

Accounting records are designed to be kept on subjective rather than objective evidence.

- A. True
- B. False

Answer: B
Section: Financial Transactions and Fraud Schemes

_____ 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
Section: Financial Transactions and Fraud Schemes

_____ increase assets and expenses and/or decrease liabilities and/or equity

- A. Journal Entries
- B. Debit
- C. Credit
- D. None of all

Answer: B
Section: Financial Transactions and Fraud Schemes

Which of the following method is NOT used to detect conflicts of interest?

- A. Tips & Complaints
- B. Review of vendor ownership files
- C. Underbillings of assets
- D. Interviews with purchasing personnel

Answer: C

Section: Fraud Prevention and Deterrence

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

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