FRA TIER 2 QUALIFICATION PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://fratier2.examzify.com

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright 1

Table of Contents 2

Introduction 3

How to Use This Guide 4

Questions 5

Answers 8

Explanations 10

Next Steps 16

SAMPLE

Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

SAMPLE

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

SAMPLE

Questions

SAMPLE

1. What do closing entries accomplish?

A. They finalize yearly tax calculations

B. They zero out temporary accounts and transfer their balances to permanent accounts

C. They prepare the accounts for the next fiscal year

D. They adjust financial statements for errors

2. What are audit trails?

A. Records to trace authorized personnel's access to data

B. Systems that ensure compliance with financial regulations

C. Records that trace transactions and changes within a financial system for verification

D. Reports summarizing an organization's financial position

3. What categorizes current assets?

A. Assets that are illiquid

B. Assets expected to be converted into cash or used up within one year

C. Assets that require long-term financing

D. Assets that do not provide immediate benefits

4. What can audit trails be used for in financial systems?

A. Evaluating loan applications

B. Tracing financial transactions for accountability

C. Forecasting future financial results

D. Regulating company hiring practices

5. In conventional jointed track, how many bolts must be used for each rail at a joint in classes 2-5?

A. At least one bolt

B. At least two bolts

C. At least three bolts

D. No specific requirement exists

SAMPLE

6. What is the purpose of a trial balance?

A. To assess the company's liquidity and financial health

B. To list the balances of all ledger accounts to ensure total debits equal total credits

C. To summarize the company's cash inflows and outflows

D. To calculate the earnings before taxes

7. How is net income defined?

A. The profits before taxes and interest

B. The total profit after all expenses have been deducted

C. The revenue minus operating costs

D. The gross profit of a company

8. Which of the following is a requirement for the marking of defect rails according to BNSF?

A. Marking should be done only on one side of the rail

B. Marking should be visible only during daylight

C. Marking based on accessibility of the web and base

D. Marking should include color coding

9. What is the purpose of a capital budget?

A. To estimate earnings before interest and taxes

B. To outline planned investments in long-term assets or projects

C. To track day-to-day operational expenses

D. To allocate funds for marketing initiatives

10. What is the slow speed order applied in the context of certain defects?

A. 5 mph

B. 10 mph

C. 15 mph

D. 20 mph

SAMPLE

Answers

SAMPLE

1. B
2. C
3. B
4. B
5. B
6. B
7. B
8. C
9. B
10. B

SAMPLE

Explanations

SAMPLE

1. What do closing entries accomplish?

A. They finalize yearly tax calculations

B. They zero out temporary accounts and transfer their balances to permanent accounts

C. They prepare the accounts for the next fiscal year

D. They adjust financial statements for errors

Closing entries play a crucial role in the accounting cycle by zeroing out temporary accounts and transferring their balances to permanent accounts. Temporary accounts include revenues, expenses, and dividends, which are reset to zero at the end of an accounting period. This closure is essential because it ensures that the financial statements reflect only the transactions of the current period, preventing the blending of data from previous periods. When closing entries are made, the net income or loss from the temporary accounts is transferred to a permanent account, typically retained earnings. This process not only allows for a fresh start in the subsequent fiscal year but also maintains the integrity of the permanent accounts, which accumulate data over time. By effectively performing these actions, closing entries help provide accurate and up-to-date financial information for stakeholders and facilitate better financial reporting for the upcoming periods.

2. What are audit trails?

A. Records to trace authorized personnel's access to data

B. Systems that ensure compliance with financial regulations

C. Records that trace transactions and changes within a financial system for verification

D. Reports summarizing an organization's financial position

Audit trails are comprehensive records that track transactions and changes within a financial system, providing a reliable means of verification. They essentially serve as a chronological record of all activities that affect data integrity, allowing organizations to review and analyze the sequence of events related to financial transactions. This function is critical for ensuring accuracy and accountability in financial reporting and analysis. The importance of audit trails lies in their ability to facilitate transparent tracking of transactions, which helps in detecting errors or unauthorized changes. When organizations have robust audit trails in place, they can significantly enhance their ability to comply with regulations and policies, as these records provide evidence for audits and reviews. Such verification processes help maintain trust in financial systems by providing stakeholders with clear insights into how and when changes were made, thus supporting sound governance practices.

