


Pool Canvas

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Name Chapter 3--Fighting Fraud: An Overview

Description

Instructions

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[◀ Add Question Here](#)

Question 1 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Research has shown that _____ detect most frauds.

Answer

- Auditors
- Customers
- Vendors
- ✓ Employees

[◀ Add Question Here](#)

Question 2 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question All of the following are methods that organization can adopt to proactively eliminate fraud opportunities EXCEPT:

Answer

- Accurately identifying sources and measuring risks.
- Implementing appropriate preventative and detective controls.
- Creating widespread monitoring by employees.
- ✓ Eliminating protections for whistle blowers.

[◀ Add Question Here](#)

Question 3 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Audits, public record searches, and net worth calculations are used to gather what type of evidence in fraud investigation?

Answer

- Testimonial
- Forensic
- ✓ Documentary
- Observational

[◀ Add Question Here](#)

Question 4 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following is NOT a part of the evidence square?

Answer

- ✓ Management evidence
- Documentary evidence
- Testimonial evidence
- Physical evidence

[◀ Add Question Here](#)

Question 5 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question All of the following factors can be associated with high levels of fraud and detract from a positive work environment EXCEPT:

Answer

- top management that does not pay attention to behavior of employees.
- lack of recognition of job performance.
- unrealistically low pay.
- ✓ low turnover.

[◀ Add Question Here](#)

Question 6 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following approaches is most useful in creating a culture of honesty and integrity in the workplace?

Answer

- ✓ Hiring right kind of employees
- Security cameras
- Peer evaluations
- Ergonomics

[◀ Add Question Here](#)

Question 7 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following is a component of the evidence square?

Answer

- Rationalization
- Perceived pressure
- ✓ Personal observation
- Perceived opportunity

[◀ Add Question Here](#)

Question 8 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Civil suits are usually quite rare in cases of employee fraud because:

Answer

- there is usually not enough evidence to prosecute.
- employee fraud is a victimless crime.
- it is difficult for a jury to unanimously decide on a conviction.

✓ perpetrators have usually spent the money.

[Add Question Here](#)

Question 9 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following key activities related to fraud, is the most important and cost-effective way to reduce losses from fraud?

Answer

- Follow-up legal action
- Early fraud detection
- Fraud investigation
- ✓ Fraud prevention

[Add Question Here](#)

Question 10 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following element is one of the three basic elements of fraud motivation triangle?

Answer

- Concealment
- Theft
- ✓ Opportunity
- Conversion

[Add Question Here](#)

Question 11 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Communicating expectations about honesty and integrity throughout a company includes all of the following elements EXCEPT:

Answer

- identifying appropriate values and ethics.
- fraud awareness training.
- consistent punishment for violators.
- ✓ insisting that top management model appropriate behavior.

[Add Question Here](#)

Question 12 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question In an organization, individuals who suspect fraud usually don't come forward because they:

Answer

- are sure that perpetrator will get caught one day.
- do not want to accuse someone.
- ✓ fear being branded as a whistle-blower.
- will lose their dignity in the workplace.

[Add Question Here](#)

Question 13 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Studies show that legal action against fraudsters is typically taken:

Answer

- Less than 25 percent of the time.
- ✓ Less than 50 percent of the time.
- More than 75 percent of the time.
- At least 50 percent of the time.

[Add Question Here](#)

Question 14 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following is NOT one of the ways in which a fraud investigation must be conducted?

Answer

- Investigators should be experienced and objective professionals.
- Investigators should closely guard all hypotheses regarding guilt or innocence of individuals being investigated.
- ✓ Investigators should not keep management apprised of the investigations process.
- Investigators must be sure to follow appropriate investigative techniques.

[Add Question Here](#)

Question 15 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Stuart, a CFE, is investigating a possible management fraud. He found an email on an employee's computer to use as evidence in the case. Under which category of evidence would an email message fall?

Answer

- Testimonial evidence
- ✓ Documentary evidence
- Physical evidence
- Personal observation

[Add Question Here](#)

Question 16 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Organizations and individuals that have proactive fraud prevention measures usually find that their prevention efforts:

Answer

- helps in training employees about appropriate behavior.
- often prompt smaller frauds.
- ✓ pay big dividends.
- helps in severely punishing fraud perpetrators.

