

BANKING & FINANCE (06)

Regional—2004

Objective Portion (30 @ 2 points each) _____ (60)

Production Portion

- Job 1 –Deposit Slip _____ (14)
- Job 2 –Check Writing _____ (11)
- Job 3 –Check Register _____ (30)

TOTAL POINTS _____ (***115***)

- 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.***

60 minutes of testing time
60 minutes allotted

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

Property of Business Professionals of America. May be reproduced only
for use in the Business Professionals of America
Workplace Skills Assessment Program regional competition.

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. A good budget has all the following characteristics EXCEPT _____.
 - A. inaccessibility
 - B. flexibility
 - C. practicality
 - D. careful planning

3. The Federal Reserve System was created by the passing of the Federal Reserve Act in 1913.
 - A. True
 - B. False

4. A savings option many employers offer is _____.
 - A. paying interest on employees' savings
 - B. sending employees' children through college
 - C. writing a check for employees' savings accounts
 - D. putting paycheck deductions in employees' retirement funds

5. Which of the following financial services is best suited for saving money over a period of years?
 - A. certificate of deposit
 - B. checking account
 - C. demand deposit
 - D. mortgage loan

6. The Federal Deposit Insurance Corporation insures depositors against losing their money in the case of a _____.
 - A. lost debit card
 - B. stolen paycheck
 - C. bank failure
 - D. death in the family

BANKING & FINANCE
REGIONAL 2004
PAGE 3 of 8

7. 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

8. If you deposit \$100 in an account with an annual interest rate of 6 percent compounded monthly, after 12 months you will have _____.
 - A. \$6
 - B. \$6.18
 - C. \$106
 - D. \$106.18

9. Credit card holders are known as convenience users when they _____.
 - A. pay off their balances each month
 - B. carry balances beyond the grace period
 - C. pay finance charges
 - D. carry smart cards

10. A credit bureau is required to follow reasonable procedures to make sure that _____.
 - A. creditors extend credit to retirees
 - B. eligible borrowers on public assistance receive credit
 - C. banks avoid the practice of redlining
 - D. the information in a person's file is correct

11. In which kind of savings plan does the interest rate vary from month to month?
 - A. regular savings
 - B. certificate of deposit
 - C. money market
 - D. U.S. Savings Bonds

12. When writing a check, include all of the following EXCEPT _____?
 - A. the current date
 - B. the name of the payee
 - C. your signature on the front
 - D. an endorsement on the back

13. The first step in balancing a checkbook is _____.
 - A. subtracting fees on the bank statement from the checkbook balance
 - B. comparing checks in the check record with those on the statement
 - C. adding interest earned to the checkbook balance
 - D. adding recent deposits to the bank statement balance

BANKING & FINANCE
REGIONAL 2004
PAGE 4 of 8

14. The finance charge on a credit card is calculated using the _____.
 - A. debt payment-to-income ratio
 - B. annual percentage rate
 - C. minimum down payment
 - D. term of the loan

15. The Consumer Credit Counseling Service offers to _____.
 - A. erase legitimate debts that consumers owe
 - B. supervise debt repayment plans
 - C. grant money for repaying debts
 - D. help debtors declare bankruptcy

16. In a Chapter 13 bankruptcy, the debtor usually gets to _____.
 - A. keep most of his or her property
 - B. discontinue alimony payments
 - C. avoid paying debts arising from fraud
 - D. stop payments on educational loans

17. Which risk component is most likely at fault when an investor's stock becomes worthless?
 - A. inflation
 - B. interest rates
 - C. business failure
 - D. financial markets

18. A corporation gets equity capital from its _____.
 - A. sole proprietor
 - B. partners
 - C. stockholders
 - D. professional managers

