1. Which of the following statements is false?

A. There should always be a balance of risk and control.
B. The cost of a control should not exceed the benefit derived from it.
C. All ledgers should be balanced to the penny.

2. How do the transactions initiated in each department contribute to the overall financial picture of the institution?

A. They form the basis of the book of record from which all financial reports of the institution are generated.
B. They indicate the financial health of the department which is part of the larger whole.
C. They are immaterial to the overall financial picture of the institution.
D. Any errors in transactions initiated in the department are corrected by the campus Accounting Office so the actions taken by the department are irrelevant.
E. The institution does not produce comprehensive financial statements.

3. Which of these is not an element of sound financial management?

A. The absence of fraud.
B. A comprehensive annual budget that is regularly compared to actual financial performance with variances monitored.
C. Timely reconciliation and monitoring of financial results with corrective action taken to resolve any discrepancies between departmental and campus records.
D. Adequate controls including appropriate segregation of duties and adequate checks and balances.
E. Periodic risk assessment and corrective action taken to close gaps.