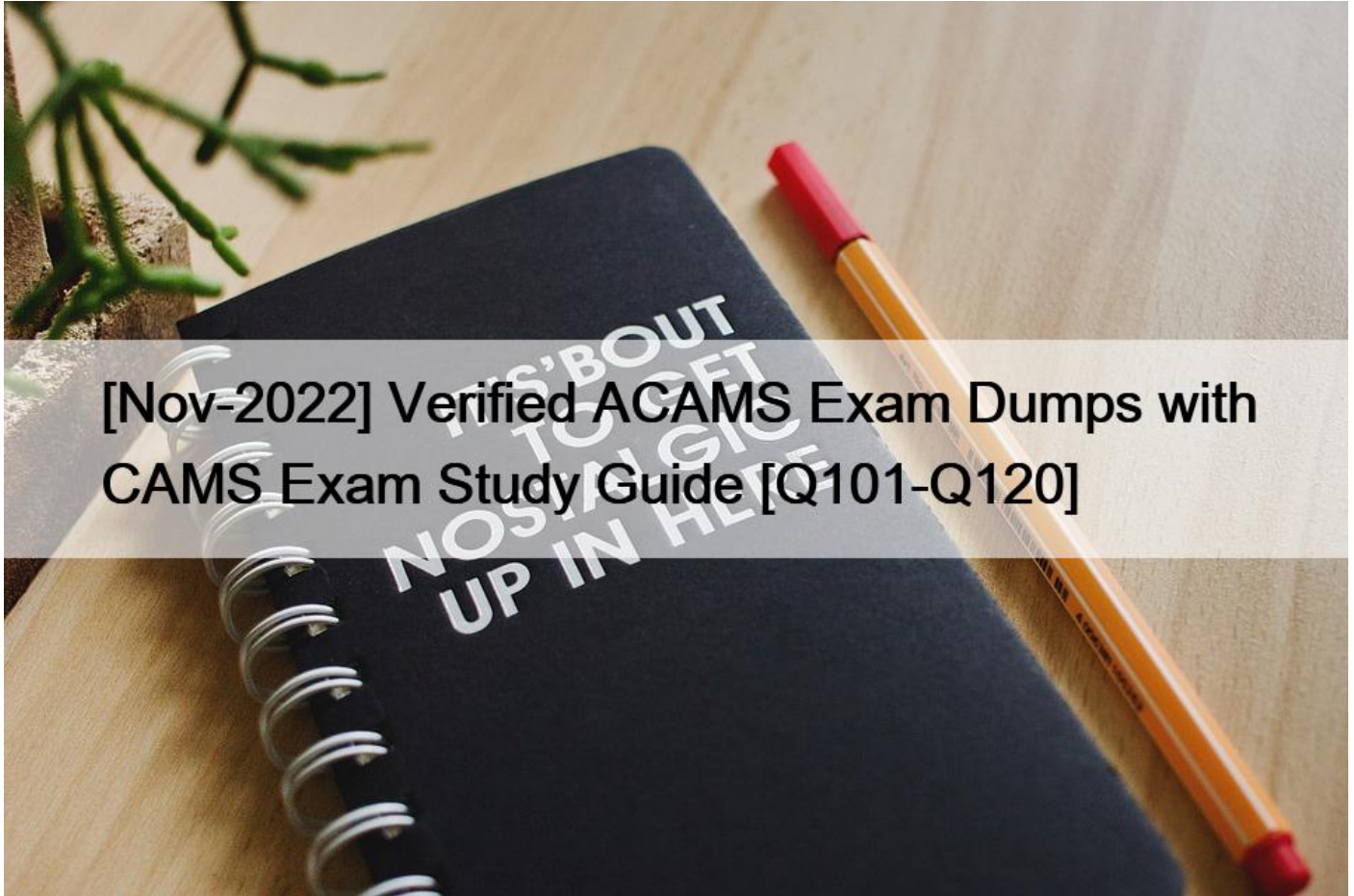


## [Nov-2022 Verified ACAMS Exam Dumps with CAMS Exam Study Guide [Q101-Q120]



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Best Quality ACAMS CAMS Exam Questions VCEPrep Realistic Practice Exams [2022]

### Exam Details

The CAMS is a 3.5-hour test consisting of 120 multiple-choice and multiple-select questions. To pass and obtain the CAMS certification, test-takers must achieve a score of 75 or more. ACAMS recommends that candidates arrive/log in 30 minutes before the scheduled time for the official exam as latecomers may not be allowed to take the test and this allows ample time for check-in. Test-takers are also required to bring along with them the two forms of current and valid government-issued identification. Please note that the identification must include a photograph and signature. Also, please ensure that the name used when registering for the real exam is one and the same as it appears on the identification.

### QUESTION 101

Which Trust parties should be identified to determine the true nature of the Trust relationship according to Basel guidelines?  
(Choose three.)

\* Respondents

- \* Payees
- \* Trust Administrators
- \* Trustees
- \* Beneficiaries
- \* Settlers/grantors

### QUESTION 102

What are two legal risks of having inadequate privacy policies and procedures? (Choose two.)

