enterprise risk management practices are mature, which of the following is a core internal audit role?

- A. Giving assurance that risks are evaluated correctly.
- B. Developing the risk management strategy for the board's approval.
- C. Facilitating the identification and evaluation of risks.
- D. Coaching management in responding to risk.

**Answer:** A

#### NEW QUESTION 16

- (Exam Topic 1)

Preferred stock is less risky for investors than is common stock because:

- A. Common stock pays dividends as a stated percentage of face value.
- B. Common stock has priority over preferred stock with regard to earnings and assets.

- C. Preferred dividends are usually cumulative.
- D. Preferred stock with no conversion feature has a higher dividend yield than does convertible preferred stock.

**Answer:** C

#### NEW QUESTION 19

- (Exam Topic 1)

During a review of a web-based application used by customers to check the status of their bank accounts, it would be most important for the internal auditor to ensure that:

- A. Access to read application logs is restricted to authorized users.
- B. Account balance information is encrypted in the database.
- C. The web server used to host the application is located in a physically secure area.
- D. Sensitive data, such as account numbers, are submitted using encrypted communications.

**Answer:** D

#### NEW QUESTION 21

- (Exam Topic 1)

Which of the following is always true regarding the use of encryption algorithms based on public key infrastructure (PKI)?

- A. PKI uses an independent administrator to manage the public key.
- B. The public key is authenticated against reliable third-party identification.
- C. PKI's public accessibility allows it to be used readily for e-commerce.
- D. The private key uniquely authenticates each party to a transaction.

**Answer:** D

#### NEW QUESTION 22

- (Exam Topic 1)

Which of the following are included in ISO 31000 risk principles and guidelines?

- A. Standards, framework, and process.
- B. Standards, assessments, and process.
- C. Principles, framework, and process.
- D. Principles, practices, and process.

**Answer:** C

#### NEW QUESTION 26

- (Exam Topic 1)

At what point during the systems development process should an internal auditor verify that the new application's connectivity to the organization's other systems has been established correctly?

- A. Prior to testing the new application.
- B. During testing of the new application.
- C. During implementation of the new application.
- D. During maintenance of the new application.

**Answer:** A

#### NEW QUESTION 29

- (Exam Topic 1)

Which of the following statements is true regarding the resolution of interpersonal conflict?

- A. Unrealized expectations can be avoided with open and honest discussion.
- B. Reorganization would probably not help ambiguous or overlapping jurisdictions.
- C. Deferring action should be used until there is sufficient time to fully deal with the issue.
- D. Timely and unambiguous clarification of roles and responsibilities will eliminate most interpersonal conflict.

**Answer:** A

#### NEW QUESTION 30

- (Exam Topic 1)

Which of the following best describes a market signal?

- A. The bargaining power of buyers is forcing a drop in market prices.
- B. There is pressure from the competitor's substitute products.
- C. Strategic analysis by the organization indicates feasibility of expanding to new market niches.
- D. The competitor announces a new warranty program.

**Answer:** D

#### NEW QUESTION 35

- (Exam Topic 1)

Which of the following stages of group development is associated with accepting team responsibilities?

- A. Forming stage.
- B. Performing stage.
- C. Norming stage.
- D. Storming stage.

**Answer: C**

#### NEW QUESTION 39

- (Exam Topic 1)

When an organization is choosing a new external auditor, which of the following is the most appropriate role for the chief audit executive to undertake?

- A. Review and acquire the external audit service.
- B. Assess the appraisal and actuarial services.
- C. Determine the selection criteria.
- D. Identify regulatory requirements to be considered.

**Answer: D**

#### NEW QUESTION 43

- (Exam Topic 1)

An organization had three large centralized divisions: one that received customer orders for service work; one that scheduled the service work at customer locations; and one that answered customer calls about service problems. These three divisions were restructured into seven regional groups, each of which performed all three functions. One advantage of this restructuring would be:

- A. Better internal controls.
- B. Greater economies of scale.
- C. Improved work flow.
- D. Increased specialization.

