



EAST AFRICAN SCHOOL OF AVIATION
FINAL EXAMINATION
ACM 03
SUBJECT: FRAUD PREVENTION

Duration: 2 HRS

DATE:

TIME: 0900 – 1100hrs

INSTRUCTIONS TO ALL CANDIDATES

- 1. Answer all questions*

- 1) Detecting fraud is of paramount importance, as fraud costs airlines valuable revenues and negatively impacts _____ in the airline.
 - A) Ethics
 - B) Image
 - C) Confidence
 - D) Both A) and B)
- 2) Which one of the following is the correct definition of Fraud?
 - A) Any action that deprives the carrier of the revenue to which it is entitled, undertaken without the carrier's notice or consent
 - B) Any action that deprives the carrier of the revenue to which it is entitled undertaken without the carrier's endorsement or consent
 - C) Any action that deprives the carrier of the baggage to which it is entitled undertaken without the carrier's knowledge or consent
 - D) Any action that deprives the carrier of the revenue to which it is entitled undertaken without the carrier's knowledge or consent
- 3) All but one of the following are ways in which fraudsters can target an airline.
 - A) Abuse of frequent flier programme
 - B) Purchasing products with stolen debit cards
 - C) Neglecting tariff rules
 - D) Theft of baggage
- 4) Only airline staff can commit fraud.
 - A) True
 - B) False
- 5) It is the _____ responsibility to ensure that the airline policies against fraud are applied and that all personnel are trained on how to prevent and detect Fraud
 - A) Carrier
 - B) Shipper
 - C) Station manager
 - D) Airport manager
- 6) The corporate level of an airline will agree upon _____ and the _____.
 - A) Fraud policies, Code of ethics
 - B) Ethics policies, code of principles
 - C) Operation policies, Code of ethics
 - D) Both A and B
- 7) Disciplinary action must be taken whenever the _____ is dis regarded.
 - A) Fraud policies,
 - B) Code of ethics
 - C) code of principles
 - D) Operation policies
- 8) The station manager must be up to date on the various types of fraud and _____ which may impact his station and his airline's revenue
 - A) Conspiracies
 - B) Scams
 - C) Theft
 - D) Both A and B
- 9) The basic concept of the _____ is to reward passengers for brand loyalty by giving them credit for accrued mileage travelled on a carrier, or a combination of carriers.
 - A) Visiting friends and relatives
 - B) Frequent flier programme
 - C) Business travel programme
 - D) Both B and C
- 10) All but one of the following are ways in which the programme in 9) is abused.
 - A) Broker sales
 - B) Fictitious accounts
 - C) Use of free tickets from a country where the programme is not authorized.

Fraud Prevention

- D) Internet and phishing
- 11) This type of fraud takes place when certain individuals linked to travel agencies access the airline reservation systems and search for the passenger list of long-haul flights.
- A) Broker sales
 - B) Fictitious accounts
 - C) Use of free tickets from a country where the programme is not authorized.
 - D) Internet and phishing
- 12) This type of fraud involves buying tickets and getting the mileage credit accrued to an FFP account specifically opened to defraud the airline.
- A) Broker sales
 - B) Fictitious accounts
 - C) Mileage credit accrued on revenue tickets subsequently refunded.
 - D) Internet and phishing
- 13) One method to counter abuse is to identify the PNR all passengers booked for travel on _____ tickets and profile points that could help identify fraudsters.
- A) Broker sales
 - B) Fictitious accounts
 - C) Use of free tickets from a country where the programme is not authorized.
 - D) Frequent flier
- 14) One of the following is no among the points that could help identify fraudsters.
- A) Persons checking in and not travelling
 - B) Passengers with no known address or contact
 - C) Itinerary with no link with an FFP member's home or business address
 - D) Passengers with known addresses or contact
- 15) Airlines that wish to use credit cards for their sales transactions must enter into an agreement with the _____ and abide by their conditions.
- A) Banks
 - B) Credit card companies
 - C) Credit agencies
 - D) Both A and B
- 16) One of the following is not among the general conditions for credit cards
- A) Credit card provided prior to the Expiry date.
 - B) Authorization request sent to card issuer
 - C) Credit card number
- 17) For face-to face credit card transactions, one must ensure one of the following.
- A) Credit card doesn't appear altered
 - B) The card can be read at a point-of-sale terminal
 - C) Obtaining authorization from the credit card company
 - D) All of the above
- 18) All but one of the flowing are the real refer to the meaning of a card authorization.
- A) Card number has been reported as stolen
 - B) Card number exists
 - C) There are sufficient funds in the card
 - D) Card has been no been reported as lost.
- 19) Authorization of a credit card does not confirm or guarantee that that the genuine cardholder provided the details supplied to the merchant.
- A) True
 - B) False
- 20) Authorization does not guarantee payment for cardholder not present transactions.
- A) True
 - B) False
- 21) The actual credit card holder will often not know of the _____ of the card until he/she receives the bill next month.
- A) Missing card
 - B) Fraudulent usage

