

BANKING & FINANCE (06)

Regional—2007

Objective Portion (25 @ 2 points each) _____ (50)

Production Portion

Job 1 –Deposit Slip _____ (18)

Job 2 –Check Writing _____ (11)

Job 3 –Check Register _____ (26)

TOTAL POINTS _____ **(105)**

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.*
- 3. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.*
- 4. Electronic devices will be monitored according to ACT standards.*

No more than 60 minutes testing time

Do **NOT** open test booklet until instructed to do so.

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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. The first step in planning a budget is
 - A. estimating income
 - B. setting financial goals
 - C. listing fixed expenses
 - D. budgeting for savings

2. Compared with commercial banks, credit unions generally offer
 - A. higher interest rates on loans
 - B. fewer financial services
 - C. higher interest on savings
 - D. lower fees and loan rates

3. After a company fails, who has first rights to its remaining assets?
 - A. corporate bond holders
 - B. mutual fund investors
 - C. common stockholders
 - D. preferred stockholders

4. A legal form that asks stockholders to transfer their voting rights is called a
 - A. security
 - B. proxy
 - C. preemptive right
 - D. stock split

5. Better Business Bureaus handle
 - A. class-action lawsuits
 - B. complaints against local merchants
 - C. potentially unsafe products
 - D. standards for chemicals, cosmetics, and medical devices

6. What amount of interest would you earn in one year if the simple interest rate on \$12,000 were 7.75%?
 - A. \$93
 - B. \$930
 - C. \$840
 - D. \$465

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7. A bank statement contains all of the following information except
 - A. beginning balance
 - B. deposits in transit
 - C. service charge
 - D. checks paid

8. Which of the following Acts protect you against discrimination?
 - A. Equal Credit Opportunity Act
 - B. Fair Credit Reporting Act
 - C. Fair Credit Billing Act
 - D. Truth in Lending Act

9. Cosigning a loan requires the cosigner to
 - A. pay half the loan
 - B. repay a portion of the loan if the borrower does not
 - C. be responsible for the entire balance of the loan
 - D. verify the borrower signature

10. A savings certificate for a specific amount of money for a specific amount of time with a specific rate of interest is a
 - A. savings bond
 - B. certificate of deposit
 - C. treasury bill
 - D. mutual fund

11. A check drawn on the bank that issues it, payable to the person designated by the purchaser of the check is a
 - A. bank draft
 - B. cashier's check
 - C. certified check
 - D. traveler's check

12. Knowingly passing bad checks which is a serious crime that can result in a fine, imprisonment, or both, is referred to as a(n)
 - A. misdemeanor
 - B. felony
 - C. judgment
 - D. audit

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13. An endorsement that limits the use of a check to the purpose given in the endorsement is called a
 - A. blank endorsement
 - B. special endorsement
 - C. restrictive endorsement
 - D. full endorsement

14. When determining credit, which of the following criteria is not used?
 - A. conformity
 - B. capacity
 - C. conditions
 - D. collateral

15. If a husband and wife each have an individually owned account plus a joint account held in both names, the amount of FDIC protection they carry would be
 - A. \$200,000
 - B. \$400,000
 - C. \$300,000
 - D. \$100,000

16. If you make a mistake when writing a check, you should
 - A. erase the error and correct it
 - B. tear it into small pieces and throw it away
 - C. use correction fluid to cover the error and re-write it correctly
 - D. write "VOID" across the face of the check and save the check for filing with your monthly statement

17. Keogh and Individual Retirement Accounts were originally designed for persons without retirement plans
 - A. true
 - B. false

18. FDIC protection only covers losses sustained by depositors through the closing of an insured bank.
 - A. true
 - B. false


19. By placing funds in a checking and savings account in the same bank, a customer may increase the FDIC protection per amount.
 - A. true
 - B. false

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20. What defines payment of a debt by equal or periodic payments?
- A. amortization
 - B. conversion
 - C. arrears
 - D. installment
21. The place which sorts checks from different parts of the country and sends them to the banks on which they are DRAWN is called the
- A. regional bank
 - B. local bank
 - C. correspondent bank
 - D. Federal Reserve bank
22. The passing of the Federal Reserve Act in 1913 created the Federal Reserve System.
- A. true
 - B. false
23. A check is simply an order to the bank to pay a specified amount of money to a person or company named on the item
- A. true
 - B. false
24. The interest rate charged to the bank's most creditworthy customers is called the
- A. fixed rate
 - B. cash rate
 - C. prime rate
 - D. loan rate
25. Funds that can be withdrawn at any time are called
- A. NOW accounts
 - B. demand deposits
 - C. savings accounts
 - D. time deposits


Job 1 – Deposit Slip – 14 points

You deposit the following in your checking account using today’s date: 2 ten-dollar bills, 8 one-dollar bills, 3 quarters, 15 dimes, 5 nickels, 5 pennies, and checks for \$247.23, \$75.24 You would like to deposit the checks and receive 1 five-dollar bill.

