

GFMC Exam Brain Dumps | New GFMC Test Topics



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In traditional views, GFMC practice materials need you to spare a large amount of time on them to accumulate the useful knowledge may appearing in the real exam. However, our GFMC learning questions are not doing that way. According to data from former exam candidates, the passing rate has up to 98 to 100 percent. There are adequate content to help you pass the GFMC Exam with least time and money.

AGA GFMC Exam Syllabus Topics:

Topic	Details
Topic 1	<ul style="list-style-type: none">• Performance Measurement• Metrics• Service Efforts and Accomplishments: This section of the exam measures the ability of program managers and strategic planners to align performance indicators with organizational outcomes. It covers the integration of financial and non-financial metrics with strategic goals, the importance of transparency and accountability, and how performance data informs budgetary decisions. Candidates must understand stakeholder engagement, baseline setting, legal compliance, and benchmark creation.
Topic 2	<ul style="list-style-type: none">• Financial and Managerial Analysis Techniques: This section of the exam measures the skills of budget analysts and financial managers in using quantitative tools and data to assess financial decisions. It includes techniques like trend and ratio analysis, forecasting, regression, and data analytics. It also tests understanding of data sources, reliability, and how forensic auditing can be used for deeper insight into financial activities.
Topic 3	<ul style="list-style-type: none">• Auditing: This section of the exam measures the auditing knowledge of financial controllers and government auditors. It focuses on audit standards, types of audits, the audit process, and the responsibilities of both auditors and auditees. Key topics include audit preparation, follow-up, independence, materiality, and the scope of the Single Audit Act. Candidates are also expected to be familiar with fieldwork, reporting, and confidentiality concerns relevant to public sector audits.

Topic 4	<ul style="list-style-type: none"> Financial Management Functions: This section of the exam measures the competencies of public sector finance officers and treasury analysts in managing financial operations in government environments. It covers essential areas such as cash flow practices, investment strategy, debt recovery, and procurement processes. Candidates are expected to understand property and inventory systems, evaluate IT-based financial systems, and apply emerging technologies. Shared services and project management principles are also included as foundational knowledge areas.
Topic 5	<ul style="list-style-type: none"> Internal Control: This section of the exam measures the capabilities of compliance officers and internal auditors in implementing and evaluating internal control systems. It includes knowledge of COSO frameworks, OMB standards, and audit procedures aimed at fraud prevention and legal compliance. Candidates must understand roles and responsibilities related to internal control, risk assessment, reporting mechanisms, and enterprise risk management frameworks.

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AGA GFMC Exam Brain Dumps: Examination 3: Governmental Financial Management and Control (GFMC) - TestKingIT High-Efficient New Test Topics for your preparing

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AGA Examination 3: Governmental Financial Management and Control (GFMC) Sample Questions (Q48-Q53):

NEW QUESTION # 48

The Federal Credit Reform Act requires complex calculations, which are likely to include errors. This is an example of

- A. inherent risk.
- B. audit risk.
- C. detection risk.
- D. control risk.

Answer: A

Explanation:

Definition of Inherent Risk:

Inherent risk refers to the risk of material misstatement in financial statements or other reports due to the nature of the subject matter, without considering any controls in place. It arises from the complexity, judgment, or uncertainty involved in the underlying transactions or calculations.

Why This Is Inherent Risk:

* The Federal Credit Reform Act requires complex calculations to estimate loan subsidies, interest rates, and cash flows. These calculations inherently involve significant judgment and estimation, making them prone to errors. This is a classic example of inherent risk because the complexity exists regardless of controls.

Why Other Options Are Incorrect:

* A. Audit Risk: This refers to the overall risk that the auditor may issue an incorrect opinion. In this case, the issue is about the inherent complexity of the calculations, not the auditor's procedures.

* B. Control Risk: This is the risk that errors will not be prevented or detected due to weak internal controls. While control risk could contribute to misstatements, it is not the primary issue in this example.

* C. Detection Risk: This is the risk that auditors will not detect a misstatement. This risk relates to audit procedures, not the inherent complexity of the calculations.

References and Documents:

* GAO Yellow Book on Risk Assessment: Explains inherent risk in the context of government financial reporting.

* AICPA Standards on Audit Risk (AU-C 315): Highlights inherent risk as arising from the nature of transactions or subject matter.

NEW QUESTION # 49

A governmental attestation engagement may include a requirement to

- A. review the revenue coverage requirements on outstanding bonds.
- B. monitor a subgrantee for compliance to the grant restrictions.
- C. establish a policy concerning fraud prevention.
- D. monitor purchasing card charges for compliance with travel policies.

Answer: A

Explanation:

* Governmental Attestation Engagements:

* These engagements involve providing assurance on specific elements of financial or non-financial information, such as compliance with laws, contracts, or bond covenants.

* Reviewing revenue coverage requirements for outstanding bonds fits the scope of attestation engagements, which focus on confirming adherence to specific requirements.

