Question 1

An organization selected a differentiation strategy to compete at the business level. Which of the following structures best fits this strategic choice?

Options:

A- Functional structure.

B- Divisional structure.

C- Mechanistic structure.

D- Functional structure with cross-functional teams.

Answer:

B

Question 2

An employee was promoted within the organization and relocated to a new office in a different building. A few months later, security personnel discovered that the employee's smart card was being used to access the building where she previously worked. Which of the following security controls could prevent such an incident from occurring?

Options:

A- Regular review of logs.

B- Two-level authentication.

C- Photos on smart cards.

D- Restriction of access hours.

Answer:

C

Question 3

Question Type: MultipleChoice

Which of the following would be classified as IT general controls?

Options:

A- Error listings.

B- Distribution controls.

C- Transaction logging.

D- Systems development controls.

Answer:

C

Question 4

Question Type: **MultipleChoice**

When executive compensation is based on the organization's financial results, which of the following situations is most likely to arise?

Options:

A- The organization reports inappropriate estimates and accruals due to poof accounting controls.

B- The organization uses an unreliable process forgathering and reporting executive compensation data.

C- The organization experiences increasing discontent of employees, if executives are eligible for compensation amounts that are deemed unreasonable.

D- The organization encourages employee behavior that is inconsistent with the interests of relevant stakeholders.

Answer:

D

Question 5

Question Type: MultipleChoice

Which of the following can be viewed as a potential benefit of an enterprisewide resource planning system?

Options:

A- Real-time processing of transactions and elimination of data redundancies.

B- Fewer data processing errors and more efficient data exchange with trading partners.

C- Exploitation of opportunities and mitigation of risks associated with e-business.

D- Integration of business processes into multiple operating environments and databases.

Answer:

A

Question 6

Question Type: **MultipleChoice**

Which of the following types of budgets will best provide the basis for evaluating the organization's performance?

Options:

A- Cash budget.

B- Budgeted balance sheet.

C- Selling and administrative expense budget.

D- Budgeted income statement.

Answer:

D

Question 7

The chief audit executive (CAE) has been asked to evaluate the chief technology officer's proposal to outsource several key functions in the organization's IT department. Which of the following would be the most appropriate action for the CAE to determine whether the proposal aligns with the organization's strategy?

Options:

A- Understand strategic context and evaluate whether supporting information is reliable and complete.

B- Ascertain whether governance and approval processes are transparent, documented, and completed.

C- Perform a due diligence review or asses management's review of provider operations.

D- Identify key performance measures and data sources.

Answer:

C

Question 8

Which of the following backup methodologies would be most efficient in backing up a database in the production environment?

Options:

A- Disk mirroring of the data being stored on the database.

B- A differential backup that is performed on a weekly basis.

C- An array of independent disks used to back up the database.

D- An incremental backup of the database on a daily basis.

Answer:

D

Question 9

While conducting an audit of the accounts payable department, an internal auditor found that 3% of payments made during the period under review did not agree with the submitted invoices. Which of the following key performance indicators (KPIs) for the department would best assist the auditor in determining the significance of the test results?

Options:

A- A KPI that defines the process owner's tolerance for performance deviations.

B- A KPI that defines the importance of performance levels and disbursement statistics being measured.

C- A KPI that defines timeliness with regard to reporting disbursement data errors to authorized personnel.

D- A KPI that defines operating ratio objectives of the disbursement process.

Answer:

A