

# BANKING & FINANCE (06)

## Regional– 2008

Authored by Sherral Trotter

**TOTAL POINTS** \_\_\_\_\_ (100)

***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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**REGIONAL 2008**  
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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. An outstanding check is
  - a. a check that has not been written yet
  - b. a check that has been written but not yet cleared the bank
  - c. a check that has bounced
  - d. a check that is post-dated
2. One disadvantage of having money in a certificate of deposit (CD) versus a savings account is
  - a. a CD earns higher interest
  - b. you can deposit money into a CD any time you want
  - c. a CD is only for one person
  - d. the money in a CD can only be accessed at certain times without penalty
3. When an interest rate changes at different times during the term of the loan, it is called a
  - a. variable rate
  - b. fixed rate
  - c. prime rate
  - d. loan rate
4. An endorsement that signs a check over to a specific person is a
  - a. restrictive endorsement
  - b. blank endorsement
  - c. special endorsement
  - d. forgery
5. An order drawn by one bank on its deposits in another bank to pay a third party is called a
  - a. bank draft
  - b. cashier's check
  - c. certified check
  - d. money order
6. A petty cash fund is used to pay for all expenses.
  - a. True
  - b. False
7. A 12-month period used for financial accounting purposes is called
  - a. fiscal year
  - b. accounting period cycle
  - c. calendar year
  - d. none of the above
8. The second quarter in a year would consist of the months
  - a. January – February
  - b. April – June
  - c. July – September
  - d. March – April
9. When reconciling your checkbook, the bank service charge should be subtracted from the check register balance in order to balance with the bank.
  - a. True
  - b. False

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10. If a person's gross pay is \$200 weekly; has \$44.00 Federal and State Income Tax, \$2.22 City Tax, \$2.50 insurance, what will this person have in the check as take-home pay?
- \$145.00
  - \$163.24
  - \$248.72
  - \$151.28
11. Simple interest is computed only on the principal.
- True
  - False
12. The greatest disadvantage of using credit cards is
- having a record of expenses
  - being in physical danger
  - proving to be a responsible spender
  - being tempted to overspend
13. A(n) \_\_\_\_\_ consists of everything a person owns.
- estate
  - will
  - probate
  - beneficiaries
14. A formal written statement of expected income and expenses for a business during a future period of time is called a(n) \_\_\_\_\_.
- financial plan
  - strategic plan
  - budget
  - marketing plan
15. Which agency protects the money that you have invested in a bank?
- SEC
  - FDIC
  - FCID
  - GAAP
16. \_\_\_\_\_ gives the owner the advantage of receiving cash dividends before common stockholders receive any.
- capital gain
  - common stock
  - diversification
  - preferred stock
17. Stock in a company provides the stockholder with regular income when the company
- reinvests its earnings
  - pays dividends
  - splits its stock
  - pays interest until maturity

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18. To speak effectively, you
- need not worry about the tone you use
  - should express ideas clearly
  - may use slang to express your ideas
  - all of the above
19. Enunciation means
- pronouncing words clearly
  - speaking loudly enough for everyone to hear you.
  - presenting your message in as few words as possible
  - all of the above
20. If you have a balance of \$623.14 in your checkbook as of June 1 and you write two checks that total \$507.65 and make a deposit of \$1213.50, what will your ending balance be?
- \$2,344.29
  - \$82.71
  - \$1,328.99
  - None of the above
21. When choosing a credit card company, you should consider all of the following except:
- interest rate
  - yearly fee
  - credit limit
  - choices of card designs
22. The signature card is the bank's record of a customer's signature.
- True
  - False
23. The maximum balance you can have on a charge account is your
- credit approval
  - credit rating
  - credit limit
  - APR
24. On a proof of cash report, if cash received according to the cashier's count is \$1,426.06 and cash received according to the detailed audit strip is \$1,462.06, then cash is
- short
  - over
  - proved
  - under
25. Saving for vacation next summer or paying off small debts are examples of
- opportunity planning
  - short-term goals
  - long-term goals
  - opportunity results

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Job 1 – Endorsement – 15 points  
Complete the three endorsements as instructed.