**Answer: C**

#### NEW QUESTION 48

- (Exam Topic 1)

The percentage of sales method, rather than the percentage of receivables method, would be used to estimate uncollectible accounts if an organization seeks to:

- A. Use an aging schedule to more closely estimate uncollectible accounts.
- B. Eliminate the need for an allowance for doubtful accounts.
- C. Emphasize the accuracy of the net realizable value of the receivables on the balance sheet.
- D. Use a method that approximates the matching principle.

**Answer: D**

#### NEW QUESTION 51

- (Exam Topic 1)

The most important reason to use risk assessment in audit planning is to:

- A. Identify redundant controls.
- B. Improve budgeting accuracy.
- C. Enhance assurance provided to management.
- D. Assist in developing audit programs.

**Answer: C**

#### NEW QUESTION 55

- (Exam Topic 1)

Which of the following statements is correct regarding corporate compensation systems and related bonuses?

- \* 1. A bonus system should be considered part of the control environment of an organization and should be considered in formulating a report on internal control.
- \* 2. Compensation systems are not part of an organization's control system and should not be reported as such.
- \* 3. An audit of an organization's compensation system should be performed independently of an audit of the control system over other functions that impact corporate bonuses.

- A. 1 only
- B. 2 only
- C. 3 only
- D. 2 and 3 only

**Answer: A**

#### NEW QUESTION 59

- (Exam Topic 1)

Which of the following statements is false regarding the internal audit approach when a set of standards other than The IIA's Standards is applicable to a specific engagement?

- A. The internal auditor may cite the use of other standards during audit communications.
- B. If the other standards are government-issued, the internal auditor should apply them in conjunction with The IIA's Standards.

- C. If there are inconsistencies between the other standards and The IIA's Standards, the internal auditor must use the more restrictive standards.  
D. If there are inconsistencies between the other standards and The IIA's Standards, the internal auditor must use the less restrictive standards.

**Answer:** D

#### NEW QUESTION 61

- (Exam Topic 1)

Within an enterprise, IT governance relates to the:

- \* 1. Alignment between the enterprise's IT long term plan and the organization's objectives.
- \* 2. Organizational structures of the company that are designed to ensure that IT supports the organization's strategies and objectives.
- \* 3. Operational plans established to support the IT strategies and objectives.
- \* 4. Role of the company's leadership in ensuring IT supports the organization's strategies and objectives.

- A. 1 and 2 only  
B. 3 and 4 only  
C. 1, 2, and 4 only  
D. 2, 3, and 4 only

**Answer:** C

#### NEW QUESTION 63

- (Exam Topic 1)

Which of the following borrowing options is an unsecured loan?

- A. Second-mortgage financing from a bank.  
B. An issue of commercial paper.  
C. Pledged accounts receivable.  
D. Asset-based financing.

**Answer:** B

#### NEW QUESTION 64

- (Exam Topic 1)

A department purchased one copy of a software program for internal use. The manager of the department installed the program on an office computer and then made two complete copies of the original software.

Copy 1 was solely for backup purposes.

Copy 2 was for use by another member of the department.

In terms of software licenses and copyright law, which of the following is correct?

- A. Both copies are legal.  
B. Only copy 1 is legal.  
C. Only copy 2 is legal.  
D. Neither copy is legal.

**Answer:** B

#### NEW QUESTION 66

- (Exam Topic 1)

When granting third parties temporary access to an entity's computer systems, which of the following is the most effective control?

- A. Access is approved by the supervising manager.  
B. User accounts specify expiration dates and are based on services provided.  
C. Administrator access is provided for a limited period.  
D. User accounts are deleted when the work is completed.

**Answer:** B

#### NEW QUESTION 71

- (Exam Topic 1)

When applied to international economics, the theory of comparative advantage proposes that total worldwide output will be greatest when:

- A. Each nation's total imports approximately equal its total exports.  
B. Each good is produced by the nation that has the lowest opportunity cost for that good.  
C. Goods that contribute to a nation's balance-of-payments deficit are no longer imported.  
D. International trade is unrestricted and tariffs are not imposed.

**Answer:** B

#### NEW QUESTION 74

- (Exam Topic 1)

Which of the following statements is true regarding the roles and responsibilities associated with a corporate social responsibility (CSR) program?