Fraud Prevention

- C) Card transactions
D) Both A and C
- 22) When the requirements laid out in the card acceptance merchant agreement are neglected, the airlines and agents are exposed to a _____ for the resulting card fraud. This results in a _____ by the card issuer.
- A) Loss, payment
 - B) Liability, payment
 - C) Liability, charge back
 - D) Loss, charge back
- 23) The cost implication of a major breach and fraud occurring can result in organizations carrying the cost of _____, the investigation required by the payment card companies as well as _____ from acquiring banks.
- A) Compensation, payments
 - B) Remediation, penalties
 - C) Remediation, fines
 - D) Compensation, fines
- 24) While non-face-to-face sales are _____, changing this mode of doing business would cause greater loss of _____.
- A) Confidential, customers
 - B) Riskier, revenue
 - C) Riskier, customers
 - D) Both A and B
- 25) As a practical suggestion to combat credit card fraud, the compulsory authorization request must contain all the information that can be gathered.
- A) True
 - B) False
- 26) For a non-face-to-face transaction, authorization requests must contain all but one of the following items.
- A) Card number
 - B) Expiration date
 - C) Amount of sale
 - D) Authorization passcode
- 27) For a non-face-to-face transaction, the card security code is made up of _____ digits and is located on the _____ side of the card.
- A) 4, back
 - B) 3, front
 - C) 5, back
 - D) 3, back
- 28) The AVS code for credit card transactions taking place in the USA and Canada stands for _____.
- A) Address Verification System Company
 - B) Address Verification System Code
 - C) Address Verification System Concept
 - D) Address Verification Service Code
- 29) For face-to-face transactions when the customer is present at the point of sale, ensure that all but one of the following are complied with.
- A) The card does not appear altered
 - B) The card bears the signature of the person whose name is embossed on its face
 - C) The card can be swiped the magnetic strip reading the chip
 - D) An ID is not necessary for such transactions
- 30) When passengers use cards to pay, there is both an exchange of _____ and an exchange of _____ that unscrupulous employees can take advantages of.
- A) Funds, Passcodes
 - B) Passcodes, patterns
 - C) Funds, information
 - D) Both A and C
- 31) All but one of the following are some of the controls against fraudulent card usage.
- A) Do not accept any bookings without a credit card
 - B) Do not accept third party bookings
 - C) Obtain an authorization code
 - D) Signature on the card is not necessary

- 32) The following are incidents of tariff applicability abuse, which one is not.
- A) Special offers and seasonality
 - B) Similar discounts
 - C) Application of adult fares for infants or children.
 - D) Application of infant or children rates for adults
- 33) Getting an authorization code via the reservation system _____ payment but merely that the card has not been reported _____ and the funds are available
- A) Guarantees, missing
 - B) Doesn't guarantee, compromised
 - C) Guarantees, lost
 - D) Allows for, compromised
- 34) Baggage mishandling only affects only the passenger whose baggage is delayed or damaged
- A) True
 - B) False
- 35) _____ fees are a common practice in the industry. Some estimates suggest that the revenues are _____ times higher today compared to 2007 estimates, as a result of this growing trend.
- A) Parking, 4
 - B) Ancillary, 5
 - C) Storage, 4
 - D) Ancillary, 4
- 36) _____ is theft of only some of the contents of a checked baggage:
- A) Robbery
 - B) Pilferage
 - C) Fraud
 - D) Corruption
- 37) While most passengers use their _____ as a form of payment, a _____ transaction represents a temptation to unethical employees.
- A) Debit cards, cash
 - B) Credit cards, mobile
 - C) Cash, mobile
 - D) Credit cards, cash
- 38) When dealing with credit cards, all but one of the following are situations that would alert the station manager and his staff of a possibility of fraudulent purchase.
- A) Too easy sale, customers disinterested in prices
 - B) Short booking or "booking to flying" time frame
 - C) One-way trip
 - D) Urgent departure for sort haul destinations
- 39) _____ abuse is the application of incorrect fare levels, by intent or error.
- A) Credit card
 - B) Tariff
 - C) Pilferage
 - D) Electronic Ticket
- 40) Complete the sentence: Deviations that are made (outside of airline policy guidelines that are allowed by airline personnel) represent _____.
- A) Fraudulent transactions
 - B) Pseudo bookings
 - C) Deliberate under fairing
 - D) Forged documents

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