19. 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

BANKING & FINANCE
REGIONAL 2004
PAGE 5 of 8

20. Financial professionals consider share in AT&T _____.
A. blue-chip stocks
B. growth stocks
C. cyclical stocks
D. penny stocks
21. An example of a financial magazine that provides information about specific companies is _____.
A. *AMEX*
B. *Yahoo*
C. *Barron's*
D. *Stocks*
22. The investment that offers the highest rate of interest is _____.
A. an agency bond
B. a Treasury note
C. an EE Savings bond
D. a Treasury bond
23. The largest financial planners are monitored by the _____.
A. Securities and Exchange Commission
B. Chartered Financial Consultants
C. Harvard Business Review
D. Survey of Current Business
24. A legal form that asks stockholders to transfer their voting rights is called a _____.
A. security
B. proxy
C. preemptive right
D. stock split
25. Stock that has steady earnings and continues paying dividends even during economic declines is known as _____.
A. cyclical stock
B. growth stock
C. small cap stock
D. defensive stock

BANKING & FINANCE
REGIONAL 2004
PAGE 6 of 8

26. Your net worth is the difference between your _____.
- A. liquid assets and your real estate's market value
 - B. personal possessions' market value and your investment assets
 - C. assets and liabilities
 - D. current liabilities and long-term liabilities
27. Companies that specialize in loans for the purchase of homes are _____.
- A. mortgage companies
 - B. savings & loan companies
 - C. consumer finance companies
 - D. commercial banking companies
28. Products often purchased using price negotiation are _____.
- A. shampoos
 - B. swimsuits
 - C. CD players
 - D. automobiles
29. 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
30. If a check is lost or stolen, you might ask the bank for _____.
- A. overdraft protection
 - B. copies of canceled checks
 - C. a stop-payment order
 - D. a bank reconciliation form

Job 1 – Deposit Slip – 14 points

You deposit the following in your checking account: 6 five-dollar bills, 12 one-dollar bills, 6 quarters, 42 dimes, 10 nickels, 15 pennies, and checks for \$223.47, \$24.75. You would like to deposit the checks and receive 2 ten-dollar bills, 3 one-dollar bills, 10 quarters, and 10 dimes.

Cash	Currency	DOLLARS	CENTS
	Coins		
Checks	LIST SEPARATELY		
SUBTOTAL			
LESS CASH RECEIVED			
TOTAL DEPOSIT			

Job 2 – Check Writing –11 points

<i>Marie Servoss</i> 1812 Broadway Ave. Akron, OH 44307	317 00-5/740 ----- 20-----
Pay to the Order of _____ \$ _____	
	DOLLARS
Second National Bank	
1:07400052: 6485 600089	00000317

1. Complete check #317 using today's date. Make it payable to Hatman Dental Clinic for \$86.97 for an office visit.



BANKING & FINANCE (06)

KEY

Regional—2004

Objective Portion (30 @ 2 points each) _____ (60)

Production Portion

- Job 1 – Deposit Slip _____ (14)
- Job 2 – Check Writing _____ (11)
- Job 3 – Check Register _____ (30)

TOTAL POINTS _____ (**115**)

Graders:

When grading computer-generated problems, refer to the Style and Reference Manual and Production Standards in the *Workplace Skills Assessment Program* Guidelines for further instructions.

Double-check and verify all scores!

Property of Business Professionals of America.
May be reproduced only for use in the Business Professionals of America
Workplace Skills Assessment Program regional competition.

