

- 1) The purpose of check digit verification of an account number on an update transaction is to
- A. Verify that the account number corresponds to an existing account in the master file.
 - B. Detect a transposition of an account number entered into the system.
 - C. Ensure that supporting documentation exists for the update transaction.
 - D. Require the account number to have the correct logical relationship with other fields.

- 2) The two broad groupings of information systems control activities are general controls and application controls. General controls include controls
- A. Relating to the correction and resubmission of faulty data.
 - B. For developing, modifying, and maintaining computer programs.
 - C. Designed to ensure that only authorized users receive output from processing.
 - D. Designed to ensure that all data submitted for processing have been properly authorized.

- 3) In an internal audit for a retail chain, you encounter a scenario where multiple staff members can access the inventory system unsupervised. What immediate control would you recommend to mitigate the risk of unauthorized alterations?
- A. Daily backup of inventory data.
 - B. Increase staff training on data handling.
 - C. Conduct regular inventory audits.
 - D. Restrict access through role-based permissions.

- 4) If a control total were to be computed on each of the following data items, which would best be identified as a hash total for a payroll computer application?
- A. Hours worked.
 - B. Total debits and total credits.
 - C. Net pay.
 - D. Department numbers.

- 5) When assessing application controls, which one of the following input controls or edit checks is most likely to be used to detect a data input error in the customer account number field?
- A. Limit check.
 - B. Validity check.
 - C. Control total.
 - D. Hash total.

- 6) A catalog company has been experiencing an increasing incidence of problems in which the wrong products have been shipped to the customer. Most of the customer orders come in over the telephone, and an operator enters the data into the order system immediately. Which of the following control procedures, if properly implemented, would address the problem?
1. Have the computer automatically assign a sequential order number to each customer order.
 2. Implement a self-checking digit algorithm for each product number and request entries by product number.
 3. Request entries by product number, have the computer program identify the product and price, and require the operator to orally verify the product description with the customer.
- A. 2 only.
 - B. 1, 2, and 3.
 - C. 2 and 3 only.
 - D. 1 and 2 only.

- 7) A small activity under review recently put its cash disbursements system on a server. About which of the following internal control features would an auditor most likely be concerned?
- A. Programming of the applications are in Visual Basic rather than Java.
 - B. The server is operated by employees who have cash custody responsibilities.
 - C. Only one employee has the password to gain access to the cash disbursement system.
 - D. There are restrictions on the amount of data that can be stored and on the length of time that data can be stored.

- 8) The purpose of input controls is to ensure the
- A. Authorization of access to data files.
 - B. Authorization of access to program files.
 - C. Completeness, accuracy, and validity of updating.
 - D. Completeness, accuracy, and validity of input.

- 9) A mail-order retailer of low-cost novelty items is receiving an increasing number of complaints from customers about the wrong merchandise being shipped. The order code for items has the format *wxxyyzz*. The major category is *ww*, *xx* is the minor category, *yy* identifies the item, and *zz* identifies the catalog. In many cases, the wrong merchandise was sent because adjacent characters in the order code had been transposed. The best control for decreasing the number of orders with the wrong merchandise is to
- A. Require customers to specify the name for each item they order.
 - B. Add check-digits to the order codes and verify them for each order.
 - C. Separate the parts of the order code with hyphens to make the characters easier to read.
 - D. Use a master file reference for all order codes to verify the existence of items.

- 10) Which of the following computerized control procedures would be most effective in ensuring that data uploaded from desktop computers to a server are complete and that no additional data are added?
- A. Self-checking digits to ensure that only authorized part numbers are added to the database.
 - B. Batch control totals, including control totals and hash totals.
 - C. Passwords that effectively limit access to only those authorized to upload the data to the mainframe computer.
 - D. Field-level edit controls that test each field for alphanumeric integrity.

- 11) Omen Company is a manufacturer of men's shirts. It distributes weekly sales reports to each sales manager. The quantity 2R5 appeared in the quantity sold column for one of the items on the weekly sales report for one of the sales managers. The most likely explanation for what has occurred is that the
- A. Output quantity has been stated in hexadecimal numbers.
 - B. Computer has malfunctioned during execution.
 - C. Printer has malfunctioned and the "R" should have been a decimal point.
 - D. Program did not contain a data checking routine for input data.

