



Free Questions for CMAPRA17-BA4-1 by certsinside

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Question 1

Question Type: MultipleChoice

How might a company ensure that the roles and responsibilities of its board and management are made clear and publicly known?

Options:

- A- Ensure such details are included in the its annual report.
- B- Highlight this information during its AGM.
- C- Ensure it has an audit committee, remuneration committee and a nominations committee.
- D- Adhere to the principles outlined in the Sarbanes-Oxley Act.

Answer:

A

Question 2

Question Type: MultipleChoice

Jimmy wants to sell his scooter, so he puts an advert on the internet with a price of 50.

He quickly gets an offer for the full amount, but then decides that he doesn't want to sell his scooter after all!

The buyer complains and threatens to report jimmy to the police.

This doesn't worry Jimmy as he knows he is not legally obliged to sell his scooter. Why is this?

Options:

- A- Because the advertisement was an open offer.
- B- Because a seller can choose to withdraw their item whenever they want.
- C- Because jimmy only stated that he intended to sell the scooter.
- D- Actually, jimmy does have to sell the scooter.

Answer:

A

Question 3

Question Type: MultipleChoice

Timmy has just taken over as the managing director of a well-known manufacturing company.

He really wants to do a good job and ensure that the company maintains its positive reputation.

Bearing in mind the five key principles of corporate governance, which of the following should Timmy do to ensure he does a good job?

Select ALL that apply.

Options:

- A-** Ensure that the company's board are all experienced and knowledgeable about the company and the manufacturing industry.
- B-** Ensure that she duly holds AGMs so that any relevant issues can be discussed.
- C-** Ensure the company discloses both financial and non-financial information during its annual report.
- D-** Ensure the company discloses financial information only during its annual report.
- E-** Ensure that an AGM is held during each financial quarter so that any issues that have arisen during the last three months are brought to attention.
- F-** Ensure that the company's board is as small as possible - a big board makes the decision-making process far too complicated.

Answer:

A, B, C

Question 4

Question Type: MultipleChoice

Which of the following auditors would need to issue a disclaimer of opinion? Select ALL that apply.

Options:

- A-** Miguel - Unable to conduct a full audit due to the client's refusal to provide access to the company's financial records.
- B-** Abe - Has limited time to complete an audit, so performs a brief check of each department
- C-** India - Has noticed that the company she is auditing has adopted a new set of accounting rules unusually early.
- D-** Sean - Discovers during an audit that the company has overstated the value of its assets.

Answer:

A, B

Question 5

Question Type: MultipleChoice

Which of the following are situations involving conflicts of interest? Select ALL that apply.

Options:

- A-** Nina - Receives a large boxful of chocolate delivered to her house from the chocolate factory she is due to audit
- B-** Shannon - A department manager at an IT firm who regularly goes out drinking with her team members.
- C-** Ben - Regularly works two hours later than he should because his boss constantly gives him large amounts of work to do.
- D-** Tyrone - Works standard hours, though is usually unable to do any overtime due to family commitments.
- E-** Tina - A personal accountant who actively tries to build a rapport with her clients, though doesn't engage with them outside working hours.

Answer:

A, B, C

Question 6

Question Type: MultipleChoice

Sam is the director of a large company.

He has recently come under pressure from shareholders who are keen to see an increase in the company's share price.

If he is able to do this, what will the most likely benefit be?

Options:

- A- His position in the company will be strengthened.
- B- He will receive a large bonus.
- C- His contract at the company will be extended indefinitely.
- D- His working hours will be reduced.

Answer:

A

Question 7

Question Type: MultipleChoice

DeckIt is a skateboard manufacturer that is ethically run and has a good reputation.

However, it has just transpired that one of their suppliers - with whom they have a good relationship with due to their cheap prices - is involved in a serious fraud case.

What should DeckIt do?

Options:

- A- Immediately cut all ties with the company and look for a different supplier.
- B- Stick with the supplier as they won't be able to find cheaper prices elsewhere.
- C- Stick with the supplier but let the relevant regulatory bodies know that DeckIt had nothing to do with their illicit activity.
- D- Immediately cut all ties with the supplier and discontinue all products that are made using their materials.

Answer:

A

Question 8

Question Type: MultipleChoice

A company is considering having an external audit. It knows the benefits of doing so, though is unsure of the disadvantages.

Which of the following are reasons why the company might not want to have an external audit?

Select ALL that apply.

Options:

- A- It will take a long time.
- B- It will cost a lot of money.
- C- There is a risk of confidential information leaking.
- D- Reputation with stakeholders will decrease.
- E- Interests of shareholders and directors may become unaligned if they aren't already.
- F- Shareholders may become concerned about the state of the company.

Answer:

A, B, C

Question 9

Question Type: MultipleChoice

Badger has just been offered a job after completing a series of long interviews.

Which of the following would legally form the employment contract between him and his employer:

Options:

- A- A handshake
- B- A signed formal document
- C- A verbal declaration
- D- Any of the above

Answer:

D

Question 10

Question Type: MultipleChoice

Which of the following statements refer to the remuneration committee? Select ALL that apply.

Options:

- A-** Staffed exclusively by NEDs.
- B-** Makes decisions regarding the payment of directors.
- C-** Has a responsibility to attract, retain and motivate directors.
- D-** Makes decisions regarding the appointment of new directors.
- E-** Has a responsibility to monitor and review the effectiveness of the internal audit function.
- F-** Makes decisions regarding the appointment, re-appointment and removal of the external auditor.

Answer:

A, B, C

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