**BANKING & FINANCE
REGIONAL 2004
KEY
PAGE 2 of 5**



1. /A♣ /B♣ /C♣ /D♣ /E♣
2. /A♣ /B♣ /C♣ /D♣ /E♣
3. /A♣ /B♣ /C♣ /D♣ /E♣
4. /A♣ /B♣ /C♣ /D♣ /E♣
5. /A♣ /B♣ /C♣ /D♣ /E♣
6. /A♣ /B♣ /C♣ /D♣ /E♣
7. /A♣ /B♣ /C♣ /D♣ /E♣
8. /A♣ /B♣ /C♣ /D♣ /E♣
9. /A♣ /B♣ /C♣ /D♣ /E♣
10. /A♣ /B♣ /C♣ /D♣ /E♣
11. /A♣ /B♣ /C♣ /D♣ /E♣
12. /A♣ /B♣ /C♣ /D♣ /E♣
13. /A♣ /B♣ /C♣ /D♣ /E♣
14. /A♣ /B♣ /C♣ /D♣ /E♣
15. /A♣ /B♣ /C♣ /D♣ /E♣
16. /A♣ /B♣ /C♣ /D♣ /E♣
17. /A♣ /B♣ /C♣ /D♣ /E♣
18. /A♣ /B♣ /C♣ /D♣ /E♣
19. /A♣ /B♣ /C♣ /D♣ /E♣
20. /A♣ /B♣ /C♣ /D♣ /E♣
21. /A♣ /B♣ /C♣ /D♣ /E♣
22. /A♣ /B♣ /C♣ /D♣ /E♣
23. /A♣ /B♣ /C♣ /D♣ /E♣
24. /A♣ /B♣ /C♣ /D♣ /E♣
25. /A♣ /B♣ /C♣ /D♣ /E♣
26. /A♣ /B♣ /C♣ /D♣ /E♣
27. /A♣ /B♣ /C♣ /D♣ /E♣
28. /A♣ /B♣ /C♣ /D♣ /E♣
29. /A♣ /B♣ /C♣ /D♣ /E♣
30. /A♣ /B♣ /C♣ /D♣ /E♣



Graders: each line correct is worth 2 points X 7 lines = 14 points.

Job 1 – Deposit Slip – 14 points

You deposit the following in your checking account: 6 five-dollar bills, 12 one-dollar bills, 6 quarters, 42 dimes, 10 nickels, 15 pennies, and checks for \$223.47, \$24.75. You would like to deposit the checks and receive 2 ten-dollar bills, 3 one-dollar bills, 10 quarters, and 10 dimes.

		DOLLARS	CENTS
Cash	Currency	42	00
	Coins	6	35
Checks	LIST SEPARATELY	223	47
		24	75
SUBTOTAL		296	57
LESS CASH RECEIVED		26	50
TOTAL DEPOSIT		270	07



Graders: 1 points for each entry = 11 points

Job 2 – Check Writing –11 points

<i>Marie Servoss</i>	317
1812 Broadway Ave.	00-5/740
Akron, OH 44307	_Current Date_ 20__
Pay to the Order of Hatman Dental Clinic	\$ 86.97
Eighty-Six	97/100 DOLLARS
Second National Bank	
Office Visits	<i>Marie Servoss</i>
1:07400052: 6485 600089	000000317

1. Complete check #317 using today's date. Make it payable to Hatman Dental Clinic for \$86.97 for an office visit.
2. Who is the drawee? **Second National Bank**
3. Who is the payee? **Hatman Dental Clinic**
4. Who is the drawer? **Marie Servoss**
5. What is the routing number? **00-5/740**
6. What is the purpose for writing this check? **Office Visit**



Job 3 – Check Register – 30 points

Graders: 1 points for each entry = 30 points

Your checkbook balance was \$492.16 on September 3. Use the check register below to record the following transactions: On 9/5 check #442 for \$102.06 payable to Lenny’s Deli; on 9/6 check #443 for \$228.00 payable to Merchant’s Bank; on 9/10 a deposit of \$350.00; on 9/12 check #444 for \$35.79 payable to Home Pharmacy; on 9/15 check #445 for \$42.22 payable to Trenton Shoe Store; on 9/15 automatic transfer for \$72.60 payable to Home Gas Company.

CHECK NO.	DATE	CHECKS ISSUED TO OR DESCRIPTION OF DEPOSIT	AMOUNT OF CHECK	AMOUNT OF DEPOSIT	BALANCE
BALANCE BROUGHT FORWARD					492.16
442	9/5	Lenny’s Deli	102.06		390.10
443	9/6	Merchant’s Bank	228.00		162.10
	9/10	Deposit		350.00	512.10
444	9/12	Home Pharmacy	35.79		476.31
445	9/15	Trenton Shoe Store	42.22		434.09
EFT	9/15	Home Gas Company	72.60		361.49