

Certified Bank Auditor Practice Test Questions and Answers

1. What is the primary objective of bank internal auditing?

- A) To maximize bank profits
- B) To ensure compliance with regulations and assess risk management effectiveness
- C) To approve all loan applications
- D) To set interest rates

2. Which regulation requires banks to maintain adequate capital ratios?

- A) Sarbanes-Oxley Act
- B) Basel III
- C) Dodd-Frank Act
- D) Fair Credit Reporting Act

3. What is the purpose of the Bank Secrecy Act (BSA)?

- A) To protect customer privacy
- B) To prevent money laundering and detect suspicious activities
- C) To regulate interest rates
- D) To insure bank deposits

4. During a loan portfolio audit, what should be the auditor's primary focus?

- A) Loan profitability only
- B) Credit risk assessment, documentation completeness, and compliance
- C) Customer satisfaction scores
- D) Loan processing speed

Answers: 1-B 2-B 3-B 4-B

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