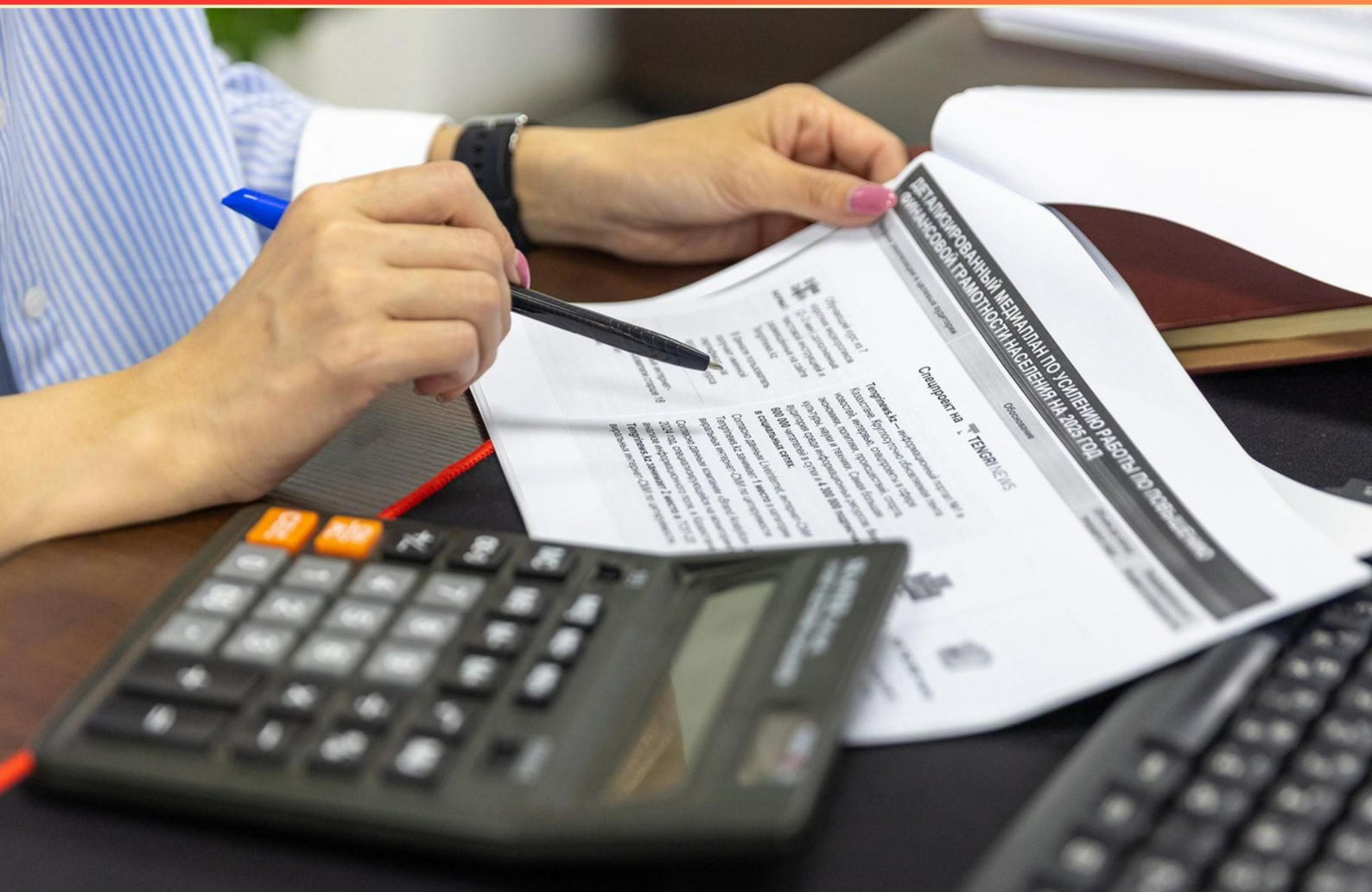


CERTIFIED FRAUD EXAMINER PRACTICE (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://certifiedfraudexaminer.examzify.com>



