Download AFP CTP Exam Dumps Free

Shared by Mclaughlin on 17-06-2026

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

A company has six fraudulent checks clear its primary disbursement account for a total of $7,652. The bank agrees to split the loss with the company to maintain a good relationship. As a condition of sharing the expense, the bank requires the company to establish positive pay on its disbursement accounts or have the company absorb the losses on future fraudulent payments.

If the company determines that positive pay is too expensive and decides NOT to implement it, what type of risk financing technique is the company using?

Options:

A- Crime insurance

B- Self-insurance

C- Risk avoidance

D- Risk transfer

Answer:

B

Question 2

Question Type: MultipleChoice

Which option best is a KEY operational advantage of short-term debt?

Options:

A- It can be arranged quickly and easily.

B- It improves the current ratio for debt covenant and compliance purposes.

C- It reduces the risk of interest rate fluctuation and lowers interest expense.

D- It improves the overall liquidity position and reduces risk.

Answer:

A

Question 3

Question Type: MultipleChoice

XYZ Company is considering selling treasury stock but is concerned about the amount of capital it will raise given the current high volatility of the stock market. What is the BEST strategy a firm can employ to reduce its uncertainty?

Options:

A- Hire an investment banker to underwrite the stock on a full underwriting basis.
B- Hire an investment banker to issue the stock using a master registration statement.
C- Hire an investment banker to underwrite the stock with no flotation costs.
D- Hire an investment banker to underwrite the stock on a best efforts basis.

Answer:

A

Question 4

Question Type: MultipleChoice

A multinational corporation (MNC) moving all of its Mexican peso-denominated revenues into a lower tax-rate jurisdiction could adopt any of the following treasury practices EXCEPT:

Options:

A- a shared service center.
B- an in-house bank.
C- licensing fees to subsidiaries.
D- a notional pooling program.

Answer:

D

Question 5

Question Type: MultipleChoice

Which option best is an example of using cash forecasting for liquidity management?

Options:

A- Establishing an accounts receivable collection schedule

B- Scheduling investment maturities

C- Assessing the degree of foreign currency exposure

D- Determining a company's target capital structure

Answer:

B

Question 6

Question Type: MultipleChoice

Which of the following is NOT a method multinational companies (MNC) use to repatriate capital?

Options:

A- Internal factoring

B- Dividends

C- Transfer pricing

D- Management fees

Answer:

A

Question 7

Question Type: MultipleChoice

A major toy retailer operates 65 retail stores throughout the Midwest. Which of the following credit terms is MOST LIKELY to be offered to this company by its suppliers?

Options:

A- Floor planning
B- Seasonal dating
C- Factoring
D- Letter of credit

Answer:

B

Explanation:

Topic 7, Volume F

Question 8

Question Type: MultipleChoice

An employee is considering two investment strategies for his 401(k) plan:

Strategy #1: Invest all contributions in a money market fund that has returned 5% annually

Strategy #2: Invest all contributions in a stock fund that has returned 9% on average, although annual returns have varied between (2%) and 12%

Assuming that the employee makes a one-time investment of $12,000 and that both strategies continue to perform as they have historically, how much more or less could the stock fund be worth after one year compared to the money market fund?

Options:

A- Between ($480) and $480
B- Between ($840) and $840
C- Between ($1,080) and $1,080
D- Between ($1,680) and $1,680

Answer:

B

Question 9

Question Type: MultipleChoice

Which of the following would be considered insurance risk management services?

Options:

A- Information-system consultants who upgrade loss controls

B- External auditors who are hired to review financial statements

C- IT professionals who ensure the treasury workstation properly converts FX

D- Risk group that recommends the CFO approve SOX 404 compliance

Answer:

A


20%
DISCOUNT