

Contestant Number \_\_\_\_\_

Time \_\_\_\_\_

Rank \_\_\_\_\_

# BANKING & FINANCE (08)

## Regional– 2012

**Objective Portion** (30 @ 2 pts. each) \_\_\_\_\_ (60)

**Application Portion**

Job 1—Check Writing (9 @ 2 pts. each) \_\_\_\_\_ (18)

Job 2—Check Register (36 @ 1 pt. each) \_\_\_\_\_ (36)

Job 3—Bank Deposit (12 @ 2 pts. each) \_\_\_\_\_ (24)

**TOTAL POINTS** \_\_\_\_\_ **(138)**

***Failure to adhere to any of the following rules will result in disqualification:***

- 1. Contestant must hand in this test booklet and all printouts. Failure to do so will result in disqualification.***
- 2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.***
- 3. Electronic devices will be monitored according to ACT standards.***

No more than 60 minutes testing time

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*Workplace Skills Assessment Program* competition.

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Multiple Choice: Choose the best answer for each of the following and record your answer on the Scantron form provided.

1. Items of value are called:
  - a. Personal assets
  - b. Allowance
  - c. Liabilities
  - d. Expenses
  
2. \_\_\_\_\_ transfers money directly from buyer's bank account to merchant's account.
  - a. Cash card
  - b. Credit card
  - c. Debit card
  - d. Smart card
  
3. Which of the following is NOT one of the 5 C's of lending?
  - a. Capacity
  - b. Capital
  - c. Credibility
  - d. Character
  
4. According to the Rule of 72, if the interest rate you earn is 16%, your money will double in value in
  - a. 4.5 years
  - b. 6 years
  - c. 16 years
  - d. 12 years
  
5. Which of the following is an example of a liquid asset?
  - a. \$1,250 that the Johnsons have in a savings account
  - b. A balance of \$400 the Smiths have on their Visa card
  - c. \$65,000 mortgage the Harris' have on their home
  - d. All of the above are liquid assets
  
6. Which of the following would be a potential warning sign of debt problems?
  - a. Increasing the balance on your credit card each month
  - b. Borrowing more to pay old debts
  - c. Going over your credit limit on credit cards
  - d. All of the above are warning signs
  
7. Brad Bodine is buying Rentoil Motor Oil and wants to know the unit price. He buys a box containing 5 quarts for \$10.50. The unit price is:
  - a. \$10.50 per can
  - b. \$5.00 per quart
  - c. \$2.10 per quart
  - d. \$2.10 per ounce

8. Payday loans:
  - a. Are the best way for young students to build up a good credit rating
  - b. Charge far more interest than a typical credit card interest charge
  - c. Are available from your local bank
  - d. Are a cheap way to borrow money, since it is for such a short term
  
9. Which of the following is the best definition of minimum payment on a credit card?
  - a. A low introductory payment offered by the lender for a few months until the card holder has established good credit
  - b. A fee that must be paid whether the card is used or not
  - c. The smallest payment that will keep a credit card holder in good standing with the lender
  - d. The interest on the purchases that were made on the credit card
  
10. Money electronically added to your checking account is called a(n)
  - a. Deposit
  - b. Automatic withdrawal
  - c. Automatic deposit
  - d. Certificate of deposit
  
11. Interest is the price paid for using other's money.
  - a. True
  - b. False
  
12. It is illegal for a bank to make different check-cashing rules for customers and noncustomers.
  - a. True
  - b. False
  
13. If banks must hold more money in reserve,
  - a. The money supply will expand
  - b. There is more money available to lend
  - c. There is less money available to lend
  - d. Both a and b, but not c
  
14. A reverse mortgage is repaid...
  - a. Over the term of the loan, typically 30 years
  - b. In one single large payment at a specified point
  - c. When the borrower dies
  - d. By the bank to the borrower
  
15. Generally speaking, housing costs should not exceed \_\_\_\_\_ of gross monthly income.
  - a. 10-15 percent
  - b. 25-28 percent
  - c. 36-40 percent
  - d. 50 percent