- A. The board has overall responsibility for the internal control processes associated with the CSR program.  
B. Management has overall responsibility for the effectiveness of governance, risk management, and internal control processes associated with the CSR program.  
C. The internal audit activity is responsible for ensuring that CSR principles are integrated into the organization's policies and procedures.  
D. Every employee has a responsibility for ensuring the success of the organization's CSR objectives.



**Answer:** D

**NEW QUESTION 75**

- (Exam Topic 1)

Organizational activities that complement each other and create a competitive advantage are called a:

- A. Merger.
- B. Strategic fit.
- C. Joint venture.
- D. Strategic goal.

**Answer:** B

**NEW QUESTION 76**

- (Exam Topic 1)

Which of the following statements best describes the frameworks set forth by the International Standards Organization?

- A. Globally accepted standards for industries and processes.
- B. Bridging the gaps among control requirements, technical issues, and business risks.
- C. Practical guidance and benchmarks for all organizations that use information systems.
- D. Frameworks and guidance on enterprise risk management, internal control, and fraud deterrence.

**Answer:** A

**NEW QUESTION 81**

- (Exam Topic 1)

For a multinational organization, which of the following is a disadvantage of an ethnocentric staffing policy?

- \* 1. It significantly raises compensation and staffing costs.
- \* 2. It produces resentment among the organization's employees in host countries.
- \* 3. It limits career mobility for parent-country nationals.
- \* 4. It can lead to cultural myopia.

- A. 1 and 4 only
- B. 2 and 3 only
- C. 1, 2, and 3 only
- D. 1, 2, and 4 only

**Answer:** D

**NEW QUESTION 85**

- (Exam Topic 1)

An organization accumulated the following data for the prior fiscal year: Value of

Percentage of Quarter

Output Produced Cost X

1  
\$4,750,000 2.9

2  
\$4,700,000 3.0

3  
\$4,350,000 3.2

4  
\$4,000,000 3.5

Based on this data, which of the following describes the value of Cost X in relation to the value of Output Produced?

- A. Cost X is a variable cost.
- B. Cost X is a fixed cost.
- C. Cost X is a semi-fixed cost.
- D. Cost X and the value of Output Produced are unrelated.

**Answer:** B

**NEW QUESTION 90**

- (Exam Topic 1)

When writing a business memorandum, the writer should choose a writing style that achieves all of the following except:

- A. Draws positive attention to the writing style.
- B. Treats all receivers with respect.
- C. Suits the method of presentation and delivery.
- D. Develops ideas without overstatement.

**Answer:** A

**NEW QUESTION 95**

- (Exam Topic 1)

A manager has difficulty motivating staff to improve productivity, despite establishing a lucrative individual reward system. Which of the following is most likely the cause of the difficulty?

- A. High degree of masculinity.
- B. Low uncertainty avoidance.
- C. High collectivism.
- D. Low long-term orientation.

**Answer:** C

#### NEW QUESTION 100

- (Exam Topic 1)

Which of the following professional organizations sets standards for quality and environmental audits?

- A. The Committee of Sponsoring Organizations of the Treadway Commission.
- B. The Board of Environmental, Health, and Safety Auditor Certifications.
- C. The International Organization of Supreme Audit Institutions.
- D. The International Standards Organization.

**Answer:** D

#### NEW QUESTION 101

- (Exam Topic 1)

Which of the following is a major advantage of decentralized organizations, compared to centralized organizations?

- A. Decentralized organizations are more focused on organizational goals.
- B. Decentralized organizations streamline organizational structure.
- C. Decentralized organizations tend to be less expensive to operate.
- D. Decentralized organizations tend to be more responsive to market changes.

**Answer:** D

#### NEW QUESTION 103

- (Exam Topic 1)

Which of the following is a disadvantage of selecting a commercial software package rather than developing an application internally?

- A. Lack of flexibility.
- B. Incompatibility with client/server technology.
- C. Employee resistance to change.
- D. Inadequate technical support.

**Answer:** A

#### NEW QUESTION 108

- (Exam Topic 1)

Which of the following is useful for forecasting the required level of inventory?