- \* Diminished reputation
- \* Industry of regulatory sanctions
- \* Charges of deceptive business practices
- \* Higher marketing and public relations costs

### QUESTION 103

A company service provider in Country A sets up a corporate structure for a client from Country B, which is known for corruption. The corporate structure includes a holding company in Country A with a bank account in one of the international banks located there.

During on-boarding, the client's wealth was estimated at \$7 million. Shortly thereafter, the client's father became president of Country

B. During a routine client review two years later, it was identified that client's wealth had grown to \$510 million.

What are two red flags that indicate money laundering or financial terrorism? (Choose two.)

- \* The client is from a country known for corruption.
- \* The substantial growth in wealth during a short period of time.
- \* The client is a family member of a PEP from a country known for corruption.
- \* The holding company is in Country A with a bank account in one of the international banks.

### QUESTION 104

A bank account is established for a new business customer. The business was established five years ago with an address in another state. The business website contains few details other than stating it is a real estate business.

One principal has an international telephone number and appears to be living in another country. The other principal works out of a recreational vehicle.

What warrants enhanced due diligence in this scenario?

- \* Shell company
- \* Human trafficker
- \* Politically exposed person
- \* Money laundering through real estate

### QUESTION 105

Which situation is the highest risk for money laundering and terrorist financing activity?

- \* A customer purchases casino chips, using small denomination bank notes, but does not engage in game play before redeeming the chips for a casino check

- \* A customer purchases casino chips and engages in significant game play before requesting a casino check for the remainder
- \* A customer purchases casino chips using a credit card and engages in minimal game play before redeeming the chips for a casino check
- \* A customer purchases casino chips using credit from an account at an affiliated casino and engages in significant game play before redeeming the chips for a casino check

#### **QUESTION 106**

An institution receives a request for credit from a local company that has been a client for many years. The information provided by the company indicates that its assets have increased substantially with the addition of several new subsidiaries. Further research performed by the institution indicates the new subsidiaries are recently created shell companies.

Could this indicate potential money laundering?

- \* No, the company has been a client for many years.
- \* Yes, shell companies are typically created to manage tax liabilities.
- \* No, it is normal for a business to diversify by creating shell companies.
- \* Yes, the shell companies could have been created to hide beneficial ownership.

#### **QUESTION 107**

Which private banking situation requires due diligence actions to be implemented according to the AML principles of the Wolfsberg group?

- \* A local wealthy individual wants to become a customer of a local retail bank.
- \* A beneficial owner of an exchange house wants to open an account with the bank.
- \* A wealthy individual from a high-risk country wants to open an account with a private bank.
- \* A new customer asks to set up an exchange house using the bank as the correspondent.

#### **QUESTION 108**

What is the primary action a financial institution should take before formulating its anti-money laundering program?

- \* It should perform a comprehensive risk analysis
- \* It should determine how extensive and well-trained the compliance staff is
- \* It should consult with its correspondent banks to determine the nature and extent of their AML programs
- \* It should ensure that its training modules for all employees cover all relevant AML issues

#### **QUESTION 109**

Which red flag should a compliance officer prioritize first for investigation?

- \* A loan is paid off in full with cash after the sale of the vehicle that was used as collateral for the loan.
- \* Several cross-border transfers are received and immediately wired to another beneficiary.
- \* A customer has 20 monthly transactions that are repetitive but less than \$500 USD per transaction.
- \* A convenience store cashes government checks for its customers in amounts less than \$1,000 USD per day.

#### **QUESTION 110**

A bank maintains a number of United States (U.S.) dollar correspondent accounts for foreign financial institutions. Upon a routine review of a U.S. dollar correspondent account owned by Foreign Bank A, a number of transactions appear to have been originated by Foreign Bank B outside the expected activity for this account. These transactions appear suspicious and a suspicious transaction report was filed by the compliance officer.

Which step should the compliance officer take?

- \* File a report with the appropriate tax authorities in the jurisdictions of Foreign Bank A and Foreign Bank B
- \* Notify senior management of the money laundering risks by allowing Foreign Bank A to maintain its U.S. dollar correspondent account
- \* Notify Foreign Bank A of the discovery and seek documentation supporting Foreign Bank A was collusive and a willing partner with Foreign Bank B in the activity
- \* Notify other U.S. financial institutions who maintain U.S. dollar correspondent accounts for Foreign Bank A and Foreign Bank B in an effort to shut down the activity

#### QUESTION 111

An existing customer at a bank has recently expanded its services to provide check cashing for its customers.

Which factor indicates the bank should terminate this relationship?

- \* The bank has not updated its automated monitoring system.
- \* The business has no previous experience with this service.
- \* The business has not updated its anticipated activity with the bank.
- \* The business is now a Money Service Business and has not registered with FinCEN.

