SOFE SOFA-CFE Mock Exam

Shared by Logan on 17-06-2026

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Question 1

Question Type: MultipleChoice

A unique form of compensation that is not based on hours worked or a set yearly salary, but rather on an employee's revenue output.

Options:

A- Commission
B- Profit
C- Assignment
D- Authority

Answer:

A

Question 2

Question Type: MultipleChoice

The premium which is earned over the contract period in relation to the expiration of risk is known as:

Options:

A- monthly premium
B- annual premium
C- single premium
D- Earned premiums are calculated by simply taking the sum of the premiums written for the period plus the unearned premium reserve (liability) at the beginning of the period more than the earned premium reserve at the end of the period.

Answer:

C

Question 3

Question Type: MultipleChoice

What is the quantitative expression of the cost of the resources required to attain the objectives of the plan, as well as an indication of where in the organization and in what forms resources are expected to be used and expensed?

Options:

A- expense budget
B- controllable expense
C- budgeting contract
D- short-term contract

Answer:

A

Question 4

Question Type: MultipleChoice

The main victim of what is not the employer but the insurance carrier for the employee?

Options:

A- Employee's fraud cash filter
B- Worker's compensation scheme
C- Employees' recognized codes of conduct
D- Worker's profit scheme

Answer:

B

Question 5

Question Type: MultipleChoice

A ceding company may purchase what in order to provide economic and surplus protection from a certain catastrophic exposure in lieu of a reinsurance agreement?

Options:

A- Industry Loss Warranty Contract

B- Proportional sharing contract

C- Treaty standing agreement

D- Excess of Loss contract

Answer:

A

Question 6

Question Type: MultipleChoice

Which form of Securities Act of 1933 is used to register shares offered in connection with business combinations, transactions and exchange offers?

Options:

A- Form S-1

B- Form S-3

C- Form S-4

D- Form S-8

Answer:

C

Question 7

Question Type: MultipleChoice

Which of the following is NOT the scheme of fixed assets that are subject to manipulation?

Options:

A- Related party transactions
B- Booking fictitious assets
C- Misrepresentation asset valuation
D- Improperly capitalizing inventory and start-up costs

Answer:

A

Question 8

Question Type: MultipleChoice

What is probably the most difficult schedule within the Annual Statement blank with which to get comfortable, given the breadth and depth of information it contains?

Options:

A- Schedule D
B- Schedule F
C- Schedule K
D- Schedule P

Answer:

D

Question 9

Question Type: MultipleChoice

Which of the following is the method for the employee to obtain the needed authorization?

Options:

A- Forgoing a supervisor's signature
B- Collusion with a supervisor
C- Rubber-stamp supervisor

D- Defined Limits method

Answer:

D