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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. Which of the following is NOT a type of check tampering scheme?**
 - A. Forged endorsements
 - B. Altered payees
 - C. Fictitious payees
 - D. Authorized maker
- 2. What type of scam involves billing for low-quality or unnecessary products?**
 - A. Sarbanes-Oxley scheme
 - B. Robo-calling fraud
 - C. Scooter scam
 - D. Wire transfer fraud
- 3. What does the PCAOB AS 2200 primarily address?**
 - A. Requirements for auditors assessing financial statements
 - B. Requirements for auditors who audit management assessments of internal controls
 - C. Guidelines for ethical behavior in auditing
 - D. Regulations on financial reporting for public companies
- 4. What process is used to distinguish between truths and lies by observing behavior first?**
 - A. Evaluation
 - B. Calibration/Norming
 - C. Behavioral analysis
 - D. Truth verification
- 5. What distinguishes direct methods from indirect methods in financial examinations?**
 - A. Direct methods rely on interviews; indirect on documentation
 - B. Direct methods use circumstantial evidence; indirect relies on records
 - C. Direct methods involve books and records; indirect relies on circumstantial evidence
 - D. Direct methods are less reliable than indirect methods

- 6. What is the lowest level of reference for making moral decisions?**
- A. Ethics
 - B. Community standards
 - C. The law
 - D. Personal values
- 7. What is the focus of the duty of loyalty for fiduciaries?**
- A. To act in their own financial interests
 - B. To act in the interests of third parties
 - C. To prioritize their client's interests above others
 - D. To manage all affairs in secret
- 8. In the context of white-collar crime, does a higher status increase the probability of imprisonment?**
- A. True
 - B. False
 - C. Only for executives
 - D. Depends on the crime
- 9. What is a key characteristic of skimming compared to cash larceny?**
- A. Skimming involves direct theft from a location
 - B. Skimming typically requires collusion with employees
 - C. Skimming occurs without ever accessing the cash register
 - D. Skimming is less detectable than cash larceny
- 10. What is a futures contract?**
- A. An agreement to buy or sell at a predetermined price in the future
 - B. A financial statement
 - C. A joint business venture
 - D. A type of insurance policy

Answers

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

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Explanations

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1. Which of the following is NOT a type of check tampering scheme?

- A. Forged endorsements
- B. Altered payees
- C. Fictitious payees**
- D. Authorized maker

The classification of check tampering schemes typically involves methods where checks are manipulated for fraudulent purposes. Forged endorsements involve the unauthorized signing of a check, allowing the fraudster to cash or deposit it. Altered payees occur when the name on the payee line of a check is changed to divert funds to someone other than the intended recipient. Fictitious payees are created by fabricating a payee who does not exist, which allows the fraudster to cash the check as if it were legitimate. In contrast, an authorized maker refers to someone who has legal authority to write or endorse a check. This does not constitute a tampering scheme because it involves legitimate actions taken by someone who has the right to make those endorsements or write those checks. Since check tampering requires manipulation or deceit, involving unauthorized actions or fake entities, the role of an authorized maker stands distinct from the other fraudulent activities listed.

2. What type of scam involves billing for low-quality or unnecessary products?

- A. Sarbanes-Oxley scheme
- B. Robo-calling fraud
- C. Scooter scam**
- D. Wire transfer fraud

The scooter scam refers to a type of fraud where individuals or companies charge for low-quality or unnecessary products, often under the guise of offering something beneficial or desirable. In this scenario, scammers may sell scooters that are either subpar in quality or not needed at all, misleading consumers into making purchases that ultimately provide little to no value. The focus of the scooter scam is on taking advantage of consumer trust and exploiting the desire for mobility solutions, which can often lead to consumers paying higher prices for items not worth the investment. Understanding this scam highlights the importance of recognizing fraudulent marketing tactics and the necessity of consumer vigilance in assessing product quality and necessity. Other types of scams mentioned, such as Sarbanes-Oxley schemes, robo-calling fraud, and wire transfer fraud, involve different fraudulent activities that do not specifically center on the sale of low-quality or unnecessary products. Hence, the scooter scam is appropriately identified as aligned with the described characteristics of billing for products that do not meet the consumers' actual needs or expectations.

