AFP CTP Practice Questions

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Question 1

Question Type: MultipleChoice

Banks offer image exchange as a means to accelerate deposits for their customers. If a customer seeks to take advantage of this service, what should the customer implement?

Options:

A- Check conversion
B- Re-presented check entry
C- Remote deposit
D- Time drafts

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Answer:

C

Question 2

Question Type: MultipleChoice

A company has a line of credit and a bond trustee agreement with a bank. To prevent a decline in the company's bond rating from having a negative impact on the company's line of credit, the bank should have which of the following in place?

Options:

A- Code of conduct
B- Confidentiality agreement
C- Notional barrier
D- Risk profile

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Answer:

C

Question 3

Question Type: MultipleChoice

CT Check Cashing routinely cashes payroll checks from JD Software. Someone presents a fraudulent check from JD Software to CT Check Cashing. The fraudulent item looks virtually identical to JD Software's regular payroll checks. CT Check Cashing pays the person cashing the check the amount for which it is issued. CT Check Cashing later discovers that the check was fraudulent and wants JD Software to reimburse them for the amount of the check. Which of the following statements is correct?

Options:

A- Fraudulent endorsement has occurred and JD Software will not be held liable for this item.
B- This item is payable through draft so JD Software will be liable to CT Check Cashing for the amount of the check.
C- JD Software has a controlled disbursement account so CT Check Cashing will not have recourse against JD Software for this item.
D- Positive pay is designed to reject the item, but JD Software may ultimately be held liable if CT Check Cashing is deemed to be a holder in due course.

Answer:

D

Question 4

Question Type: MultipleChoice

To arrive at today's projected closing cash position, a cash manager starts with:

Options:

A- the opening bank available balance.
B- yesterday's projected closing cash position.
C- the general ledger cash balance.
D- today's expected settlements.

Answer:

A

Question 5

Question Type: MultipleChoice

Which of the following are reasons for companies to use controlled disbursement?

I . To obtain timely check presentment information

II . To enhance supplier relationships

III . To increase their available cash

IV . To improve their overall creditworthiness

Options:

A- I and III only
B- II and IV only
C- I, III, and IV only
D- I, II, III, and IV

Answer:

A

Question 6

Question Type: MultipleChoice

Simplifying upgrades and system restoration, access from multiple remote locations, and interfacing with multiple applications are all reasons to:

Options:

A- replace workstations annually.
B- use the internet.
C- use 128-bit encryption.
D- outsource IT.

Answer:

B

Question 7

Question Type: MultipleChoice

A construction company just received a notification from its bank advising it of an altered dollar amount on a check. This notification is MOST LIKELY the result of:

Options:

A- the use of positive pay.
B- the use of controlled disbursement.
C- automated reconciliation services.
D- reverse positive pay.

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Answer:

A

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