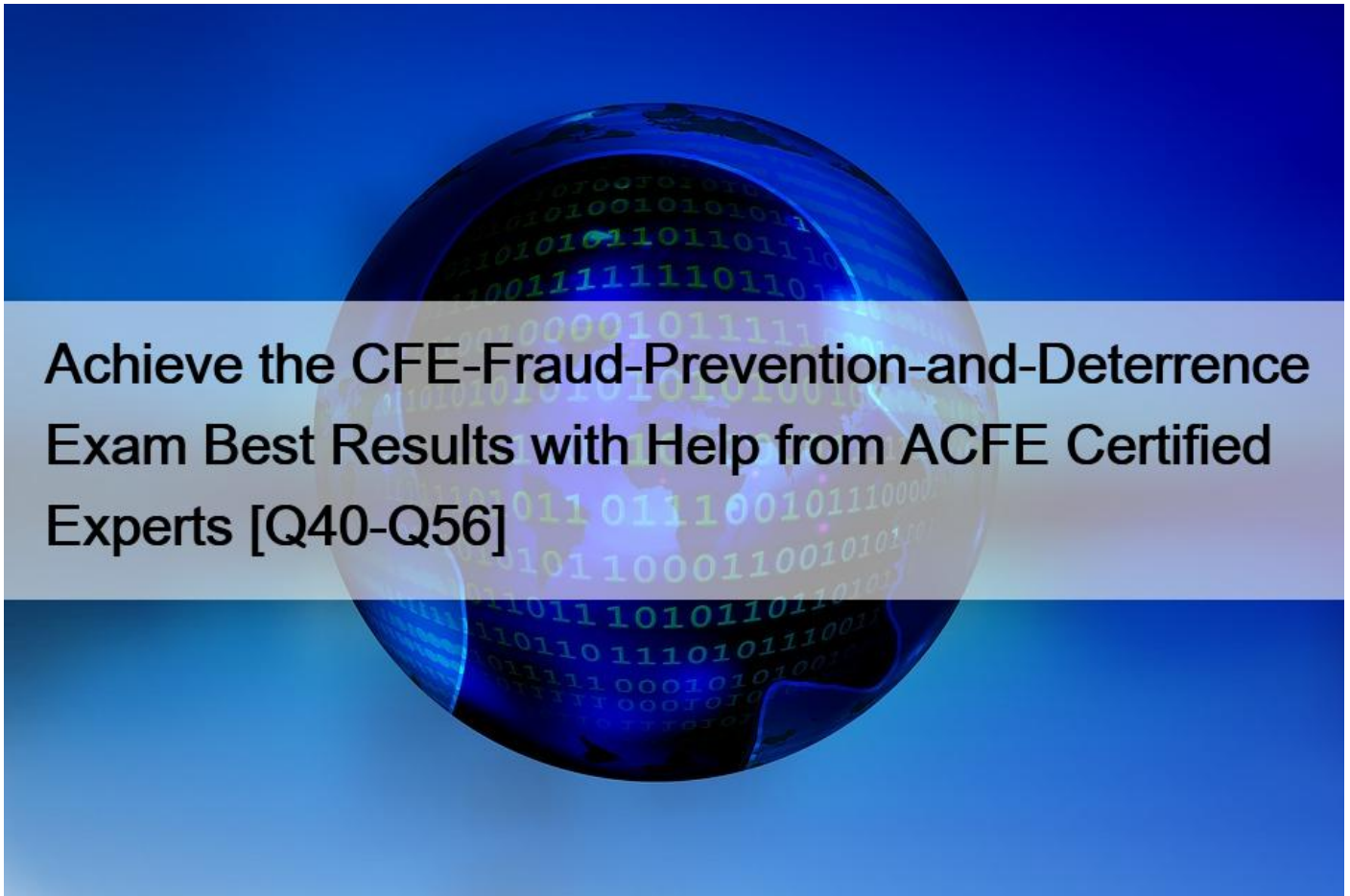


Achieve the CFE-Fraud-Prevention-and-Deterrence Exam Best Results with Help from ACFE Certified Experts [Q40-Q56]



Achieve the CFE-Fraud-Prevention-and-Deterrence Exam Best Results with Help from ACFE Certified Experts Provide CFE-Fraud-Prevention-and-Deterrence Practice Test Engine for Preparation NO.40 Who is ultimately responsible for responding appropriately to instances of fraud within an organization?

- * Internal auditors
- * The audit committee
- * General counsel
- * Management

NO.41 The objective of anti-fraud controls is to:

- * Completely eliminate residual fraud risk
- * Reduce the residual fraud risk to a level that is significantly smaller than the inherent fraud risk
- * Reduce the inherent fraud risk to a level that is significantly smaller than the residual fraud risk.
- * Completely eliminate inherent fraud risk

NO.42 During a fraud risk assessment, (he assessment (earn is seeking information on the ethical tone set by upper and middle managers The team members determine that, for this task, they would like to get candid one-on-one feedback from employees away from their peers. Which of the following techniques would be most helpful for them to use in gathering this information?

