1. According to the case history in the article, “Fraud in umbrella contracts”:
   A. Ken, a procurement officer for Quoteron Inc., blew the whistle on another procurement officer for conflict of interest.
   B. Ken secretly owned Donlane, which sold software and office supplies to his employers.
   C. Ken knew nothing about umbrella contracts gone bad.
   D. Ken convinced Quoteron to bypass normal procurement procedures and enter into a monopoly agreement with Donlane.

2. According to the case history in the article, “Fraud in umbrella contracts”:
   A. The case began when an auditor marched into the CFO’s office and described his suspicions about Ken.
   B. Quoteron started purchasing software from Donlane 12 years before Ken started working in the procurement office.
   C. Even though Donlane wasn’t the cheapest supplier, Quoteron awarded it a 24-month umbrella contract.
   D. Individual transactions were frequent, but of low value, so the procurement supervisor was receptive to Ken’s suggestion to establish an umbrella contract for domestic hardware supplies.

3. According to the article, “Income smoothing’ becomes fraud”:
   A. Solzarity Inc. was a large conglomerate that provided insurance services.
   B. Solzarity’s financial statements painted a dubious future.
   C. The shareholders never questioned Solzarity’s financial information.
   D. Some of the financial ratios — such as the current ratio, working capital and working capital turnover — suggested lower liquidity issues.

4. According to the article, “Income smoothing’ becomes fraud”:
   A. An accrual is any amount that isn’t a cash transaction, such as accounts receivable and accounts payable.
   B. Allowances and reserves aren’t considered accruals.
   C. Analysts generally use three methods to measure impact of accruals: Michow-Demslov Accruals, Croan’s Accruals and Jefferson Discretionary Accruals.
   D. Income smoothing always constitutes fraud.

5. According to the article, “C-suite fraud options,” Michael C. Woodford said:
   A. “My entire situation pivoted on whether I was going to report the fraud to the board or the police.”
   B. “After the board terminated me, I left the building quickly and began looking over my shoulder.”
   C. “Because I was CEO of a large multinational corporation, it was much more likely that people would eventually hear me out.”
   D. “I just want to warn other companies of the dangers of C-suite executives who are enveloped in rationalization.”

6. According to the article, “C-suite fraud options,” Dan Barta, CFE, CPA, said:
   A. “Fear of being fired or of other reprisals is the main reason employees don’t report executives’ unethical behavior.”
   B. “Employee tips are invaluable, but they’re not always accurate.”
   C. “Advanced analytics is so important in going further into the numbers.”
   D. “When you drill down, you see that the essence of the fraud takes place in the C-suite.”

7. According to the article, “Prepare for the unknown”:
   A. At its core, the fraud examination profession can be very dangerous.
   B. You need to know when to stop investigative questioning for your own safety because you’re at the mercy of the country and its people.
   C. During interviews, CFEs must always prepare for the worst and keep a security guard by the interview room door.
   D. Always fly with another CFE when you travel internationally.

8. According to the article, “Prepare for the unknown,” if organizations don’t properly and professionally deal with employees they’re investigating (or terminating), a simple information-gathering interview or termination session for misconduct could turn violent.
   A. True.
   B. False.

9. According to the article, “The successful fraud fighter”:
   A. The key to success is DOG: Determination, Organization and Gratitude.
   B. Support your colleagues, and they will support you.
   C. No matter where you are in your career, conduct your fraud examinations and investigations objectively, thoroughly and completely.
   D. Success is determined by how many times you get up after you fall.

10. According to the article, “The successful fraud fighter,” confirmation bias occurs when people assign more value to information that goes along with their beliefs or hypotheses.
    A. True.
    B. False.