3. What does the PCAOB AS 2200 primarily address?

- A. Requirements for auditors assessing financial statements
- B. Requirements for auditors who audit management assessments of internal controls**
- C. Guidelines for ethical behavior in auditing
- D. Regulations on financial reporting for public companies

The PCAOB AS 2200 primarily addresses requirements for auditors who audit management assessments of internal controls. This standard is significant because it outlines the necessary procedures auditors must follow when evaluating how effectively management has designed and implemented controls over financial reporting. In this context, the standard emphasizes the importance of understanding the internal control system and its effectiveness in preventing and detecting material misstatements. By focusing on management's assessment, AS 2200 provides structure and guidance to ensure that auditors thoroughly evaluate and report on the effectiveness of internal controls, which is critical for providing assurance to investors and stakeholders regarding the accuracy and reliability of financial statements. This focus on management assessments is distinct from requirements relating to general financial statement audits or ethical guidelines, which are covered in other auditing standards or regulations.

4. What process is used to distinguish between truths and lies by observing behavior first?

- A. Evaluation
- B. Calibration/Norming**
- C. Behavioral analysis
- D. Truth verification

The process of calibration or norming is used to establish a baseline for an individual's typical behavior, which can then be compared to their behavior in various situations, particularly when evaluating the truthfulness of their statements. By observing someone's normal behavioral patterns, examiners can determine deviations that may indicate potential dishonesty when that person is under scrutiny. This method is particularly effective because it relies on understanding how a person typically behaves, allowing for a more accurate assessment when unusual patterns emerge. Calibration involves recognizing cues such as body language, speech patterns, and facial expressions. When discrepancies are noted between a person's baseline behavior and their actions while responding to questions, it may suggest that they are not being truthful. This contrasts with options related to more direct methods of assessing truthfulness, which do not focus first on observing the individual's normal behavior before making judgments about their honesty. Thus, defining and understanding a personal norm is critical in the evaluation process of distinguishing truth from deception.

5. What distinguishes direct methods from indirect methods in financial examinations?

- A. Direct methods rely on interviews; indirect on documentation
- B. Direct methods use circumstantial evidence; indirect relies on records
- C. Direct methods involve books and records; indirect relies on circumstantial evidence**
- D. Direct methods are less reliable than indirect methods

The distinction between direct methods and indirect methods in financial examinations is centered on the type of evidence used to assess the accuracy of financial statements or the presence of fraud. Direct methods involve the examination of books and records to directly verify the transactions and balances reported by an entity. This approach is aimed at obtaining direct evidence from the source documentation, such as invoices, receipts, and bank statements. In contrast, indirect methods rely on circumstantial evidence, which may include statistical analyses, patterns, and inconsistencies that suggest potential inaccuracies or fraud but do not provide direct proof. Indirect methods often use repurposed data or extrapolate conclusions based on observed trends rather than confirming transactions. By using this differentiation, the correct answer highlights that direct methods focus on the actual records of transactions, while indirect methods operate on assumptions drawn from circumstantial evidence. This understanding is crucial for professionals conducting financial examinations, as each method carries different implications for the reliability of the findings.

6. What is the lowest level of reference for making moral decisions?

- A. Ethics
- B. Community standards
- C. The law**
- D. Personal values

The lowest level of reference for making moral decisions is the law. Laws are established rules that govern behavior in society, representing the minimum standards of conduct. They are designed to maintain order and protect individuals from harm. When individuals consider the law in making decisions, they are operating within a framework that is set by governmental authority and societal consensus. While personal values, ethics, and community standards can play a significant role in influencing moral decisions, the law represents a baseline that individuals must adhere to in order to avoid legal consequences. Violating the law often results in penalties or repercussions, regardless of an individual's personal beliefs or ethical considerations. This underscores the importance of the law as a fundamental guideline in moral decision-making, as it provides clear and enforceable standards that everyone in society is expected to follow, thereby serving as a foundation for more complex ethical deliberations.

