

CFE-Financial-Transactions-and-Fraud-Schemes Dumps

Certified Fraud Examiner - Financial Transactions and Fraud Schemes Exam

<https://www.certleader.com/CFE-Financial-Transactions-and-Fraud-Schemes-dumps.html>



NEW QUESTION 1

Bank cut-off statements should be requested for 10-15 days after the closing date of the balance sheet.

- A. True
- B. False

Answer: A

NEW QUESTION 2

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 3

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 4

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

- A. True
- B. False

Answer: B

NEW QUESTION 5

The most common method for billing scheme is:

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

Answer: B

NEW QUESTION 6

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 7

The most basic skimming scheme occurs when:

- A. An employee sells goods or services to a customer, collects the customer??s payment, but makes no record of the sale.
- B. An employee buy goods or services from a customer, drop the customer??s payment, but makes no record of the purchase.
- C. An employee sells goods or services to a stakeholder, collects the stakeholder??s payment and makes record of the sale too.
- D. An employee buy goods or services from a stakeholder, drop the stakeholder??s payment and makes record of the purchase too.

Answer: A

NEW QUESTION 8

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 9

The most common method of detection in corruption cases is:

- A. Internal audits
- B. Internal controls
- C. Tips
- D. By accident

Answer: C

NEW QUESTION 10

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

- A. True
- B. False

Answer: B

NEW QUESTION 10

A tangible asset is one which is:

- A. capable of being perceived
- B. capable of being appraised
- C. Both A & B
- D. Neither A nor B

Answer: C

NEW QUESTION 13

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

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

Answer: C

NEW QUESTION 15

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 16

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 18

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 21

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

NEW QUESTION 22

Depreciation is especially applicable when companies try to overvalue their assets and net worth; the lower their depreciation expense, the higher the company's profits.

- A. True
- B. False

Answer: A

NEW QUESTION 27

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 31

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

- A. True
- B. False

Answer: B

NEW QUESTION 36

A special scheme in which employees know their employer is seeking to purchase a certain asset and take advantage of the situation by purchasing the asset themselves is:

- A. Conflict of interest in sale
- B. Turnaround sale or flip
- C. Unauthorized sale
- D. Written sale of unique assets

Answer: B

NEW QUESTION 41

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

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

Answer: A

NEW QUESTION 45

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 46

Bank statements are diligently reviewed to ensure that amounts and signatures 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 50

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

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

Answer: A

NEW QUESTION 54

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

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Civil lawsuit

NEW QUESTION 58

The forms that allow noncash assets to be moved from one location in a company to another can be used to facilitate the misappropriation of those assets are called:

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

Answer: C

NEW QUESTION 62

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 65

The scheme which reduces victim companies to issue fraudulent payments for goods or services that they have not received is called:

- A. Bogus claims
- B. Billing scheme
- C. Reliance billing
- D. Misappropriate claims

Answer: A

NEW QUESTION 69

The heart of book keeping system is the _____.

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

Answer: C

NEW QUESTION 71

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

- A. True
- B. False

Answer: B

NEW QUESTION 73

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

- A. A material false statement
- B. Knowledge that the statement was false when it was uttered

- C. Reliance on the fast statement by the victim
- D. All of the above

Answer: D

NEW QUESTION 78

Which of the following are not of Basic types of non-sharable problems?

- A. Violation of ascribed obligations
- B. Business reversals
- C. Physical Isolation
- D. Larceny by Fraud

Answer: D

NEW QUESTION 83

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 84

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

- A. True
- B. False

Answer: B

NEW QUESTION 89

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 90

A technique by which checks are numbered using a new technique that is revealed by a colored highlighter pen or by a bright light held behind the check is called:

- A. Microline numbering
- B. Holographic safety border
- C. Embossed pearlescent numbering
- D. None of the above

Answer: B

NEW QUESTION 95

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 97

Conflict of interest cases are more easily prevented than detected.

- A. True
- B. False

Answer: A

NEW QUESTION 99

According to accounting principles, _____ and _____ should be recorded or atched in the same accounting period; failing to do so violates the matching principle of AAP.

- A. Revenue and corresponding expenses
- B. Revenue and Income statement
- C. Income statement and Long-term contracts
- D. Capitalized expenses and Liabilities

Answer: A

NEW QUESTION 100

The _____ cost method of pricing would carry an asset's value on the financial statements as what it would currently cost, considering inflation.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Price-level adjusted historical cost

NEW QUESTION 103

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

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

Answer: D

NEW QUESTION 105

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

- A. Shell company
- B. Fraudulent invoices
- C. Collusion
- D. Rubber stamp supervisors

Answer: C

NEW QUESTION 110

Employees with the authority to grant discounts in order to skim revenues may use which authority?

- A. False discounts
- B. Recording a discount on sale procedure
- C. Internal discount sales audits
- D. None of the above

Answer: A

NEW QUESTION 115

_____ is a summary of the account balances carried in a ledger.

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

Answer: C

NEW QUESTION 119

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

NEW QUESTION 120

Revenue is recognized when it is:

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

Answer: A

NEW QUESTION 123

Which counts sometimes can give rise to inventory theft detection?

- A. Perpetual inventory counts
- B. Physical inventory counts
- C. Concealment inventory counts
- D. None of the above

Answer: B

NEW QUESTION 128

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 133

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 138

Skimming is:

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

Answer: A

NEW QUESTION 142

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

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

Answer: B

NEW QUESTION 146

_____ are the amounts which are owned to other entities:

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

Answer: D

NEW QUESTION 149

People commit financial statement fraud to:

- A. Conceal false business performances
- B. Preserve personal status/control
- C. Maintain personal income
- D. Stand outside the accounting system

Answer: B

NEW QUESTION 150

_____ 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 155

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 157

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

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

Answer: B

NEW QUESTION 158

The most common method for billing scheme is:

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

Answer: B

NEW QUESTION 163

The difference between assets and liabilities is called:

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

Answer: A

NEW QUESTION 168

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 173

.....

Thank You for Trying Our Product

* 100% Pass or Money Back

All our products come with a 90-day Money Back Guarantee.

* One year free update

You can enjoy free update one year. 24x7 online support.

* Trusted by Millions

We currently serve more than 30,000,000 customers.

* Shop Securely

All transactions are protected by VeriSign!

100% Pass Your CFE-Financial-Transactions-and-Fraud-Schemes Exam with Our Prep Materials Via below:

<https://www.certleader.com/CFE-Financial-Transactions-and-Fraud-Schemes-dumps.html>