



**Exam Name – Certified Global Tax Practitioner (CGTP)**

**Exam Code – CGTP-001**

**Sample Exam**

(Question): An auditor obtains evidence of stockholders' equity transactions for a publicly traded company by reviewing the entity's:

- (A): Minutes of board of directors meetings.
- (B): Registrar's record of inter bank transfers.
- (C): Canceled stock certificates.
- (D): Treasury stock certificate book.

(Correct): A

(Question): True or False: The formal documentation creating bond indebtedness is called the indenture.

- (A): True
- (B): False

(Correct): A

(Question): Corporations maintain either a stock certificate book or a stockholders' ledger.

- (A): True
- (B): False

(Correct): B



(Question): True or False: For a continuing client, the auditors will often find that audit time required for capital stock is small in relation to the dollars recorded in the accounts.

- (A): True
- (B): False

(Correct): A

(Question): Company A does not employ an independent stock transfer agent, but rather issues its own stock and maintains its stock records. When outstanding shares are transferred from one holder to another the certificate of the selling shareholder should be:

- (A): Canceled (generally by perforation) and attached to the certificate book.
- (B): Destroyed to prevent fraudulent reissuance.
- (C): Retained by the selling shareholder.
- (D): Sent to the state's registrar of investment securities.

(Correct): A

(Question): Which of the following most likely would approve the issuance of notes payable?

- (A): Controller
- (B): Payroll
- (C): Personnel
- (D): Treasurer

(Correct): D



(Question): Bond transactions are normally confirmed with:

- (A): Individual holders of retired bonds.
- (B): Recomputation procedures performed using interest expense.
- (C): The bond trustee.
- (D): Comparisons of retired bonds with those outstanding.

(Correct): C

(Question): Internal control over bonds payable is best when:

- (A): The company utilizes the services of a bond trustee.
- (B): The company segregates approval from issuance of the bonds.
- (C): Bonds are countersigned by two officers.
- (D): Bonds are serially numbered.

(Correct): A

(Question): Which of the following is not a primary objective in the audit of interest-bearing debt?

- (A): Establish the completeness of recorded interest-bearing debt.
- (B): Establish the legality of outstanding debt.
- (C): Determine that debt is properly valued.
- (D): Determine that the presentation and disclosure of interest-bearing debt is appropriate.

(Correct): B