DEPOSIT TICKET																																		
<div style="border: 1px solid black; padding: 5px;"> <p>DATE _____ 20____</p> <p>DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL</p> <p>_____</p> <p style="text-align: center;">SIGN HERE FOR CASH RECEIVED IF REQUIRED</p> </div> <div style="text-align: center; margin-top: 10px;">  <p>First General Business Bank</p> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; text-align: center;">CURRENCY</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td style="text-align: center;">CASH</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">COIN</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">LIST CHECKS SINGLY</td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">TOTAL FROM OTHER SIDE</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">LESS CASH RECEIVED</td> <td></td> <td></td> </tr> </table>	CURRENCY			CASH			COIN			LIST CHECKS SINGLY															TOTAL FROM OTHER SIDE			TOTAL			LESS CASH RECEIVED		
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<p>091915735:</p> <p style="font-size: small;">CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT</p>																																		

Job 2 – Check Writing –11 points

1. Complete check #1234 using today's date. Make it payable to Shear Style for \$46.24 for a hair cut. Please sign using your name.

Mara Kulm 300 Annandale Road Annandale, MN 55302	1234
	_____ 20 _____ 75-1573/919
PAY TO THE ORDER OF _____	\$ <input type="text"/>
	_____ DOLLARS
	NON-NEGOTIABLE
 First General Business Bank	
MEMO _____	_____
:091915735 : 123456789 1234	

2. Who is the drawee? _____
3. Who is the payee? _____
4. Who is the drawer? _____
5. What is the routing number? _____
6. What is the purpose for writing this check? _____



BANKING & FINANCE (06)

KEY

Regional—2007

Objective Portion (25 @ 2 points each)	_____	(50)
Production Portion		
▪ Job 1 – Deposit Slip	_____	(18)
▪ Job 2 – Check Writing	_____	(11)
▪ Job 3 – Check Register	_____	(26)
TOTAL POINTS	_____	(105)

Graders:

Please double-check and verify all scores!

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1. B
2. D
3. D
4. B
5. B
6. B
7. B
8. A
9. C
10. B
11. B
12. B
13. C
14. A
15. C
16. D
17. A
18. A
19. B
20. D
21. D
22. A
23. A
24. C
25. B



Graders: each line correct is worth 2 points X 9 lines = 18 points.

Job 1 – Deposit Slip – 14 points

You deposit the following in your checking account using today’s date: 2 ten-dollar bills, 8 one-dollar bills, 3 quarters, 15 dimes, 5 nickels, 5 pennies, and checks for \$247.23, \$75.24 You would like to deposit the checks and receive 1 five-dollar bill.

DEPOSIT TICKET

DATE Today 20

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

 Student Signature

SIGN HERE FOR CASH RECEIVED IF REQUIRED

**First General
Business Bank**

CASH	28	00
COIN	2	55
LIST CHECKS SINGLY	247	23
	75	24
TOTAL FROM OTHER SIDE		
TOTAL	353	02
LESS CASH RECEIVED	5	00
NET DEPOSIT	348	02

091915735:


CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT



Graders: 1 points for each entry = 11 points

Job 2 – Check Writing –11 points

1. Complete check #1234 using today's date. Make it payable to Shear Style for \$46.24 for a hair cut. Please sign using your name.

Mara Kulm 300 Annandale Road Annandale, MN 55302	1234
	__Today's date__ 20 ____ 75-1573/919
PAY TO THE ORDER OF <u>Shear Style</u>	\$ 46.24
<u>Forty-six</u>	24/100 DOLLARS
	NON-NEGOTIABLE
 First General Business Bank	
MEMO <u>hair cut</u>	_____ Student Signature
:091915735 : 123456789 1234	

2. Who is the drawee? First General Business Bank
3. Who is the payee? Shear Style
4. Who is the drawer? Mara Kulm
5. What is the routing number? 091915735
6. What is the purpose for writing this check? hair cut

