

CBA Compliance Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. How does the Dodd-Frank Act impact compliance in financial institutions?**
 - A. It mandates the elimination of all financial regulations**
 - B. It introduces fines for individual employees only**
 - C. It requires increased reporting and accountability for financial institutions**
 - D. It restricts the amount of loans banks can issue**

- 2. What is CBA's approach to addressing community bank-specific compliance challenges?**
 - A. Creating a one-size-fits-all solution**
 - B. Providing tailored resources, training, and advocacy for community banks**
 - C. Conducting inspections and fines**
 - D. Limiting access to financial information**

- 3. For reserve lines, how many minimum scheduled days off per year are required?**
 - A. 8 days**
 - B. 10 days**
 - C. 11 days**
 - D. 12 days**

- 4. What should a financial institution do if it suspects a customer is engaged in suspicious activity?**
 - A. Ignore the activity**
 - B. Immediately terminate the customer's account**
 - C. File a suspicious activity report (SAR)**
 - D. Consult legal counsel only**

- 5. Why are audits important in a compliance framework?**
 - A. They provide a basis for budget decisions**
 - B. They help identify areas for improvement in compliance processes**
 - C. They ensure higher customer satisfaction**
 - D. They promote sales strategies**

- 6. In the Out-Of-Base (OOB) reassignment, what must be prioritized?**
- A. Return before their last day of the original assignment**
 - B. Return after the original assignment**
 - C. Stay for additional duties**
 - D. Skip the return**
- 7. Which type of flight hours are guaranteed a greater payment: scheduled hours or actual hours flown?**
- A. Scheduled hours only**
 - B. Actual hours only**
 - C. Greater of scheduled and actual**
 - D. No guarantee for either**
- 8. What is the duration of the protest period?**
- A. 12 hours**
 - B. 24 hours**
 - C. 48 hours**
 - D. 36 hours**
- 9. What percentage of PCH is given as Taxi Pay?**
- A. 40%**
 - B. 50%**
 - C. 60%**
 - D. 70%**
- 10. What role does the Federal Reserve play in banking compliance?**
- A. It directly manages individual bank accounts**
 - B. It offers loans to community banks**
 - C. It regulates and supervises the banking industry, including compliance with laws**
 - D. It sets interest rates for borrowers**

Answers

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1. C
2. B
3. B
4. C
5. B
6. A
7. C
8. B
9. B
10. C

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Explanations

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1. How does the Dodd-Frank Act impact compliance in financial institutions?

- A. It mandates the elimination of all financial regulations
- B. It introduces fines for individual employees only
- C. It requires increased reporting and accountability for financial institutions**
- D. It restricts the amount of loans banks can issue

The Dodd-Frank Act, enacted in response to the 2008 financial crisis, significantly enhances compliance requirements for financial institutions by mandating increased reporting and accountability. This legislation was designed to address the systemic risks that were exposed during the crisis, promoting transparency and consumer protection within the financial sector. Under Dodd-Frank, financial institutions are required to provide more detailed disclosures regarding their operations, risk management practices, and financial health. This includes enhanced reporting requirements to regulators and, in many cases, the public. The act also established mechanisms for greater scrutiny of financial products and practices to ensure that institutions are held accountable for their activities, aiming to prevent behaviors that could lead to another financial crisis. By fostering greater oversight and accountability, the Dodd-Frank Act ultimately aims to protect consumers and strengthen the overall stability of the financial system. This focus on compliance places an imperative on financial institutions to adapt their practices, leading to a more robust regulatory environment.

2. What is CBA's approach to addressing community bank-specific compliance challenges?

- A. Creating a one-size-fits-all solution
- B. Providing tailored resources, training, and advocacy for community banks**
- C. Conducting inspections and fines
- D. Limiting access to financial information

CBA's approach to addressing community bank-specific compliance challenges involves providing tailored resources, training, and advocacy for community banks. This method recognizes that community banks often face unique compliance pressures that can differ significantly from those of larger financial institutions. By offering customized support, CBA empowers community banks to navigate the complexities of compliance effectively. The provision of tailored resources means that CBA understands the specific needs and challenges that community banks encounter, allowing them to develop relevant training programs and advocacy initiatives that are applicable to those institutions. This supportive approach helps community banks strengthen their compliance programs, enhance operational efficiency, and ultimately better serve their customers while maintaining a strong regulatory posture. In contrast, a one-size-fits-all solution could overlook the nuanced differences in compliance challenges among various types of banks, leading to inadequate or ineffective support for community banks. Additionally, the strategies of conducting inspections and fines, or limiting access to financial information, do not foster improvement or capacity-building for these institutions, making them less effective for long-term compliance solution.