- \* 1. Statistical modeling.
- \* 2. Information about seasonal variations in demand.
- \* 3. Knowledge of the behavior of different business cycles.
- \* 4. Pricing models linked to seasonal demand.

- A. 1 and 2 only
- B. 2 and 3 only
- C. 1, 2, and 3 only
- D. 1, 2, 3, and 4

**Answer:** C

#### NEW QUESTION 113

- (Exam Topic 1)

The activity that involves a trial run of a product in a typical segment of the market before proceeding to a national launch is referred to as:

- A. Test marketing
- B. Experimentation
- C. Segmentation
- D. Positioning

**Answer:** A

#### NEW QUESTION 116

- (Exam Topic 1)

An organization is considering the outsourcing of its business processes related to payroll and information technology functions. Which of the following is the most significant area of concern for management regarding this proposed agreement?

- A. Ensuring that payments to the vendor are appropriate and timely for the services delivered.
- B. Ensuring that the vendor has complete management control of the outsourced process.
- C. Ensuring that there are means of monitoring the efficiency of the outsourced process.
- D. Ensuring that there are means of monitoring the effectiveness of the outsourced process.

**Answer:** D



#### NEW QUESTION 117

- (Exam Topic 1)

In terms of international business strategy, which of the following is true regarding a multi-domestic strategy?

- A. It uses the same products in all countries.
- B. It centralizes control with little decision-making authority given to the local level.
- C. It is an effective strategy when large differences exist between countries.
- D. It provides cost advantages, improves coordinated activities, and speeds product development.

**Answer:** C

#### NEW QUESTION 119

- (Exam Topic 2)

The following transactions and events occurred during the year:

	January 1	December 31
Finished goods	\$90,000	\$260,000
Raw materials	\$105,000	\$130,000
Work in process	\$220,000	\$175,000

- \$300,000 of raw materials were purchased, of which \$20,000 were returned because of defects
- \$600,000 of direct labor costs were incurred.
- \$750,000 of manufacturing overhead costs were incurred. What is the organization's cost of goods sold for the year?

- A. \$1,480,000
- B. \$1,500,000
- C. \$1,610,000
- D. \$1,650,000

**Answer:** B

#### NEW QUESTION 120

- (Exam Topic 2)

Which of the following is based on the concept that there is not one best leadership style and that successful leadership depends on a match between the leader, the situation, and the subordinate?

- A. Attribute theory.
- B. Path goal model
- C. Life cycle model
- D. Contingency theory

**Answer:** D

#### NEW QUESTION 123

- (Exam Topic 2)

An internal auditor is using data analytics to focus on high-risk areas during an engagement. The auditor has obtained data and is working to eliminate redundancies in the data. Which of the following statements is true regarding this scenario?

- A. The auditor is normalizing data in preparation for analyzing it
- B. The auditor is analyzing the data in preparation for communicating the results
- C. The auditor is cleaning the data in preparation for determining which processes may be involved
- D. The auditor is reviewing the data prior to defining the question

**Answer:** A

#### NEW QUESTION 126

- (Exam Topic 2)

Which of the following storage options would give the organization the best chance of recovering data?

- A. Encrypted physical copies of the data and their encryption keys are stored together at the organization and are readily available upon request
- B. Encrypted physical copies of the data are stored separately from their encryption keys and both are held in secure locations a few hours away from the organization
- C. Encrypted reports on usage and database structure changes are stored on a cloud-based
- D. Secured database that is readily accessible
- E. Encrypted copies of the data are stored in a separate secure location a few hours away while the encryption keys are stored at the organization and are readily available

**Answer:** D

#### NEW QUESTION 127

- (Exam Topic 2)

Which of the following characteristics is most important specifically for a global manager to possess in order to be successful?

- A. Knowledge of different languages.
- B. Understanding of uncertainty avoidance differences
- C. Emotional intelligence

D. Cultural intelligence

**Answer:** D

**NEW QUESTION 129**

- (Exam Topic 2)

A retail organization mistakenly did not include \$10,000 of inventory in the physical count at the end of the year. What was the impact to the organization's financial statements?