[Add Question Here](#)

Question 17 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question When perceived pressures and(or) opportunities are low, a person needs more _____ to commit fraud.

Answer

- support from people at workplace
- ✓ rationalization
- courage
- motivation

[◀ Add Question Here](#)Question 18 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question Recent research has shown that there is an ethical maturity model (EMM) that explains why people make unethical decisions, and there are four levels in it. Which of the following level is NOT one among them.

- Answer**
- Personal ethical understanding
 - Corporate code of ethics
 - Application of ethics
 - Ethical courage
 - Ethical leadership

[◀ Add Question Here](#)Question 19 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question Recent research has shown that there is an ethical maturity model (EMM) that explains why people make unethical decisions. Which of the following represents the foundation of ethics according to this model?

- Answer**
- Personal ethical understanding
 - Ethical courage
 - Ethical leadership
 - Application of ethics to business situations

[◀ Add Question Here](#)Question 20 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question A person may have very strong ethics in the way he or she treats family and friends, but not understand how failure to submit tax withholdings to the government affects peoples' lives or constitutes unethical or fraudulent behavior. This is an ethical issue encountered in which level of the ethical maturity model?

- Answer**
- Personal ethical understanding
 - Ethical courage
 - Ethical leadership
 - Application of ethics to business situations

[◀ Add Question Here](#)Question 21 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question Which level in the ethical maturity model can be summarized as "willingness to pay the price for ethics?"

- Answer**
- Ethical positioning
 - Ethical courage
 - Personal ethical understanding
 - Application of ethics to business situations

[◀ Add Question Here](#)Question 22 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question Which is the highest level in the ethical maturity model?

- Answer**
- Ethical leadership
 - Ethical courage
 - Personal ethical understanding
 - Application of ethics to business situations

[◀ Add Question Here](#)Question 23 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question Which of the following is the largest employee group in most organizations?

- Answer**
- Employees who display ethical leadership
 - Group of employees who will always be honest
 - Group of employees who will be dishonest anytime it benefits them
 - Swing group of employees who could be honest or dishonest

[◀ Add Question Here](#)Question 24 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question Which of the following is true of the "swing group" of employees in organizations?

- Answer**
- Individuals in this group have situational ethics.
 - Individuals in this group are dishonest at all times.
 - Individuals in this group do not know how to translate their ethical values to the business world.
 - Individuals in this group completely lack ethical courage.

[◀ Add Question Here](#)Question 25 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question Research on honesty shows that individuals fall into three groups:

- (1) those who will almost always be honest,
 - (2) those who are situationally honest, and
 - (3) those who will always be dishonest.
- Which of these groups is (are) the biggest?

- Answer**
- Group 1 (50%)
 - Group 2 (40%)
 - Group 3 (45%)
 - Groups 1 and 3 (35% each)

[◀ Add Question Here](#)Question 26 **Multiple Choice** **0 points**[Modify](#) [Remove](#)

Question Which legislation makes it compulsory for every public company to have a code of conduct to convey expectations about what is and is not appropriate for its directors and officers?

Answer

- Sherman Act
- Glass-Steagall Act
- ✓ Sarbanes Oxley Act
- Gramm-Leach-Bliley Act

◀ [Add Question Here](#)

Question 27 **Multiple Choice** **0 points**

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Question Which of the following statements is TRUE?

Answer

- External auditors are usually specifically trained to detect fraud.
- Audits of books and records rarely discover frauds.
- Less than 5 percent of all frauds are detected by auditors.
- ✓ The presence of auditors provides a major deterrent effect.

◀ [Add Question Here](#)

Question 28 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question In the ethical maturity model, instilling in others a desire to develop ethical awareness and courage is referred to as:

Answer

- Personal codes of ethics.
- Ethical motivation.
- ✓ Ethical leadership.
- Application of ethics to business situations.

◀ [Add Question Here](#)

Question 29 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question In the past, most frauds were detected:

Answer

- by surveillance and undercover operations.
- ✓ by accident.
- by providing ways for people to report suspicions of fraud.
- by examining transaction records and documents to determine if there are anomalies that could represent fraud.