- 12) The online data entry control called preformatting is
- A. A program initiated prior to regular input to discover errors in data before entry so that the errors can be corrected.
 - B. A check to determine if all data items for a transaction have been entered by the person entering the data.
 - C. A series of requests for required input data that requires an acceptable response to each request before a subsequent request is made.
 - D. The display of a document with blanks for data items to be entered by the person entering the data.

- 13) Which one of the following input controls or edit checks would catch certain types of errors within the payment amount field of a transaction?
- A. Record count.
 - B. Echo check.
 - C. Check digit.
 - D. Limit check.

- 14) Which of the following should the auditor recommend as the most economical point at which to correct input errors in an online system?
- A. Input data are balanced with computer-produced control totals.
 - B. Entry of data into each field of a record is completed.
 - C. Output data are balanced with computer-produced control totals and delivered to the user.
 - D. Entry of data into each record is completed.

- 15) The most common computer-related problem confronting organizations is
- A. Hardware malfunction.
 - B. Input errors and omissions.
 - C. Disruption to computer processing caused by natural disasters.
 - D. Fraud.

Fact Pattern: Batchelder Company has the following invoices in a batch:

Invoice Number	Product	Quantity	Unit Price
201	F10	150	\$ 5.00
202	G15	200	10.00
203	H20	250	25.00
204	K35	300	30.00

16) Which of the following would Batchelder most likely use as a hash total?

- A. FGHK80
- B. 4
- C. 204
- D. 810

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17) Which of the following would Batchelder most likely use as a record count?

- A. 1
- B. 4
- C. 810
- D. 900

18) In an order-entry system in which manually-prepared source documents are entered online for immediate processing, which of the following is an example of an appropriate input-output control?

- A. Password authorization procedure.
- B. Check-digit validation procedure.
- C. Hash total verification.
- D. Backup and recovery procedures.

- 19) A customer intended to order 100 units of product Z96014, but incorrectly ordered nonexistent product Z96015. Which of the following controls most likely would detect this error?
- A. Check digit verification.
 - B. Record count.
 - C. Hash total.
 - D. Redundant data check.

- 20) A validation check used to determine if a quantity ordered field contains only numbers is an example of a(n)
- A. Input control.
 - B. Audit trail control.
 - C. Processing control.
 - D. Data security control.

- 21) An accounts payable program posted a payable to a vendor not included in the online vendor master file. A control that would prevent this error is a
- A. Validity check.
 - B. Range check.
 - C. Reasonableness test.
 - D. Parity check.

- 22) An employee in the receiving department keyed in a shipment to the accounts payable system and inadvertently omitted the purchase order number. The best systems control to detect this error is
- A. Completeness test.
 - B. Sequence check.
 - C. Reasonableness test.
 - D. Compatibility test.

- 23) To avoid invalid data input, a bank added an extra number at the end of each account number and subjected the new number to an algorithm. This technique is known as
- A. Sequence check.
 - B. A check digit.
 - C. Cross-footing.
 - D. Field check.

- 24) What technique could be used to prevent the input of alphabetic characters into an all-numeric identification number?
- A. A sequence check.
 - B. A check digit.
 - C. A record count.
 - D. A format check.

- 25) Which of the following actions would best address a concern that data uploaded from a desktop computer may be erroneous?
- A. The mainframe computer should be backed up on a regular basis.
 - B. Two persons should be present at the desktop computer when it is uploading data.
 - C. The mainframe computer should subject the data to the same edits and validation routines that online data entry would require.
 - D. Users should be required to review a random sample of processed data.

- 26) Unauthorized alteration of online records can be prevented by employing
- A. Key verification.
 - B. Computer sequence checks.
 - C. Computer matching.
 - D. Database access controls.

- 27) Which of the following controls is a processing control designed to ensure the reliability and accuracy of data processing?

	<u>Limit Test</u>	<u>Validity Check Test</u>
A.	Yes	Yes
B.	No	No
C.	No	Yes
D.	Yes	No

- 28) An employee mistakenly enters April 31 in the date field. Which of the following programmed edit checks offers the best solution for detecting this error?
- A. Online prompting.
 - B. Mathematical accuracy.
 - C. Preformatted screen.
 - D. Reasonableness.

- 29) Which of the following is considered an application input control?
- A. Run control total.
 - B. Field check.
 - C. Report distribution log.
 - D. Exception report.

- 30) Which of the following types of control plans is particular to a specific process or subsystem, rather than related to the timing of its occurrence?
- A. Preventive.
 - B. Corrective.
 - C. Application.
 - D. Detective.