SAMPLE

3. What categorizes current assets?

A. Assets that are illiquid

B. Assets expected to be converted into cash or used up within one year

C. Assets that require long-term financing

D. Assets that do not provide immediate benefits

Current assets are defined as assets that are expected to be converted into cash or utilized within one year, making them crucial for a company's short-term financial health and liquidity. This definition reflects the operational cycle of the business, where these assets, such as cash, accounts receivable, and inventory, play a vital role in meeting short-term obligations. The first choice highlights illiquidity, which is not applicable to current assets since liquidity is a key characteristic that allows these assets to be easily converted into cash. The third option mentions long-term financing, which aligns more with non-current assets, as current assets typically do not require long-term funding since they are expected to generate cash flow within the short term. The last option indicates that these assets do not provide immediate benefits, which contradicts the nature of current assets that are meant to support ongoing operations and contribute to revenue generation. Therefore, categorizing current assets appropriately as those expected to be converted into cash or used up within one year is essential for understanding a company's financial position and operational efficiency.

4. What can audit trails be used for in financial systems?

A. Evaluating loan applications

B. Tracing financial transactions for accountability

C. Forecasting future financial results

D. Regulating company hiring practices

An audit trail is a comprehensive record that logs all the transactions and changes made within a financial system. By tracing financial transactions, the audit trail provides a clear and detailed history that is crucial for accountability. This mechanism allows organizations to track the flow of funds, verify the authenticity of transactions, and ensure compliance with regulatory standards. It also enhances transparency, enabling auditors and management to review financial data systematically, ensuring that the company's financial practices are sound and that any discrepancies can be quickly identified. The other options, while important in their own contexts, do not relate directly to the specific function of audit trails. Evaluating loan applications requires assessment criteria that focus on creditworthiness and financial stability rather than tracking transactional history. Forecasting future financial results involved predictive analytics and modeling instead of tracing past transactions. Regulating company hiring practices pertains to HR policies and compliance, which is unrelated to the financial transaction tracking that audit trails provide. Thus, the ability of audit trails to offer accountability through transaction tracing is their primary function in financial systems.

SAMPLE

5. In conventional jointed track, how many bolts must be used for each rail at a joint in classes 2-5?

A. At least one bolt

B. At least two bolts

C. At least three bolts

D. No specific requirement exists

In conventional jointed track, it is required that at least two bolts be used for each rail at a joint in classes 2-5. This requirement ensures the necessary stability and alignment of the rails at the joints, which is critical for maintaining a safe and smooth running surface for trains. Two bolts provide sufficient load distribution and secure the joint against movement caused by dynamic forces from passing trains, which can lead to misalignment or excessive wear if not adequately secured. While using at least one bolt might provide some level of support, it would not be sufficient for the demands placed on the track, especially in higher traffic classes. The use of three bolts is typically more than what is required for these classes, and having no specific requirement would undermine safety standards. Therefore, the correct number of bolts ensures structural integrity and enhances safety in rail operations.

6. What is the purpose of a trial balance?

A. To assess the company's liquidity and financial health

B. To list the balances of all ledger accounts to ensure total debits equal total credits

C. To summarize the company's cash inflows and outflows

D. To calculate the earnings before taxes

The purpose of a trial balance is to list the balances of all ledger accounts to ensure that total debits equal total credits. This is a critical step in the accounting process that helps in identifying any discrepancies and errors in the accounting records before financial statements are prepared. By compiling all amounts from the various accounts, a trial balance provides a snapshot of the company's financial position at a specific point in time. If the total debits and total credits do not match, this indicates that there may be mistakes in the transactions recorded in the ledger accounts, prompting further investigation to correct those errors. In contrast, some of the other choices focus on specific financial analysis aspects, such as assessing liquidity, summarizing cash flows, or calculating earnings, which are not the primary purpose of a trial balance. The trial balance serves more as a preliminary check, ensuring the mathematical accuracy of the bookkeeping entries rather than evaluating overall financial performance or specific cash-related metrics.

