

## Question: 1

According to the AGA Code of Ethics, a government agency contract manager using a vendor as a personal reference would constitute:

- A. fraud.
- B. professional incompetence.
- C. a conflict of interest.
- D. nepotism.

**Answer: C**

## Question: 2

A government agency's mission statement should include:

- A. services and accomplishments.
- B. organizational structure and hierarchy.
- C. major functions and goals.
- D. performance measures and reports.

**Answer: C**

## Question: 3

One way in which federal and state governments influence local governments is by:

- A. providing block grants.
- B. issuing ordinances.
- C. authorizing debt.
- D. setting budget authority.

**Answer: A**

## Question: 4

A method used to assess accountability of state agencies includes:

- A. a bond rating review.
- B. program evaluation.
- C. judicial review.
- D. an ordinance compliance audit.

**Answer: B**

### Question: 5

A discretionary grant is characterized by a:

- A. transfer of funds based upon a formula.
- B. transfer of funds for broadly-defined purposes.
- C. transfer of funds for specific purposes.
- D. voluntary contribution that confers no rights nor benefits to the giver.

**Answer: C**

### Question: 6

A formal estimate of the resources a government or government unit plans to expend in a given period is a:

- A. PAR.
- B. CAFR.
- C. budget.
- D. cost benefit analysis.

**Answer: C**

### Question: 7

Managerial accounting helps officials measure the cost-effectiveness of operations by:

- A. forecasting future revenue needs.
- B. controlling expenses under budgetary law.
- C. combining financial and non-financial data.
- D. demonstrating compliance with applicable laws and regulations.

**Answer: A**

### Question: 8

Debt refunding proceeds would be reported as:

- A. a revenue.
- B. a liability.
- C. an other financial use on the operating statement.
- D. an other financing source on the operating statement.

**Answer: D**

### Question: 9

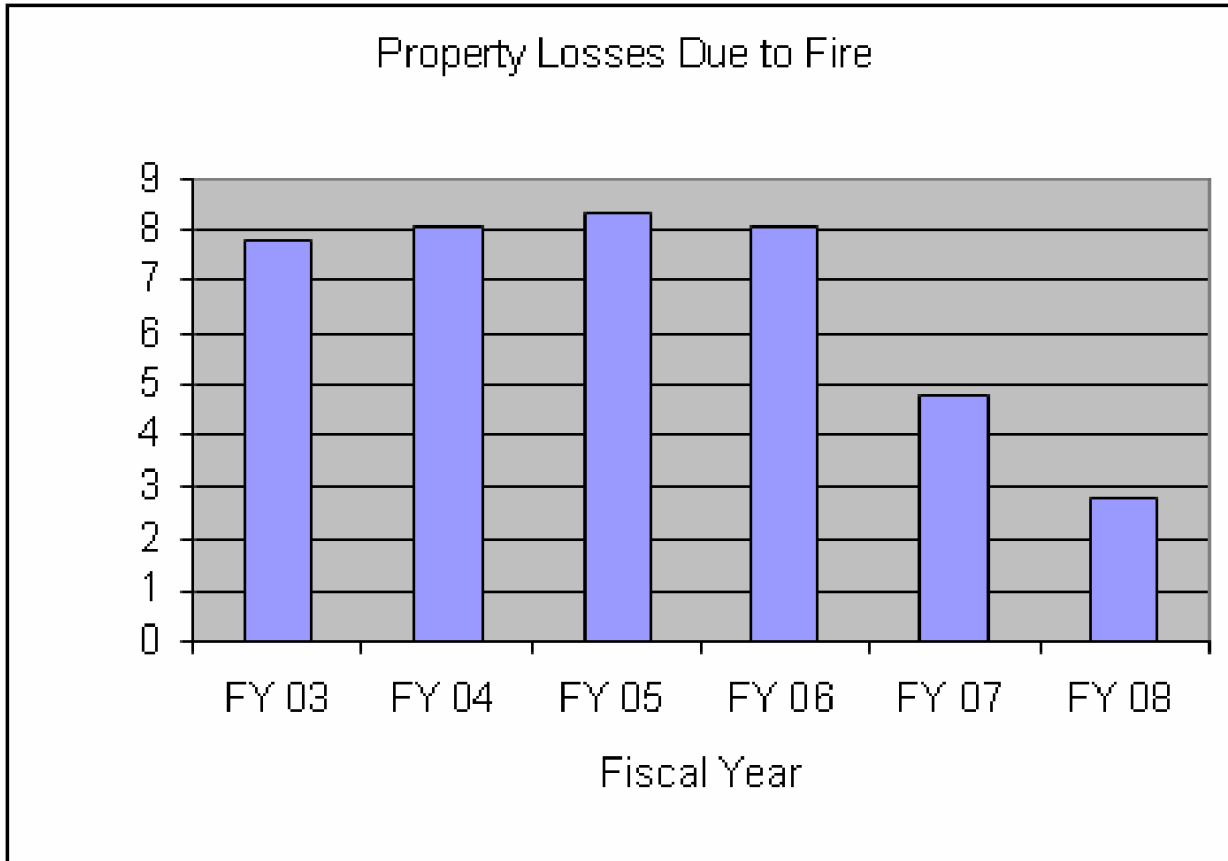
A program accountability study can be used to determine all of the following EXCEPT:

- A. the extent to which a program has been correctly implemented.
- B. whether program funds are being expended properly.
- C. whether the program is reaching its intended goal.
- D. if budgets were allocated equitably.

**Answer: D**

### Question: 10

Based upon the performance measures report below provided to a local governmental oversight committee, what conclusions may be made?



- A. More fire engines and fire companies are needed.
- B. The arson task force fielded in FY07 is having a significant impact.
- C. A fire engine bond issuance is needed.
- D. State fire marshal mandates are being met.

**Answer: B**

### Question: 11

A successfully integrated technology solution for a CFO ties an organization's activities together and:

- A. requires highly customized application software.
- B. optimizes a specific function or activity.

- C. makes consistent information available agency-wide.
- D. eliminates waste, fraud and abuse.

**Answer: C**

### Question: 12

The CFO Act of 1990 mandates all of the following EXCEPT:

- A. establishment of a leadership structure.
- B. provision for long-range planning.
- C. strengthening accountability reporting.
- D. unqualified audited financial statements.

**Answer: D**

### Question: 13

GASB has responsibility for:

- A. researching and developing accounting and reporting principles for state and local governments.
- B. ensuring that FASB standards are implemented by state and local governments.
- C. developing standards for federal and state governments.
- D. ensuring that federal and state governments implement FASB standards.

**Answer: A**

### Question: 14

The modified accrual basis of accounting is characterized by:

- A. revenues being recognized when realized.
- B. revenues being recognized when measurable and available.
- C. assets included in the general fixed asset account group.
- D. expenditures recorded when warrants are paid.

**Answer: B**

### Question: 15

An ISF has the following capital equipment in service for the stated time. Based upon the information below, using the straight-line method, what should be charged for depreciation at year-end?

Capital Asset	Asset Life (years)	Years in Service	Acquisition Cost
Tire Changer	8	3	\$ 6,500
Tune-up Computer	5	6	\$10,300
Hydraulic Stand	12	6	\$16,300
Truck Wash	6	6	\$25,600

- A. \$8,155
- B. \$6,438
- C. \$4,267
- D. \$2,171

**Answer: B**