#### QUESTION 112

When creating an anti-money laundering program for a foreign bank with branches in the U.S., which three are included among the four minimum elements required under the USA Bank Secrecy Act? Choose 3 answers

- \* The development of a Know Your Customer program
- \* An ongoing employee training program
- \* The designation of a compliance officer
- \* An independent audit functions to test the program

#### QUESTION 113

The purpose of an anti-money laundering program should be to do what?

- \* Detect all illegal activity perpetrated by customers
- \* Avoid criticism and sanctions from government regulators
- \* Focus monitoring efforts on riskier transactions and customers
- \* Detect and report cash structuring and suspicious wire transactions

#### QUESTION 114

A foreign politically exposed person (PEP) requests to add a beneficiary to a life insurance policy.

How should the request be processed to mitigate risk?

- \* Perform due diligence on the beneficiary
- \* Determine the source of wealth and source of funds
- \* Decline the request if the beneficiary is a foreign PEP
- \* Decline the request to add a beneficiary due to increased risk

#### QUESTION 115

You have several AI applications that use an Azure Kubernetes Service (AKS) cluster. The cluster supports a maximum of 32 nodes.

You discover that occasionally and unpredictably, the application requires more than 32 nodes.

You need to recommend a solution to handle the unpredictable application load.

Which scaling method should you recommend?

- \* horizontal pod autoscaler
- \* cluster autoscaler
- \* manual scaling
- \* Azure Container Instances

To keep up with application demands in Azure Kubernetes Service (AKS), you may need to adjust the number of nodes that run your workloads. The cluster autoscaler component can watch for pods in your cluster that can't be scheduled because of resource constraints. When issues are detected, the number of nodes is increased to meet the application demand. Nodes are also regularly checked for a lack of running pods, with the number of nodes then decreased as needed. This ability to automatically scale up or down the number of nodes in your AKS cluster lets you run an efficient, cost-effective cluster.

References:

<https://docs.microsoft.com/en-us/azure/aks/cluster-autoscaler>

#### QUESTION 116

A bank in an offshore jurisdiction approaches an institution about opening a new correspondent banking relationship. Prior to opening the account, the new account representative obtains copies of the offshore bank's anti-money laundering policies and procedures, and all appropriate legal documentation for the bank; ascertains no third parties will be able to access the accounts; and determines the owners of the bank, the bank's primary business activities, and the business address of the bank. Which of the following steps does the Basel Committee on Banking Supervision's Customer Due Diligence for Banks Paper recommend the banker take prior to opening Oils correspondent account?

- \* Conduct a site visit and meet all the principals and beneficial owners in person.
- \* Verify the bank has a physical presence in the country where it is incorporated.
- \* Confirm the bank is subject to regulatory supervision with adequate anti-money laundering laws.
- \* Obtain and maintain a complete listing of the correspondent bank's customers, including politically exposed persons.

#### QUESTION 117

In which type of banking transaction is price manipulation, as a form of money laundering, a common practice?

- \* Redeeming an annuity
- \* Sending a wire transfer
- \* Issuing a letter of credit
- \* Subscribing to a cash management account

#### QUESTION 118

What are the European Union Directives on Money Laundering?

- \* They are voluntary codes of best practice for the financial sector
- \* They are written by the Wolfsberg Group
- \* They require members to implement certain laws of prevent money laundering
- \* They require financial institutions to report suspicious activity to the Egmont Group in Brussels

#### QUESTION 119

To guard against acquisition or control of a financial institution by money launderers or their associates, what should supervisory agencies require?

- \* Adequate surety bonds, cash deposits, or equivalencies
- \* Comprehensive compliance programs
- \* Prospective owners have prior experience in the area of finance
- \* Thorough due diligence on prospective owners

## QUESTION 120

After review of the financial institution's enterprise-wide anti-money laundering risk assessment, the new compliance officer identifies several deficiencies that need attention.

Which deficiency could lead to the highest potential for unmitigated risk?

- \* The risk assessment is several years old and does not cover all current products and services.
- \* The risk assessment is revisited too frequently thereby diverting critical resources from other compliance tasks.
- \* The risk assessment is managed by a different team from the previous assessment therefore disrupting continuity of institutional knowledge.
- \* The risk assessment does not anticipate potential risks even though the financial institution has no immediate plans involving those risks.

Explanation

<https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/faqs/17.%20Wolfsberg-Risk-Assessment-FAQ> How often should an enterprise-wide risk assessment take place? Regardless of the frequency with which an enterprise-wide risk assessment is undertaken, FIs are usually \*\*\*\*\*required to report annually \*\*\*\*\*on the status of the money laundering risk environment. This can take the form of an Annual Report or other types of reports. FIs should review their methodology on a regular basis (most likely annually) to ensure that any changes in internal or external factors are incorporated appropriately in order to arrive at the most accurate picture of risk possible Changes will need to be assessed in terms of a FI's ability to compare results year on year, otherwise potentially significant changes in the results may not be justifiable, clearly explained or understood.

**Authentic Best resources for CAMS:** <https://www.vceprep.com/CAMS-latest-vce-prep.html>