- A. Cost of sales and net income are understated
- B. Cost of sales and net income are overstated
- C. Cost of sales is understated and net income is overstated.
- D. Cost of sales is overstated and net income is understated.

**Answer:** C

**NEW QUESTION 132**

- (Exam Topic 2)

Which of the following is an example of a key systems development control typically found in the in-house development of an application system?

- A. Logical access controls monitor application usage and generate audit trails.
- B. The development process is designed to prevent, detect and correct errors that may occur
- C. A record is maintained to track the process of data from input, to output, to storage
- D. Business users' requirements are documented, and their achievement is monitored

**Answer:** D

**NEW QUESTION 133**

- (Exam Topic 2)

Which of the following risks is best addressed by encryption?

- A. Information integrity risk.
- B. Privacy risk
- C. Access risk
- D. Software risk

**Answer:** A

**NEW QUESTION 137**

- (Exam Topic 2)

Which of the following statements is true regarding reversing entries in an accounting cycle?

- A. Reversing all previous closing adjustments is a mandatory step in the accounting cycle
- B. Reversing entries should be completed at the end of the next accounting period after recording regular transactions of the period
- C. Reversing entries are identical to the adjusting entries made in the previous period.
- D. Reversing entries are the exact opposite of the adjustments made in the previous period.

**Answer:** D

**NEW QUESTION 142**

- (Exam Topic 2)

Which of the following statements is true regarding partnership liquidation?

- A. Operations can continue after the liquidation if all partners agree
- B. Partnership liquidation ends both the legal and economic life of an entity
- C. Partnership liquidation occurs when there is capital deficiency
- D. When a partnership is liquidated, each partner pays creditors from cash received

**Answer:** B

**NEW QUESTION 147**

- (Exam Topic 2)

Which of the following IT controls includes protection for mainframe computers and workstations?

- A. Change management controls
- B. Physical and environmental controls.
- C. System software controls
- D. Organization and management controls

**Answer:** C

**NEW QUESTION 148**

- (Exam Topic 2)

Which of the following is a security feature that involves the use of hardware and software to filter or prevent specific information from moving between the outside network and the outside network?

- A. Authorization
- B. Architecture model
- C. Firewall
- D. Virtual private network

**Answer:** C

#### NEW QUESTION 149

- (Exam Topic 2)

Which of the following data analytics tools would be applied by an internal audit activity positioned at the lowest level of maturity?

- A. Workflow and data capture technology
- B. Data visualization applications.
- C. Software integrated with central data warehouse
- D. Spreadsheets.

**Answer:** D

#### NEW QUESTION 152

- (Exam Topic 2)

The board has requested that the internal audit activity be involved in all phases of the organization's outsourcing of its network management. During which of the following stages is the internal auditor most likely to verify that the organization's right-to-audit clause is drafted effectively?

- A. Implementation and transition phase.
- B. Monitoring and reporting phase
- C. Decision-making and business-case phase.
- D. Tendering and contracting phase.

**Answer:** D

#### NEW QUESTION 157

- (Exam Topic 2)

in which of the following technical infrastructure audits should attention be turned to physical security and environmental controls?

- A. Database review
- B. Data center review
- C. Network configuration review
- D. Operating systems review

**Answer:** B

#### NEW QUESTION 159

- (Exam Topic 2)

An organization uses the management-by-objectives method, whereby employee performance is based on defined goals Which of the following statements is true regarding this approach?

- A. It is particularly helpful to management when the organization is facing rapid change
- B. It is a more successful approach when adopted by mechanistic organizations
- C. It is more successful when goal-setting is performed not only by management, but by an team members, including lower-level staff.
- D. It is particularly successful in environments that are prone to having poor employer-employee relations

**Answer:** C

#### NEW QUESTION 160

- (Exam Topic 2)

According to MA guidance, which of the following best describes an adequate management (audit) trail application control for the general ledger?

- A. Report identifying data that is outside of system parameters
- B. Report identifying general ledger transactions by time and individual
- C. Report comparing processing results with original input
- D. Report confirming that the general ledger data was processed without error.

**Answer:** B

#### NEW QUESTION 164

- (Exam Topic 2)

Which of me following statements is most accurate concerning me management and audit of a web server?