1. *Blank endorsement* – complete the endorsement as if you were cashing the check for yourself.

Endorse Here  <hr/> Do Not Write Below This Line
---

2. *Special Endorsement* - complete the endorsement as if signing this check over to Fred Johnson.

Endorse Here  <hr/> Do Not Write Below This Line
---

3. *Restrictive Endorsement* – endorse the check to be deposited only.

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---

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Job 2 – Cashier Activity – 30 points

Complete the cash drawer count form below using the following information. (10 lines at 3 points each, total 30)

**ITEMS IN CASH DRAWER**

<b>Coins</b>	<b>Bills</b>	<b>Checks</b>
23 pennies	38 ones	\$ 5.75
38 nickels	26 fives	17.29
42 dimes	17 tens	8.25
28 quarters	12 twenties	

<b>CASH DRAWER COUNT</b>		
Date: 1/31/xx		
<b>Number</b>	<b>Type of Cash</b>	<b>Amount</b>
	<i>Pennies</i>	
	<i>Nickels</i>	
	<i>Dimes</i>	
	<i>Quarters</i>	
	<i>Half-Dollars</i>	
	<i>\$1 bills</i>	
	<i>\$5 bills</i>	
	<i>\$10 bills</i>	
	<i>\$20 bills</i>	
	<i>Checks</i>	
Total cash in drawer		

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Job 3 – Check Writing – 5 points

Complete Check #2500 using today's date. Make it payable to Smith's Drug Store for \$123.45.  
Sign it using your own name.

		2500
		_____20_____
PAY TO THE ORDER OF _____		\$ _____
_____		DOLLARS
<b>United National Bank</b> Los Angeles, CA 01293	--Specimen Check Only--	
Memo _____	_____	



# BANKING & FINANCE (06)

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### KEY

<b>Objective Portion</b> (25 @ 2 points each)	_____	(50)
<b>Production Portion</b>		
Job 1 – Endorsements	_____	(15)
Job 2 – Cashier Activity	_____	(30)
Job 3 – Check Writing	_____	(5)
<b>TOTAL POINTS</b>	_____	<b>(100)</b>

***Judges/Graders:***

Please double-check and verify all scores!

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Job 1 – Endorsement – 15 points  
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Endorse Here  <i>Student Signature</i> <hr/> Do Not Write Below This Line
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2. *Special Endorsement* - complete the endorsement as if signing this check over to Fred Johnson.

Endorse Here Pay to the order of Fred Johnson <i>Student Signature</i> <hr/> Do Not Write Below This Line
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3. *Restrictive Endorsement* – endorse the check to be deposited only.

Endorse Here  For Deposit Only <i>Student Signature</i> <hr/> Do Not Write Below This Line
---



Job 2 – Cashier Activity – 30 points

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38	<i>Nickels</i>	<b>1 90</b>
42	<i>Dimes</i>	<b>4 20</b>
28	<i>Quarters</i>	<b>7 00</b>
	<i>Half-Dollars</i>	
38	<i>\$1 bills</i>	<b>38 00</b>
26	<i>\$5 bills</i>	<b>130 00</b>
17	<i>\$10 bills</i>	<b>170 00</b>
12	<i>\$20 bills</i>	<b>240 00</b>
3	<i>Checks</i>	<b>31 29</b>
Total cash in drawer		<b>622 62</b>



Job 3 – Check Writing – 5points

Complete Check #2500 using today's date. Make it payable to Smith's Drug Store for \$123.45. Sign it using your own name.

		2500
		Today's Date <u>    </u> 20 <u>    </u>
PAY TO THE ORDER OF	Smith's Drug Store	\$ 123.45
One hundred twenty-three and 45/100 -----		DOLLARS
United National Bank Los Angeles, CA 01293		--Specimen Check Only--
Memo _____	Student's signature _____	