

IIA-CIA-PART3-3P^{Q&As}

CIA Exam Part Three: Business Knowledge for Internal Auditing

**Pass IIA IIA-CIA-PART3-3P Exam with 100%
Guarantee**

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.leads4pass.com/iia-cia-part3-3p.html>

100% Passing Guarantee
100% Money Back Assurance

Following Questions and Answers are all new published by IIA Official
Exam Center

-  **Instant Download** After Purchase
-  **100% Money Back** Guarantee
-  **365 Days** Free Update
-  **800,000+** Satisfied Customers



QUESTION 1

Which of the following describes the free trade zone in an e-commerce environment?

- A. Zone that separates an organization's servers from outside forces.
- B. Area in which messages are scrutinized to determine if they are authorized.
- C. Area where communication and transactions occur between trusted parties.
- D. Zone where data is encrypted, users are authenticated, and user traffic is filtered.

Correct Answer: C

QUESTION 2

An internal auditor performed a review of IT outsourcing and found that the service provider was failing to meet the terms of the service level agreement. Which of the following approaches is most appropriate to address this concern?

- A. The organization should review the skill requirements and ensure that the service provider is maintaining sufficient expertise and retaining skilled resources.
- B. The organization should proactively monitor the performance of the service provider, escalate concerns, and use penalty clauses in the contract where necessary.
- C. The organization should ensure that there is a clear management communication strategy and path for evaluating and reporting on all outsourced services concerns.
- D. The organization should work with the service provider to review the current agreement and expectations relating to objectives, processes, and overall performance.

Correct Answer: B

QUESTION 3

Which of the following factors is considered a disadvantage of vertical integration?

- A. It may reduce the flexibility to change partners.
- B. It may not reduce the bargaining power of suppliers.
- C. It may limit the organization's ability to differentiate the product.
- D. It may lead to limited control of proprietary knowledge.

Correct Answer: A

QUESTION 4

Which of the following price adjustment strategies encourages prompt payment?

- A. Cash discounts.
- B. Quantity discounts.
- C. Functional discounts.
- D. Seasonal discounts.

Correct Answer: A

QUESTION 5

Which of the following activities most significantly increases the risk that a bank will make poor-quality loans to its customers?

- A. Borrowers may not sign all required mortgage loan documentation.
- B. Fees paid by the borrower at the time of the loan may not be deposited in a timely manner.
- C. The bank's loan documentation may not meet the government's disclosure requirements.
- D. Loan officers may override the lending criteria established by senior management.

Correct Answer: D

QUESTION 6

The decision to implement enhanced failure detection and back-up systems to improve data integrity is an example of which risk response?

- A. Risk acceptance.
- B. Risk sharing.
- C. Risk avoidance.
- D. Risk reduction.

Correct Answer: D

QUESTION 7

In the years after the mid-service point of a depreciable asset which of the following depreciation methods will result in the highest depreciation expense?

- A. Sum of the years' digits
- B. Declining balance

C. Double-declining balance

D. Straight line

Correct Answer: A

QUESTION 8

According to the International Professional Practices Framework, which of the following statements is true regarding a corporate social responsibility (CSR) program?

- 1) Every employee generally has a responsibility for ensuring the success of CSR objectives.
- 2) The board has overall responsibility for the effectiveness of internal control processes associated with CSR.
- 3) Public reporting on the CSR governance process is expected.
- 4) Organizations generally have flexibility regarding what is included in a CSR program.

A. 1, 2, and 3 only

B. 1, 2, and 4 only

C. 1, 3, and 4 only

D. 2, 3, and 4 only

Correct Answer: B

QUESTION 9

When an organization is choosing a new external auditor, which of the following is the most appropriate role for the chief audit executive to undertake?

- A. Review and acquire the external audit service.
- B. Assess the appraisal and actuarial services.
- C. Determine the selection criteria.
- D. Identify regulatory requirements to be considered.

Correct Answer: D

QUESTION 10

Which of the following would be a risk in the development of end-user computing (EUC) applications, compared to traditional information systems?

- A. Management might place the same degree of reliance in reports produced by EUC applications as it does in reports produced under traditional systems development procedures.
- B. The organization may incur higher application development and maintenance costs for EUC systems.
- C. Since development time is typically longer for EUC applications, management may not be able to respond quickly to competitive pressures
- D. Management may not be able to make quick and accurate decisions due to a diminished capacity to respond to managerial requests for computerized information

Correct Answer: A

QUESTION 11

An organization uses a database management system (DBMS) as a repository for data. The DBMS, in turn, supports a number of end-user developed applications which were created using fourth-generation programming languages. Some of the applications update the database. Which of the following is the most important control related to the integrity of the data in the database?

- A. End users have their read-only applications approved by the information systems department before accessing the database.
- B. Concurrency update controls are in place.
- C. End-user applications are developed on personal computers before being implemented on the mainframe.
- D. A hierarchical database model is adopted so that multiple users can be served at the same time.

Correct Answer: B

QUESTION 12

Which of the following budgets serves as a basis for the budgeted income statement?

- A. All financial budgets
- B. All operating budgets
- C. Only the cash budget and budgeted balance sheet
- D. Only the sales and production budgets

Correct Answer: B

QUESTION 13

Which of the following data security policies is most likely to be the result of a data privacy law?

- A. Access to personally identifiable information is limited to those who need it to perform their job.

- B. Confidential data must be backed up and recoverable within a 24-hour period.
- C. Updates to systems containing sensitive data must be approved before being moved to production.
- D. A record of employees with access to insider information must be maintained and those employees may not trade company stock during blackout periods

Correct Answer: A

QUESTION 14

Which of the following is a primary driver behind the creation and prioritization of new strategic initiatives established by an organization?

- A. Risk tolerance
- B. Performance.
- C. Threats and opportunities.
- D. Governance

Correct Answer: C

QUESTION 15

The critical path for any project is the path that exhibits which of the following characteristics?

- A. Has the longest duration in time.
- B. Costs the most money.
- C. Requires the largest amount of labor
- D. Is deemed most important to the project.

Correct Answer: A

[IIA-CIA-PART3-3P PDF Dumps](#)

[IIA-CIA-PART3-3P VCE Dumps](#)

[IIA-CIA-PART3-3P Exam Questions](#)