

Practice Test Questions

Note: Sample only – Production version shows over 200 questions

7. Which of the following statements concerning controls and risks is most correct?

- 1. some controls may cost more than the dollar value of the benefit
- 2. risks will rise only as a result of an absence of controls
- 3. a written code of conduct reviewed and monitored with staff members
- 4. a cost-benefit analysis should specify that large potential and exposed areas that need to be controlled
- 5. all the controls that could be applied for an identified risk should be used in the respective control system

a.	answers 1. & 4.
b.	answers 3. & 5.
c.	answer 1. only
d.	answer 4. only
e.	answers 2. & 4.

96. The development and implementation of integrated control models have proven to be a great asset for process owners. Enterprise Risk Management (ERM) was developed after the initial COSO integrated control model. In the ERM model which control objective, better than the control objectives in the original COSO model or the new COSO 2013 model, will best address external risk?

a.	the strategic management dimension
b.	the soft issues as addressed in the control environment component, which is also addressed in the COSO model
c.	the combination of all components and control objectives
d.	all of the above

201. The COSO 2013 model, which is an expansion and enhancement to the original COSO model, was developed to address the contemporary changes in business, international involvement, and technology changes. In other words the world has change so did the need for controls. The COSO 2013 model incorporates 17 principles and a number points of focus to help ensure that all controls are addressed adequately and appropriately in a business process. Which of the following best describes a control activity in the COSO 2013 model?

a.	a physical check compares the date when payment was received to the current date of processing in the accounts receivable computer system and reports any discrepancies
b.	the organization establishes technology controls to inhibit unauthorized access to systems after employees leave the payroll
c.	checks that are received as payment for open accounts receivable may randomly be diverted to the mailroom
d.	pertinent information on payments may be incorrectly entered in the accounts receivable system