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16. On January 1, the cost of a product is \$50.00. If inflation for the year is 12 percent, what does the product cost on December 31 of that year?
- \$60.00
  - \$56.00
  - \$54.00
  - \$51.20
17. An example of a service is \_\_\_\_\_.
- a car
  - college books
  - a goal
  - a salon haircut
18. The FDIC and the NCUA insures deposits up to a limit of \_\_\_\_\_.
- \$250,000 per depositor
  - \$100,000 per account
  - \$150,000 for two accounts
  - \$200,000 all accounts
19. What is generally maintained in the vault of a bank?
- Precious metals
  - Safe files
  - Safe deposit boxes
  - None of the above
20. Which of the following can be used for security for a loan?
- Account receivable
  - Stock
  - Real estate
  - All of the above
21. Which of the following instruments is negotiable?
- Bank draft
  - Cashier's check
  - Certified check
  - All of the above
22. You are hired as a car washer who earns \$7.25 per hour. You work Tuesday-Saturday, 9-6 with one hour for lunch. Find the gross weekly pay for the job. Note: lunch time is unpaid.
- \$300.00
  - \$290.00
  - \$362.50
  - \$232.00
23. A store in Chicago, Illinois, advertised a 65" HD3D TV for \$1,475.99. What is the sales tax if the combined state and city tax rate is 7%?
- \$103.32
  - \$1579.31
  - \$100.15
  - \$109.96

24. There are \_\_\_\_\_ federal reserve banks.
- 6
  - 12
  - 13
  - 15
25. What is the name of the organization that insures a customer's money in a bank?
- IRS
  - NCUA
  - SCC
  - FDIC
26. Anna's savings account pays simple interest. She began with a deposit of \$1,000. At the end of one year, she had earned \$40 in interest. What is the interest rate on Anna's account?
- 1%
  - 2%
  - 3%
  - 4%
27. Jack borrowed \$1,050 and paid the loan back in 12 equal payments of \$96.50. What is the finance charge for this loan?
- \$58
  - \$108
  - \$1,158
  - None of the above
28. Macy agreed to repay a \$500 loan at 9% interest in 90 days. She made the loan on July 14. What is the due date of the loan?
- October 12
  - October 13
  - October 14
  - October 15
29. Your checking account balance was \$203.47 yesterday. Today your employer deposited your \$389.53 pay directly to your checking account. On the way home from work, you made an ATM withdrawal of \$100.00. After dinner you wrote checks for \$72.14, \$107.99, and \$47.16. What is the total of the withdrawals from your account for today?
- \$217.29
  - \$227.29
  - \$389.53
  - \$327.29

30. See question 29. What is the balance of your checking account at the end of today?
- a. \$593.00
  - b. \$365.71
  - c. \$265.71
  - d. None of the above

**Job 1:** Complete the transaction below:

On December 13, 2011, you buy a shirt from Abercrombie for \$46.99. Your state and local sales tax rate is 7%. Write this check for the amount of the purchase. Use clothing in the memo.

1190  
00-6799/0010  
DATE \_\_\_\_\_  
PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_  
DOLLARS  Check features  
Frontload  
Online track  
DELUXE CORPORATION  
YOUR CITY, STATE 12345  
NOT NEGOTIABLE  
SAMPLE - VOID  
DO NOT CASH!  
MEMO \_\_\_\_\_ SIGNED \_\_\_\_\_  
⑆234567890⑆ 111144411190

1. What is the routing number? \_\_\_\_\_
2. What is the check number? \_\_\_\_\_
3. What is the account number? \_\_\_\_\_



**JOB 3 - Deposit Slip**

On December 21, 2011, you deposit the following. Fill out the following deposit slip with the correct amount. You are keeping \$20.00 out of the deposit.

Currency	6	\$20 bills	
	3	\$10 bills	
	10	\$ 5 bills	
	21	\$ 1 bills	
Coins	27	quarters	
	12	dimes	
	11	nickels	
Checks	\$121.32	ABA #90-1234	
	\$13.67	ABA #87-3456	
	\$46.21	ABA #88-5678	

<p><b>DEPOSIT SLIP</b></p> <p>Stephanie A. Clark 457 Main Street Columbus, OH 43214 PH 503-555-1212</p> <p>DATE _____</p> <p>_____</p> <p>Acknowledge receipt of cash returned by signing above.</p> <p>USA BANK Cleveland, Ohio</p> <p>I:074000052: 6485. 6000789.</p>	CASH		
	Including Coins		
	<i>List checks singly</i>		
	TOTAL		
	LESS CASH RECEIVED		
<b>NET DEPOSIT</b>			
<p>Checks and other items are received for deposit subject to the provisions of uniform commercial code or any applicable collection agreement.</p>			