- A. The file transfer protocol (FTP) should always be enabled
- B. The simple mail transfer protocol (SMTP) should be operating under me most privileged accounts
- C. The number of ports and protocols allowed to access the web server should be maximized
- D. Secure protocols for confidential pages should be used instead of clear-text protocol such as HTTP or FTP

**Answer:** D

#### NEW QUESTION 167

- (Exam Topic 2)

Which of the following cybersecurity-related activities is most likely to be performed by the second line of defense?

- A. Deploy intrusion detection systems and conduct penetration testing
- B. Administer security procedures, training, and testing.
- C. Monitor incidents, key risk indicators, and remediation
- D. implement vulnerability management with internal and external scans.

**Answer:** D

#### NEW QUESTION 169

- (Exam Topic 2)

An organization's network administrator received an email that appeared to come from the organization's external IT service provider requesting his credentials to perform an update of a server operating system. If the IT service provider did not send the email, which of the following best describes the likely purpose of the email?

- A. An attempt at phishing.
- B. An attempt at penetration testing
- C. An attempt to patch the server
- D. An attempt to launch malware

**Answer:** A

#### NEW QUESTION 174

- (Exam Topic 2)

According to Maslow's hierarchy of needs theory, which of the following best describes a strategy where a manager offers an assignment to a subordinate specifically to support his professional growth and future advancement?

- A. Esteem by colleagues
- B. Self-fulfillment
- C. Sense of belonging in the organization
- D. Job security

**Answer:** B

#### NEW QUESTION 175

- (Exam Topic 2)

Organization X owns a 38 percent equity stake in Organization Y. Which of the following statements is true regarding the financial treatment for this relationship?

- A. Y should be listed as an investment asset on X's balance sheet
- B. X must consolidate the financial statements for both organizations
- C. Y should be reported as a footnote to X's financial statements
- D. Y should not be reported by X as X does not have a controlling interest

**Answer:** A

#### NEW QUESTION 180

- (Exam Topic 2)

Which of the following responsibilities would normally fall under the help desk function of an organization?

- A. Maintenance service items such as production support
- B. Management of infrastructure services including network management
- C. Physical hosting of mainframes and distributed servers
- D. End-to-end security architecture design

**Answer:** B

#### NEW QUESTION 185

- (Exam Topic 2)

A manager has allowed a subordinate employee to have greater control and responsibility over the tasks that he performs. This is an example of which of the following?

- A. Job enlargement.
- B. Job enlargement.
- C. Horizontal loading of the job.
- D. Job rotation

**Answer:** A

#### NEW QUESTION 188

- (Exam Topic 2)

Which of the following situations best applies to an organization that uses a project rather than a process to accomplish its business activities?

- A. A clothing company designs, makes, and sells a new item.
- B. A commercial constructor company is hired to build a warehouse.
- C. A city department sets up a new firefighter training program.
- D. A manufacturing organization acquires component parts from a contracted vendor

**Answer:** B

**NEW QUESTION 192**

- (Exam Topic 2)

What is the most significant potential problem introduced by just-in-time inventory systems?

- A. They require significant computer resources.
- B. They are susceptible to supply-chain disruptions.
- C. They require complicated materials-supply contracts.
- D. They prevent manufacturers from scaling up or down to meet changing demands.

**Answer:** B

**NEW QUESTION 197**

- (Exam Topic 2)

An employee frequently uses a personal smart device to send and receive work-related emails. Which of the following controls would be most effective to mitigate security risks related to these transmissions?

- A. Hardware encryption.
- B. Software encryption
- C. Data encryption.
- D. Authentication.

**Answer:** C

**NEW QUESTION 198**

- (Exam Topic 2)

Which of the following application controls is the most dependent on the password owner?

- A. Password selection
- B. Password aging
- C. Password lockout
- D. Password rotation

**Answer:** A

**NEW QUESTION 202**

- (Exam Topic 2)

Which of the following application controls checks the integrity of data entered into a business application?

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

**Answer:** A

**NEW QUESTION 205**

- (Exam Topic 2)

Which of the following is improved by the use of smart devices?