◀ [Add Question Here](#)

Question 30 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question In recent years, organizations have implemented a number of initiatives to more proactively detect fraud. The first and most common proactive fraud detection approach has been to:

Answer

- ✓ install reporting hotlines.
- conduct undercover operations.
- introduce round-the-clock invigilation.
- collect physical evidence.

◀ [Add Question Here](#)

Question 31 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following is an example of a whistle-blowing system?

Answer

- Bulletin board service
- Supervisor intervention
- Removing middle management layer
- ✓ Fraud reporting hotline

◀ [Add Question Here](#)

Question 32 **Multiple Choice** **0 points**

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Question Which of the following is a prerequisite for a fraud investigation?

Answer

- ✓ Predication
- A specific allegation of fraud against another party
- Consistent bottom-line improvement
- Rationalization

◀ [Add Question Here](#)

Question 33 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Although there are multiple approaches to fraud investigation, most investigators tend to rely heavily on _____.

Answer

- invigilation
- surveillance
- ✓ interviews
- honesty tests

◀ [Add Question Here](#)

Question 34 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which type of evidence is gathered from individuals using investigative techniques such as interviewing, interrogation, and honesty tests?

Answer

- Documentary evidence
- ✓ Testimonial evidence
- Physical evidence
- Personal observation

◀ [Add Question Here](#)

Question 35 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Some of the most common investigative techniques for gathering this evidence include data mining, audits, computer searches, net worth calculations, and financial statement analysis.

Answer

- Documentary evidence
- Testimonial evidence
- Physical evidence
- Personal observation

[Add Question Here](#)

Question 36 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Investigative techniques under which approach include invigilation, surveillance, and covert operations?

Answer

- Documentary evidence
- Testimonial evidence
- Physical evidence
- Personal observation

[Add Question Here](#)

Question 37 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question All of the following are part of the fraud element triangle EXCEPT:

Answer

- Theft act
- Concealment
- Conversion
- Layering

[Add Question Here](#)

Question 38 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which investigative method would be used to catch a fraud perpetrator while he/she is actually receiving a kickback?

Answer

- Theft act
- Concealment
- Conversion
- Layering

[Add Question Here](#)

Question 39 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which investigative method involves searching for ways in which perpetrators have spent or used their stolen assets?

Answer

- Theft act
- Concealment
- Conversion
- Layering

[Add Question Here](#)

Question 40 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question The gathering of this type of evidence in a fraud investigation often involves forensic analysis by experts.

Answer

- Management evidence
- Testimonial evidence
- Physical evidence
- Personal observation

[Add Question Here](#)

Question 41 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question The most effective way to involve employees in the monitoring process is to provide a protocol for:

Answer

- communication.
- personality.
- leadership skills.
- behavior.

[Add Question Here](#)

Question 42 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question _____ refers to the circumstances, taken as a whole, that would lead a reasonable, prudent professional to believe a fraud has occurred, is occurring, or will incur.

Answer

- Suspension
- Probation
- Predication
- Retaliation

[Add Question Here](#)

Question 43 **Multiple Choice** **0 points**

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Question Which of the following statements is NOT true?

Answer

- It is much more difficult to get a criminal conviction than it is to get a judgment in a civil case.
- Only a preponderance of the evidence (more than 50 percent) is necessary to win a civil case.
- Criminal convictions are only successful if there is 100 percent proof that the perpetrator "intentionally" stole money or other assets.
- Civil actions are quite rare in cases of employee fraud because perpetrators have usually spent the money they stole.

[Add Question Here](#)

Question 44 **Multiple Choice** **0 points**

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Question Which one of the following was NOT discussed as a way to create a culture of honesty and integrity?

- Answer** ✓ Offer rewards for honest behavior
Communicate expectations throughout the organization
Hire the right kinds of employees
Create a positive work environment

[◀ Add Question Here](#)

[Modify](#) | [Remove](#)

Question 45 **Multiple Choice** **0 points**

Question Research in moral development strongly suggests that honesty can be best reinforced when:

- Answer** expectations of honesty are implied.
fraud perpetrators are given a second chance.
fraud perpetrators are severely punished.
✓ a proper example is set by management.

[◀ Add Question Here](#)

OK