3. For reserve lines, how many minimum scheduled days off per year are required?

- A. 8 days
- B. 10 days**
- C. 11 days
- D. 12 days

The requirement for a minimum number of scheduled days off per year is often designed to ensure that employees have adequate time to rest and recuperate from work responsibilities, promoting overall well-being and job satisfaction. In this case, the correct choice of 10 days aligns with common labor standards and practices within various industries, including those governed by compliance regulations. Having a foundational baseline of 10 days off reflects an approach that balances organizational needs and employee rights, acknowledging the importance of time away from work for personal matters, illness, or general relaxation. This standard recognizes that regular breaks contribute positively to productivity when employees return to their responsibilities, decreasing burnout risk and enhancing job performance. While options like 8, 11, and 12 days may seem reasonable, they do not meet the established minimum requirement, which is specifically set at 10 days to foster a minimum level of employee rest and recovery needed in most professional settings.

4. What should a financial institution do if it suspects a customer is engaged in suspicious activity?

- A. Ignore the activity
- B. Immediately terminate the customer's account
- C. File a suspicious activity report (SAR)**
- D. Consult legal counsel only

When a financial institution suspects that a customer is engaged in suspicious activity, the appropriate response is to file a suspicious activity report (SAR). This action is essential for complying with regulatory requirements established under laws such as the Bank Secrecy Act (BSA). Filing a SAR allows the institution to report potentially illegal activities to the relevant authorities, such as the Financial Crimes Enforcement Network (FinCEN), enabling them to investigate further. Addressing suspicious activity is crucial for maintaining the integrity of the financial system, detecting and preventing financial crimes, such as money laundering and fraud. By producing a SAR, the institution contributes to broader law enforcement efforts to address and combat financial crimes, which ultimately protects not only the institution itself but also its customers and the financial system at large. Other options would not fulfill the regulatory obligations or could result in negative consequences for the institution. For instance, ignoring the activity overlooks potential criminal behavior, while terminating an account without proper procedure might violate legal rights and regulations. Consulting legal counsel can be part of the proper response, but it should not be the sole action taken, as failing to file a SAR could leave the institution vulnerable to compliance violations.

5. Why are audits important in a compliance framework?

- A. They provide a basis for budget decisions
- B. They help identify areas for improvement in compliance processes**
- C. They ensure higher customer satisfaction
- D. They promote sales strategies

Audits play a crucial role in a compliance framework primarily because they help identify areas for improvement in compliance processes. Conducting audits allows organizations to systematically evaluate their adherence to compliance regulations and standards. Through this evaluation, auditors can pinpoint deficiencies, gaps, or weaknesses in existing processes and practices. Identifying these areas is essential not only for ensuring compliance with legal and regulatory requirements but also for enhancing the overall effectiveness and efficiency of compliance efforts. By recognizing where improvements can be made, organizations can develop targeted action plans to address any issues, implement corrective measures, and strengthen their compliance frameworks. This ongoing process of assessment and adjustment fosters a culture of continuous improvement, which is vital in maintaining compliance and mitigating risks associated with non-compliance. The other options focus on aspects that, while important in their contexts, do not directly illustrate the primary function of audits within a compliance framework. For instance, budget decisions, customer satisfaction, and sales strategies are influenced by various factors and are not the primary objectives of conducting compliance audits. Rather, the essence of an audit lies in its capacity to enhance compliance processes through rigorous evaluation and identification of improvement opportunities.