- * Surveys
- * Anonymous feedback mechanisms
- * Interviews
- * Focus groups

NO.43 According to Diane Vaughan, which of the following factors increases an organization's inherent inclination toward committing crime?

- * Rewards are given to employees who challenge the status quo
- * Management encourages employee loyalty through social functions
- * Management separates employee performance goals from company performance goals
- * All of the above

NO.44 ABC, Inc. is a publicly traded, multi-national corporation. Which of the following statements is TRUE regarding the corporate governance requirements that ABC is subject to?

- * ABC must comply with specific listing standards for the stock exchange(s) on which it is listed
- * ABC is required to comply with G20/OECD Principles of Corporate Governance
- * ABC is not required to comply with any corporate governance requirements because it operates in multiple jurisdictions
- * ABC is subject to the Universal Corporate Governance Act because it is a publicly traded corporation.

NO.45 In the area of criminological theory, deterrence is the theory that tries to prevent crime by using the threat of criminal sanctions.

- * True
- * False

NO.46 In the area of criminological theory, compliance is the theory that tries to prevent crime by providing economic incentives for voluntary conformity to the laws and using administrative efforts to control violations before they occur.

- * True
- * False

NO.47 The theory of differential association is used frequently to explain white-collar criminality. Which of the following is NOT one of the assertions or principles of differential association?

- * Criminal behavior is learned from other people in a process of communication
- * Criminal behavior is learned using the same mechanisms as other learning
- * Criminal behavior is acquired through participation with intimate personal groups
- * The process of learning criminal behavior is the same as pure imitation

NO.48 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) defines _____ as

_____ a process, effected by an entity's board of directors, management,

and other personnel designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

- * Fraud risk management
- * Corporate compliance
- * Internal control
- * Risk assessment

NO.49 Management at ABC Corp. is assessing the company's ethical tone and how it affects the organization's fraud risk. To most effectively reinforce an anti-fraud culture, management should:

- * Use a checklist of initiatives to make sure all the elements of a strong tone at the top are in place

- * Create an environment in which employees feel safe challenging management's decisions
- * implement two separate sets of ethics policies, one for management and one for employees
- * All of the above

NO.50 Which of the following statements is FALSE regarding an organization's fraud risk management program?

- * A Formal sanctions for intentional noncompliance should be well-publicized throughout the company
- * There should be measures in place to address failures in the design or operation of anti-fraud controls, as well as fraud occurrences
- * The program must include mechanisms to monitor and identify breaches in compliance
- * The responsibility of handling suspected incidences of noncompliance should be delegated to someone outside of the company

NO.51 Which of the following is FALSE regarding the process of defining the objective of the fraud risk management program?

- * Management should examine previous fraud occurrences to determine how the ideal fraud risk management program would have prevented them.
- * Management must balance the investment in anti-fraud controls with the benefit of those controls and the amount of risk it is willing to accept.
- * Management must assign a quantitative measure to its risk appetite so that it can accurately measure the fraud risk management program's effectiveness.
- * Management should tailor the detailed objectives of the fraud risk management program to the organization's specific needs and goals.

NO.52 According to the differential reinforcement theory, behavior is weakened when positive rewards are gained or punishment is avoided

- * True
- * False

NO.53 Which of the following is NOT included in G20/OECD Principles of Corporate Governance (the Principles)?

- * Guidance regarding appropriate board structures, responsibilities, and procedures
- * Support for establishing stronger protection for foreign shareholders than for domestic shareholders
- * A request that governments have in place an appropriate framework to support good corporate governance practices
- * Recognition of the importance of the role of stakeholders in corporate governance

NO.54 Which of the following is an example of organizational crime?

- * A salesman offering bribes to secure a contract
- * An accounting clerk forging company checks to herself
- * A doctor conspiring with patients to file false health care insurance claims
- * Management of several construction companies engaging in bid rigging

NO.55 Professional auditing standards suggest that auditors incorporate an element of predictability in the selection of auditing procedures to be performed so that they ensure the same areas are tested in the same manner during each audit.

- * True
- * False

NO.56 The existence of many specialized departments within a company generally decreases the overall risk of fraud within the organization

- * True
- * False

ACFE CFE-Fraud-Prevention-and-Deterrence Exam Syllabus Topics:

TopicDetailsTopic 1- Demonstrate knowledge of these concepts: basic accounting and auditing theoryTopic 2- Demonstrate knowledge of fraud schemes, internal controls to deter fraud and other auditing and accounting mattersTopic 3- Tests your knowledge of why people commit fraud and what can be done to prevent itTopic 4- Demonstrate the knowledge of the types of fraudulent financial transactions incurred in accounting recordsTopic 5- Crime causation, white-collar crime, occupational fraud, fraud prevention, fraud risk assessment, and the ACFE Code of Professional Ethics

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