

### HFB M/C Questions

1. Small steps never lead to a bigger fraud being committed.
  - a) True
  - b) False
2. Which is NOT one of the three elements of the fraud triangle?
  - a) Motivation/Pressure
  - b) Opportunity
  - c) Rationalization
  - d) None of the above
3. What was Harry's first issue he faced that eventually led him to rationalizing his fraud?
  - a) Harry's daughter had an accident
  - b) Harry's wife got pregnant
  - c) Harry lost his job
  - d) Harry got a divorce
4. Donald Cressey first identified the fraud triangle.
  - a) True
  - b) False
5. What is the example of the initial pressure in Harry's story?
  - a) Harry's wife is pregnant.
  - b) Harry's daughter's surgery is not covered by insurance.
  - c) Harry is getting a divorce.
  - d) Harry mother-in-law dies.
6. What is Harry's opportunity to commit fraud?
  - a) Harry's boss is out of town for the week.
  - b) Harry has access to the company's cash.
  - c) Harry has skills to hack into the computer server.
  - d) A co-worker agreed to cover for his theft.
7. What is one way that Harry abuses his privileges?
  - a) Harry creates a shell company.
  - b) Harry duplicates checks.
  - c) Harry creates dummy vendors.
  - d) Harry writes unauthorized checks to himself.

8. Harry rationalizes his fraud by saying that his company owes him for long, unpaid hours.
  - a) True
  - b) False
9. In the fraud triangle, rationalization is defined as the way in which the individual justifies doing something that is obviously wrong while still maintaining the belief that they are a good person.
  - a) True
  - b) False
10. Most white-collar criminals have prior convictions.
  - a) True
  - b) False
11. According to the 2012 *Marquet Report on Embezzlement*, which of the following is true?
  - a) 96% of white-collar criminals had no prior criminal history.
  - b) The average age of perpetrators when they began their fraud scheme was 43.
  - c) The most common embezzlement scheme involved forged or unauthorized company checks.
  - d) All of the above
12. "I believe I am entitled to the money" is a common fraud rationalization.
  - a) True
  - b) False
13. Convicted white-collar felons often have difficulty finding employment opportunities.
  - a) True
  - b) False
14. Loss of family due to divorce is a possible consequence of being a convicted white-collar felon.
  - a) True
  - b) False
15. The majority of white-collar criminals are millionaires.
  - a) True
  - b) False

### **The Story Matters!**

This e-case offers an innovative method to teach several important concepts to both undergraduate and graduate business students. We are always interested in your feedback. If you have any questions or concerns, we would love to hear from you! Contact [kelly@heliosdigital.com](mailto:kelly@heliosdigital.com) or [ivy@heliosdigital.com](mailto:ivy@heliosdigital.com) and let us know your name, area of expertise, and where you are located. We will get back to you within 24-48 hours.