

## CIAFIN Sample Multiple-Choice Questions

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Kindly note that these questions are only samples. In the actual examination, the questions would not be limited to the formats or types as indicated by the samples.

1. Which of the following markets is **NOT** a derivative market?
  - A. Commodity Futures.
  - B. KLSE CI Futures and Options.
  - C. Bond market.
  - D. KLIBOR Futures.
  
2. A person is deemed as a bank customer upon:
  - A. making a deposit payment to a service provider's collection account.
  - B. signing a loan application form.
  - C. opening a time deposit account.
  - D. re-loading a prepaid card.
  
3. The exchange control regulations are applicable to trade transactions with all countries except three for which special restrictions apply.

Which of the following is one of the three countries?

  - A. Brazil.
  - B. Congo.
  - C. Montenegro.
  - D. Namibia.
  
4. Which of the following in relation to the Exchange Control Act 1953 is **TRUE**?
  - I. There is no restriction on payments to non-residents for import of goods and services. Such payments must be made in foreign currency except currencies of Israel, Serbia and Montenegro.
  - II. All export proceeds are required to be repatriated to Malaysia in accordance with the payment schedule as specified in the sales contract, which should not exceed six months from the date of export.
  - III. Import and export of the Ringgit up to RM10,000 and export of foreign currencies up to an equivalent of RM10,000 by residents are allowed.
  - IV. There is no restriction on repatriation of capital, profits, dividends, interest and rental income by foreign direct investors.
  - A. I and II only.
  - B. I, II and III only.
  - C. I, II, III and IV.
  - D. I, II and IV only.

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5. Internal auditors play a meaningful role in the establishment of a sound internal control environment in financial institutions.

Which of the following guidelines issued by BNM set the minimum standards for the auditors?

- A. BNM/GP3.
- B. BNM/GP5.
- C. BNM/GP7.
- D. BNM/GP10.

6. Part V of BNM/GP10 guideline covers the audit of critical areas of financial institutions' operations which internal auditors should focus on and give due consideration.

Which of the following are considered as critical areas under Part V of BNM/GP10?

- I. Credit operations.
- II. Derivatives.
- III. Information systems.
- IV. Insurance claims.

- A. I, II and III only.
- B. I, II, III and IV.
- C. I, II and IV only.
- D. I, III and IV only.

7. Which of the following is a preventive control?

- A. Joint custody to cash and valuables.
- B. Reports of transactions.
- C. Exception reports.
- D. Signing and initialing documents.

8. Which of the following exemplify reputation risk?

- A. Withdrawal of financial product from market.
- B. Growing NPLs concurrent with economic cycle.
- C. Change in top management.
- D. Run on the bank.

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9. Which of the following is **NOT** included in the Internal Audit Charter?
- A. Objectives and scope of the internal audit functions.
  - B. Authority of unrestricted access to all records, personnel and physical properties relevant to the performance of audits.
  - C. Audit methodology and critical areas of operations.
  - D. The internal audit department's position within the organisation.
10. A good internal audit report should be:
- A. objective.
  - B. lengthy.
  - C. expressed with prejudice and exclude issues concerning Senior Management.
  - D. results-oriented.

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### ANSWERS TO THE SAMPLE MULTIPLE-CHOICE QUESTIONS

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