* Explanation of Answer Choices:

* A. Monitor a subgrantee for compliance to the grant restrictions: Monitoring is a management responsibility, not typically part of an attestation engagement.

* B. Establish a policy concerning fraud prevention: Establishing policies is a management duty, not a task for auditors.

* C. Monitor purchasing card charges for compliance with travel policies: Monitoring is operational, not attestation-related.

* D. Review the revenue coverage requirements on outstanding bonds: Correct. This falls within the scope of attestation engagements.

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GAO, Government Auditing Standards (Yellow Book).

AICPA, Attestation Standards for Government Engagements.

NEW QUESTION # 50

Earned value management is preferred over traditional project management because

- A. traditional project management is used to monitor progress and deliverables of larger projects.
- B. traditional project management provides information about status of deliverables, funds and time expended.
- C. **earned value management provides information about status of deliverables, funds and time expended.**
- D. earned value management is used to monitor progress and deliverables of smaller projects.

Answer: C

Explanation:

What Is Earned Value Management (EVM)?

* EVM is a project management methodology that integrates scope, cost, and schedule to measure project performance. It provides a comprehensive view of progress by combining information about deliverables (work completed), funds (budget spent), and time (schedule adherence).

Why Is EVM Preferred Over Traditional Project Management?

* EVM offers a holistic view of project performance by quantifying progress and comparing it to planned performance, allowing for proactive decision-making.

* Traditional project management often focuses on individual aspects (e.g., timelines or budgets) without integrating them as effectively as EVM.

Why Other Options Are Incorrect:

* A. EVM monitors smaller projects: EVM is not restricted to small projects; it is widely used for complex, large-scale projects.

* C. Traditional project management is used for larger projects: This is incorrect—both methodologies can be used for projects of any size.

* D. Traditional project management provides status on deliverables, funds, and time: This is inaccurate; traditional methods often lack the integrated performance tracking provided by EVM.

References and Documents:

* GAO Guide to Project Management: Recommends EVM for comprehensive performance tracking

* PMBOK (Project Management Body of Knowledge): Details the advantages of EVM over traditional project management.

NEW QUESTION # 51

A sound investment category for pension funds that can be easily valued is

- A. internal investment pools.
- B. reverse repurchase agreements.
- C. derivative instruments.
- D. open-ended mutual funds.

Answer: D

Explanation:

What Are Open-Ended Mutual Funds?

* Open-ended mutual funds are investment vehicles that allow investors to buy and sell shares at the current net asset value (NAV), which is determined daily.

* These funds are highly liquid and can be easily valued, making them a sound investment option for pension funds.

Why Are They Suitable for Pension Funds?

* Pension funds require investments that are easily valued, transparent, and provide liquidity to meet benefit obligations. Open-ended mutual funds meet all these criteria.

Why Other Options Are Incorrect:

* B. Reverse repurchase agreements: While they can be part of investment strategies, they are not easily valued compared to open-ended mutual funds.

* C. Derivative instruments: Derivatives can be complex and difficult to value, making them less suitable for pension funds that prioritize transparency and simplicity.

* D. Internal investment pools: These are investment vehicles used by governments, but their valuation may not be as straightforward or frequent as mutual funds.

References and Documents:

* GAO Guide to Investment Management for Pension Funds: Recommends transparent, easily valued investments like mutual funds.

* AICPA Pension Plan Audit Guidelines: Emphasizes liquidity and valuation in pension fund investments.

NEW QUESTION # 52

When considering materiality during the planning phase for the field work for a financial audit, the dollar threshold for materiality is determined by the

- A. auditee.
- B. audit committee.
- C. auditor in consultation with the auditee.
- D. auditor.

Answer: D

Explanation:

Materiality in Auditing:

* Materiality refers to the significance of misstatements or omissions in financial statements that could influence the decisions of users relying on those statements.

* During the planning phase of a financial audit, the auditor determines the dollar threshold for materiality based on professional judgment, considering the size and nature of the auditee's operations and the needs of financial statement users.

Why the Auditor Determines Materiality:

* The auditor has the responsibility to form an independent opinion on the financial statements and must determine materiality thresholds to design audit procedures effectively.

* Materiality thresholds guide the extent of testing and ensure the audit focuses on areas most likely to impact decision-making.

Why Other Options Are Incorrect:

* B. Auditee: The auditee provides the information, but it does not decide the materiality threshold.

* C. Auditor in consultation with the auditee: The auditor may consult with the auditee for context, but the final determination is solely the auditor's responsibility.

* D. Audit committee: While the audit committee oversees the audit, it does not set materiality thresholds.

References and Documents:

* GAAS (Generally Accepted Auditing Standards): States that materiality is determined by the auditor's judgment.

* AICPA AU-C Section 320: Provides guidance on materiality in planning and performing audits.

NEW QUESTION # 53

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