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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **25) Information risk refers to the risk that**

|  | A. the client may not be able to remain in business.  |
| --- | --- |
|  | B. errors and frauds are not detected by the auditor's procedures. |
|  | C. the client's financial statements may be materially false and misleading. |
|  | D. the auditor may express an unqualified opinion on financial statements that are materially misstated. |
|  |  |

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| **26) Professional skepticism dictates that when management makes a statement to the auditors, the auditors must**

|  | A. require that the statement be put in writing. |
| --- | --- |
|  | B. believe the statement to maintain the professional client-auditor relationship. |
|  | C. disregard the statement because it ranks low on the evidence quality scale. |
|  | D. corroborate the evidence with other supporting documentation whenever possible. |
|  |  |

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| **27) Which audit objective is related to the assertion that all transactions and accounts must be included in the financial statements?**

|  | A. Completeness |
| --- | --- |
|  | B. Presentation and disclosure |
|  | C. Existence or occurrence |
|  | D. Rights and obligations |

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