SAMPLE

7. How is net income defined?

A. The profits before taxes and interest

B. The total profit after all expenses have been deducted

C. The revenue minus operating costs

D. The gross profit of a company

Net income is defined as the total profit after all expenses have been deducted. This includes not just the operating expenses, but also taxes, interest, depreciation, and any other expenses that the company incurs throughout its business operations. It represents the amount of earnings available to shareholders, often referred to as the bottom line, because it is found at the bottom of the income statement. In contrast, the other definitions provided refer to different concepts in financial accounting. The total profit before taking into account taxes and interest, operating costs alone, or gross profit all represent earlier stages in the income calculation process. Each of these figures is important in their own right, but they do not capture the complete picture of profitability that net income conveys. Therefore, the definition that encompasses all expenses leading to the final profit figure is the accurate representation of net income.

8. Which of the following is a requirement for the marking of defect rails according to BNSF?

A. Marking should be done only on one side of the rail

B. Marking should be visible only during daylight

C. Marking based on accessibility of the web and base

D. Marking should include color coding

The requirement for marking defect rails according to BNSF emphasizes that the marking should cater to the accessibility of the web and base. This approach ensures that the markings are placed in locations that can be easily observed and are practical for maintenance crews to identify and address the defects effectively. Proper placement of markings enhances safety and operational efficiency, as it allows workers to quickly locate and assess defects without unnecessary difficulty. While marking on one side of the rail might seem practical, it could limit visibility and accessibility from multiple angles, compromising safety. Markings needing to be visible only during daylight would not provide clear guidance at night or during low visibility conditions, which is critical for maintenance operations. Color coding could be beneficial in various contexts; however, it is not explicitly stated as a requirement in this scenario, making the emphasis on accessibility more relevant. Therefore, focusing on the accessibility of the web and base for defect marking aligns with best practices in railway maintenance and safety.

SAMPLE

9. What is the purpose of a capital budget?

A. To estimate earnings before interest and taxes

B. To outline planned investments in long-term assets or projects

C. To track day-to-day operational expenses

D. To allocate funds for marketing initiatives

The purpose of a capital budget is primarily to outline planned investments in long-term assets or projects. This type of budget aids organizations in assessing the potential returns on investments, planning future expenditures, and making informed decisions regarding which assets to invest in. Capital budgeting typically involves evaluating projects that will require significant financial resources and will contribute to the company's growth over an extended period. In contrast, the other options relate to different aspects of financial management. For instance, estimating earnings before interest and taxes pertains to financial performance evaluation, while tracking day-to-day operational expenses involves managing the company's operational budget. Allocating funds for marketing initiatives addresses short-term spending, focusing on promotional activities rather than long-term asset planning. Thus, the correct answer highlights the strategic aspect of capital budgeting in guiding long-term investment decisions.

10. What is the slow speed order applied in the context of certain defects?

A. 5 mph

B. 10 mph

C. 15 mph

D. 20 mph

The slow speed order, particularly when applied in the context of specific defects, is designed to ensure safety and minimize risk when a train approaches an area with known issues. In many rail regulations, a speed limit of 10 mph is recognized as an appropriate threshold for cautious navigation of potentially hazardous track conditions, such as track defects or signal issues. This speed allows for a careful and controlled passage, providing ample time for the crew to respond to any unforeseen circumstances that may arise. While the other speed options might also be used in various scenarios, 10 mph is the standard practice in many railroad operations for serious defects to maintain integrity and safety of both the train and the rail infrastructure. This specific limitation effectively balances the need for operational efficiency with the necessity of ensuring safety when working in potentially compromised conditions.

SAMPLE

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://fratier2.examzify.com

We wish you the very best on your exam journey. You've got this!

SAMPLE