GFOA CPFO Practice Questions

Shared by Lawrence on 05-11-2026

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

A successfully integrated technology solution for a CFO ties an organization's activities together and:

Options:

A- requires highly customized application software.
B- optimizes a specific function or activity.
C- makes consistent information available agency-wide.
D- eliminates waste, fraud and abuse.

Answer:

C

Question 2

Question Type: MultipleChoice

An independent auditor has prepared the chart below describing the status of the audit findings requested for an agency over the past four years.

	2008	2009	2010	2011
Beginning Open Recommendations/Finding	47	67	94	108
Newly Issued Findings	20	28	15	13
Closed Findings	0	1	1	0

Based upon these audit findings which of the following conclusions could be drawn on the agency's internal control framework?

Options:

A- The agency is addressing audit findings appropriately.
B- Findings in year 2009 reflect policy improvement.
C- There is ineffective management of the agency.
D- The agency internal control staffing is adequate.

Answer:

C

Question 3

Question Type: MultipleChoice

The Federal Credit Reform Act of 1990 requires that the cost of loan defaults and interest subsidies be estimated and recorded:

Options:

A- on a FIFO basis as loans are made.
B- when a defaulted loan is made good by the agency.
C- on a present value basis when the loans are made or guarantees are issued.
D- on a cash basis when the loan is paid.

Answer:

C

Question 4

Question Type: MultipleChoice

Governments and Non-profits can invest 100% of their available funds by using:

Options:

A- A bank's Zero balance account (ZBA)
B- Mutual Funds Agencies
C- OTC market investments
D- All of these

Answer:

A

Question 5

Question Type: MultipleChoice

RFP (Request for proposals) includes:

Options:

A- A description of past account activity
B- The services required
C- The date of pre-proposal conference to answer questions about the RFP
D- All of these

Answer:

D

Question 6

Question Type: MultipleChoice

Banks offer following short-term, loans, EXCEPT:

Options:

A- A line of credit against which a specified dollar amount may be drawn with interest paid, usually monthly
B- Bond anticipation notes (BANs) in anticipation of future long-term financing
C- Tax anticipation notes (TANs) or revenue anticipation of taxes or other revenue that will be received
D- None of these

Answer:

D

Question 7

Question Type: MultipleChoice

Credit services, Trustee and related services and investment management services are the Secondary services provided by banks.

Options:

A- True
B- False
C- It depends
D- Both A and C

Answer:

A

Question 8

Question Type: MultipleChoice

A government agency's mission statement should include:

Options:

A- services and accomplishments.
B- organizational structure and hierarchy.
C- major functions and goals.
D- performance measures and reports.

Answer:

C

Question 9

Question Type: MultipleChoice

GAAP do not specify how much fund balance to set aside, but the_____ recommends that local governments maintain a reserve of (1) 5% to 15% of general fund reserves or (2) at least 1-2 months general fund operating expenditures.

Options:

A- GFUA (Government Finance officers Association)
B- State bank
C- Federal reserves Board
D- All of there

Answer:

A

P2P exams

P2P exams

To Get Premium Files for CPFO Visit

https://www.p2pexams.com/products/cpfo

For More Free Questions Visit

https://www.p2pexams.com/gfoa/pdf/cpfo