7. What is the focus of the duty of loyalty for fiduciaries?

- A. To act in their own financial interests
- B. To act in the interests of third parties
- C. To prioritize their client's interests above others**
- D. To manage all affairs in secret

The duty of loyalty for fiduciaries emphasizes the obligation to prioritize their client's interests above any personal gain or conflicting interests. This principle is foundational in fiduciary relationships, where individuals, such as trustees, agents, or attorneys, are entrusted with the responsibility of managing another party's assets or interests. By placing the client's needs and goals at the forefront, fiduciaries maintain trust and integrity in their professional relationships. This ensures that clients receive unbiased advice and that their best interests are safeguarded, thereby reinforcing the ethical standards that govern fiduciary roles. In contrast, other choices do not align with the essence of the duty of loyalty. Acting in one's own financial interests contradicts the expectation to serve the client or beneficiary first. Similarly, while considering the interests of third parties may be part of a broader responsibility, it does not replace the obligation to the primary client. Managing affairs in secret would undermine transparency and accountability, which are vital in fiduciary relationships.

8. In the context of white-collar crime, does a higher status increase the probability of imprisonment?

- A. True**
- B. False
- C. Only for executives
- D. Depends on the crime

In the context of white-collar crime, it is true that a higher status can increase the probability of imprisonment. This phenomenon is often influenced by various factors, including the visibility of the crime, the public interest in holding high-status individuals accountable, and the potential for greater societal impact when high-ranking officials or executives engage in illegal activities. High-status individuals typically have more resources and influence, which can sometimes lead to leniency in legal proceedings. However, when they are prosecuted, the legal system often seeks to enforce stricter penalties to deter similar behavior among others in high positions. Consequently, cases involving high-status offenders tend to garner significant media attention and public scrutiny. As a result, judges and prosecutors may be more inclined to impose harsher penalties, including imprisonment, to reinforce the message that no one is above the law, thereby increasing the probability of imprisonment for those with higher status. This dynamic reflects societal expectations around accountability and justice, particularly in cases of corporate fraud or other white-collar crimes that might otherwise be treated less severely if committed by individuals of lower status.

9. What is a key characteristic of skimming compared to cash larceny?

- A. Skimming involves direct theft from a location
- B. Skimming typically requires collusion with employees
- C. Skimming occurs without ever accessing the cash register**
- D. Skimming is less detectable than cash larceny

Skimming is defined as the theft of cash from a business before it is recorded in the accounting system, which distinguishes it from cash larceny, where cash is stolen after it has been recorded. The key characteristic highlighted in the correct answer is that skimming occurs without the need to directly access the cash register or accounting system where sales are recorded. In skimming scenarios, employees may take cash before it is noted in sales records, allowing them to pocket the money without alarming the business's financial controls. This lack of direct access to the cash register is what makes skimming a more subtle form of theft; it operates outside the normal transaction processes. This characteristic also plays a significant role in the detectability of the fraud. Since there is no recorded transaction that corresponds to the missing funds, it can be challenging for businesses to identify that skimming has occurred, particularly if the amounts skimmed are small over time. In summary, skimming's absence of a need for direct interaction with cash registers or accounting entries is the key reason why the answer is correct.

10. What is a futures contract?

- A. An agreement to buy or sell at a predetermined price in the future**
- B. A financial statement
- C. A joint business venture
- D. A type of insurance policy

A futures contract is an agreement to buy or sell a specific asset at a predetermined price on a specified future date. This financial instrument is widely used in various markets, such as commodities, currencies, and stock indices, allowing participants to hedge against risks or speculate on price movements. In a futures contract, both parties are obligated to fulfill the terms of the agreement once it reaches its expiration date. This characteristic makes futures unique compared to other types of contracts, where the obligation may not be as stringent. The predetermined price allows both the buyer and seller to manage uncertainty in the market, thereby providing a mechanism for price discovery and risk management. The other options do not accurately represent a futures contract. A financial statement refers to a formal record of the financial activities of a business, a joint business venture implies a partnership for shared business endeavors, and an insurance policy is a contract that provides financial protection against potential future losses, which is fundamentally different from the buy/sell nature of a futures contract. Understanding this distinction is crucial for professionals involved in finance and trading.

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://certifiedfraudexaminer.examzify.com>

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

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