6. In the Out-Of-Base (OOB) reassignment, what must be prioritized?

- A. Return before their last day of the original assignment**
- B. Return after the original assignment
- C. Stay for additional duties
- D. Skip the return

In Out-Of-Base (OOB) reassignment, prioritizing a return before the last day of the original assignment is crucial because it ensures a smooth transition and continuity in operations. Returning before the last day allows the individual to complete any unfinished business, provide handover information, and ensure that all responsibilities associated with the original assignment are concluded properly. This approach minimizes disruptions and maintains organizational effectiveness, as the individual can address any lingering issues or assist in transitioning their duties to a successor. The emphasis on early return also reflects a respect for the timeline of the assignment, ensuring that the organization and the individual are aligned in their expectations and commitments. This fosters an environment where reassignments are handled efficiently, with clear communication and logistical planning.

7. Which type of flight hours are guaranteed a greater payment: scheduled hours or actual hours flown?

- A. Scheduled hours only**
- B. Actual hours only**
- C. Greater of scheduled and actual**
- D. No guarantee for either**

The correct answer indicates that flight hours are compensated based on the greater of scheduled hours or actual hours flown. This approach is designed to ensure that pilots receive fair compensation for their time. If a pilot is scheduled to fly for a certain number of hours but ends up flying more (or less), they are guaranteed payment for whichever amount is higher. This method of compensation is beneficial for pilots because it protects them from fluctuations in their schedule that might otherwise affect their earnings. For example, if a pilot is scheduled for five hours of flying but actual flying time turns out to be seven hours, they receive payment for the seven hours. Conversely, if they are scheduled for seven hours but only fly for five, they will still be compensated for the seven hours. This practice promotes reliability and fairness in the aviation workforce. While some might think other options under consideration might work for different circumstances, they do not provide the same level of consistent compensation assurance. Therefore, understanding this payment structure is crucial for compliance and ensuring that pilots are treated equitably in terms of their earnings related to their scheduled and actual flight times.

8. What is the duration of the protest period?

- A. 12 hours**
- B. 24 hours**
- C. 48 hours**
- D. 36 hours**

The duration of the protest period, set at 24 hours, is standardized to provide a timely yet adequate timeframe for parties involved to raise objections or challenges concerning certain compliance issues. This period allows stakeholders to review decisions thoroughly and gather the necessary information to formulate their protests. A 24-hour window strikes a balance between efficiency and the opportunity for meaningful participation, ensuring that concerns can be addressed without unduly delaying processes or operations. This timeframe is commonly applied in various regulatory contexts to maintain orderly conduct and promote fair practices.

9. What percentage of PCH is given as Taxi Pay?

- A. 40%
- B. 50%**
- C. 60%
- D. 70%

The correct answer indicates that 50% of PCH (Performance Compensation Hours) is allocated as Taxi Pay. This percentage represents a significant portion of the overall compensation structure designed for individuals who fulfill certain roles or responsibilities, likely aimed at promoting efficient transportation cost coverage for employees who utilize taxi services as part of their job function. Understanding the rationale behind this allocation helps illustrate how companies can incentivize and support their staff, ensuring they have access to necessary transportation while maintaining budgetary considerations. It also reflects a balance between providing adequate financial support and keeping costs within limits for the organization. Other percentages may imply different levels of compensation for taxi services, but the 50% figure aligns with standard practices in compensation strategies where companies aim to cover half of the transportation costs incurred by employees in specific scenarios.

10. What role does the Federal Reserve play in banking compliance?

- A. It directly manages individual bank accounts
- B. It offers loans to community banks
- C. It regulates and supervises the banking industry, including compliance with laws**
- D. It sets interest rates for borrowers

The Federal Reserve plays a crucial role in regulating and supervising the banking industry, ensuring that financial institutions comply with applicable laws and regulations. This oversight helps maintain the stability and integrity of the financial system, which includes monitoring a wide range of compliance issues such as anti-money laundering, consumer protection laws, and safety and soundness standards. By establishing guidelines and conducting examinations, the Federal Reserve ensures that banks operate in a manner that is safe and sound while also enforcing regulations intended to protect consumers and the economy. While it does offer loans to community banks and sets interest rates, these functions are secondary to its primary role in oversight and compliance. The management of individual bank accounts is not a responsibility of the Federal Reserve; instead, it focuses on the larger regulatory framework and systemic aspects of the banking sector. Hence, the correct answer emphasizes the Federal Reserve's integral function in maintaining compliance across the banking industry.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://cbacompliance.examzify.com>

We wish you the very best on your exam journey. You've got this!

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