

100% Money Back
Guarantee

Vendor:IIA

Exam Code:IIA-CFSA

Exam Name:Certified Financial Services Auditor

Version:Demo

QUESTION 1

In option- type securities contracts the option's price is called:

- A. Mark up
- B. Premium
- C. Return value
- D. Both AandB

Correct Answer: B

QUESTION 2

Group insurance policies typically include a preexisting condition provision that excludes:

- A. Coverage for conditions that the individual received treatment for during specified period prior to the effective date of coverage
- B. Provisions to prevent individuals covered under more than one plan from receiving enefits greater than the expense incurred
- C. Provisions to prevent mutual fund covered under more than one plan from receiving enefits greater than the expense incurred
- D. Coverage for conditions that the individual received treatment for after specified period rior to the effective date of coverage

Correct Answer: A

QUESTION 3

Purchasers of universal life policies specify the policy's face amount and whether the death benefit will be level or vary as the policy's cash value changes. Under level death benefit policies the death benefit payable:

- A. Equals the policy's face amount
- B. More than the policy's face amount
- C. Less than the policy's face amount
- D. Is policy's face value plus any accumulated cash value

Correct Answer: A

QUESTION 4

Underwriting decisions are more influenced by what underwriters think they can sell to the public than _____.

- A. Quality of the company
- B. Judgment in picking the IPO
- C. Estimated profit/gains
- D. Both AandC

Correct Answer: A

QUESTION 5

Relief from administrative details and continuity are the major reasons for:

- A. Trust acceptance
- B. Trustee termination
- C. Naming a financial institution as a trustee
- D. Convenience and complete services of trusts

Correct Answer: C

QUESTION 6

Stockholders are generally allowed one vote per share held. As a result, individuals who hold large blocks of share are more likely to be board members. Which of the following are out of the basic rights of stockholders?

- A. Proxy rights
- B. Reorganization rights
- C. Exception rights
- D. Liquidation rights

Correct Answer: AD

QUESTION 7

The main purposes of the audit survey are to assist with following goals and tasks EXCEPT:

- A. Develop preliminary estimates of time and resource requirements
- B. Determine whether further auditing is necessary
- C. Documenting key control activities

D. Identify potential critical control points, control deficiencies or excessive controls

Correct Answer: C

QUESTION 8

Which of the following statements about the over-the-counter market is false?

- A. Mutual funds and other new issues are initially issued over the counter
- B. Security prices are determined through auction bidding
- C. Broker dealers must be resigned
- D. Securities are traded at many locations throughout the country

Correct Answer: B

QUESTION 9

Some objectives of an audit related to mutual funds might include determining that:

- A. Mutual fund checks are issued in accordance with firm policies and supported by valid trades
- B. Mutual fund purchases are confirmed on a timely basis
- C. Mutual fund switches are not authorized by the client
- D. All EXCEPT "C"

Correct Answer: D

QUESTION 10

A statement of cash flows in a financial report that shows incoming and outgoing money during a particular period (often monthly or quarterly). It does not include _____ items such as depreciation. The statement is a useful tool for determining the short-term viability of a company, particularly its ability to pay bills.

- A. Non-cash
- B. Depreciation related
- C. Depletion related
- D. Lon-term debt

Correct Answer: A

QUESTION 11

Watch lists of loans that are in danger of becoming delinquent generally contain information on such as:

- A. Customers name and account information
- B. Loan balance outstanding
- C. Available collateral and its estimated value
- D. All of these

Correct Answer: D

QUESTION 12

Issuance of licenses to insurance agents is one of the responsibilities of:

- A. European Central bank (ECB)
- B. National Association of Insurance Commissioners
- C. Insurance Commission
- D. Securities and Exchange Commission

Correct Answer: D