- A. Version control
- B. Privacy
- C. Portability
- D. Secure authentication

**Answer:** C

**NEW QUESTION 208**

- (Exam Topic 2)

Which of the following financial instruments should be recorded at fair market value on the financial statements?

- A. Accounts receivable in the short term
- B. Bonds to be held to maturity.
- C. Notes receivable in the short term
- D. Bonds to be held for sale in the short term.

**Answer:** D

**NEW QUESTION 209**

- (Exam Topic 2)

An organization has started allowing employees to use their personal smart devices to accept vendor payments. What should the organization's bring-your-own-device (BYOD) policy include to specifically address security and privacy required by the Payment Card Data Security Standard (PCI DSS)?

- A. Approved devices

- B. Mobile applications
- C. Data storage.
- D. Backups and transfers

**Answer:** C

#### NEW QUESTION 212

- (Exam Topic 2)

Which of the following authentication controls combines what a user knows with the unique characteristics of the user respectively?

- A. Voice recognition and token.
- B. Password and fingerprint.
- C. Fingerprint and voice recognition
- D. Password and token

**Answer:** B

#### NEW QUESTION 214

- (Exam Topic 2)

Which of the following options correctly defines a transmission control protocol/Internet protocol (TCP/IP)?

- A. System software that acts as an interface between a user and a computer.
- B. A standardized set of guidelines that facilitates communication between computers on different networks.
- C. System software that translates hypertext markup language to allow users to view a remote webpage.
- D. A network of servers used to control a variety of mission-critical operations.

**Answer:** B

#### NEW QUESTION 218

- (Exam Topic 2)

Which of the following is the best example of a compliance risk that is likely to arise when adopting a bring-your-own-device (BYOD) policy?

- A. The risk that users try to bypass controls and do not install required software updates.
- B. The risk that smart devices can be lost or stolen due to their mobile nature.
- C. The risk that an organization intrusively monitors personal information stored on smart devices.
- D. The risk that proprietary information is not deleted from the device when an employee leaves.

**Answer:** C

#### NEW QUESTION 222

- (Exam Topic 2)

An internal auditor is assessing the risks related to an organization's mobile device policy. She notes that the organization allows third parties (vendors and visitors) to use outside smart devices to access its proprietary networks and systems. Which of the following types of smart device risks should the internal auditor be most concerned about?

- A. Compliance
- B. Privacy
- C. Strategic
- D. Physical security.

**Answer:** A

#### NEW QUESTION 224

- (Exam Topic 2)

Which of the following is a characteristic of using a hierarchical control structure?

- A. Less use of policies and procedures
- B. Less organizational commitment by employees
- C. Less emphasis on extrinsic rewards
- D. Less employees turnover

**Answer:** B

#### NEW QUESTION 227

- (Exam Topic 2)

Which of the following control features consists of a set of authorization codes that distinguishes among actions such as reading, adding, and deleting records?

- A. Internally encrypted passwords
- B. System access privileges.
- C. Logon passwords
- D. Protocol controls.

**Answer:** B

#### NEW QUESTION 231



- (Exam Topic 2)

Which of the following are the most common characteristics of big data?

- A. Visibility, validity, vulnerability
- B. Velocity, variety volume.
- C. Complexity completeness constancy
- D. Continuity, control convenience

**Answer: B**

#### NEW QUESTION 233

- (Exam Topic 2)

Which of the following statements is true regarding a bring-your-own-device (BYOD) environment?

- A. There is a greater need for organizations to rely on users to comply with policies and procedures.
- B. With fewer devices owned by the organization, there is reduced need to maintain documented policies and procedures.
- C. Incident response times are less critical in the BYOD environment
- D. compared to a traditional environment
- E. There is greater sharing of operational risk in a BYOD environment.

**Answer: A**

#### NEW QUESTION 234

- (Exam Topic 2)

A remote location contains a data center with hardware available to support critical production systems as required in the recovery plan IT personnel periodically test and update systems at the data center. This is an example of which of the following recovery solutions?

- A. Cold recovery plan
- B. Critical recovery plan
- C. Warm recovery plan
- D. Tested recovery plan

**Answer: C**

#### NEW QUESTION 237

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