Contestant Number:

Time:

Rank:

Banking & Finance

(145)

REGIONAL – 2016

**Multiple Choice:**

Multiple Choice (30 @ 2 points each) (60 points)

**Production Portion:**

Job 1: Complete a budget (30 @ 1 point each) (30 points)

Job 2: Identify parts of a check (5 @ 2 points each) (10 points)

***TOTAL POINTS (100 points)***

**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 ten (10) minutes orientation

No more than 60 minutes testing time

No more than ten (10) minutes wrap-up

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*Workplace Skills Assessment Program* competition.

M**ULTIPLE CHOICE**

***Directions:*** Identify the letter of the choice that best completes the statement or answers the question.

1. The calculation for simple interest is \_\_\_\_\_\_\_\_\_\_x interest rate x time.
   1. down payment
   2. principal
   3. maturity value
   4. month
2. The three C’s of credit include all of the following *except* \_\_\_\_\_\_\_\_\_\_.
   1. cooperation
   2. character
   3. capacity
   4. collateral
3. The total amount of taxes owed is called \_\_\_\_\_\_\_\_\_\_.
   1. exemption
   2. tax liability
   3. income tax
   4. tax credit
4. Many companies offer \_\_\_\_\_\_\_\_\_\_, which is an automatic deposit of net pay to an employee’s designated bank account.
   1. amortization
   2. direct deposit
   3. automated payments
   4. indirect deposit
5. Which of the following assets is the *most* liquid?
   1. A certificate of deposit that comes due in six months
   2. Ten shares of common stock
   3. The money in your savings account
   4. The money in your billfold
6. Overdraft protection is
   1. the use of a debit card to purchase an item at a retail store.
   2. the amount of interest that a financial institution would pay on a deposit.
   3. the percentage of increase in your account from earned interest.
   4. an automatic loan made to an account if the balance will not cover a transaction made on the account.
7. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a report that accounts for the differences between a bank statement and a check book balance.
   1. annual report
   2. endorsement
   3. bank reconciliation
   4. bank report
8. The maximum amount of money a creditor will allow a credit user to borrow is called a
   1. grace period
   2. credit rating
   3. credit report
   4. line of credit
9. The person, business or organization receiving a check is referred to as the \_\_\_\_\_\_\_\_\_\_.
   1. payee
   2. drawer
   3. payer
   4. drawee
10. The price paid for an insurance policy is called a \_\_\_\_\_\_\_\_\_\_.
    1. beneficiary
    2. co-pay
    3. premium
    4. deductible
11. People who deposit money into banks are known as \_\_\_\_\_\_\_\_\_\_.
    1. donors
    2. depositors
    3. financers
    4. brokers
12. A period of time when investors are confident in the economy and stock prices are rising is referred to as a \_\_\_\_\_\_\_\_\_\_.
    1. bull market
    2. bear market
    3. diverse market
    4. reclining market
13. A spending plan for the use of money over time based on goals and expected income is a
    1. statement
    2. owner’s equity
    3. budget
    4. income statement
14. The bank that you write your checks from is called the \_\_\_\_\_\_\_\_\_\_.
    1. payee
    2. drawer
    3. payer
    4. drawee
15. A \_\_\_\_\_\_\_\_\_\_ endorsement is used to transfer a check to another party.
    1. restrictive
    2. blank
    3. special
    4. simple
16. A(n) \_\_\_\_\_\_\_\_\_\_ is an asset you buy that increases your wealth over time, but carries the risk of loss.
    1. capitol
    2. liability
    3. insurance policy
    4. investment
17. The rate of interest a bank charges their best customers is referred to as the \_\_\_\_\_\_\_\_\_\_.
    1. prime rate
    2. discount rate
    3. federal rate
    4. value rate
18. A \_\_\_\_\_\_\_\_\_\_ is a personal check with a bank’s guarantee the check will be paid.
    1. cashier’s check
    2. certified check
    3. valued check
    4. money order
19. Income earned from selling an asset for more than the purchase price is called \_\_\_\_\_\_\_\_\_\_.
    1. investment
    2. capital gain
    3. net profit
    4. net worth
20. The person named by a policy holder to receive the death benefit of an insurance policy is referred to as a(n) \_\_\_\_\_\_\_\_\_\_.
    1. inheritor
    2. endorser
    3. beneficiary
    4. investor
21. A U.S. government system that regulates the nation’s money supply and banking system is the
    1. Federal Reserve System
    2. Federal Open Market Committee
    3. Federal Insurance Agency
    4. U.S. Banking Agency
22. A(n) \_\_\_\_\_\_\_\_\_\_ is the time between the billing date and the start of interest charges.
    1. allowance period
    2. free period
    3. fixed period
    4. grace period
23. A financial obligation that a person currently owes or will owe in the future is a(n) \_\_\_\_\_\_\_\_\_\_.
    1. liability
    2. asset
    3. capital
    4. receivable
24. An example of an open-end credit account is a(n) \_\_\_\_\_\_\_\_\_\_.
    1. mortgage
    2. lease
    3. credit card
    4. automobile loan
25. The movement of money electronically from one financial institution to another is a(n) \_\_\_\_\_\_\_\_\_\_.
    1. Deposit of certificate
    2. electronic funds transfer (EFT)
    3. debit transaction
    4. credit transaction
26. A return on assets (ROA) is found by \_\_\_\_\_\_\_\_\_\_.
    1. net income/total equity
    2. total equity/net income
    3. total assets/net income
    4. net income/total assets
27. A \_\_\_\_\_\_\_\_\_\_ is a not-for-profit financial institution.
    1. credit union
    2. commercial bank
    3. wholesale bank
    4. mutual savings bank
28. The \_\_\_\_\_\_\_\_\_\_ guarantees that all information about costs of a loan will be provided in writing to consumers.
    1. Equal Credit Opportunity Act (ECOA)
    2. Fair Credit Reporting Act (FCRA)
    3. Truth in Lending Act (TILA)
    4. Fair Debt Collection Practices Act (FDCPA)
29. The annual cost of credit a lender charges is the \_\_\_\_\_\_\_\_\_\_.
    1. annual amount of yield (AAY)
    2. annual percentage rate (APR)
    3. annual gross pay (AGP)
    4. annual earned income (AEI)
30. A legal claim on a borrower’s property by a creditor who is owed money is a \_\_\_\_\_\_\_\_\_\_.
    1. lien
    2. debt
    3. mortgage
    4. loan

**JOB 1: Complete the following budget for Willow Thomas using the information provided.**

***(30 points – 1 point each)***

Willow Thomas works part-time while attending college. She has had to set a budget to make sure she has enough money for all of her expenses. She currently makes $1,555 a month. If there is money left over after paying all of her bills, she always puts $100 into a college fund and the remaining money in her savings for emergencies. Use the following information to help complete her budget.

Rent $450 Utilities $80

Car Payment $250 Insurance $100

Telephone $50 Gas $70

Entertainment $50 Groceries $150



$ 1,555

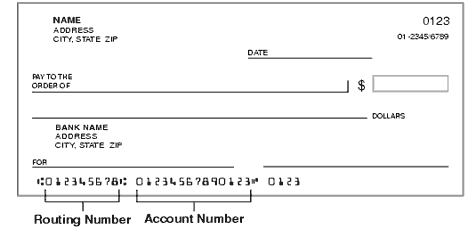
$ 18,660

$ 1,555

$ 18,660

**JOB 2: Identify the parts of the check or missing parts that are numbered below:**

(5 @ 2pt each= 10 points)



4

5

3

1

2

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_