Vendor:IIA

Exam Code:IIA-CIA-PART3

Exam Name: Certified Internal Auditor - Part 3 study guide with online review

Version: Demo

QUESTION 1

For a multinational firm, which of the following is a disadvantage of an ethnocentric staffing policy in which all key management positions are filled by parent-company nationals?

A. An ethnocentric staffing policy significantly raises compensation, training, and staffing costs.

B. An ethnocentric staffing policy produces resentment among the firm\\'s employees in host countries.

C. An ethnocentric staffing policy limits career mobility for parent-country nationals.

D. An ethnocentric staffing policy isolates headquarters from foreign subsidiaries.

Correct Answer: B

An ethnocentric staffing policy has the advantage that expatriates may understand the objectives, policies, and procedures of the parent firm better than local employees do. However, ethnocentrism in hiring has the following disadvantages, among others:(1) Expatriate managers have difficulty in adapting to a new culture, language, and physical environment;

(2)

 training and relocation costs may be high;

(3)

 host-country governments prefer local control; (4) the morale and performance of host-country employees will suffer.

QUESTION 2

Which of the following does not describe perception?

A. Selectivity.

B. Organization.

C. Objective.

D. Interpretation.

Correct Answer: C

Perception is the process through which someone gives meaning to the surrounding environment. Perception consists of three subprocesses:selectivity, organization, and interpretation. Objectives focus upon the purpose of communication rather than the receipt and interpretation perception).

QUESTION 3

Where complex problems need to be addressed, which of the following communication networks would be most appropriate?

A. Chain.

B. All-channel.

C. Circle.

D. Wheel.

Correct Answer: B

QUESTION 4

When using data analytics during a review of the procurement process, what is the first step in the analysis process?

A. Identify data anomalies and outliers.

B. Define questions to be answered.

C. Identify data sources available.

D. Determine the scope of the data extract.

Correct Answer: D

QUESTION 5

An organization had three large centralized divisions: one that received customer orders for service work; one that scheduled the service work at customer locations; and one that answered customer calls about service problems. These three divisions were restructured into seven regional groups, each of which performed all three functions. One advantage of this restructuring would be:

A. Better internal controls.

B. Greater economies of scale.

C. Improved work flow.

D. Increasedspecialization.

Correct Answer: C

QUESTION 6

Which of the following is a benefit of decentralization?

A. The head of the company is aware of and can influence all decisions before they are made.

B. The company is operated as one unit.

C. Specialists for a particular product have no authority but advise the company\\'s top management.

D. Decisions are made on a more timely basis.

Correct Answer: D

Decentralization is the extent to which decision-making power is delegated within an entity. When approval from upper-level management is not required, lower-level managers can make more timely decisions because they are closer to the necessary sources of information.

QUESTION 7

Which of the following is a likely result of outsourcing?

A. Increased dependence on suppliers.

B. Increased importance of market strategy.

C. Decreased sensitivity to government regulation.

D. Decreased focus on costs.

Correct Answer: D

QUESTION 8

The biggest advantage of oral communication overwritten communication is that oral communication

A. Tends to be more accurate.

B. Promotes feedback.

C. Is less time-consuming.

D. Does not provide a permanent record.

Correct Answer: B

Oral communication promotes immediate feedback so that the sender knows that the message has been clearly received by the receiver.

QUESTION 9

An organization suffered significant damage to its local file and application servers as a result of a hurricane. Fortunately, the organization was able to recover all information backed up by its overseas third-party contractor.

Which of the following approaches has been used by the organization?

A. Application management.

B. Data center management.

C. Managed security services.

D. Systems integration.

Correct Answer: B

QUESTION 10

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

A. Cash budget.

B. Budgeted balance sheet.

C. Selling and administrative expense budget.

D. Budgeted income statement.

Correct Answer: B

QUESTION 11

Which of the following security controls would provide the most efficient and effective authentication for customers to access their online shopping account?

A. 12-digit password feature.

B. Security question feature.

C. Voice recognition feature.

D. Two-level sign-on feature.

Correct Answer: A

QUESTION 12

Which of the following devices best controls both physical and logical access to information systems?

A. Plenum.

B. Biometric lock.

C. Identification card.

D. Electromechanical lock.

Correct Answer: B